

**IN THE GENERAL DIVISION OF THE HIGH COURT OF
THE REPUBLIC OF SINGAPORE**

HC/OA /2023

In the matter of Section 210 of the Companies
Act 1967

And

In the matter of Part 5 of the Insolvency,
Restructuring and Dissolution Act 2018

And

In the matter of **DEFI PAYMENTS PTE. LTD.**
(Singapore UEN No. 202040110H)

DEFI PAYMENTS PTE. LTD.
(Singapore UEN. 202040110H)

... Applicant

AFFIDAVIT

Name of maker: Darshan Sunil Bathija (Singapore FIN No. G4022219M)
Address: 160 Robinson Road #14-04, Singapore 068914
Occupation: Director
Description: Applicant

I, **DARSHAN SUNIL BATHIJA** (Singapore FIN No. G4022219M) do solemnly
and sincerely affirm and say as follows:

INTRODUCTION

1. I am a director of Defi Payments Pte. Ltd. ("**Defi Payments**" or the "**Company**")
and I am duly authorised to make this affidavit.
2. Unless otherwise stated, all matters stated herein are within my personal
knowledge and are true. Insofar as matters deposed herein are not within my

personal knowledge, they are based on documents within my possession which are true to the best of my knowledge, information and belief.

3. I make this affidavit in support of Defi Payments' application for, *inter alia*, the following orders:

(a) That leave be granted to Defi Payments to convene a meeting of its creditors pursuant to section 210(1) of the Companies Act 1967 (the "**Act**"), for the purposes of considering, and if thought fit, approving a scheme of arrangement (the "**Scheme**") (the "**Scheme Application**").

(b) That leave be granted for the Scheme Meeting to be convened in the manner set out in Annex A to the Originating Application.

(c) That Defi Payments be granted leave to vary and/or substitute the procedure relating to the inspection and adjudication of proofs of debts filed by creditors in the manner set out in Annex B to the Originating Application pursuant to section 68(14) of the Insolvency, Restructuring and Dissolution Act 2018 (the "**IRDA**") read with the Insolvency, Restructuring and Dissolution (Proofs of Debt in Schemes of Arrangement) Regulations 2020 (the "**POD Regulations**") (the "**Variation Application**").

(d) That no action or proceeding be commenced, proceeded with or continued against Defi Payments for the period of 4 months from the date of an Order made pursuant to this Application except with the leave of the Court and subject to such terms as the Court imposes (the "**Moratorium Application**").

(collectively, "**Application**" or "**Applications**" where appropriate).

4. This affidavit is structured as follows:
 - (a) In **Section I**, I will explain the background of the Company and its broad restructuring efforts leading up to the present Applications.
 - (b) In **Section II**, I will justify why this Honourable Court should grant the Scheme Application, through which I set out an overview of the key commercial terms of the Scheme, and that the relevant factors that this Honourable Court should take into are fulfilled.
 - (c) In **Section III**, I set out how the Scheme is proposed to be conducted up until the sanctioning of the Scheme, and I will explain why the variations of the proposed procedure from the IRDA and the POD Regulations are justified, and therefore, that the Variation Application should be granted.
 - (d) In **Section IV**, I will explain why a moratorium to protect the Company while it conducts a meeting of its creditors and conducts a vote for the Scheme is necessary. This present Originating Application is linked to HC/OA 318/2022 (“**OA 318**”) and its sub-applications, which are the Company’s previous applications for moratorium relief under section 64 of the IRDA, and the Company will be seeking the same substantive orders with respect to the present Moratorium Application as with the orders made in OA 318.

- I. **BACKGROUND**

5. Defi Payments is a part of the Vault group of companies (the “**Vault Group**”), which comprises entities incorporated in and outside of Singapore. The Vault Group operates a website and mobile application (the “**Vault Platform**”), which

among others, provides online services relating to the lending, borrowing and trading of various cryptocurrencies.

6. For the avoidance of doubt, the exchange trading business of the Vault Group is not operated by Defi Payments, but instead by its related company in India, Flipvolt Technologies Private Limited ("**Flipvolt**").
7. The company is currently managed by its directors, consisting of myself and Mr Sanju Sony Kurian. A copy of an ACRA search conducted on Defi Payments on 10 April 2023 is exhibited hereto at "**DB-1, Tab 1**".

(A) THE MORATORIUM UNDER OA 318

8. In mid-2022, the Company faced financial and liquidity pressures due to a number of factors, including but not limited to, the downturn of the cryptocurrency market precipitated by the collapse of altcoins such as TerraUSD and the knock-on effect it had on the cryptocurrency market, the value of cryptocurrencies and the financial positions on other cryptocurrency players. The liquidity of the Company at the time was further threatened by increased withdrawal requests on the Vault Platform.
9. As such, facing mounting liquidity pressures, the Company took two major steps. First, on 4 July 2022, it made the decision to cease all trading, deposits and withdrawals on the Vault Platform. Second, it appointed financial advisors, Kroll Pte Limited ("**Kroll**") as well as Cyril Amarchand Mangaldas and Rajah & Tann Singapore LLP as its legal advisors in India and Singapore respectively, to advise the Company and explore possible debt restructuring options. In furtherance of this, with the advice from its financial and legal advisors, the

Company applied for a moratorium to, among others, restrain legal proceedings taken up against the Company while it sought to propose a restructuring plan. On 1 August 2022, this Honourable Court granted the moratorium, which was extended three times up to and ending on 28 April 2023. The Orders of Court in OA 318 and its sub-applications as well as an interim moratorium granted by this Honourable Court in its letter to Rajah & Tann dated 28 February 2023 are collectively exhibited at “**DB-1, Tab 2**”.

(B) DEFI PAYMENTS’ RESTRUCTURING EFFORTS

10. In the intervening 8 months since the grant of the OA 318 moratorium on 1 August 2022, Defi Payments has been making a consistent effort to formulate beneficial restructuring terms for its creditors, taking into account their needs and preferences based on numerous engagements and discussions with the creditors as well as a consultative body of creditors known as the Committee of Creditors¹ (“**COC**”). The COC was formed sometime in early October 2022 comprising 17 members (which was later expanded to 30 members in early 2023 on the recommendation of this Honourable Court), and broadly represents the various sub-demographics of the creditors based on their jurisdiction and size of claims against the Company.
11. While I do not intend to set out exhaustively the Company’s restructuring efforts, I wish to instead highlight the key occasions in which we have taken steps to engage with creditors to receive their views and suggestions while simultaneously clarifying any queries or potential misunderstandings regarding

¹ The COC was formed for the main purpose of acting as a consultative committee and to provide general feedback and comments from the perspective of the general unsecured creditor. The COC does not purport to make any decisions or vote on behalf of the creditors, nor do any of their acts and/or omissions bind other creditors or affect their rights in any way.

the company's restructuring process. These various sessions were helpful in guiding the overall direction of the Scheme as we did our best to accommodate and work in the creditors' preferences and key considerations wherever possible. To this end, we conducted, among others:

- (a) A total of 15 COC meetings;
- (b) A total of 5 virtual creditor townhalls / ask-me-anything sessions, which were recorded and shared with all creditors; and
- (c) A total of 2 meetings with the Company's top 20 – 50 unsecured creditors.

II. THE SCHEME APPLICATION

12. I have been advised by Defi Payments' solicitors that in deciding whether to grant an application to convene a meeting of creditors for the purposes of voting for a scheme, the Court will take into account the following factors:

- (a) Whether the proposed scheme is sufficiently particularised such that the Court can assess the general feasibility of the scheme without scrutinising its merits;
- (b) Whether the creditors are classified correctly;
- (c) Whether there is a realistic prospect of the proposed scheme receiving the requisite approval of the creditors; and
- (d) Whether the proposed scheme is an abuse of process.

While I will leave Defi Payments' solicitors to make the necessary legal submissions on the above, I believe that the above factors are adequately fulfilled, and I will elaborate on them below.

(A) THE PROPOSED SCHEME IS SUFFICIENTLY PARTICULARISED

13. The proposed Scheme will take the shape and form of a distribution of Defi Payments' assets, while incorporating potentially multiple rounds of Reverse Dutch Auctions ("**RDA**")**RDA**, which are essentially debt tender offers conducted by way of a reverse Dutch auction, and pari passu distributions while Defi Payments takes steps to recover its illiquid assets; in addition to the distribution of net profits from the new business which the Company intends to undertake under a subsidiary company intended to be incorporated for this purpose.
14. We exhibit in this affidavit the following draft documents which encapsulate substantially all of the finalised terms of the Scheme, subject to the further finalisation of certain administrative and procedural details:
 - (a) At "**DB-1, Tab 3**", a draft Scheme of Arrangement;
 - (b) At "**DB-1, Tab 4**", a draft Explanatory Statement; and
 - (c) At "**DB-1, Tab 5**", a draft Scheme Protocol.
15. We also discuss below the salient terms of the Scheme:
 - (a) The full repayment of INR balances: As mentioned, the Vault Group consists of operational entities other than Defi Payments which only deals with the staking and loaning of cryptocurrencies. Creditors have been informed that

the Scheme envisions that the Company will procure Flipvolt to repay the Company's creditors with INR balances (i.e. creditors of Defi Payments who are also creditors of Flipvolt insofar as their INR balances in their accounts maintained on the Vault platform are concerned) upon the implementation of the Scheme. For the avoidance of doubt, individuals who are only creditors of Flipvolt will not vote in the present scheme, while those who are creditors of both Flipvolt and Defi Payments will only vote with respect to their claims against Defi Payments.

- (b) One-Time Conversion of the token Scheme Creditors would receive in the Initial RDA and First Distribution of Liquid Assets at the Scheme Effective Date: A feature of the Scheme is the purely opt-in option for Scheme Creditors to choose and therefore change the token denomination in which they receive their distributions from the Company's Liquid Assets as at the Scheme Effective Date. For example, a creditor may have a claim of 100 USDC (a stablecoin with minimal volatility), and he may wish to receive distributions on his claim in BTC (a token with higher volatility). The One-Time Conversion gives the creditors the flexibility to decide which tokens they would like to receive their distributions in based on their individual preferences, i.e. a chance to deviate from the original token of their Approved Claims. To aid the creditors in making this decision, the Company has developed a calculation tool, solely for illustration purposes only, to estimate the different distribution amounts based on a number of input variables such as the token selected and the prevailing market prices.²

² The tool can be accessed at <https://www.vault.com/restructuring>.

- (c) An initial RDARDA and subsequent RDARDAs: Another key feature of the Scheme is the RDARDA, allowing creditors to bid for immediate liquidity. During the Initial RDARDA, the Company will reserve a certain amount of its Liquid Assets for creditors to participate in the RDARDA, and creditors may bid from a minimum of a 45% discount. Liquid Assets which are unutilised from the Initial RDARDA will be distributed pari passu to all Scheme Creditors. Subsequently, upon the recovery of significant illiquid assets, the Company may elect to conduct further RDARDAs and distributions where appropriate.
- (d) New Business: Upon the implementation of the Scheme, the Company proposes to utilise its existing infrastructure to commence decentralised finance yield-generating strategies, at little to no additional overhead costs. This is purely on an opt-in basis, and will not affect the rights of the Scheme Creditors in any way. The benefit of the new business is that any net profits generated from the new business may be distributed pari passu to the Scheme Creditors who have not exited the Scheme (for example, by successfully bidding their entire claim under the RDARDA).
- (e) Change of management: Upon the implementation of the Scheme, the existing directors will step down from management positions, and a new board of directors will be appointed. It is envisioned that such a new board will include, among others, an individual selected by the creditors from a shortlist of nominated professionals from Singapore accounting or advisory firms with good standing,³ and this list of nominees would be provided by the

³ As well as any requirements as may be prescribed by the Company in the Scheme.

Company and/or the Scheme Creditors, and a representative to be appointed by the Scheme Manager.

16. In addition to the key terms of the Scheme explained above, for full disclosure, I believe that the creditors have been made aware of the consequences and the financial costs of the Company entering into a scheme of arrangement with them, which may have an impact on the creditors. I explain below the salient points which the Company has made clear to creditors in the lead-up to this Application.

Creditors have been informed of a liquidation analysis and the comparison of recoveries under the liquidation and the Scheme.

17. At the outset, I wish to highlight that throughout the restructuring process, and especially after the concretisation of the proposed Scheme, the Company and Kroll prepared and presented liquidation scenario analyses so that creditors could assess the prospects of recovery under each scenario. These liquidation scenario analyses are set out at pages 9 to 10 the draft Explanatory Statement. In summary of these analyses, Defi Payments projects that in an insolvent liquidation scenario, and assuming full recovery of the Company's Illiquid Assets, the unsecured creditors of Defi Payments will only receive up to 80% recovery of the value of their claims. In contrast, under the Scheme, the projected recovery of unsecured creditors is up to 96%, which is a materially higher level of recovery.
18. The difference in the project recovery levels can be explained by, *inter alia*, the lower costs of a restructuring compared to a liquidation process and the likely impairment of recoveries of receivables if the Company enters liquidation. These have already been addressed in my affidavits in OA 318, which were shared with

all creditors. Examples of documents which present a full explanation of these reasons and breakdowns of the estimated costs of a restructuring versus a liquidation are the slide decks presented at the COC Meeting held on 31 January 2023 and the creditor townhall on 9 February 2023. Copies of these slide decks are exhibited hereto in this affidavit at “**DSB-1, Tab 6**”.

19. Given the Company's situation of managing substantially only token assets and not traditional assets, there are also unique benefits to a debtor-in-possession restructuring scenario which makes it objectively better for creditors than the comparator scenario of an insolvent liquidation.
 - (a) A restructuring allows the Company to retain its technological infrastructure, databases and platforms, which will be retained and managed by its in-house engineers, thereby removing the need to incur new overhead costs in the liquidation of the Company.
 - (b) The Scheme allows for flexible terms which meet the needs and preferences of the creditors, including but not limited to the optional token conversion as well as the RDA options, giving creditors the freedom to elect the timing and the token in which their distributions are made in accordance with their preferences.
 - (c) The Scheme also potentially offers a faster payout, and the Company projects to conduct the first RDA and pari passu distribution within 2-3 months from the implementation of the Scheme.

20. As such, I believe that the creditors have been made aware, not just of the terms of the proposed Scheme, but how it would likely fare better when placed beside a liquidation comparator.

Creditors are informed of the costs of operating the Scheme.

21. I also wish to state that creditors have been informed of the fees that the Company will incur as administrative costs and expenses of operating the Scheme, from the time of the application until the end of the Scheme. These include employees' fees and other internal expenses, third-party professional and the potential loan to be given to Flipvolt to facilitate Flipvolt's repayment of liabilities owing to creditors of their INR balances (see paragraph 15(a) above). As such, the Company has proposed to set aside a reserve of up to USD10m of its available liquid assets as a costs reserve for, among others, operational costs and such professional fees costs and expenses in relation to the Scheme - a breakdown of the latter is provided below:

Estimated Restructuring Costs and Expenses	USD'000
Legal Advisor – Rajah & Tann Singapore LLP	500
Financial Advisor – Kroll Pte Limited	1,839
Proposed Independent Assessor – Quantuma (Singapore) Pte Limited	150
Scheme Manager – Kroll Pte Limited	560
Tabulation Agent and RDA Agent – Kroll Issuer Services	675
Total	3,724

22. Additionally, these parties will sit outside the Scheme and fees accrued will be paid in full before the implementation of the Scheme. Any further costs by these parties incurred during the Scheme will also be paid in full before any distributions during the Scheme.
23. Preliminary figures on the costs of restructuring (such as the costs of the third-party professional services) have been shared with the creditors through various COC meetings, townhalls and slide decks for the respective sessions. For example, we refer to the COC meeting slides that were presented on 31 January 2023 (see paragraph 18 above). As we formulated the terms of the Scheme, we had more visibility on the parties we were engaging to assist with the administration of the Scheme and their respective fee quotes, and a fuller picture can be found at pages 8 to 10 and pages 18 to 23 of the draft Explanatory Statement.

(B) THE CREDITORS ARE PROPERLY CLASSIFIED

24. I am advised by the Company's legal advisors that the proper classification of creditors is a precursor to the Court having jurisdiction to sanction the proposed Scheme.
25. There is only one class of unsecured creditors contemplated by the Scheme, which are the Company's customer creditors. These are:
- (a) creditors who maintain accounts on the Vault Platform, and are therefore owed by the Company the cryptocurrency balances standing to their accounts as at 4 July 2022, which is the date on which all deposits and

withdrawals were suspended, and the date on which all claims are deemed to have crystallised (“**Ascertainment Date**”); and

- (b) creditors who had obtained loans from the Company on the Vault platform for which they had made deposits of cryptocurrency that the Company had imposed restrictions on withdrawal and earning of interest thereon whilst these loans are outstanding. These creditors would have claims for the remaining amount of such deposits after the application of the same towards repayment of the outstanding loans.

26. I believe that, as all of these creditors are essentially owed the same nature of debt by the Company and are proposed to be treated the same under the Scheme with regard to their anticipated distributions, notwithstanding in differing amounts, they can and should be classified together for the purposes of the vote.

27. For full disclosure, the following are excluded creditors/claims from the Scheme:

- (a) Amounts owing to employees of the Company arising solely from or in connection with their employment with the Company.
- (b) Any person with an Excluded Claim against the Company, but only in respect of such Excluded Claim.⁴ For the avoidance of doubt, such person can also

⁴ An “Excluded Claim” means any known or unknown claim, charge, promise, cause of action, or similar right which any person may have against the Company, arising out of any transaction, act or omission of the Company or of any person occurring on or before the Ascertainment Date, including any interest, default interest, premium, additional amounts, make whole amounts, fees, commissions, and penalties arising out of such claim, whether the claim be actual, present, future or contingent or whether liquidated or sounding only in damages, and whether in contract or tort or howsoever arising, which falls into one or more of the following categories:

- (a) It is a claim by a creditor which would, pursuant to Section 203 of the Insolvency, Restructuring and Dissolution Act 2018, be entitled to be paid in priority to all other unsecured debts of the Company in a winding up of the Company; and/or
- (b) It comprises any debt or liability of the Company up to the assessed value of a security interest.

be a scheme creditor in respect of any Approved Claim which that person may concurrently have against the Company.

(c) The service providers in the Scheme, namely (i) Kroll Pte Limited as Scheme Manager and the Company's financial advisors; (ii) Kroll Issuer Services Ltd as the Tabulation Agent and RDA Agent, (iii) Quantuma (Singapore) Pte Limited as the proposed Independent Assessor⁵ and (iv) Rajah & Tann Singapore LLP and Cyril Amarchand Mangaldas as the Company's legal advisors.

(d) The following parties who have unconditionally and irrevocably waived all claims against the Company (the "**Waived Claims**"):

(i) Darshan Sunil Bathija;

(ii) Sanju Sony Kurian; and

(iii) Any natural person who is a legal dependent of Darshan Bathija and/or Sanju Sony Kurian, and/or who is related by blood, adoption and/or marriage to either Darshan Bathija and/or Sanju Sony Kurian.

28. I thus believe that the creditors have been classified appropriately, and this Court has the jurisdiction to grant leave to convene a meeting of creditors. If necessary, I will leave it to Defi Payments' solicitors to make the appropriate legal arguments.

⁵ As the engagement of the Independent Assessor has not been finalised, for the purposes of this affidavit, all references to Quantuma and/or the Independent Assessor refers to the proposed Independent Assessor.

(C) THERE IS A REALISTIC CHANCE OF THE SCHEME BEING APPROVED

29. I believe there is a realistic prospect of approval of the Scheme by the Defi Payments' creditors.
30. As mentioned above at paragraph 17 to 23, the Company and Kroll have done an extensive financial analysis on the potential recoveries under the MWD and under liquidation. With Kroll's advice, the Company has taken the view that the Scheme would likely lead to a more advantageous realisation of assets than in liquidation. We have made this clear to the creditors by presenting the figures to them in various COC meetings and townhalls as well as by sharing the various documents (such as COC presentation slide decks) which set out the liquidation and MWD financial analysis. Therefore, right off the bat, I believe that the Scheme, which would likely offer better returns to the creditors, would have a realistic chance of approval.
31. There is in fact evidence of support which would suggest that the Scheme has a realistic chance of success if put to a vote. Sometime in February 2023, the Company circulated an informal poll to all its creditors to get a sense of the creditors' preference for the type of restructuring outcome they would prefer. This informal poll was kept open for approximately a week, and some of the key statistics are set out below:
- (a) 1,525 creditors participated in the informal vote, representing approximately 1% of the Company's total creditors by number and about US\$134m (~41%) of the Company's total creditors by value.

(b) 86% of the respondents indicated support of any restructuring plan, and 72% of all respondents in value indicated a preference for a MWD, which the present Scheme is essentially is.

(c) Approximately 45% of creditors by number and 54% of creditors by value expressed interested in participating in a RDA.

Copies of (i) the email inviting creditors to participate in the informal poll, (ii) a sample of the poll form and (iii) the table of results are collectively exhibited at **“DSB-1, Tab 7”**.

32. Additionally, this poll was taken at the early stages of the proposed Scheme being formulated. Since then, the details of the Scheme have been developed incrementally (for example, the New Business), and I am fairly confident that creditors would be inclined to consider the merits of the Scheme at a vote.

33. The Scheme is likely to result in a better outcome to creditors than liquidation based on the statistics and data, and this is also reflective of the creditors' general sentiment as evidenced through the poll. As such, I firmly believe that the Company would not be putting forth a hopeless proposal to vote, and there is more than a decent chance of the Scheme being supported by the general run of creditors at a vote.

(D) THE SCHEME IS NOT AN ABUSE OF PROCESS

34. At this juncture, I wish to briefly deal with any potential allegation that the Scheme is brought in bad faith or is otherwise an abuse of process.

35. We acknowledge that a group of creditors, self-termed the Vault Creditor Alliance (the “**VCA**”), has held firm opposition to the proposed restructuring and actively campaigned for the Company’s liquidation; 5 VCA members had sought leave in HC/SUM 475/2023 to file a winding-up application against the Company.
36. I firmly maintain my belief that the Company has sought to propose a restructuring plan that places the interests of the creditors at the forefront; the reason we have elected to propose the Scheme is because according to the figures, a Scheme will likely result in a better distribution than liquidation. I acknowledge that there will always be opposition and contrarian views to ours. In any event, I note that these views allege the potentially high costs of restructuring as compared to a liquidation; I believe that this is not sufficient to allege any abuse of process, and we firmly reject any such allegations, if any. The Scheme is brought forth because we believe that it will offer a fair and equitable solution to the Company’s current financial difficulties that is better than liquidation, and the creditors have already given some in principle support for it.
37. Given the foregoing, we humbly seek this Honourable Court’s leave for the Company to convene a meeting of creditors and to allow the creditors to have the choice in determining whether they wish to enter into the Scheme.

III. THE VARIATION APPLICATION

38. I have been advised by Defi Payments’ solicitors that a company which wishes to conduct a scheme of arrangement must, unless leave is obtained by the Court, comply with the manner prescribed by the IRDA and the POD Regulations in relation to, among others, the adjudication and inspection of proofs of debts.

39. I set out this section in two parts:

(a) A broad overview on how the Scheme is envisioned to be conducted from the time of the Applications until the hearing for the Scheme to be sanctioned by the Court (if the Scheme receives approval from the requisite majority of creditors).

(b) The Company's proposed variations in relation to the adjudication and inspection of proofs of debts, and its justifications for doing so.

40. The Scheme Protocol, which sets out the procedure and timelines in which the Company proposes to convene the meeting of creditors to propose the Scheme is exhibited to this affidavit. This Scheme Protocol sets out the entire process in full. We explain the contents of the Scheme Protocol below.

(A) HOW THE SCHEME WILL BE CONDUCTED

41. The Company proposes that the process of the Scheme being placed before the creditors, from the time of this Application to the sanctioning of the Scheme (if the requisite approval is obtained) is as follows:

(a) The meeting of creditors and voting will take place in three stages: (i) an Online Meeting, (ii) an Administration Period and (iii) the Voting Period.

(b) An Online Meeting will be held in lieu of a creditors' meeting in person, and during this Online Meeting, the Company will explain the details of the Scheme as well as the involvement of the creditors in the Scheme process, such as voting.

- (c) Prior to the Online Meeting, the Company will ascertain each customer creditor's claims against the Company based on its database on customer accounts (the "**Approved Claims**")⁶. A notice will be issued to all creditors 7 Business Days before the Online Meeting, and in this notice, the Company will provide key information such as (i) the details of the Online Meeting, (ii) details on the creditors' Approved Claims and how it may be accessed, (iii) how creditors may dispute their Approved Claims and/or submit additional claim(s), (iv) how creditors may inspect another creditor's proof of debt, and (v) the proposed list of professionals who are to be nominated by the creditors into the Company's new board of directors upon the implementation of the Scheme.
- (d) During the Online Meeting, the Company will explain the terms of the Scheme and clarify any queries a creditor may have regarding the Scheme.
- (e) Concurrently, the Administration Period will take place, where creditors may submit queries, submit disputes and/or additional claims and submit requests to inspect another creditor's proof of debt. During this period, a single Independent Assessor will resolve such matters, with assistance from the Company and Scheme Manager where necessary.
- (f) After the Administration Period, the creditors will all vote via an online voting form. I have been advised by Defi Payments' solicitors that in order for a scheme to be approved by the creditors, the requisite majority must be met

⁶ This will be elaborated on in the next section.

by creditors “present and voting”. In this regard, the total number of valid votes received will constitute the pool of creditors “present and voting”.

(g) Once the votes are tabulated and verified by the Independent Assessor, the results will be shared with the creditors. If the requisite majority to approve a scheme is obtained, the Company will proceed to make an application to this Court to sanction the Scheme.

42. The details of the above scheme process are set out in the next section as well as in the Scheme Protocol. For this Court’s reference, we set out a condensed indicative timeline of the key milestones and activity periods as follows:

Description of activity	Dates (the reference to days herein are Business Days)
Filing of the Applications	12 April 2023
End of OA 318 moratorium	28 April 2023
Court hearing for the Applications (and assuming that leave is granted to the Company to convene the meeting of creditors on the same day) (<i>subject to the Court’s schedule</i>)	Day D (“D”)
The Company issues a notice of a meeting of creditors (“ Notice ”), which contains key information, such as the creditors’ claims against the Company as well as the scheme documents for the creditors’ initial perusal	D+3
Online Meeting held in lieu of a meeting of creditors	D+11
Period for creditors to submit any disputes relating to their claims and additional claims against the Company	D+3 to D+13
The Company is to publish of a list of creditors who have a claim against the Company	D+14
Period for creditors to submit requests to inspect another creditor’s proof of debt	D+14 to D+17

Description of activity	Dates (the reference to days herein are Business Days)
The Company to send a notice to creditors with voting instructions	D+16
Period for the Independent Assessor to resolve any disputes, additional claims and/or requests for inspection	D+3 to D+27 (for claim disputes and additional claims) D+14 to D+27 (for requests for inspection)
Voting period	D+20 to D+25
Submission of votes for verification by the Independent Assessor	D+28
Independent Assessor verifies the votes and sends written notice to the Scheme Manager and the Company	D+31
Company to issue notice to all Creditors on results of the vote	D+33
The Company files an application to sanction the Scheme (if the Scheme receives approval from the requisite majority of creditors) ("Sanction Application")	D+45
Hearing of the Sanction Application (<i>subject to the Court's schedule</i>)	Day H ("H")
Extraction of Order and Filing of Order with ACRA	H + 5

43. The above sets out a brief overview and summary of the scheme process up until the potential sanctioning of the Scheme by this Court. A detailed step-by-step procedure of the scheme process is set out in the Scheme Protocol. In the next section, I set out the key variations of the proposed scheme process from the IRDA and POD Regulations, as well as that from the Companies Act.

(B) JUSTIFICATIONS FOR THE VARIATIONS IN THE SCHEME PROCESS

44. I have been advised by Defi Payments' solicitors that notwithstanding the procedures in conducting a scheme meeting set out in the Companies Act, as well as the IRDA and the POD Regulations, the Court has the power to approve a company's application for variations to the adjudication and inspection of proof of debts procedures, pursuant to section 68(14) of the IRDA and also the process of voting pursuant to section 210(3AB) of the Companies Act.
45. As mentioned above, the variations we have proposed and the specific justifications for each variation are set out in full in the Scheme Protocol. However, from a broader perspective, the variations were proposed with the following considerations:
- (a) To enhance the flow information to potentially up to 150,000 creditors through the appropriate use of various communication platforms, such as email blasts, live-streams and posting of information on a centralised website.
 - (b) To ensure greater participation from potentially up to 150,000 creditors who are located globally and across many different time zones.
 - (c) To balance the transparency of the Scheme process with the privacy of the creditors, most of whom are individuals and not corporations.
 - (d) To centralise the task of determining proofs of debts on the Company, given that it already has the data of each of its creditors.

- (e) To give sufficient time for creditors to dispute their Approved Claims, submit additional claims and/or to submit requests to inspect the proof of debts of another creditor.
 - (f) To allow creditors sufficient time to ponder about the Scheme, discuss with each other and send queries to the Company, so as to put them in a better position to understand the Scheme and make an informed decision when casting their vote.
 - (g) To centralise the administrative task of resolving claims and/or inspection disputes with a single court-appointed Independent Assessor, both to ensure a more efficient process as well as to reduce the burden on the creditors on sourcing and appointing their own independent assessor.
46. I will briefly explain each why each of these variations should be approved by this Honourable Court. As mentioned, the full details can be found in the Scheme Protocol.

Feature 1 – The meeting of creditors is replaced by an Online Meeting, an Administration Period and a Voting Period.

47. I understand that under a traditional scheme, a meeting of creditors is usually convened (whether physically or even online in more recent times), and a vote is immediately taken at the conclusion of the meeting after the Company has proposed its scheme to the creditors.
48. We believe that this is not feasible for three main reasons: First, the creditors are located across the globe and consequently different time zones. Even if a

meeting was to be conducted virtually, there may not be a single time slot which would suit every creditor. Second, it is not feasible for all of the creditors to attend a meeting, even a virtual one, to attend and discuss in the traditional manner given limitations of online platforms to accommodate the large number of creditors. Third, it would not be practical to allow creditors to nominate proxies, and the Company considers it more beneficial for creditors to be provided the information directly by way of the Scheme Website and be allowed to vote at their own time during a prescribed period.

49. The Company therefore seeks the approval of this Court that the scheme process be held in the following stages:

(a) **Stage 1 – Online Meeting:** The Company will conduct a virtual Online Meeting that will be live-streamed, where the Company will explain the details of the Scheme as well as how it would affect the creditors. During the Online Meeting, the Company will also provide information on matters which require action on the part of the creditors, such as disputing and inspecting claims. An avenue will also be provided for creditors to submit queries ahead of time, as well as to submit queries during the Online Meeting, for the Company to address.

As the Company envisages that a significant number of creditors will not be able to attend the Online Meeting, a recording will be taken and shared with all the creditors to ensure that creditors who are not able to attend the Online Meeting are not deprived of information which may help them make an informed vote.

- (b) **Stage 2 – Administration Period:** Concurrent with the Online Meeting, there will be a period called the Administration Period, where the following will be conducted: (i) creditors to dispute their Approved Claims as well as to submit any additional claim(s) against the Company, (ii) creditors to inspect the proof of debts of other creditors, (iii) creditors to submit any queries they may have before the Voting Period to the Company, and for the Company to address these queries, and (iv) for the Scheme Manager and/or the Independent Assessor to respond to any disputes, claims and inspection requests. This will be elaborated on below.
- (c) **Stage 3 – Voting Period:** After the close of the Administration Period, the creditors will vote on the Scheme using an online voting form, and must do so within the prescribed period.

Feature 2 – Voting will be done over a period by way of an online vote.

50. I understand that the IRDA and POD Regulations do not prescribe a fixed procedure to conduct the voting of the Scheme, although I do generally understand that a vote and a creditors' meeting is usually held one after another at the same setting because section 210(3AB) requires the voting base to be those creditors "present and voting".
51. As mentioned above, the Scheme will be conducted via an Online Meeting for the creditors to understand the terms of the Scheme, an Administration Period for creditors to resolve matters relating to their proofs of debts as well as to submit queries to the Company, and a Voting Period. This Online Meeting will be recorded and made available to creditors because of the global profile of creditors.

52. In any event, there are potentially up to 150,000 scheme creditors, and it would not be practical for the Company to receive mail-in votes, whether by post or electronic means.
53. The Company thus seeks this Court's approval for the voting of the Scheme to be conducted by way of an online voting form throughout the Voting Period, in the following manner:
- (a) An individual link to the Voting Form will be sent to each Scheme Creditor 5 Business Days after the Online Meeting. Each Scheme Creditor will be required to authenticate their identity by inputting certain data, such as the unique creditor code assigned to each of them – these login credentials, which comprise a unique alphanumeric code and an email address, are unique to each Scheme Creditor such that they will only be permitted to vote once per registered account tied to each Scheme Creditor.
 - (b) A sample of the voting form may be found at Annex D of the Scheme Protocol.
 - (c) All votes are to be cast using the voting form only, and within the prescribed period.
 - (d) As it will be extremely onerous for the Company to have to manage potentially up to 150,000 voting results, each creditor may only submit the form once, and a clear disclaimer will be given to them that their vote, once submitted, is final and cannot be amended.

- (e) After the close of the Voting Period, the Tabulation Agent will tabulate the votes under the supervision of the Scheme Manager, who will provide written notice of the results to the Independent Assessor for verification.
- (f) For the avoidance of doubt, for the purposes of fulfilling the 'headcount' test pursuant to section 210(3AB) of the Companies Act, the total number of valid votes received shall be deemed as the creditors "*present and voting*" at the meeting of creditors.

Feature 3 – The appointment of a single, Court-appointed Independent Assessor to resolve all disputes, additional claims and inspection requests.

- 54. I understand that each scheme creditor that has filed a proof of debt is entitled to dispute the adjudicated amount and to submit a request to inspect another creditor's proof of debt (referred to as the 'requesting creditor' and the 'affected creditor' in the POD Regulations). I also understand that a creditor may appoint an independent assessor to resolve such matters, especially if the affected creditor objects to the inspection.
- 55. Further, given that we propose for the Company to inform the creditor of its Approved Claim instead of requiring each creditor to submit a proof of debt, a creditor may believe that they have additional claim(s) against the Company.
- 56. We believe that it is not practical for each creditor to take steps to appoint their own independent assessor, as some creditors may not have the requisite knowledge, financial means and/or representation in Singapore to appoint their own independent assessor. Even if this was possible, the entire process would take unduly long.

57. We therefore seek this Court's approval for the Company to instead propose that a single Independent Assessor, namely Luke Furler from Quantuma (Singapore) Pte Limited, be appointed, for the following scope of tasks:
- (a) To resolve any disputes submitted by a creditor in relation to their Approved Claims.
 - (b) To resolve any additional claim(s) submitted by a creditor in conjunction with the Company and the Scheme Manager.
 - (c) To facilitate the requests for inspection of proof of debts.
 - (d) To be the independent party that verifies the tallied votes during the Scheme.
58. Luke Furler from Quantuma has indicated his preliminary consent to being appointed as the proposed Independent Assessor subject to the finalisation of the terms of the engagement, and his curriculum vitae is exhibited at "**DSB-1, Tab X**" of this affidavit. The proposed remuneration, subject to the finalisation of the terms of the engagement is US\$150,000.
59. Given that the appointment of the Independent Assessor and its costs be centralised with the Company, we believe that it would streamline the entire process and make it more efficient.

Feature 4 – Variations as to the disclosure of information requirements.

60. I understand that when conducting a scheme, the chairperson of the scheme meeting must comply with certain disclosure requirements, namely, to circulate a list of creditors with their proof of debt details. They are:

- (a) Pursuant to Regulation 3 of POD Regulations, the chairperson must send a list of creditors to every creditor who has filed a proof of debt for the purposes of voting, and this list must set out the (i) address of each creditor, (ii) the amount claimed under the proof of debt and (iii) a brief description of the nature of the claim under the proof of debt (the “**Preliminary List**”).
 - (b) Pursuant to Regulation 5(1) of POD Regulations, the chairperson must complete the adjudication of all proofs of debts for the purposes of voting at least 28 days before the creditors’ meeting, and send in writing the results of the adjudication of the proofs of debts to every creditor who has filed a proof of debt.
 - (c) Pursuant to Regulation 7 of the POD Regulations, on the day of the meeting but before the meeting, the chairperson must provide a physical copy of an updated list of creditors to every creditor whose proof is admitted, and this updated list must contain the (i) the amount admitted and rejected on each proof of debt and (ii) any differences in the post-dispute adjudication of proofs of debts (the “**Updated List**”).
61. These are not practical for the following reasons: (i) the list of creditors contain personal information of individual creditors, and there are concerns regarding the safety of each creditor, (ii) given that the Online Meeting and voting are to be conducted virtually, it is both unnecessary as well as not feasible to send a physical copy of the Updated List of creditors, and (iii) it is not practical to circulate a list of creditor to each creditor given the large number of potentially up to 150,000 creditors.

62. The Company thus seeks the Court's approval to, instead of sending the lists of creditors to each creditor, having the same information centralised by uploading the list of creditors on the Scheme Website. The details of the list are as follows:

(a) The list will be redacted to indicate a creditors' initials (for eg, a creditor called *John Doe* will be referred to as '*J. D.*') and country of residence, the creditors' Approved Claims sorted from highest to lowest and a brief description of their claims against the Company.

(b) The list of creditors will be updated prior to the Voting Period to account for any successful disputes and/or additional claims.

63. A sample of how the list of creditors with the details explained in paragraph 62(a) above on the Scheme Website is envisioned to look like is set out below.

S/N	Name of creditor (for illustration only)	Approved Claim (USD equivalent as at 4 July 2022)	Nature of claim	Country of residence
1	J. A.	___ (highest)	Customer deposit	___
2	M. B.	___	Customer deposit	___
	...			
150,000	P. C.	___ (lowest)	Customer deposit	___

Feature 5 – Variations as to the procedure relating to the submission, adjudication and disputing of proof of debts.

64. I understand that pursuant to the IRDA and the POD Regulations, the Company is to invite all creditors to submit a proof of debts, adjudicate them at least 28 days before the meeting of creditors, and if a creditor has an issue with the

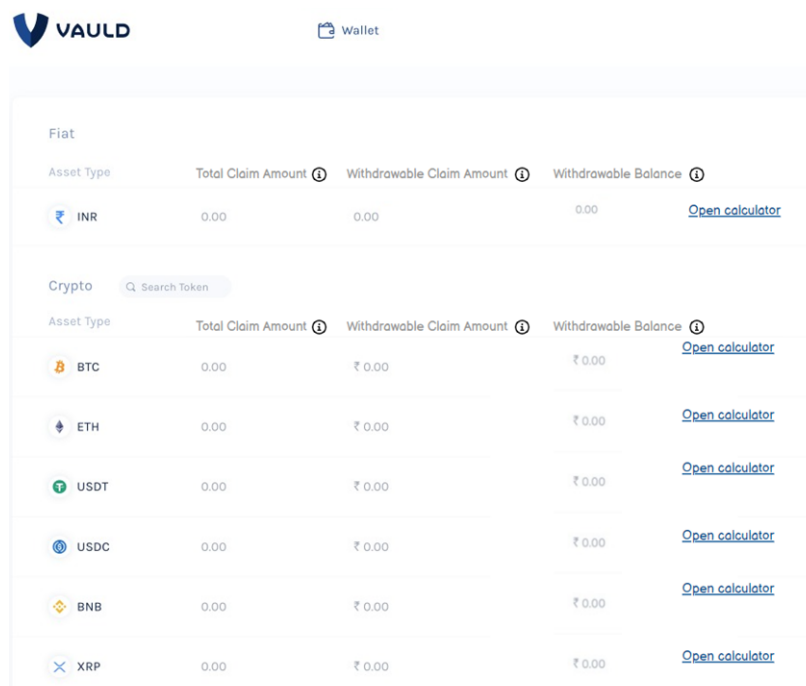
adjudicated proof of debts (referred to as the 'opposing party' under the POD Regulations), the opposing party may take steps to appoint an independent assessor to resolve the dispute.

65. I believe that it is not practical or time efficient for the Company to administer the receipt and adjudication of potentially up to 150,000 separate proofs of debt from each of the creditors. Separately, it may not be feasible for each of creditor to individually file a proof of debt, particularly as many of them are not based in Singapore. For the reasons given above at paragraph 56, it is also not practical for each opposing party to appoint their own independent assessor.
66. The Company thus seeks this Court's approval for its proposal to streamline the process of filing, adjudicating and resolving any disputes on the adjudicated claims as follows:
- (a) The Company anticipates that the creditors participating in the Scheme comprises creditors who are customers and have accounts on the Vault Platform ("**Customer Creditors**"). As such, Customer Creditors will not be required to individually submit proofs of debts; the Company, using its database, will determine each creditor's proof of debt (the "**Approved Claim**") and programme it onto the Vault Platform. Each Customer Creditor will then be able to view their Approved Claims⁷ by logging onto the Vault

⁷ The information that will be presented on the Vault Platform in relation to the Approved Claim is (i) the breakdown of each creditor's claims in token amounts, (ii) the total USD equivalent and (iii) the percentage of that creditor's claims as a proportion of the entire universe of claims (only available after the completion of the adjudication and dispute process and all Approved Claims have been finalised).

Platform and Scheme Website.⁸ Via this system, Customer Creditors will have been deemed to have submitted a proof of debt.

- (b) A sample of what a creditor would view on the Vault Platform regarding their Approved Claims is attached below:



The screenshot displays the Vault Platform interface. At the top left is the VAULD logo, and at the top right is a 'Wallet' icon. The interface is divided into two main sections: 'Fiat' and 'Crypto'. Each section contains a table with columns for 'Asset Type', 'Total Claim Amount', 'Withdrawable Claim Amount', and 'Withdrawable Balance'. Each row in these tables includes an 'Open calculator' link.

Fiat			
Asset Type	Total Claim Amount	Withdrawable Claim Amount	Withdrawable Balance
₹ INR	0.00	0.00	0.00
Open calculator			
Crypto			
Asset Type	Total Claim Amount	Withdrawable Claim Amount	Withdrawable Balance
₿ BTC	0.00	₹ 0.00	₹ 0.00
⚡ ETH	0.00	₹ 0.00	₹ 0.00
₮ USDT	0.00	₹ 0.00	₹ 0.00
₪ USDC	0.00	₹ 0.00	₹ 0.00
₃ BNB	0.00	₹ 0.00	₹ 0.00
ⓧ XRP	0.00	₹ 0.00	₹ 0.00
Open calculator			

- (c) The creditor, after viewing the claim amount on the Vault Platform, may then refer to the calculator tool to get an estimate of the USD equivalent of their token claims and as a proportion of the entire universe of claims.
- (d) A creditor who is dissatisfied with his Approved Claim may submit a dispute within the prescribed period of 10 Business Days via an online form that is customised to each creditor via the Scheme Website. A creditor who

⁸ The Company will issue a notice to all creditors when they are able to view their Approved Claims on the Vault App.

believes that they have any additional claim(s) against the Company arising outside of their account cryptocurrency balances with the Company may also submit details of these additional claims using the same form. Creditors will be required to describe the basis of their disputes/claims, as well as provide supporting documents. A sample of this form can be found at Annex B of the Scheme Protocol.

- (e) The dispute/additional claim submitted will be considered by the Independent Assessor.
 - (f) After considering the dispute/additional claim, the Independent Assessor will provide written notice of his decision to creditor. The Independent Assessor's decision is final.
 - (g) Any creditor who fails to submit a dispute/additional claim using the prescribed form within the prescribed period will be deemed to have admitted to their Approved Claim.
67. The above sets out a brief summary of the proposed process in relation to the adjudication and disputing of proofs of debts, and the full specifics may be found at the Scheme Protocol.

Feature 6 – Variations as to the procedure relating to the inspection of proof of debts.

68. I understand that pursuant to the POD Regulations, a creditor who has filed a proof of debt for the purposes of voting (referred to as a 'requesting creditor' in the POD Regulations), may inspect another creditor's proof of debt (referred to

as the 'affected creditor' in the POD Regulations), and if so, must, not later than 21 days before the meeting, send in a written request to the chairperson and written notice of the request to the Company and the affected creditor. The affected creditor must within 3 days respond to the notice, and if a dispute arises, the requesting creditor must take steps to appoint an independent assessor to resolve the dispute.

69. I believe that it is not practical or time efficient for the inspection of potentially up to 150,000 creditors be carried out in this manner. For the reasons given above at paragraph 56, it is also not practical for each requesting creditor and/or affected creditor to go through the process to appoint their own independent assessor.
70. The Company thereby seeks this Court's approval to streamline the process for the inspection of proof of debts in the following manner:
- (a) As mentioned above, after the period in which creditors submit disputes and/or additional claims to their Approved Claims, a list of creditors with their proof of debts will be shown on the Scheme Website. Creditors may then access this website to view the Approved Claims of all other creditors.
 - (b) A requesting creditor who wishes to make an inspection request must do so within 3 Business Days by way of an online form, which is customised to each creditor. The requesting creditor will be required to complete the information required on the form. A sample of this form may be found at Annex C of the Scheme Protocol.

(c) After a request is validly submitted via the online form, the affected creditor is deemed to have objected to the request, and the Independent Assessor will consider the request.

(d) If the Independent Assessor approves the request, the Independent Assessor will send, by way of written notice, the following to the requesting creditor:

(i) If the affected creditor, at the time the request for inspection was made, had not submitted a dispute/additional claim, the Independent Assessor will provide the screenshot or data export of the of the affected creditor's Approved Claim on the Scheme Website; or

(ii) If the affected creditor, at the time the request for inspection was made, had already submitted a dispute/additional claim, the Independent Assessor will provide the screenshot of the affected creditor's Approved Claim on the Vault App and a copy of the completed form in which the affected creditor had submitted a dispute/additional claim.

71. The above sets out a brief summary of the proposed process in relation to the inspection of proofs of debts, and the full specifics may be found at the Scheme Protocol.

72. I believe that the above procedure would ensure an efficient and smooth handling of the Scheme process which may involve potentially up to 150,000 creditors all over the globe. I have also been advised that there is unlikely to be any prejudice caused as, despite the variations, adequate time is given at each stage for creditors to fully appreciate each stage and do all that is necessary.

73. Given the above, I humbly seek the Court's approval for the Scheme to be conducted in the manner as set out in the Scheme Protocol.

IV. THE NEED FOR THE MORATORIUM DURING THE SCHEME PROCESS

74. The Company is currently subject to a moratorium that it has obtained in OA 318. The Company is aware of threats of legal proceedings made against it in the following forms:

- (a) Approximately 8 notices of demand have been issued against the Company and affiliated parties.
- (b) To the best of my knowledge, there are two formal originating claims in HC/OC 118/2022 and HC/OC 119/2022 commenced against the Company.
- (c) As mentioned above, a group of dissenting creditors have already sought leave to file a winding-up application against the Company *vide* HC/SUM 475/2023 whilst the Company was under the OA 318 moratorium.

75. For that reason, the Company envisions a scheme moratorium to be in place which will prohibit, *inter alia*, steps taken to wind-up the Company, commence or continue any proceedings in any jurisdiction against the Company, commence enforcement or execution proceedings against the Company, or place the Company into formal insolvency procedures. The full scope of the moratorium sought is found at Cl 4 of the draft Scheme.

76. It is reasonable to expect that upon the expiry of the OA 318 moratorium, these above-mentioned proceedings, as well as new claims, will either be commenced

and/or continued. As such, until the Scheme has been approved in a vote and sanctioned by this Honourable Court which would commence the scheme moratorium, the Company seeks a court-granted moratorium pursuant to section 210(10) of the Companies Act. It is reasonable to expect that upon the expiry of the OA 318 moratorium, these proceedings, as well as new claims, will either be commenced and/or continued to facilitate the carrying out the proposed meeting of creditors and vote according to the indicative timeline as envisioned at paragraph 42 above.

77. As mentioned in the indicative timeline above, it is estimated that, from the time that leave is granted by this Court to conduct a meeting of creditors (if so granted) ("**Day D**"), the Company will need approximately 45 to 50 business days in addition to the lead time from the time of the Company filing the Sanction Application to the hearing of the Sanction Application to, among others, run the:
- (a) Online Meeting;
 - (b) Administration Period;
 - (c) Voting Period and to verify all votes with the Independent Assessor; and
 - (d) If the Scheme is approved by the requisite majority, to make the necessary applications to this Court to sanction the Scheme.
78. Given that Day D (i.e. the date of the hearing for these Applications) has not been determined yet, the duration of the moratorium the Company now seeks is for a moratorium to be granted for the period of 4 months or until this Honourable

Court orders otherwise as it deems fit, with liberty to be given to the Company to apply for any extension as this Honourable Court deems fit.

79. I verily believe that the granting of the section 210(10) moratorium would greatly assist the Company as it goes through the final stages of the work that it, its advisors and the creditors have dedicated much time and effort into and to allow the Scheme to come to fruition. We pray for the protection of a Court-ordered moratorium for the Company to conduct and run a vote for the Scheme.

V. CONCLUSION

80. The present applications are a culmination of nearly 8 months' worth of hard work by Defi Payments and its advisors to formulate a scheme of arrangement which would be acceptable to the general run of Defi Payments' creditors, and we humbly pray for the applications to be granted in terms.

AFFIRMED and signed electronically by the abovenamed)
DARSHAN SUNIL BATHIJA)
on this 12th day of April 2023)
in SINGAPORE)
appearing before the Commissioner for Oaths)
through a live video link)



Before me



A COMMISSIONER FOR OATHS

This Affidavit is filed on behalf of the Applicant



LIST OF EXHIBITS

Tab No.	Description
1.	ACRA search conducted on the Company on 10 April 2023
2.	(a) Orders of Court in HC/OA 318/2022 (b) Correspondence from the Court to Rajah & Tann dated 28 February 2023
3.	Draft Scheme of Arrangement
4.	Draft Explanatory Statement
5.	Draft Scheme Protocol
6.	Slide decks presented to the Committee of Creditors on a meeting dated 31 January 2023 and the creditor townhall meeting on 9 February 2023
7.	(a) Email from Vault to all creditors dated 9 February 2023 (b) Sample of informal poll (c) Table of results of informal poll
8.	CV of Luke Furler, care of Quantuma (Singapore) Pte Limited

THIS IS THE EXHIBIT MARKED "DSB-1"
REFERRED TO IN
THE AFFIDAVIT OF
DARSHAN SUNIL BATHIJA
AFFIRMED ON
THE 12 DAY OF APRIL 2023

BEFORE ME



A COMMISSIONER FOR OATHS



TAB - 1



Business Profile (BPFCOY)

DEFI PAYMENTS PTE. LTD.

Particulars

Name	: DEFI PAYMENTS PTE. LTD.
Registration Number / UEN	: 202040110H
Incorporation / Registration Date	: 10-12-2020
Name Effective Date	: -
Country / Region of Incorporation / Registration	: SINGAPORE
Company Type	: PRIVATE COMPANY LIMITED BY SHARES
Registered Address	: 160 ROBINSON ROAD #14-04 SINGAPORE 068914
Address Effective Date	: 10-12-2020
Status	: LIVE COMPANY
Status Effective Date	: 10-12-2020
Principal Activity Code (I)	: 63120
Principal Activity Description (I)	: INTERNET SEARCH ENGINES
Principal Activity Code (II)	: -
Principal Activity Description (II)	: -
Amalgamation Details	: -

Former Name(s)

NIL

Capital

Type	No. of Shares	Issued Amount	Paid-Up Amount	Currency
Ordinary	300,000	300,000.00	300,000.00	SINGAPORE, DOLLARS

Auditor(s)

NIL

Charge(s)

NIL

Officer(s)

No.	Name	ID	Nationality	Position	Date of Appointment
1	SUNIL BATHIJA DARSHAN	G4022219M	INDIAN	DIRECTOR	10-12-2020
Address					
[REDACTED]					

No.	Name	ID	Nationality	Position	Date of Appointment
2	KURIAN SANJU SONY	[REDACTED]	INDIAN	DIRECTOR	15-03-2021
Address					
[REDACTED]					

No.	Name	ID	Nationality	Position	Date of Appointment
3	LEE PEI SZE	[REDACTED]	SINGAPORE CITIZEN	SECRETARY	08-02-2022
Address					
80 RAFFLES PLACE #32-01 UOB PLAZA SINGAPORE 048624					

Shareholder(s)

No.	Name	UEN	Country	Address
1	DEFI HOLDING PTE. LTD.	202125959D	SINGAPORE	80 RAFFLES PLACE #32-01 UOB PLAZA SINGAPORE 048624
Share Category				
Share Type				
Share Allocation				
Currency				
LOCAL COMPANY ORDINARY SHARES 300,000 SINGAPORE, DOLLARS				

Compliance Records

Date of Last AGM : 20-01-2023
Date of Last AR : 20-01-2023
Date of A/C Laid at Last AGM : 30-11-2021

Disclaimer

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TAB - 2

IN THE GENERAL DIVISION OF THE HIGH COURT OF THE REPUBLIC OF SINGAPORE

Case No.: HC/OA 318/2022

In the matter of Section 64 of the Insolvency, Restructuring and
Dissolution Act 2018

Doc No.: HC/ORC 4006/2022

And

Filed: 08-August-2022 02:59 PM

In the matter of DEFI PAYMENTS PTE. LTD. (Singapore UEN
No. 202040110H)



DEFI PAYMENTS PTE. LTD.
(Singapore UEN No. 202040110H)

...Applicant(s)



ORDER OF COURT

Case No: HC/OA 318/2022

Before: The Honourable Justice Aedit Abdullah in Open Court

Venue: in Open Court

Hearing date/Time: 01-August-2022

UPON THE APPLICATION of the Applicant made by way of HC/OA 318/2022 (“OA 318”) filed on 8 July 2022 and coming for hearing on 1 August 2022, AND UPON READING the 1st Affidavit of Darshan Bathija filed on 8 July 2022, the 1st Affidavit of Matthew McGivern filed on 24 July 2022, the 2nd Affidavit of Darshan Bathija filed on 27 July 2022 and the 3rd Affidavit of Darshan Bathija filed on 1 August 2022, and the exhibits therein in the aforesaid affidavits, AND UPON HEARING counsel for the Applicant, counsel for the represented creditor listed at Annex A as well as the unrepresented creditors listed at Annex B,

IT IS ORDERED THAT:

1. For a period from the date of this Order until 7 November 2022 or until further order:

- (a) No resolution shall be passed for a winding up of the Applicant;
- (b) No appointment shall be made of any receiver or manager over any property or undertaking of the Applicant;
- (c) No proceeding, whether before a court, arbitral tribunal or administrative agency (other than proceedings under section 210 or 212 of the Companies Act 1967, or sections 64, 66, 69 or 70 of the Insolvency, Restructuring and Dissolution Act 2018), and whether current, pending or threatened against the Applicant, shall be commenced or continued against the Applicant, except with the leave of the Court and subject to such terms as the Court imposes;
- (d) No execution, distress or other legal process may be commenced, continued or levied against any property of the Applicant, except with the leave of the Court and subject to such terms as the Court imposes;
- (e) No step may be taken to enforce any security over any property of the Applicant or to repossess any goods held by the Applicant under any chattels leasing agreement, hire purchase agreement or retention of title agreement, except with the leave of the Court and subject to such terms as the Court imposes; and

(f) No right of re-entry or forfeiture under any lease in respect of any premises occupied by the Applicant shall be enforced or exercised (including any enforcement pursuant to sections 18 or 18A of the Conveyancing and Law of Property Act 1886, except with the leave of the Court and subject to such terms as the Court imposes.

(the “Moratorium Order”)

2. The Applicant or any party subject to the Moratorium Order shall be at liberty to apply for such further or other directions as may be necessary.

Notes:

1. The person or entity served with this judgment/order and who/which has been ordered to pay money, to do or not to do any act must comply immediately or within the time specified in the judgment/order, if any.
2. Failure to comply may result in enforcement of judgment/order proceedings, including contempt of Court proceedings, against the said person or entity.



<https://www.courtorders.gov.sg>
Access code: 84nsz9qw6

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(a) that it was issued by the Courts of the Republic of Singapore or, in the case of a Schedule of Assets, that it was filed with the Courts in relation to an application for a Grant of Probate/Letter of Administration; and (b) the text of the document was issued on 01 Aug 2022

HC/OA318/2022;HC/ORB4006/2022;HC/OA318/2022;HC/ORB4006/2022;HC/OA318/2022

TAN BOON HENG
REGISTRAR
SUPREME COURT
SINGAPORE

Annex A - Represented Creditors

S/N	Name of creditor	Name of Counsel
1	Samuel Steven Burton	Russell Ng (REV Law LLC)

Annex B - Unrepresented Creditors

S/N	Name of creditor
2	Udit Sidhra
3	Eduardo Strobbe
4	Dhruv Gupta
5	Anirudh Agarwal
6	Navneet Singh
7	Chethan "Kumar
8	Narendra Kumar
9	Gautam Madan Kunde
10	Pablo Rocandio Callens
11	Shubham Verma
12	Sailesh Varia
13	Ravikiran Chakka
14	Daniel Kirschenbaum
15	Mohana Priya
16	Nicolas Jose Rodriguez
17	Harshal Dipak Patel
18	Sourav Chandra
19	Waris Syed Abdul Waheed
20	Tanvi T
21	Abhishek Arya
22	Mark Znidar
23	Jeffrey A. Sherman
24	Nicholas Alexander Javens
25	Stephen Song
26	Madhavani Dipaliben Kishorabhai
27	Nicholas John Deval
28	Zubin Patrao
29	Samrat Karnati
30	Praveen Madaril Peethambaran
31	Nikolaus Georg Heinrich Meyer-Wahl
32	Harikesh Singh
33	William Graham Nelson
34	Subhajit Ghosh
35	Makoto Ichikawa
36	Prashanth Gouda Parameshwara
37	Karthik C T
38	Pablo Gonzalez
39	Sameer A K
40	Sriram N G
41	Swetha Priya Gande
42	S Ganesh Bhat
43	Matthew B McGivern
44	Anubhav Yadav
45	Dennis Weidenbenner
46	Ranjith Kanduri
47	Terence Gould

48	Prashanth Balasubramanian
49	Mohit Saini
50	Shaun Stoffer
51	Mohanrajesh Komatlapalli
52	Danastri Sahita Njoto
53	Taheem Gadson
54	Diego Mauricio Manzanelli
55	Madhu Nair
56	Kushal Gupta
57	Siyi Wang
58	Iñigo Azpiazu
59	Yeok Seng Teh
60	Dolton Marshal Falcao
61	Vidya Dagani
62	Nishan Mahammadali Mukhi
63	Narayanan Durairajalu
64	Larry John Solik
65	Pravin Rajarathnam
66	Prathap Deva Prasad B
67	Mohit Bahl
68	George Aliferis
69	Nigel Scott Braganza
70	Brian E Murray
71	girdhar girdhar
72	Priyankan Hiralal Menat
73	Joel Bosco Furtado
74	Nima Lama
75	Stephane Poignant
76	Ronald Christopher Hendrix
77	Joshua Theodore Mathews
78	Sparrow Digital
79	Karthiyayini J
80	Nishant Aggarwal
81	Aditi Raghavan
82	Pavan Kumar S
83	Ajith Pai
84	Surabhi Mishra
85	Shivam Bajaj
86	Shreya Mehta
87	Gopi Padmanabhan
88	Swathi Lakshmi
89	Taradas Vedavyas Pai
90	Artur Filardi
91	Dhruv Dhawan
92	Damir Butmir
93	Viraj Manilal Pala
94	Arulparthiban Velusami
95	Darrell Chan

IN THE GENERAL DIVISION OF THE HIGH COURT OF THE REPUBLIC OF SINGAPORE

Case No.: HC/OA 318/2022
 Sub Case No.: HC/SUM 3839/2022
 Doc No.: HC/ORC 5608/2022
 Filed: 08-November-2022 05:32 PM

In the matter of Section 64 of the Insolvency, Restructuring and
 Dissolution Act 2018

And

In the matter of DEFI PAYMENTS PTE. LTD. (Singapore UEN
 No. 202040110H)



DEFI PAYMENTS PTE. LTD.
 (Singapore UEN No. 202040110H)

...Applicant(s)



ORDER OF COURT

Case No: HC/OA 318/2022
 SubCase No: HC/SUM 3839/2022
 Before: The Honourable Justice Aedit Abdullah
 Venue: in Chambers
 Hearing date/Time: 07-November-2022

UPON THE APPLICATION of the Applicant made by way of HC / SUM 3839 / 2022 filed on 18 October 2022 and coming on for hearing on 7 November 2022, AND UPON READING the 1st Affidavit of Darshan Sunil Bathija filed on 08 July 2022, the 2nd Affidavit of Darshan Sunil Bathija filed on 27 July 2022, the 5th Affidavit of Darshan Sunil Bathija filed on 29 August 2022, the 7th Affidavit of Darshan Sunil Bathija filed on 18 October 2022, and the exhibits therein in the aforesaid affidavits, AND UPON HEARING counsel for the Applicant and the unrepresented creditors listed at Annex A, IT IS HEREBY ORDERED that:

1. The period of the Moratorium granted in favour of the Applicant under the Order of Court HC/ORC 4006/2022 dated 1 August 2022 be extended up to and including 20 January 2023.

ANNEX A

S/n	Name of Creditor
1	Arulparthiban Velusami
2	Damir Butmir

3
4
5
6

Dhruv Gupta
Luke Thomas
Mridul Jhunjunwala
William Doerrfeld



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HC/OA318/2022; HC/SUM3839/2022; HC/ORC5608/2022; HC/OA318/2022; HC/SUM3839/2

TAN BOON HENG
REGISTRAR
SUPREME COURT
SINGAPORE



IN THE GENERAL DIVISION OF THE HIGH COURT OF THE REPUBLIC OF SINGAPORE

Case No.: HC/OA 318/2022
 Sub Case No.: HC/SUM 63/2023
 Doc No.: HC/ORC 261/2023
 Filed: 19-January-2023 04:55 PM

In the matter of Section 64 of the Insolvency, Restructuring and
 Dissolution Act 2018

And

In the matter of DEFI PAYMENTS PTE. LTD. (Singapore UEN
 No. 202040110H)



DEFI PAYMENTS PTE. LTD.
 (Singapore UEN No. 202040110H)

...Applicant(s)

ORDER OF COURT

Case No: HC/OA 318/2022
 SubCase No: HC/SUM 63/2023
 Before: The Honourable Justice Aedit Abdullah
 Venue: in Chambers
 Hearing date/Time: 17-January-2023

UPON THE APPLICATION of the Applicant made by way of HC/SUM 63/2023 filed on 9 January 2023 and coming for hearing on 17 January 2023, AND UPON READING the 8th Affidavit of Darshan Bathija filed on 9 January 2023 and the 9th Affidavit of Darshan Bathija filed on 16 January 2023, AND UPON HEARING counsel for the Applicant and the unrepresented parties listed at Annex A, IT IS ORDERED THAT:

1. The period of the moratorium granted in favour of the Applicant under the Order of Court HC/ORC 4006/2022 and extended under the Order of Court HC/ORC 5608/2022 until 20 January 2023 (the "Moratorium Order") be extended up to and including 28 February 2023 (the "Extension Order").
2. The Applicant or any party subject to the Moratorium Order and/or the Extension Order shall be at liberty to apply for such further or other directions as may be necessary.



Annex A

S/N	Name
1.	Jonathan Wolman
2.	Jeffrey Howerbush
3.	Jim Donohue
4.	Jonny Edelman
5.	Brian Murray
6.	Damir Butmir
7.	William Doerrfeld
8.	Robert Oomen



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HC/OA318/2022;HC/SUM63/2023;HC/ORC261/2023;HC/OA318/2022;HC/SUM63/2023;H
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 SUPREME COURT
 SINGAPORE

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IN THE GENERAL DIVISION OF THE HIGH COURT OF THE REPUBLIC OF SINGAPORE

Case No.: HC/OA 318/2022
 Sub Case No.: HC/SUM 448/2023
 Doc No.: HC/ORC 1364/2023
 Filed: 28-March-2023 03:39 PM

In the matter of Section 64 of the Insolvency, Restructuring and
 Dissolution Act 2018

And

In the matter of DEFI PAYMENTS PTE. LTD. (Singapore UEN
 No. 202040110H)



DEFI PAYMENTS PTE. LTD.
 (Singapore UEN No. 202040110H)

...Applicant(s)

ORDER OF COURT

Case No: HC/OA 318/2022
 SubCase No: HC/SUM 448/2023
 Before: The Honourable Justice Aedit Abdullah
 Venue: Supreme Court, Court 3C
 Hearing date/Time: 27 February 2023, 10am and 27 March 2023, 10am



The Court made the following order(s) in the above application:

1. The period of the moratorium granted in favour of the Applicant under the Order of Court dated 1 August 2022 and extended under the Order of Court dated 17 January 2023 until 28 February 2023 (the "**Moratorium Order**") be and is hereby extended up to and including 28 April 2023 (the "**Extension Order**") or until any other order of Court.

Date of Order: 27 March 2023

Notes:

1. The person or entity served with this judgment/order and who/which has been ordered to pay money, to do or not to do any act must comply immediately or within the time specified in the judgment/order, if any.
2. Failure to comply may result in enforcement of judgment/order proceedings, including contempt of Court proceedings, against the said person or entity.



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HC/OA318/2022;HC/SUM448/2023;HC/ORC1364/2023;HC/OA318/2022;HC/SUM448/202

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SUPREME COURT OF SINGAPORE
LEGAL REGISTRY

IN THE GENERAL DIVISION OF THE HIGH COURT OF THE REPUBLIC OF SINGAPORE

Date: 28-February-2023

To:

RAJAH & TANN SINGAPORE LLP
9, Straits View, # 06-07, Marina One West Tower, Singapore - 018937
Tel No: 65353600
Fax No: 62259630
Email: info@rajahtann.com
File Ref No: DOW/SNP/BRT/NLB/357596/1
Solicitor in charge: 1. BENEDICT TEDJOPRANOTO
2. NAOMI LIM BAO BAO
3. NG HUI PING SHEILA
4. ONG TUN WEI DANNY

Dear Sir/Madam,

HC/OA 318/2022
HC/SUM 448/2023 & HC/SUM 475/2023
DEFI PAYMENTS PTE. LTD.
- CORRESPONDENCE FROM COURTS

1. We refer to the hearing of HC/SUM 448/2023 and HC/SUM 475/2023 before the Honourable Justice Aedit Abdullah yesterday, 27 February 2023.
2. Please note that his Honour will be delivering judgment on the above-stated applications at a Zoom webinar hearing to commence at 10 AM on 27 March 2023, Singapore time. In the interim, the moratorium granted under the order of court HC/ORC 4006/2002, which was most recently extended under order of court HC/ORC 261/2023 until 28 February 2023, is extended to 27 March 2023.
3. Details of the Zoom webinar hearing on 27 March 2023 will be provided in a separate correspondence closer to the hearing date.
4. The Applicant, Defi Payments Pte. Ltd., is to disseminate a copy of this letter to all who may be affected by the orders sought in HC/SUM 448/2023 and HC/SUM 475/2023 forthwith.
5. Thank you.

Yours faithfully,
SHERLYN CHEN
FOR REGISTRAR
SUPREME COURT
SINGAPORE

Tel No: 63324221
Email: SUPCOURT_Registry@supcourt.gov.sg

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Tel: 1800 338 1034 | www.judiciary.gov.sg

TAB - 3

DRAFT**IN THE GENERAL DIVISION OF THE HIGH COURT OF
THE REPUBLIC OF SINGAPORE**

HC/OA /2023

In the matter of Section 210 of the Companies
Act 1967

And

In the matter of Part 5 of the Insolvency,
Restructuring and Dissolution Act 2018

And

In the matter of **DEFI PAYMENTS PTE. LTD.**
(Singapore UEN No. 202040110H)**DEFI PAYMENTS PTE. LTD.**
(Singapore UEN. 202040110H)

... Applicant

**SCHEME OF ARRANGEMENT
PURSUANT TO SECTION 210 OF THE COMPANIES ACT 1967****Between****DEFI PAYMENTS PTE. LTD**
(Singapore UEN No. 202040110H)
(the "**Company**")**And****THE SCHEME CREDITORS**
(as defined in the Scheme)

DATED THIS [•] DAY OF [•] 2023

Important information regarding the Meeting of Scheme Creditors:

Date of Meeting : [•]
Time of Meeting : [•]
Venue of Meeting : [•]

Important information regarding the Voting on the Scheme:

Deadline to Vote : [•]
Details of Voting : [•]

1. DEFINITIONS AND INTERPRETATION

Definitions

- 1.1 In this Scheme, except to the extent that the context requires otherwise, the following expressions shall bear the following respective meanings. Words shall have the meaning attributed to them by the Companies Act 1967 (the “**Companies Act**”) and/or the Insolvency, Restructuring and Dissolution Act 2018 (the “**IRDA**”) (as the context may require).
- (1) The third-party services providers for the purposes of this Scheme include the following:
 - (a) “**Independent Assessor**”, which means the potential appointment of Luke Furler care of Quantuma (Singapore) Pte Limited, to be appointed by the Court.
 - (b) “**RDA Agent**”, which has the meaning ascribed to it at Clause 9.
 - (c) “**Scheme Manager**” which means Mr Jason Kardachi care of Kroll Pte Limited.
 - (d) “**Tabulation Agent**”, which means Kroll Issuer Services Ltd.
 - (2) “**Aggregated Approved Claims**” means the aggregated amount of the Approved Claims in respect of all the Scheme Creditors as at any given date.
 - (3) “**Aggregated Participating Approved Claims**” means the aggregated amount of the Approved Claims in respect of the Participating Scheme Creditors as at the date immediately prior to the Final Distribution.
 - (4) “**Approved Claim**” means a Claim of a Scheme Creditor against the Company to the extent admitted by the Scheme Manager or established by the Scheme Creditor in proceedings in accordance with Clause 2 below.
 - (5) “**Ascertainment Date**” means 4 July 2022.
 - (6) “**Assessed Value**” shall mean the agreed value of any Security Interest held by any Creditor, and shall be determined as follows:
 - (i) by admission by the Scheme Manager of the amount stated by that Creditor in his Proof of Debt as being the value of the Security Interest;
 - (ii) by agreement between the Scheme Manager and that Creditor; or
 - (iii) in the absence of admission by the Scheme Manager or agreement between the Scheme Manager and the Creditor, by an Independent Assessor appointed pursuant to Clause 1.1.
 - (7) “**Business Day**” means any reference to a day in Singapore except Saturday, Sunday, Singapore public holiday, on which commercial banks are open for general business in Singapore.

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- (8) “**Claim**” means any known or unknown claim, charge, promise, cause of action, or similar right which any person may have against the Company (which is not an Excluded Claim), arising out of any transaction, act or omission of the Company or of any person occurring on or before the Ascertainment Date, including any interest, default interest, premium, additional amounts, make whole amounts, fees, commissions, and penalties arising out of such claim, whether the claim be actual, present, future or contingent or whether liquidated or sounding only in damages, and whether in contract or tort or howsoever arising.
- (9) “**Coinloan**” means CoinLoan OÜ, a private company limited by shares and incorporated in Estonia.
- (10) “**Company**” or “**Defi Payments**” means Defi Payments Pte Ltd (Singapore UEN No. 202040110H), a private company limited by shares and incorporated in Singapore.
- (11) “**Contingent Illiquid Assets**” means a receivable of the Company whose value is not fixed and is subject to the occurrence of a stated event.
- (12) “**Cost Reserves**” means a reserve of up to USD10 million that may be used by the Company at its sole discretion for any one or more of the following purposes: (i) third party professional fees, costs and expenses in relation to the Scheme (including the Scheme Manager’s costs and expenses); (ii) recovery of the Illiquid Assets; (iii) operational expenses of the Company; (iv) implementation of the New Business.
- (13) “**Counterparty A**” means the counterparty to the Company in respect of an unsecured loan which constitutes a significant proportion of the Illiquid Assets and whose identity remains subject to a Non-Disclosure Agreement at the time of preparation of this Scheme.
- (14) “**Creditor**” means any person who has a Claim against the Company, but excludes any Excluded Creditor. For the avoidance of doubt, a Creditor includes any Customer Creditor and Scheme Creditor.
- (15) “**Customer Creditor**” means any person who has a Claim against the Company arising out of any transaction on the Vault Platform.
- (16) “**Effective Scheme Date**” shall have the meaning ascribed to it in Clause 3.1.
- (17) “**Excluded Claim**” means any known or unknown claim, charge, promise, cause of action, or similar right which any person may have against the Company, arising out of any transaction, act or omission of the Company or of any person occurring on or before the Ascertainment Date, including any interest, default interest, premium, additional amounts, make whole amounts, fees, commissions, and penalties arising out of such claim, whether the claim be actual, present, future or contingent or whether liquidated or sounding only in damages, and whether in contract or tort or howsoever arising, which falls into one or more of the following categories:

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- (a) It is a claim by a creditor which would, pursuant to Section 203 of the Insolvency, Restructuring and Dissolution Act 2018, be entitled to be paid in priority to all other unsecured debts of the Company in a winding up of the Company; and/or
 - (b) It comprises any debt or liability of the Company up to the Assessed Value of a Security Interest.
- (18) **“Excluded Creditor”** means any of the following:
- (a) Amounts owing to employees of the Company arising solely from or in connection with their employment with the Company;
 - (b) Any person with an Excluded Claim against the Company, but only in respect of such Excluded Claim. For the avoidance of doubt, such person can also be a Scheme Creditor in respect of any Approved Claim which that person may concurrently have against the Company;
 - (c) Cyril Amarchand Mangaldas;
 - (d) Kroll Pte Limited;
 - (e) Kroll Issuer Services Ltd;
 - (f) Quantuma (Singapore) Pte Limited;
 - (g) Rajah & Tann Singapore LLP; and/or
 - (h) The following parties who have unconditionally and irrevocably waived all Claims as at the Ascertainment Date against the Company (**“Waived Claims”** or **“Waived Creditors”** as the context requires), and for the avoidance of any doubt, will not receive any distributions under the Scheme:
 - (i) Darshan Sunil Bathija;
 - (ii) Sanju Sony Kurian; and
 - (iii) the Related Creditors.

Save for the Waived Creditors, all Excluded Creditors will be paid in full on or before the Effective Date of the Scheme.

- (19) **“Flipvolt”** means Flipvolt Technologies Private Limited, a private company limited by shares and incorporated in India.
- (20) **“FTX”** means FTX Trading Ltd, a private company limited by shares and incorporated in Antigua and Barbuda.
- (21) **“Full Board Approval”** means the approval by all members of the Company’s board of directors as constituted with the individuals listed in Clause 12.2.

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- (22) **"Illiquid Assets"** means all receivables of the Company, including the Major Illiquid Assets and the Contingent Illiquid Assets.
- (23) **"Liquid Assets"** means all assets of the Company excluding the Illiquid Assets and the Costs Reserves at any one time. For the avoidance of doubt, Liquid Assets includes the Net Proceeds and/or New Business Profits that are already received and held by the Company at any one time.
- (24) **"Major Illiquid Assets"** means the Company's assets classified as accounts receivable from Counterparty A, Coinloan, and Flipvolt, and not under the direct control of the Company at the Effective Scheme Date.
- (25) **"Net Proceeds"** means the proceeds to be received by the Company from the realisation of any of the Illiquid Assets less all costs and expenses incurred in respect of recovery and collection of the Illiquid Assets (including, without limitation, the costs of engaging professional advisors (including solicitors) and any disbursements incurred).
- (26) **"New Business"** means the contemplated business on decentralised lending, staking and liquidity mining to be operated on the Vault Platform on a fully opt-in basis after the Effective Scheme Date. This New Business is contemplated to be carried out by a subsidiary of the Company to be incorporated within [●] Business Days of the Effective Scheme Date, subject to Full Board Approval.
- (27) **"New Business Profits"** means the net profits from the yield generated from the New Business. For the avoidance of doubt, net profits would be calculated after accounting for payouts to the customers of the New Business as well as any other necessary administrative or operational costs, fees and expenses.
- (28) **"Party"** or **"Parties"** refer to either the Company or the Scheme Creditors, whether individually or collectively, as appropriate.
- (29) **"Prescribed Period"** means the period commencing on the Effective Scheme Date and ending on the expiry of 36 months from the Effective Scheme Date.
- (30) **"Registrar"** means the Accounting and Corporate Regulatory Authority of Singapore.
- (31) **"Related Creditor"** shall mean a Creditor who is a natural person who is a legal dependent of Darshan Bathija and/or Sanju Sony Kurian, and/or who is related by blood, adoption and/or marriage to either Darshan Bathija and/or Sanju Sony Kurian.
- (32) **"Scheme"** means this scheme of compromise and arrangement, including and incorporating all such amendments, additions and variations thereto as may be required, approved or sanctioned by the Court.
- (33) **"Scheme Creditor"** means a Creditor who has an Approved Claim against the Company and includes any person who becomes a Scheme Creditor pursuant to Clause 2.

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- (34) **“Scheme Creditors’ Meeting”** shall have the meaning ascribed to it in Clause 11, and for the avoidance of doubt, excludes the Scheme Meeting.
- (35) **“Scheme Creditors’ Resolution”** means an ordinary resolution passed at any Scheme Creditors’ Meeting in accordance with Clause 11, and for the avoidance of doubt, excludes any Special Resolution.
- (36) **“Scheme Manager”** means Mr Jason Kardachi of Kroll Pte Limited, or else any person appointed either by the Court to be a Scheme Manager of this Scheme, whether in addition to or in replacement of any person(s) then holding appointment(s) as “Scheme Manager”.
- (37) **“Scheme Manager Claim”** means any claim by the Scheme Manager against any person to enforce this Scheme.
- (38) **“Scheme Manager Proceeding”** means any legal proceeding in any jurisdiction in which any Scheme Manager Claim is made against any person (whether as a claim, counterclaim or otherwise).
- (39) **“Scheme Meeting”** means the meeting of Creditors to be convened and held by way of an online webinar on [●] at [●] and any adjournment thereof, for the purpose of considering and, if thought fit, approving (with or without modifications) this Scheme.
- (40) **“Scheme Period”** means the period commencing on the Effective Scheme Date and ending either on the End Date or the date on which the Scheme is terminated in accordance with Clause 3.3 (whichever may occur first).
- (41) **“Scheme Website”** means the website with the hyperlink [●] created by the Tabulation Agent for the purposes of setting out information on the Scheme as well as the adjudication and inspection of Claims and submission of votes for the Scheme.
- (42) **“Special Resolution”** means a resolution that is passed by at least 75% of the Scheme Creditors by value of their Approved Claims as at that time.
- (43) **“Vauld Platform”** means the Vauld web and/or mobile platform application.

1.2 Interpretation

- (a) The headings or titles to the Clauses in this Scheme are to facilitate reference and shall not be referred to or relied upon in the construction of any provision of this Scheme.
- (b) Where the context so admits, the singular shall include the plural and words in the masculine gender shall include the feminine and neutral genders and vice versa.
- (c) Any reference to any Party shall be construed as a reference to such Party’s successors, permitted assigns and permitted transferees, and for the avoidance of doubt, in respect of a Creditor, includes the assignees of the rights and interests of such Creditor in respect of such indebtedness or liability.

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- (d) The term “indebtedness” means any obligation for the payment of money, whether as principal or surety and whether present or future, actual or contingent and “indebted” shall be construed accordingly.
- (e) The expressions “legal proceedings” and “proceedings” shall each include any and all originating claims, arbitrations, judicial and quasi-judicial proceedings and any other proceedings in any jurisdiction whereby any order or decision may be made by any judicial body or tribunal or governmental or regulatory authority for the payment of any sum or arrest, seizure and/or the sale or disposal of any assets.
- (f) The words “include” or “including” shall be deemed to be followed by “without limitation” or “but not limited to” whether or not they are followed by such phrases or words of like import, and “otherwise” shall not be construed as limited by words with which it is associated.
- (g) References to any “person” include any natural person, corporation, judicial entity, association, statutory body, firm, partnership, limited liability company, joint venture, trust, estate, unincorporated organisation or government, governmental authority, department of any government state or any political subdivision, instrumentality, agency or authority, and references to “corporation” means any body corporate or entity incorporated, established or constituted under any law in any jurisdiction.
- (h) References in this Scheme to any “Clause” or “Appendix” shall be construed as references to the clause of or the appendix to this Scheme respectively.
- (i) A reference to time is to local time in Singapore.
- (j) Any reference in this Scheme to a statutory provision shall include such provision and any regulations made in pursuance thereof as from time to time modified or re-enacted whether before or after the date of this Scheme.
- (k) Any reference in this Scheme to any agreement or other document shall be construed as a reference to such agreement or other document, as may be amended, modified or supplemented from time to time, and shall include a reference to any document which amends, modifies or supplements it, or is entered into, made or given pursuant to or in accordance with its terms, whether or not they are followed by such phrases or words of like import.
- (l) No provision of this Scheme shall be construed adversely to a Party solely on the ground that the Party was responsible for the preparation of this Scheme or that provision.

2. APPROVED CLAIMS AND PROOF OF DEBT

2.1 For the purposes of this section, the following expressions shall bear the following respective meanings:

- (1) “**Contingent Scheme Creditor**” means a Creditor whose Claim against the Company is not fixed and is subject to the occurrence of a stated event.

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- (2) **"Cut Off Date"** means the date of the end of the period prescribed by the Company for which Customer Creditors may submit any disputes as to their Approved Claim, or for every other Creditor to submit their Proof of Debt, by way of the Disputes and Other Claims Form.
- (3) **"Disputes and Other Claims Form"** means the online form for Customer Creditors to submit any disputes as to their Approved Claim, or for every other Creditor to submit their Proof of Debt.

Customer Creditors

- 2.2 Customer Creditors are not required to submit a Proof of Debt within the meaning of the Companies Act or the IRDA in respect of their Claim for the balance outstanding in their respective accounts maintained on the Vault Platform, and shall be deemed to have submitted a Proof of Debt. The Company shall deliver to each Customer Creditor a written notification setting out how they may view on the Vault Platform their respective Approved Claim, that is determined in accordance with this Clause 2.
- 2.3 Any Customer Creditor who wishes to dispute any aspect of the Scheme Manager' determination of their Approved Claim or consider that he has any other Claim(s) must submit written notice of such dispute and/or additional Claim to the Scheme Manager via the Disputes and Other Claims Form by 5.00pm on the Cut Off Date. The adjudication of such dispute and/or assessment of additional Claim would be conducted by the Independent Assessor, and the costs of the Independent Assessor will be borne by the Company. Any dispute or additional Claim(s) that are not submitted in accordance with this Clause would not be considered.

Other Creditors

- 2.4 Save for the Customer Creditors, every other Creditor shall submit and deliver to the Scheme Manager a Proof of Debt via the online Disputes and Other Claims Form by 5.00pm on the Cut-Off Date, for the purpose of determining its Approved Claim in accordance with this Clause 2.
- 2.5 Any such Proof of Debt submitted by a non-Customer Creditor would be adjudicated by the Independent Assessor, and the costs of the Independent Assessor will be borne by the Company.

All Creditors (including Customer Creditors)

- 2.6 The Claim of any Creditor that is not an Approved Claim and not stated in a Proof of Debt submitted in accordance with this Clause 2 by 5.00pm on the Cut-Off Date shall be forever waived, released, discharged and extinguished, and the Creditor shall not have any rights, interests and claims whatsoever against the Company in respect of such Claim, save as the Scheme Manager may otherwise permit in their sole and absolute discretion.
- 2.7 For the purposes of adjudicating each Customer Creditor's Claim for the balance outstanding in their respective accounts maintained on the Vault Platform and each Creditor's Proof of Debt (including any Proof of Debt submitted by a Customer Creditor), the Scheme Manager (or the Independent Assessor as the case may be) shall adjudicate each Claim as at the Ascertainment Date, and may for that purpose

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take into account any mutual credits, mutual debts and/or other mutual dealings between the Company and that Creditor, pursuant to which the Scheme Manager (or the Independent Assessor as the case may be) shall be entitled (in their sole and absolute discretion) to set off any debts and liabilities to which each party is or may become subject as a result of such mutual credits, debts and/or dealings. Any part of the Claim that is thereby admitted shall be the Approved Claim.

- 2.8 For the avoidance of doubt, the Scheme Manager will not be required to delay or postpone the implementation of this Scheme, or the taking of any necessary steps thereunder, by the fact that there is pending an application to an Independent Assessor or to the Court in respect of any decision of the Scheme Manager or an Independent Assessor.
- 2.9 The Scheme Manager and/or the Independent Assessor are entitled to but not required to request for information and documents as necessary. Each Creditor shall promptly provide the Scheme Manager and/or the Independent Assessor with all such information and documents requested by the Scheme Manager and/or the Independent Assessor which are relevant to its Claim in its Proof of Debt, or to the adjudication of the amount of its Approved Claim and entitlement to distribution pursuant to the terms of this Scheme. In the event of any failure to provide any information or documents upon request and within reasonable time, the Scheme Manager and/or the Independent Assessor shall be entitled to proceed to adjudicate the Claim with regard to such information in its possession as they deem fit and without further reference to the Creditor, and may in their sole and absolute discretion (but shall not be obliged to) deem that Creditor's Proof of Debt withdrawn and that Creditor's Claims forever waived, released, discharged and extinguished as against the Company.
- 2.10 If a Creditor does not for any reason comply with the provisions of this Clause 2 (in whole or in part), such Creditor shall be deemed to have admitted and accepted in its entirety the Scheme Manager' and/or the Independent Assessor's determination as notified to such Creditor and any part of its Claim that is not an Approved Claim shall be forever waived and extinguished.
- 2.11 For the purposes of adjudicating the Claim of a Contingent Scheme Creditor, the Scheme Manager and/or the Independent Assessor (as the case may be) shall ascertain the Approved Claim of that Contingent Scheme Creditor by application of a just estimate of the value of the Claim.
- 2.12 Where a Contingent Scheme Creditor has more than one Claim against the Company which relates to a contingent or future debt as at the Ascertainment Date and which has been admitted by the Scheme Manager and/or the Independent Assessor (as the case may be), it shall be open to the Scheme Manager and/or the Independent Assessor (as the case may be) to make different just estimates of each such admitted and contingent Claim. In such event, that Contingent Scheme Creditor's Approved Claim shall be the aggregate of each such admitted and contingent Claim multiplied by the applicable just estimate thereto, together with the aggregate quantum of that Contingent Scheme Creditor's Claim(s) which relate to all present or current debts due from the Company to that Contingent Scheme Creditor as at the Ascertainment Date as may be admitted by the Scheme Manager and/or the Independent Assessor (as the

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case may be).

3. CONDITIONS PRECEDENT AND EARLY TERMINATION OF SCHEME

3.1 The following are conditions precedent to the entry into force of the Scheme, and the date on which all of the following are fulfilled shall be the "**Effective Scheme Date**", from which date onwards this Scheme shall take effect.

- (a) Approval of the Scheme by the requisite statutory majority pursuant to Section 210(3AB) of the Companies Act 1967;
- (b) Approval of the Scheme by the Court pursuant to Section 210(4) of the Companies Act 1967; and
- (c) Lodgement of the Order of Court sanctioning the Scheme with the Registrar pursuant to Section 210(5) of the Companies Act 1967.

3.2 Notwithstanding anything to the contrary herein, this Scheme shall not have commenced and shall have no effect at all if the above conditions precedent are not met.

3.3 The Scheme may also be terminated if the Scheme Creditors at a Scheme Creditors' Meeting called for that purpose resolve by Special Resolution to terminate the Scheme on the basis that the Company or the Scheme Manager (as the case may be) failed to comply, breached, or defaulted on any of the terms, conditions, stipulations, provisions, undertakings or obligations under this Scheme, and such breach or default is not rectified within 30 Business Days of a request in writing by at least two Scheme Creditors who represent not less than 50% of value of the Aggregated Approved Claims.

3.4 In the event that the Scheme is terminated as a consequence of Clause 3.3, the terms of and the obligations of the parties under, or pursuant to, this Scheme shall lapse, and the rights and obligations of the Parties existing prior to the Effective Scheme Date shall not be affected save that any Claims waived, released, discharged and/or extinguished pursuant to Clause 2.6 shall continue to be so waived, released, discharged and/or extinguished, and the value of all Scheme Creditors' claims against the Company shall be reduced by such payments and/or distributions as that Scheme Creditor had received during the Scheme.

4. MORATORIUM

4.1 On and from the Effective Scheme Date, each Creditor (regardless of whether it is a Scheme Creditor and regardless of whether it has filed a Proof of Debt under this Scheme) shall not take any steps, or cause any steps to be taken, whether directly or indirectly:

- (a) to wind up the Company, whether such proceedings be commenced in the Creditor's capacity as a creditor or a member thereof;
- (b) to appoint a receiver and/or a manager over any property or undertaking of the Company;

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- (c) to commence or continue any proceedings in any jurisdiction against the Company and shall discontinue and terminate and take all such actions required for the discontinuance and termination of any and all legal proceedings commenced by it against the Company or any assets of the Company in any jurisdiction:
 - (i) for the payment or recovery of any sum due from or owed by the Company under or arising from or in respect of any and all agreements, transactions, dealings and matters effected or entered into with the Company on or prior to the Ascertainment Date; and
 - (ii) to enforce any rights under or arising from any such agreements, transactions, dealings and matters;
- (d) to commence, continue or levy any execution, distress or other legal process against any property of the Company;
- (e) to exercise or enforce any alleged right of re-entry or forfeiture under any lease in respect of any premises occupied by the Company;
- (f) to enforce any judgment or order, including but not limited to any arbitral award, injunction, seizure or any other compulsory direction arising from or in respect of any Claim against the Company, or any of their assets in any jurisdiction by commencing or continuing any proceedings by way of legal or equitable execution including, inter alia, proceedings such as sequestration, attachment, garnishee or seizure and sale of the assets;
- (g) to place the Company under judicial management;
- (h) to amend the terms of any contract or agreement relating to or in connection with a Claim;
- (i) to accelerate the scheduled payment of, to call in, reduce, freeze, close out or cease to make available all or any part of any contract or agreement relating to or in connection with a Claim;
- (j) to enforce any provision for the automatic or accelerated payment or discharge of all or any part of the indebtedness and liabilities due, owing, or incurred under any contract or agreement relating to or in connection with a Claim, upon the occurrence of any applicable event of default (howsoever described);
- (k) to take any new Security Interest (or any other agreement or arrangement having the effect of conferring security), cash collateral or cash cover of whatever nature in respect of any contract or agreement relating to or in connection with a Claim;
- (l) to take any action to enforce or make any demand under any guarantee or similar support given in connection with any contract or agreement relating to or in connection with a Claim, by the Company; and

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- (m) to charge interest, commissions or fees at a default rate or amend the date for any payments in respect of any contract or agreement relating to or in connection with a Claim (except as contemplated by this Scheme, if at all).

5. RELEASES AND DISCONTINUANCE OF PROCEEDINGS**5.1 On and from the Effective Scheme Date:**

- (a) Each Creditor (regardless of whether they are a Scheme Creditor and regardless of whether they had filed a Proof of Debt under this Scheme) shall irrevocably, unconditionally, fully and permanently surrender, release, acquit, and forever discharge the Company (and the Company shall be completely and absolutely released and discharged from) any and all known or unknown Claims, other than Approved Claims, that such Creditor may have; and
- (b) All Creditors waive all interest (inclusive of any and all interest, yield or any type of other benefit accruing to a Customer Creditor on any deposits made by them or on their behalf into their accounts maintained on the Vault Platform), default interest, premium, additional amounts or payments, make whole amounts, fees, commissions, and penalties chargeable, accruing on, or payable in respect of, or any other accretions whatsoever arising in respect of the Claims after the Ascertainment Date under or in connection with any other agreement relating to a Claim. For the avoidance of doubt, this waiver applies to all yield (including interest and commissions) that accrue after the Ascertainment Date in respect of deposits made by or on behalf of Customer Creditors on the Vault Platform, and which remain outstanding in their account maintained on the Vault Platform as at the Ascertainment Date.

5.2 Within 7 Business Days after the Effective Scheme Date, each of the Creditors shall (regardless of whether or not it has submitted a Proof of Debt under this Scheme) discontinue, withdraw and/or terminate any and all legal, arbitration, insolvency, enforcement or other proceedings commenced by that Creditor against the Company or any assets of the Company in any jurisdiction for the payment or recovery of its Claims, and release or take all such action required for the release to the Company of all rights, funds or property arrested, seized, garnished or attached in any legal, arbitration, insolvency, enforcement or other proceedings.

5.3 All discontinuances, withdrawals, terminations and/or releases of legal proceedings for each Creditor to take in accordance with Clause 5.2 shall be on the basis that there be no order as to costs between the parties to the relevant proceedings, and the Company shall be entitled to seek the appropriate orders or awards against the relevant Creditor from the relevant court or tribunal to enforce and/or give effect to this Clause. The relevant Creditor shall be liable on a full indemnity basis for any costs incurred by the Company in enforcing and/or giving effect to this Clause.

5.4 Creditors (which include the Scheme Creditors) agree to release the Company's current and former officers (the "**Released Parties**") from any and all liability the same may have to the Company as an officer arising from their term of office on or before the implementation of the Scheme other than any liabilities arising from fraud, criminal conduct or self-dealing (the "**Released Claims**"). In consideration for its rights and

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entitlements under the Scheme, each Creditor, with immediate effect on and from the Effective Scheme Date, conclusively, irrevocably, unconditionally, fully and permanently:

- (1) waives, discharges and releases the Released Parties from the Released Claims;
- (2) ratifies and confirms everything which any Released Party may lawfully do or cause to be done in accordance with any authority conferred by the Scheme and agrees not to challenge: (a) the validity of any act done or omitted to be done; or (b) the exercise or omission to exercise any power conferred in accordance with the provisions of the Scheme in good faith by any Released Party; and
- (3) undertakes that it will not (and shall use all reasonable endeavours to procure that it will not) commence or continue, or instruct, direct or authorise any other person to commence or continue any proceedings against any or all of the Released Parties in respect of or arising from any Released Claim.

5.5 The releases, waivers and undertakings as set out in this Clause 5 above shall not prejudice or impair the rights of any Creditor created under the Scheme which arise as a result of a failure by the Company or any party to the Scheme to comply with any terms of the Scheme.

6. FLIPVOLT TECHNOLOGIES PRIVATE LIMITED

6.1 Within [●] Business Days of the Effective Scheme Date, the Company shall undertake to satisfy the liabilities owed by Flipvolt Technologies Private Limited ("**Flipvolt**") to Customer Creditors who are also creditors of Flipvolt for the amount of monies in INR outstanding in their accounts maintained on the Vault Platform.

6.2 In the event that Flipvolt does not have sufficient assets to make the payments contemplated at Clause 6.1 above, the Company shall be entitled to give a loan not exceeding [●] to assist with the payment processes so as to facilitate the payment contemplated at Clause 6.1 above. For the avoidance of doubt, any loan given by the Company to Flipvolt will constitute an account receivable owing from Flipvolt to the Company, and accordingly a Major Illiquid Asset of the Company.

7. CREDITORS' ENTITLEMENT TO DISTRIBUTIONS AND PAYMENTS

7.1 The Approved Claims of any Scheme Creditor shall be that Scheme Creditor's Claims as admitted by the Scheme Manager (in the case of Customer Creditors) or as stated in that Scheme Creditor's Proof of Debt reduced, in order:

- (a) by any Claim(s) not admitted by the Scheme Manager as representing a genuine debt owed by the Company to that Scheme Creditor as at the Ascertainment Date (whether actual, present, future or contingent);
- (b) by the value of any Security Interest held by that Scheme Creditor (the "**Assessed Value**"), insofar as such Assessed Value was not already

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accounted for by that Scheme Creditor in that Scheme Creditor's Proof of Debt. Such Assessed Value shall be determined as follows:

- (i) by admission by the Scheme Manager of the amount stated by that Creditor in his Proof of Debt to be the value of the Security Interest;
 - (ii) by agreement between the Scheme Manager and the Creditor; or
 - (iii) in the absence of admission by the Scheme Manager or agreement between the Scheme Manager and the Creditor, by the Court;
- (c) by the Realisation Amount of any Security Interest held by such Scheme Creditor, provided nevertheless that where an Assessed Value has previously been ascribed to that Security Interest, then the Scheme Creditor's Claim shall be reduced only by the amount (in the positive only) by which the Realisation Amount of such Security Interest exceeds the Assessed Value of such Security Interest; and
- (d) by any amount recovered or received by or for the account of such Scheme Creditor subsequent to the Ascertainment Date under or arising from any guarantee given to such Scheme Creditor by any person with respect to that Scheme Creditor's Claim against the Company.

7.2 Where, as a consequence of the above reductions, the Approved Claim of any Scheme Creditor becomes a negative number, such Scheme Creditor shall pay to the Company such excess amount.

7.3 Scheme Creditors shall only be entitled to receive benefits and distributions under this Scheme in respect of their Approved Claims.

7.4 Notwithstanding anything to the contrary in this Scheme, the Scheme Manager may direct that the Company withhold the distribution of any sum due to such Scheme Creditor under this Scheme in the event that any Scheme Creditor fails to comply with or observe any of the provisions of this Scheme (including its obligations under Clause 5), until such Scheme Creditor shall have fully complied with and observed such provision, and the Company shall comply with such direction. Nothing in this Scheme shall affect or prejudice the right of the Scheme Manager or any other Scheme Creditor or the Company to take any action in any jurisdiction to enforce this Scheme or any term thereof against such Scheme Creditor.

8. RECOVERY AND COLLECTION OF ILLIQUID ASSETS

8.1 The Company shall, during the Prescribed Period, use all reasonable efforts to recover and collect all Illiquid Assets of the Company.

8.2 The Company shall provide to the Scheme Manager, at every three-monthly interval after the Effective Scheme Date, a report setting out the Company's efforts to assert and prosecute all claims and causes of action in relation to the Major Illiquid Assets and the amount of proceeds recovered, collected or received by the Company from such efforts, as at the date of such report in such detail as the Scheme Manager may

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consider appropriate (including any opinion to be procured by the Company from its lawyers on the merits of any such claim and cause of action).

- 8.3 The Scheme Manager shall have the power to require and request the Company to initiate, prosecute, discontinue, dispose of, withdraw and/or settle any claims and/or legal proceedings relating to any of the Major Illiquid Assets, having regard to advice obtained by the Company from its advisors and lawyers.
- 8.4 Before the expiry of the Prescribed Period, the Scheme Manager shall have the discretion to extend the Prescribed Period for a further 3 months at each time subject to Full Board Approval being obtained. If the Prescribed Period is extended, the Company is to provide written notice to Scheme Creditors of the extension within 3 Business Days of the Full Board Approval being obtained.

9. DISTRIBUTIONS

- 9.1 For the purposes of this section and the next section, the following expressions shall bear the following respective meanings:

- (1) **"Discounted Payment"** means the payment to be made pursuant to a successful RDA Bid.
- (2) **"One-Time Conversion"** has the meaning ascribed to it below.
- (3) **"Prescribed Event"** means the recovery by the Company of one of the Major Illiquid Assets.
- (4) **"RDA"** or its plural means a debt tender offer conducted by the Company by way of a Reverse Dutch Auction, and may refer to either the Initial RDA, the Second RDA and/or the Third RDA, either individually or collectively, where applicable.
- (5) **"RDA Agent"** means Kroll Issuer Services Ltd, who will perform the administrative work on taking in tender information from the participating Scheme Creditors in the RDAs under the supervision of the Scheme Manager.
- (6) **"RDA Bid"** means a bid for a Discounted Payment which a Crypto Scheme Creditor submits in an RDA with respect to the token balance of their Scheme Claim post-One Time Claim Conversion, which will be subject to a minimum threshold of discount as required by the Company.
- (7) **"RDA Closing Date"** means the date prescribed by the Scheme Manager on which a particular RDA Period closes.
- (8) **"RDA Opening Date"** means the date prescribed by the Scheme Manager on which a particular RDA Period opens.
- (9) **"RDA Form"** means the online form that participating Crypto Scheme Creditors will fill in to submit an RDA Bid.
- (10) **"RDA Period"** means the period prescribed by the Scheme Manager during

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which participating Crypto Scheme Creditors may participate in the RDA.

- (11) “**Subsequent RDA**” means any RDA after the Initial RDA.
- 9.2 Within [●] days of the Effective Scheme Date and prior to any distributions, for purposes of the distribution of the Liquid Assets as at the Effective Scheme Date (i.e. the initial RDA and the First Distribution), Scheme Creditors shall be entitled but are not required to select one or more of the following cryptocurrency tokens that they wish to receive their Distributions in: (i) BTC; (ii) ETH; (iii) XRP; and (iv) USDC (“**One-Time Conversion**”), and the Company shall be entitled to carry out the necessary trades to facilitate such Distribution in the one or more of the aforesaid tokens (including any USD-linked stablecoin as an alternative to USDC at the Company’s discretion).
- 9.3 The Company shall make distributions of the Liquid Assets (as at the Effective Scheme Date) to Scheme Creditors in the following manner:
- (a) Within [●] Business Days of the Effective Scheme Date, the Company will determine the appropriate sum of Liquid Assets to be utilised for the RDA (i.e. the “**RDA Assets**”), and conduct the RDA in accordance with Clause 10 below.
 - (b) The Scheme Manager shall, within [●] Business Days after the relevant RDA Closing Date, direct the Company to make payments of the Discounted Payments and the Company shall, within [●] Business Days of the receipt of such direction, make such payment out of the RDA Assets to the participating RDA Scheme Creditor’s account on the Vault Platform, which will be made available for withdrawal by such Scheme Creditor subject to completion of KYC requirements, if the Company deems necessary (the “**RDA Payment Date**”).
 - (c) Within [●] Business Days of the RDA Payment Date, the remaining Liquid Assets and any unutilised RDA Assets will be distributed pari passu to Scheme Creditors (the “**Distribution**”).
- 9.4 The Company shall make distributions of the Illiquid Assets (as at the Effective Scheme Date) to Scheme Creditors in the following manner:
- (a) Subject to the net recovery and receipt by the Company of one or more of the three Major Illiquid Assets after having accounted for all administrative and operational expenses incurred directly or indirectly in the recovery of the Major Illiquid Assets (“**Net Recovery**”), the Company is at liberty and has the sole discretion (and not any obligation) to call a Subsequent RDA at any time after the First Distribution.
 - (i) If the Company calls a Subsequent RDA, Clause 9.3(a) to (c) apply *mutatis mutandis* with respect to any Subsequent Tender Offer, save that Clause 9.3(a) will have reference to the Company’s Net Recovery instead of “Effective Scheme Date”.
 - (ii) If the Company does not call a Subsequent RDA, the Company shall send written notice to all Scheme Creditors on the Net Recovery, and within [●] Business Days of such written notice,

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make a pari passu distribution of the Liquid Assets (including the Net Recovery) to Scheme Creditors.

- (b) Following the Company's receipt of Net Proceeds from the realisation of the last remaining Major Illiquid Assets (or the determination by the Company that there are no further recovery of Illiquid Assets, which shall be subject to agreement by the Scheme Manager), the Company shall make a final distribution to Scheme Creditors of such Net Proceeds (if applicable), together with (i) any other Liquid Assets (i.e. including any other Net Proceeds received by the Company from Other Illiquid Assets); (ii) any assets or funds which remain unclaimed / unwithdrawn by Scheme Creditors after the prior Distribution(s); (iii) any unutilised Costs Reserves (the "**Final Distribution**").

For the avoidance of doubt, any Scheme Creditor who does not claim or withdraw their distributions from prior Distributions from the Initial or Subsequent RDAs (if any) or the prior pari passu distributions by the date of the Final Distribution will waive their entitlements to the aforesaid distributions, and the unclaimed / unwithdrawn distributions will be included in the pool of assets to be distributed under the Final Distribution.

- 9.5 For purposes of the distribution of the Illiquid Assets as at the Effective Scheme Date (i.e. any subsequent RDA(s) and Distributions after the Initial RDA and First Distribution), the Company shall be entitled to effect each Distribution(s) in the token denomination(s) or fiat currency of the Net Proceeds or in such token denomination(s) or fiat currency as may be determined with Full Board Approval.
- 9.6 Save for the Accepted Bids under a RDA and the Final Distribution, any and all distributions or payments by the Company under this Scheme shall be on a *pari passu* basis calculated in relation to the Company's Aggregated Approved Claims as at the date immediately prior to the Distribution in question. Each Scheme Creditor shall only receive distributions or payments in respect of that Scheme Creditor's Approved Claims in accordance with the following formula:

$$D = (AC \div AAC) \times TD$$

Where:

- (a) D is the distribution to that Scheme Creditor of the Scheme Creditor's Approved Claim as at the date of that particular Distribution.
- (b) TD is the total value of Distribution Assets to be distributed to all eligible Scheme Creditors in that particular Distribution by the Company.
- (c) AC is that Scheme Creditor's Approved Claim as at the date immediately prior to that particular Distribution in USD equivalent based on the exchange rate on coinmarketcap.com or binance.com (if unavailable on coinmarketcap.com) as at the Ascertainment Date.
- (d) AAC is the Aggregated Approved Claims in respect of all Scheme Creditors as at the date immediately prior to that particular Distribution by the Company, in USD equivalent based on the exchange rate on coinmarketcap.com or

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binance.com (if unavailable on coinmarketcap.com) as at the Ascertainment Date.

- 9.7 Scheme Creditors with Approved Claims as at the date immediately prior to declaration of the Final Distribution shall be entitled to receive distributions or payments by the Company only if they elect to participate in the Final Distribution.
- 9.8 The Scheme Manager shall notify Scheme Creditors of the Final Distribution and invite Scheme Creditors to participate in the Final Distribution. Scheme Creditors who wish to participate in the Final Distribution shall submit a duly completed form, which shall be made available in the notification, by a stipulated deadline which shall not be shorter than [●] Business Days from the date of such notification. Scheme Creditors who submit a duly completed form in accordance with this Clause 9.6 shall constitute a **“Participating Scheme Creditor”**. Scheme Creditors who do not submit the duly completed form within the stipulated deadline shall not be entitled to receive any payment or distribution under the Final Distribution.
- 9.9 Each Participating Scheme Creditor shall only receive distributions or payments in respect of that Scheme Creditor’s Approved Claims from the Final Distribution in accordance with the following formula:
- $$D = (AC \div APAC) \times TD$$
- Where:
- (a) D is the distribution to that Scheme Creditor of the Scheme Creditor’s Approved Claim as at the date of that particular Distribution.
 - (b) TD is the total value of Distribution Assets to be distributed to all eligible Participating Scheme Creditors in that particular Distribution by the Company.
 - (c) AC is that Scheme Creditor’s Approved Claim as at the date immediately prior to that particular Distribution in USD equivalent based on the exchange rate on coinmarketcap.com or binance.com (if unavailable on coinmarketcap.com) as at the Ascertainment Date.
 - (d) APAC is the Aggregated Approved Claims in respect of all Participating Scheme Creditors as at the date immediately prior to that particular Distribution by the Company, in USD equivalent based on the exchange rate on coinmarketcap.com or binance.com (if unavailable on coinmarketcap.com) as at the Ascertainment Date.
- 9.10 The Company shall be entitled to make distributions or payments under this Scheme to Scheme Creditors by way of deposit into the accounts maintained by Scheme Creditors on the Vault Platform and allowing the withdrawal of such distributions and payments only to the name of such Scheme Creditor. This process shall be conducted by the Company with the assistance of the Tabulation Agent and under the supervision of the Scheme Manager.
- 9.11 A Scheme Creditor who has received a distribution to his/her account on the Vault Platform bears the responsibility to effect any withdrawals, including but not limited to ensuring that there is a sufficient balance in his/her account to process a withdrawal

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on the Vault Platform, and that any withdrawals from the Vault Platform are made in compliance with the applicable laws of their place of domicile. The use of the Vault Platform is at the Scheme Creditor's sole risk, and the Company expressly disclaims and waives all warranties and conditions of any kind, whether express or implied, including but not limited to the warranties of merchantability, fitness for a particular purpose or title, bugs, errors and/or omissions, problems or any other limitations on the Vault Platform, unless it arises out of the gross negligence, fraud or wilful default of the Company.

- 9.12 Scheme Creditors who are entitled to but do not effect the withdrawal of their distributions prior to the Final Distribution shall unconditionally and irrevocably waive all of their rights and interests in their entitlements to the aforesaid distributions, and the Company shall be entitled to recover these distributions from the accounts maintained by the Scheme Creditors on the Vault Platform and include these assets in the pool of assets to be distributed under the Final Distribution.
- 9.13 Any and all fees, expenses and charges incurred in connection with or which may be applicable to any distribution or payment made by the Company to any person under this Scheme (including any withdrawals to be made from the accounts maintained on the Vault Platform) shall be borne by such person and the Company may deduct from any sum or asset payable or to be distributed to such person the amount of such fees, expenses and charges.
- 9.14 Any sums or assets payable or to be distributed under the terms of the Scheme, shall be paid:
- (a) free of any restriction or condition; and
 - (b) without deduction or withholding (save to the extent required by law) on account of any other amount, whether by way of set-off, counterclaim or otherwise.

10. REVERSE DUTCH AUCTIONS

- 10.1 The Scheme Manager shall oversee the process of each RDA, which are carried out by the Company with administrative support from the RDA Agent.
- 10.2 Within [●] Business Days of the Effective Scheme Date, the Company shall send written notice to all Scheme Creditors on the conduct of the Initial RDA pursuant to Clause 9.2 above.
- 10.3 For subsequent RDAs pursuant to Clause 9.4 above, the Company shall send written notice to all Scheme Creditors on the conduct of such RDA or the *pari passu*

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distribution of Liquid Assets within [●] Business Days of the Net Recovery received by the Company.

- 10.4 Each RDA shall commence at 9.00am on the RDA Opening Date and end at 5.00pm on the RDA Closing Date for such RDA.
- 10.5 The Company shall have the discretion to determine the details of each RDA, including the value of Distribution Assets to be utilised for the RDA, and the minimum threshold level of discount applicable to each RDA.
- 10.6 Each Crypto Scheme Creditor shall be entitled to submit one (and only one) RDA Bid in each RDA. Each RDA Bid shall constitute an offer by the Crypto Scheme Creditor to the Company to accept the Discounted Payment from the Company in respect of such Crypto Scheme Creditor's Offered Debt. For the avoidance of doubt, any Offered Debt submitted by a Crypto Scheme Creditor may be a part of or the entirety of its Approved Claim less any deductions pursuant to Clause 9.13.
- 10.7 Each RDA Bid must comprise a fully completed RDA Form duly executed by the relevant Crypto Scheme Creditor making the relevant RDA Bid. Any RDA Bid that is not submitted within the relevant RDA Period or is not submitted using the RDA Form will not be considered.
- 10.8 All RDA Bids once submitted are final and cannot be amended and shall be considered irrevocable after 5.00 pm on the RDA Closing Date.
- 10.9 During the RDA Period, strict confidence shall be observed by all parties participating in the RDA, including the Company, the Scheme Manager and the RDA Agent, in respect of information relating to the number and details of the RDA Bids received.
- 10.10 The Scheme Manager shall have the discretion to consider invalid and disqualified, any bid submitted by a Scheme Creditor under any RDA which is, in the Scheme Manager' opinion, ambiguous, incomplete or unclear, or to reject as invalid and disqualified, any bid submitted by a Scheme Creditor under any RDA which is not submitted in accordance with Clause 10.7 (or any part thereof).
- 10.11 The results of each RDA shall be announced by the Scheme Manager to the relevant Scheme Creditors no later than [●] Business Days after the relevant RDA Closing Date. The results of each RDA shall be final and the Company and the Scheme Manager shall not be obliged to disclose any particulars of any of the RDA Bids received in such RDA.
- 10.12 Subject to any partial RDA Bids which may be accepted at the sole discretion of the Company, each Scheme Creditor, upon receipt of the Discounted Payment, shall accept the same in full satisfaction and complete discharge of the Offered Debt in respect of which the Discounted Payment is made. Upon receipt of the Discounted Payment, the relevant Scheme Creditor shall no longer have any Claim whatsoever against the Company.
- 10.13 In respect of each RDA, each Scheme Creditor, regardless of whether he had submitted a RDA Bid, and, if so, whether such RDA Bid was accepted by the Company, agrees that each of the Scheme Creditors who were successful in the RDA shall be

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entitled to absolutely and unconditionally retain for their own benefit the Discounted Payments received by them respectively in respect of their Accepted Bids pursuant to each such RDA. Each Scheme Creditor further expressly, unconditionally and irrevocably waives all rights and entitlements, whether founded upon any statute, contract or the general law, to the whole or any part of the Discounted Payments received by any other Scheme Creditor pursuant to each RDA.

10.14 The Scheme Manager shall, in respect of each RDA, determine which RDA Bids shall be accepted by the Company in accordance with the following:

- (a) If the aggregate of the Discounted Payments of all the RDA Bids submitted in the RDA is equal to or less than the sum of the RDA Assets for that RDA, all the RDA Bids shall be accepted by the Company and each such RDA Bid shall constitute an Accepted Bid.
- (b) In any other case, the Company shall accept the RDA Bids in order commencing from the highest Offered Discount until the aggregate of the Discounted Payments of the accepted RDA Bids does not exceed the RDA Assets. Each such accepted RDA Bid shall constitute an Accepted Bid.
- (c) Any two or more RDA Bids with the same Offered Discount shall be accepted in the chronological order of their submission time, with the RDA Bid submitted earlier in time accepted first.
- (d) The Company, in conjunction with the Scheme Manager, has the sole discretion to decide whether a RDA Bid shall be accepted partially. Any balance RDA Assets not utilised for payment of the Accepted Bids shall constitute Distribution Assets to be distributed in accordance with Clause 9.3(c) and/or Clause 9.4, where appropriate.

10.15 In the event all Approved Claims participate successfully in the RDAs, such that all Approved Claims are satisfied pursuant to Clause 10.12 above, all Approved Claims will be entitled to participate in the Final Distribution as if these Approved Claims were not extinguished pursuant to the RDA.

11. MEETINGS OF SCHEME CREDITORS

11.1 The Scheme Manager may at any time convene a meeting of the Scheme Creditors (a "**Scheme Creditors' Meeting**"). All Scheme Creditors' Meetings shall be held virtually on a video-conferencing platform to be determined by the Scheme Manager in their sole discretion.

11.2 Without prejudice to Clause 11.1, the Scheme Manager shall convene a Scheme Creditor Meeting upon the submission of a written request from any two or more Scheme Creditors whose Approved Claims subsisting at that time in aggregate constitute not less than 25% of the Aggregated Approved Claims subsisting at that time.

11.3 In the event (but not otherwise) that the Scheme Manager shall fail to convene and hold a meeting of Scheme Creditors within 30 calendar days after the date of any request of such Scheme Creditors entitled to do so under Clause 11.2 above, then

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those Scheme Creditors may convene a Scheme Creditors' Meeting at their own cost and expense.

- 11.4 At least 10 Business Days' prior written notice of a Scheme Creditors' Meeting shall be given to each and all the Scheme Creditors whose Approved Claims subsisting at that time are greater than nil. The notice convening any Scheme Creditors' Meeting shall specify the time and venue of the Scheme Creditors' Meeting and shall state the resolutions proposed to be passed or the matters proposed to be discussed and resolved at the Scheme Creditors' Meeting. No resolution shall be passed and no matter shall be discussed or resolved at any Scheme Creditors' Meeting other than the resolutions or matters stated in such notice. Any incidental omission to give any notice of any meeting or the non-receipt of any notice by any Scheme Creditor shall not invalidate any meeting or proceedings thereat.
- 11.5 No resolution shall be passed and no matters shall be discussed or resolved at any Scheme Creditors' Meeting, unless a quorum of Scheme Creditors is present at the time appointed for the Scheme Creditors' Meeting. The quorum for any Scheme Creditors' Meeting convened by the Scheme Manager shall be any two Scheme Creditors who have Approved Claims subsisting at the time, and the quorum for any Scheme Creditors' Meeting convened by the Scheme Creditors shall be any two Scheme Creditors present in person or by proxy whose Approved Claims subsisting at the time in aggregate constitute not less than 25% of the Aggregated Approved Claims subsisting at that time.
- 11.6 If within half an hour from the time appointed for any meeting, a quorum of the Scheme Creditors is not present, the meeting shall stand adjourned to the same day in the next week at the same time and if at such adjourned meeting, a quorum is not present, the Scheme Creditor present shall form a quorum and may transact any business which a Scheme Creditors' Meeting is competent to transact.
- 11.7 The chairperson of every Scheme Creditors' Meeting shall be one of the Scheme Manager. In the event that no Scheme Manager is present at any Scheme Creditors' Meeting or, if present, decline to chair the Scheme Creditors' Meeting, then the Scheme Creditors present at the meeting may by a resolution passed by a majority in number of the Scheme Creditors present at the meeting elect any one of them to chair that meeting.
- 11.8 The chairperson may, provided that there is a quorum constituted, with the consent of a majority in number of the Scheme Creditors present at any Scheme Creditors' Meeting, adjourn the Scheme Creditors' Meeting from time to time and from place to place, but no matter shall be discussed, dealt with or resolved upon at the adjourned Scheme Creditors' Meeting other than those which remain unfinished at the Scheme Creditors' Meeting from which the adjournment took place. When a Scheme Creditors' Meeting is adjourned for 30 calendar days or more, notice of the adjourned Scheme Creditors' Meeting shall be given as in the case of an original Scheme Creditors' Meeting. Except as aforesaid, it shall not be necessary to give any notice of any adjournment or of the matters to be discussed or resolved at an adjourned Scheme Creditors' Meeting.
- 11.9 Every Scheme Creditors' Resolution on any matter before a Scheme Creditors' Meeting shall be passed only with the support of a majority on a show of hands in

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number of the Scheme Creditors present and voting (whether in person or by proxy) on the resolution and whose Approved Claims subsisting at that time in aggregate constitutes more than 50% of the total in value of the Approved Claims subsisting at that time in aggregate of all Scheme Creditors present and voting on the resolution. In the case of an equality of votes, the chairperson shall both on a show of hands and on a poll have a casting vote in addition to the vote or votes (if any) to which he may be entitled as, or as the proxy of, a Scheme Creditor.

- 11.10 Every Special Resolution on any matter before a Scheme Creditors' Meeting shall be passed only with the support of a majority on a show of hands in number of the Scheme Creditors present and voting (whether in person or by proxy) on the resolution and whose Approved Claims subsisting at that time in aggregate constitutes at least 75% of the total in value of the Approved Claims subsisting at that time in aggregate of all Scheme Creditors present and voting on the resolution. In the case of an equality of votes, the chairperson shall both on a show of hands and on a poll have a casting vote in addition to the vote or votes (if any) to which he may be entitled as, or as the proxy of, a Scheme Creditor.
- 11.11 Other than as set out herein, the chairperson may determine whether any resolution requires the voting of a Scheme Creditors' Resolution or Special Resolution in order to be carried.
- 11.12 No objection shall be raised by any Scheme Creditor to the qualification of any Scheme Creditor to vote at any Scheme Creditors' Meeting except at the Scheme Creditors' Meeting at which the vote objected to is given or tendered and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection by any Scheme Creditor shall be made before the end of the Scheme Creditors' Meeting and shall be referred to the chairperson of the Scheme Creditors' Meeting whose decision shall be final.
- 11.13 Save as otherwise expressly provided in this Scheme, the Company and any of the Scheme Manager may, but shall not be obliged or required to, act upon or implement any resolution passed at any Scheme Creditors' Meeting.
- 11.14 The Company shall be entitled to receive the notice of and attend a Scheme Creditors' Meeting.
- 11.15 Every Scheme Creditor shall be entitled to attend the Scheme Meeting and/or any Scheme Creditors' Meeting in person or by proxy. Any instrument appointing a proxy

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must be in writing in the form set out in Appendices B or C, depending on whether that Scheme Creditor intends to file a general or special proxy.

12. OTHER OBLIGATIONS OF THE COMPANY

12.1 With effect from the Effective Scheme Date, the Company's board of directors will resign and a new board of directors will be formed ("**New Board**"). The New Board shall comprise at least 3 individuals.

12.2 Subject to the applicable laws of Singapore, the Company shall procure the appointment of the following individuals to the New Board:

- (a) The Chief Executive Officer of the Company. For the avoidance of doubt, this would exclude, if any, the Chief Financial Officer, the Chief Operating Officer and the Chief Technology Officer;
- (b) One representative to be appointed by the Scheme Manager (the "**Scheme Manager' Representative**"); and
- (c) One independent professional from an Singapore accounting or advisory firm with good standing to be selected by the body of Scheme Creditors from a list of shortlisted nominees provided by the Company and/or the Scheme Creditors (the "**Creditors' Representative**"), and who unless otherwise agreed by the Company, satisfies the following criteria:
 - (i) Be a licensed insolvency practitioner in Singapore or a professional in the finance, accounting and/or advisory industry in Singapore or the like, for no less than 7 years;
 - (ii) Not be an undischarged bankrupt; and
 - (iii) Not be disqualified to act in the capacity of a director or in any capacity by law;

(individually or collectively referred to as "**New Director**" or "**New Directors**", where applicable)

12.3 The selection of the Creditors' Representative would be conducted by way of a vote in a manner prescribed by the Company.

12.4 The Company shall have the sole discretion to determine the following in respect of any New Director:

- (1) The New Director's fees and term of office;
- (2) Any process or procedure relating to the proceedings of the New Board, including but not limited to the quorum of the New Board, the passing of resolutions, the replacement, removal and/or appointment of directors in the New Board, and the powers and duties of the New Directors.

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- 12.5 The Company shall have the sole discretion to amend the Company's Constitution and shareholders' agreement, where necessary, to facilitate the implementation and/or execution of the Scheme, without any restrictions imposed by this section.
- 12.6 The Company shall utilise a self-custody solution with corporate safeguard and control capabilities, including multi-signatories and approvals, to hold all Liquid Assets and Net Proceeds on behalf of the Company and take reasonable steps to ensure that any of the above assets denominated in cryptocurrency shall be maintained on chain.

13. END OF SCHEME

- 13.1 The Scheme shall terminate upon the earlier of the following occurring:
- (a) The Liquid Assets and Illiquid Assets (to the extent determined by the Scheme Manager to be recoverable) have been fully distributed to the Scheme Creditors;
 - (b) The Scheme Creditors resolve by Special Resolution at a Scheme Creditors' Meeting to terminate this Scheme on the basis that the Company's obligations have been satisfied, discharged or waived; or
 - (c) An order of the Court directing that the Scheme be terminated, whether by performance or otherwise, is obtained;

(the "**End Date**").

For the avoidance of doubt, whether the expiry of the Prescribed Period (or any other matter whatsoever not expressly set out in this Clause 13.1) has occurred shall have no bearing whatsoever on whether the End Date has occurred.

- 13.2 Upon the day after the End Date:
- (a) this Scheme shall cease and terminate;
 - (b) the Creditors' Representative and the Scheme Manager' Representative will be removed from the Company's board of directors;
 - (c) the Scheme Manager will cease to have any further rights, obligations and liabilities under the Scheme; and
 - (d) all Creditors (regardless of whether they are a Scheme Creditor and regardless of whether they had filed a Proof of Debt under this Scheme) shall irrevocably, unconditionally and permanently surrender, release, acquit, and forever discharge the Company (and the Company shall be completely and absolutely released and discharged from) any and all known or unknown Claims that such Creditor may have, including Approved Claims under this Scheme,

DRAFT**14. SCHEME MANAGER****Appointment, Resignation and Removal of the Scheme Manager**

- 14.1 A person for the time being holding appointment as Scheme Manager shall cease to hold appointment as a Scheme Manager upon the occurrence of any of the following events:
- (a) the making of an order by the Court for his removal or replacement as a Scheme Manager; and
 - (b) the death or bankruptcy of such person.
- 14.2 Every person who is appointed as a Scheme Manager but whose appointment is terminated for any reason whatsoever shall make available to its successor and such persons as the Company may direct, such documents and records in its possession and provide such assistance as its successor and/or such persons may reasonably request.

Powers, Duties and Discretions

- 14.3 The Scheme Manager shall oversee and be responsible for the Company's implementation of and compliance with the provisions of this Scheme and shall have the power to do all such things as they may consider necessary or desirable towards that end, including, without limitation:-
- (a) to initiate, prosecute, discontinue, withdraw and/or settle any claim or proceeding against any person to enforce this Scheme;
 - (b) to appoint an agent to carry out or to assist them in carrying out any of their duties or functions which the Scheme Manager are unable to perform;
 - (c) to delegate the performance of their duties and the exercise of any of their powers to any suitably qualified person;
 - (d) to engage lawyers, financial or other professional advisers and consultants to advise and assist the Scheme Manager in the exercise of its rights and the performance or discharge of their duties as Scheme Manager.
 - (e) to enforce for the benefit of the Scheme Creditors any and all the undertakings and obligations of the Company under this Scheme and to commence proceedings against the Company in its capacity as Scheme Manager to enforce such undertakings and obligations, and in this connection, no Scheme Creditor shall commence any action against the Company to enforce any undertaking or obligation of the Company under this Scheme or to recover any loss arising from any breach by the Company of any such undertaking or obligation;
 - (f) to enforce for the benefit of the Company any and all the undertakings and obligations of the Scheme Creditors (in whole or in part) under this Scheme and to commence proceedings against any one or more of the Scheme

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Creditors in its capacity as Scheme Manager to enforce such undertakings and obligations; and

- (g) to do everything reasonable or necessary to implement the provisions of this Scheme.

14.4 The Scheme Manager may at any time apply to the Court:

- (a) to interpret and construe any provision of this Scheme; and
- (b) for any order or direction relating to any issue, concern or dispute arising from the discharge of its duties under this Scheme, or from any allegation raised by any Creditor.

14.5 The Scheme Manager may, at the Company's costs and expense, engage and pay lawyers, accountants, financial and other professional advisors and consultants to advise and assist the Scheme Manager in the exercise of its rights and the performance or discharge of their duties as Scheme Manager, in submitting any application to the Court for any directions or order regarding this Scheme or any issue, dispute or concern arising from this Scheme and in the initiation, prosecution, conduct, withdrawal and/or settlement of any Scheme Manager Claim or Scheme Manager Proceedings.

14.6 The Scheme Manager may rely on:

- (a) any representation, notice or document believed by him to be genuine, correct and appropriately authorised; and
- (b) any statement made by any person regarding any matters which may reasonably be assumed to be within its knowledge or within its power to verify.

14.7 The Scheme Manager shall maintain a register and record of all the Scheme Creditors at any point in time ("**Register**") and shall update the Register accordingly. In the event that the Scheme Manager are satisfied that a Scheme Creditor has validly and effectively transferred and assigned all its rights, interest and benefits under or arising from this Scheme pursuant to Clause 18, then the Scheme Manager shall enter the name of the transferee in the Register as a "Scheme Creditor" in place of the transferor.

14.8 The Scheme Manager may at any time and from time to time delegate their powers and functions under this Scheme to any natural person designated for this purpose. Any natural person to whom the Scheme Manager may delegate their powers will likewise have the same powers of delegation as are vested in the Scheme Manager by this Clause.

14.9 Notwithstanding anything to the contrary in this Scheme:

- (a) in exercising their powers and carrying out their duties under this Scheme, the Scheme Manager shall be deemed at all times to act as agents for and on behalf of the Company and the Company shall have no power to limit or terminate the Scheme Manager' authority to act in such manner, save in accordance with the terms of the Scheme;

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- (b) the Scheme Manager may rely on any representation, notice or document believed by them to be genuine, correct and appropriately authorised and any statement made by any person regarding any matters which may reasonably be assumed to be within their knowledge or within their power to verify;
- (c) the Scheme Manager shall not be obliged to do or omit to do anything if it would or might in their reasonable opinion constitute a breach of any law or regulation or a breach of a fiduciary duty or duty of confidentiality;
- (d) the Scheme Manager shall act in accordance with any direction or order of the Court and shall not be liable to any person whatsoever for doing so;
- (e) The Scheme Manager may be appointed, may resign, and may be removed, in accordance with the following terms:
 - (i) Any natural person may with the approval of the Scheme Manager be appointed a Scheme Manager upon the passing of a Scheme Creditors' Resolution at a Scheme Creditors' Meeting convened for the purpose. Alternatively, the Company or the Scheme Manager may apply to Court for an order appointing any person or persons as a Scheme Manager. Any natural person may be thus appointed as Scheme Manager in substitution of, or in addition to, the person or persons then holding appointment as the Scheme Manager or to fill any vacancy resulting from death or bankruptcy or any other cause.
 - (ii) Any Scheme Manager shall cease to hold office upon the occurrence of any of the following events:
 - (1) Resignation of that Scheme Manager by giving at least 30 calendar days' notice to the Company;
 - (2) Passage of a special resolution at a Scheme Creditors' Meeting convened for the purpose of appointing any person or persons to replace any or all of the Scheme Manager;
 - (3) upon the making of an Order of the Court for the removal or replacement of any or all of the Scheme Manager; or
 - (4) the death or bankruptcy of any or all of the Scheme Manager.
- (f) The Scheme Manager shall not be obliged to make or commence or continue any Scheme Manager Claim or Scheme Manager Proceedings or take any action if the Scheme Manager are satisfied in their sole and absolute discretion that the monies for the time being provided or made available to them by the Company and/or the Scheme Creditors for that purpose are insufficient to pay, defray, reimburse or meet all fees, expenses and liabilities which have been incurred or may otherwise be incurred;
- (g) Every person who ceases to be a Scheme Manager shall make available to his successor such documents and records in his possession and provide such assistance as the successor Scheme Manager may reasonably request for the

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purposes of performing any functions or duties as Scheme Manager under the Scheme;

- (h) the Scheme Manager may settle or discontinue or withdraw any Scheme Manager Claim or Scheme Manager Proceedings on such terms as the Scheme Manager consider appropriate in their sole and absolute discretion; and
- (i) the powers, rights and duties conferred and imposed on the Scheme Manager under this Scheme may be exercised and enforced by jointly and severally by any person or persons who at the time of such exercise and enforcement holds or hold appointment as "Scheme Manager", and in this connection, if at any time more than one person holds appointment as the Scheme Manager:
 - (i) the powers, rights and duties conferred and imposed on the Scheme Manager under this Scheme may be exercised, enforced and performed by any one of them; and
 - (ii) all references in this Scheme to the "Scheme Manager" shall be construed as a reference to any such person.

15. PERSONAL DATA

Each Creditor (a) consents to the collection, use and disclosure and/or processing of its personal data by the Scheme Manager and the Company (or their respective agents or service providers) ("**Relevant Persons**") for the purpose of the administration, facilitation and implementation of the Scheme by the Relevant Persons, and in order for them to comply with any applicable laws, regulations and/or guidelines including the Personal Data Protection Act 2012 (the "**PDPA**") ("**Applicable Laws**") (collectively, the "**Purposes**"); (b) warrants that where the Creditor discloses the personal data of its representative(s) (if any) to any of the Relevant Persons for the Purposes, the Creditor has obtained the prior consent of such representative(s) for the collection, use, disclosure and/or processing by the Relevant Persons of the personal data of such representative(s) for the Purposes; and (c) agrees that the Creditor will indemnify the Company or the Scheme Manager in respect of any penalties (including penalties imposed by the Personal Data Protection Commission of Singapore under the PDPA), liabilities, claims, demands, losses and damages as a result of the Creditor's breach of warranty and/or Applicable Laws.

16. SCHEME MANAGER' FEES, EXPENSES AND INDEMNITY

Fees and Expenses

- 16.1 The Scheme Manager shall be entitled to such reasonable fees and remuneration for their performance of their duties and services as Scheme Manager and for taking any

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action that they are required, authorised or empowered to take under or in respect of this Scheme as may be agreed with the Company or determined by the Court.

Exclusion of liability and Indemnity

- 16.2 The Scheme Manager disclaim all personal liability under any contract, agreement or other arrangement entered into on behalf of the Company, or with regard to any other act or omission to act, in connection with this Scheme.
- 16.3 The Scheme Manager shall not be responsible:
- (a) for the adequacy, accuracy and/or completeness of any information (whether oral or written) supplied by the Scheme Manager, the Company or any other person given in or in connection with this Scheme; or
 - (b) for the legality, validity, effectiveness, adequacy or enforceability of this Scheme or any other agreement, arrangement or document entered into, made or executed in anticipation of or in connection with this Scheme.
- 16.4 The Scheme Manager shall not be liable to any Creditor for any and all losses, damages, charges, costs and expenses of whatsoever nature which such Creditor may sustain, incur or suffer in connection with or arising from any act or omission on its part in relation to any Scheme Manager Claim or Scheme Manager Proceedings, unless directly caused by fraud, dishonesty or wilful misconduct on their part.
- 16.5 The Scheme Manager will not be responsible for any delay (or any related consequences) in crediting an account with any amount required to be paid to any Scheme Creditor under this Scheme if the Scheme Manager has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any bank used by the Scheme Manager for that purpose.
- 16.6 The Company shall at all times indemnify and hold harmless the Scheme Manager and their delegates appointed under Clause 14.8 from and against any and all losses, damages, charges, costs and expenses of whatsoever nature which they may at any time and from time to time sustain, incur or suffer at any time, whether before or after the End Date, in connection with the exercise of their powers in the performance of their duties under this Scheme, unless such losses, damages, charges, costs and expenses arise out of the gross negligence, fraud or wilful default of the Scheme Manager.
- 16.7 The Scheme Manager and their delegates appointed under Clause 14.8 shall not be liable for any and all losses, damages, charges, costs and expenses of whatsoever nature which the Company may at any time and from time to time sustain, incur or suffer at any time, whether before or after the End Date, in connection with the exercise of their powers in the performance of their duties under this Scheme, unless such

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losses, damages, charges, costs or expenses arise out of the gross negligence, fraud or wilful default of the Scheme Manager.

17. NOTICES AND COMMUNICATIONS**17.1 To Creditors**

The sending of notices and other documents by the Scheme Manager to Creditors under this Scheme shall be in accordance with Regulation 8 of the Insolvency, Restructuring and Dissolution (Proofs of Debts in Schemes of Arrangement) Regulations 2020, which shall be deemed incorporated by reference herein *mutatis mutandis*. For the purposes of this Clause, the Creditors shall be taken to have previously agreed in writing within the meaning of Regulation 8 to receive notices, requests or other information by way of their last known electronic mail address or facsimile transmission number (as the case may be) given to the Scheme Manager by the Company.

17.2 To Company and Scheme Manager

Any notice or communication to the Company or the Scheme Manager under this Scheme may be served by posting it by prepaid registered post to the address of the Company or Scheme Manager notified to the Creditors, and if so posted shall only be deemed to have been received by the Company or Scheme Manager respectively upon actual receipt thereof. Any notice to the Scheme Manager or the Company not sent in compliance with this Clause 17.2 or as otherwise expressly provided in the Scheme shall be deemed of no effect for all purposes of the Scheme, save as otherwise permitted by the Scheme Manager in their sole and absolute discretion.

18. ASSIGNMENT AND TRANSFER

18.1 No Creditor shall assign or transfer any of its rights, title, interests or benefits under this Scheme after the Effective Scheme Date except as expressly provided in this Clause 18 and subject to the conditions set out in this Clause 18.

18.2 Any Scheme Creditor ("**Transferor**") may absolutely assign and transfer to any person ("**Transferee**") all (but not part only) of its rights, title, interests and benefits under and arising from this Scheme, by delivering to the Scheme Manager a Transfer Instrument executed by both that Transferor and the proposed Transferee and receiving the Scheme Manager' consent in writing to such assignment or transfer, with such consent to be in the Scheme Manager' sole and absolute discretion to grant. Such Transferee shall, by the delivery of such Transfer Instrument, be deemed to have agreed to be bound by, and subject to the terms of this Scheme.

18.3 Notwithstanding service or delivery to the Scheme Manager of any Transfer Instrument, the Scheme Manager shall have no obligation or duty to accept and act upon that Transfer Instrument and may otherwise withhold making any payment or distribution, under this Scheme to the Transferee and the Transferor identified in that Transfer Instrument in their sole discretion. The Scheme Manager require the Transferor and/or Transferee to furnish to the Scheme Manager such evidence and

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documentation (including legal opinion(s)) as the Scheme Manager may consider appropriate, at the expense of the Transferor or Transferee.

- 18.4 A Transferee shall become a Scheme Creditor in place of the Transferor (and such Transferor shall cease to be a Scheme Creditor) for the purpose of this Scheme only in the event that the Transferee's name has been recorded in the Register maintained by the Scheme Manager, as confirmed in writing to the Transferee by the Scheme Manager.
- 18.5 No Transferee shall be entitled to receive under this Scheme any amount greater than that to which the Transferor would have been entitled.

19. NO VARIATION

- 19.1 No variation or amendment of any term of this Scheme shall be effective unless:
- (a) passed by a Scheme Creditors' Special Resolution at a Scheme Creditors' Meeting; and
 - (b) agreed in writing by the Scheme Manager.

20. FURTHER ASSURANCE

- 20.1 Each Creditor shall, if so requested by the Company and/or the Scheme Manager, provide the Company and/or the Scheme Manager all such information, documents and evidence as may be necessary, or as the Company and/or the Scheme Manager may require in their sole and absolute discretion, to give effect to this Scheme (including the Scheme Manager' determination of the Approved Claims of such Creditor and the entitlement of such Creditor to any distribution or payment under this Scheme and for the Scheme Manager' verification of any statement or assertion by any Creditor in relation to this Scheme).
- 20.2 The Company shall, if so requested by the Scheme Manager, provide the Scheme Manager all such information, documents and evidence as may be necessary, or as the Scheme Manager may require in their sole and absolute discretion, to give effect to this Scheme (including for the Scheme Manager' verification of any statement or assertion by the Company in relation to this Scheme).
- 20.3 Each Creditor shall, if requested by the Company or the Scheme Manager, regardless of whether it has delivered a Proof of Debt under this Scheme, promptly execute and deliver to the Company or the Scheme Manager such instrument(s), document(s) or instruction(s) (including such form(s) or deed(s) of release) as may be necessary, or as the Company or the Scheme Manager may reasonably require, to give effect to this Scheme (including any surrender, cancellation, extinguishment, release or discharge of the Company from any claim, right, title or interest of such Creditor).
- 20.4 Each Creditor hereby irrevocably agrees and authorises the Scheme Manager to execute or effect on behalf of each such Creditor any and all instrument(s), document(s) or instruction(s) as may be necessary, or as the Company or the Scheme Manager may reasonably require, to give effect to this Scheme. Every such instrument,

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document or instruction so executed by the Scheme Manager shall be effective as if it had been executed by the relevant Creditor.

- 20.5 In the case of any conflict or inconsistency between the terms of this Scheme and the terms of the Explanatory Statement thereto, the terms of this Scheme shall prevail.
- 20.6 Notwithstanding any rule or maxim of law or construction to the contrary, any ambiguity or uncertainty will not be construed against any Party or Parties by reason of the authorship of the Scheme or any provisions thereof.
- 20.7 If any provision in this Scheme shall be, or at any time shall become, invalid, illegal or unenforceable in any respect under any law, such invalidity, illegality or unenforceability shall not in any way affect or impair any other provisions of this Scheme but this Scheme shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein.

21. GOVERNING LAW AND JURISDICTION

- 21.1 This Scheme shall be exclusively governed by and construed in accordance with the laws of the Republic of Singapore.
- 21.2 All Parties irrevocably agree that the Court is to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with this Scheme. All Parties irrevocably submit to the jurisdiction of the Court and waive any objection to proceedings in the Court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum.
- 21.3 Save as expressly provided in this Scheme, the operation of the Contracts (Rights of Third Parties) Act 2001 of Singapore is hereby expressly excluded.

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THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

It contains important information and should be read in its entirety. The action that the Scheme Creditors should take is set out in this Explanatory Statement. If you are in any doubt about what action you should take, you should consult your professional adviser without delay.

Unless otherwise defined, the capitalised terms used throughout this Scheme Document shall bear the same meanings as defined in the Scheme enclosed herein.

**EXPLANATORY STATEMENT TO THE
SCHEME OF ARRANGEMENT
PURSUANT TO SECTION 210 OF THE COMPANIES ACT 1967**

Between

DEFI PAYMENTS PTE. LTD
(Singapore UEN No. 202040110H)
(the “**Company**”)

And

THE SCHEME CREDITORS
(as defined in the Scheme)

A meeting of the Scheme Creditors to consider and, if thought fit, approve the Scheme will be held. The details of the said meeting are as below:

Date of Meeting	:	[•]
Time of Meeting	:	[•]
Venue of Meeting	:	[•]

Important information regarding the Voting on the Scheme:

Deadline to Vote	:	[•]
Details of Voting	:	[•]
Platform	:	[•]

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IMPORTANT NOTICE

This is an Explanatory Statement pursuant to section 211 of the Companies Act 1967 (the “Act”) explaining the effects of the Scheme of Arrangement that is being proposed by **DEFI PAYMENTS PTE LTD** (Singapore UEN No. 202040110H) (hereafter referred to interchangeably as the “Company” or “Defi Payments”).

1. This Explanatory Statement contained in this Scheme Document is being distributed to all Scheme Creditors of the Company solely for purposes of the Scheme. A fuller description of who may be Creditors can also be found at Clause 2 of the Scheme.
2. Except as provided for below, this Explanatory Statement is for the exclusive use of the persons to whom it is addressed and their advisers and shall not be copied, reproduced or distributed to any other person without the prior written consent of the Company. The information contained in this Explanatory Statement is confidential and provided solely for the purposes mentioned above. Recipients of this Explanatory Statement are required to keep this information confidential and use it only for the purposes of the Scheme.
3. This Explanatory Statement contains extensive and detailed information and should be read in its entirety. If you are in doubt about this document or as to the action which you should take, you should consult your financial or investment adviser, stockbroker, bank manager, solicitor or other professional adviser immediately. You should note that the Explanatory Statement is not intended to constitute professional advice and that you should seek your own professional advice in relation to the Scheme.
4. The actions required to be taken by Creditors are set out in this Explanatory Statement. Whether or not you intend to vote on the Scheme, you are asked to read this Explanatory Statement and the Scheme of Arrangement. The failure to take any required action could have consequences in respect of your rights against the Company.
5. While the Company has taken reasonable care in the preparation of information provided herein, no representation or warranty is made that the information contained herein in the Explanatory Statement and the Scheme is accurate and complete.
6. The Explanatory Statement and the Scheme are to be taken as mutually explanatory of one another but in the event of any conflict or inconsistency between the Explanatory Statement and the Scheme, the terms of the Scheme shall prevail.
7. **Important information:**
 - 7.1 The Company will be holding an Online Meeting for Creditors on:
 - i. Date: [●]
 - ii. Time: [●]
 - iii. Platform: [●]
 - 7.2 Scheme Creditors who have been notified of their Approved Claims but disagree with the same and/or consider they have additional Claim(s) against the Company have to submit a Disputes and Other Claims Form within the prescribed period of [●]. Any incomplete Form or Form submitted outside of the prescribed period will not be considered.
 - 7.3 Creditors eligible to vote will be informed via email of details of the voting process. Voting will be done electronically, and you will only be permitted to vote once.

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7.4 Scheme Creditors will be given secured log in access to the Scheme Website, which has the link [●] where you can find information on the Scheme and the various Forms. If you are a Scheme Creditor but have not received your account name and password, please contact [●].

7.5 If you have any queries, please submit them to [●].

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APPENDIX 1. THE SCHEME

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1. INTRODUCTION

1.1. Introduction

To: The Creditors of the Company

PROPOSED SCHEME OF ARRANGEMENT AND COMPROMISE UNDER SECTION 210 OF THE COMPANIES ACT 1967 BETWEEN THE COMPANY AND THE SCHEME CREDITORS

- 1.1.1. The Company issues this Explanatory Statement pursuant to Section 211 of the Singapore Companies Act 1967 (the “**Act**”). This Explanatory Statement is to accompany the proposed Scheme between the Company and the Scheme Creditors (as hereinafter defined). As such, this Explanatory Statement should be read, construed and interpreted in the context of the Scheme. Further, except where the words or phrases are otherwise defined, or the context otherwise indicates or requires, capitalised terms used herein shall have the meaning that is ascribed to them under the Scheme, a copy of which is enclosed herein at **APPENDIX 1**.
- 1.1.2. The purpose of the Explanatory Statement is to provide Scheme Creditors with information on the Scheme and to explain the effect of the Scheme proposed to be entered into between the Company and the Scheme Creditors. Please note that this Explanatory Statement does not form the basis of the legal contract between the Company and the Scheme Creditors. The legally binding contract between the Company and the Scheme Creditors in the event the proposed Scheme is approved, is the Scheme.
- 1.1.3. Nothing contained in this Explanatory Statement shall be deemed to be a forecast, projection or estimate of the Company’s future financial performance. Please note that the Company has prepared this Explanatory Statement on a best-efforts basis but makes no warranty as to the accuracy or completeness of the information provided herein. The Company reserves the right to amend or supplement this Explanatory Statement and/or the information contained herein Company.
- 1.1.4. Under Singapore law, a scheme of arrangement is a form of restructuring compromise or arrangement that is provided for under section 210 of the Act. Essentially, the purpose of the scheme of arrangement is to allow a debtor company to fulfil its obligations to its creditors through the varying of creditors’ rights. The scheme of arrangement becomes legally binding on all of the Scheme Creditors to whom it is intended to apply if:
- 1.1.4.1. a majority in number and a majority representing three-fourths in value of each class of creditors, voting in person or by proxy, vote in favour of the scheme of arrangement;
 - 1.1.4.2. the Singapore Court subsequently sanctions the scheme of arrangement pursuant to section 210(4) of the Act; and
 - 1.1.4.3. a sealed copy of the Order of Court sanctioning the scheme of arrangement is lodged with the Registrar of Companies.

1.2. Definitions

- 1.2.1. As set out in paragraph 1.1.1 above, unless otherwise defined in the Explanatory Statement or a contrary indication appears, terms defined in the Scheme at Appendix 1 shall have the same meanings when used in the Explanatory Statement.
- 1.2.2. In addition, except to the extent that the context requires otherwise, the following expressions shall bear the following respective meanings in the Explanatory Statement:

“**BTC**” means Bitcoin, a digital cryptocurrency token;

“**ETH**” means Ethereum, a digital cryptocurrency token;

“**INR**” means the Indian Rupee, the lawful currency of India;

“**INR Payments**” means the proposed payment by Flipvolt to Scheme Creditors who are also creditors of Flipvolt, in respect of the obligations owing by Flipvolt in respect of INR balances outstanding in accounts maintained on the Vault platform;

“**Kroll**” means Kroll Pte Limited, restructuring financial advisors to the Company;

“**KYC**” means Know-Your-Client, a process of identifying and verifying customer’s identity;

“**Liquidation**” means the winding up of the Company in accordance with the IRDA;

“**Liquidation ERV**” means the estimated realizable value deemed to be collectable in a Liquidation;

“**Net Illiquid Assets**” means Illiquid Assets less the secured loan taken by the Company from Counterparty A;

“**Net Liquid Assets**” means Total Liquid Assets less Costs Reserves and the Flipvolt Amount;

“**Online Meeting**” means the videoconference meeting of the Scheme Creditors to be convened by the Company at [●] on [●] via the [●] platform, to provide the Scheme Creditors with a summary of the arrangement and compromise effected by the Scheme, and to address any queries which the Scheme Creditors may have in relation to the Scheme. Scheme Creditors may register with the Company to receive access details in respect of the Online Meeting

“**Quantuma**” means Quantuma (Singapore) Pte Limited, the proposed Independent Assessor

“**Rajah & Tann**” means Rajah & Tann Singapore LLP, restructuring legal advisors to the Company;

“**Restructuring**” means the proposed restructuring in accordance with the terms of the Scheme;

“**Scheme Debt**” means the estimated current unsecured creditor liabilities without considering accrued interest and associated benefits since the Ascertainment Date which will form the Aggregated Approved Claims after adjudication and admission;

“**Total Liquid Assets**” means all assets of the Company excluding Illiquid Assets but including assets set aside for Costs Reserves and any loan which may be made by the Company to Flipvolt (the “Flipvolt Amount”);

“**USD**” or “**US\$**” or “**U.S. Dollar**” means United States Dollar, the lawful currency of the United States of America;

“**USDC**” means USD Coin, a digital stablecoin pegged to the USD;

“**USDT**” means Tether, a digital stablecoin pegged to the USD;

“**Vault Account**” means customers with accounts maintained on the Vault Platform;

“**XRP**” means Ripple, a digital cryptocurrency token;

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2. EXECUTIVE SUMMARY

Objectives and Design of the Scheme

- 2.1. The Company is proposing the Scheme to provide Scheme Creditors with optionality in respect of liquidity and to achieve better recoveries to Scheme Creditors than the distribution they would receive if the Company is placed in liquidation.

This is achieved through the following key elements:

Claims, Assets and Repayments

- 2.1.1. The full repayment of INR balances to creditors of Flipvolt within [●] Business Days of implementation of the Scheme.
- 2.1.2. Compromise of claims under the Scheme to fix Scheme Debt in USD as at 4 July 2022, with all accrued interest and associated benefits subsequent to this date waived.
- 2.1.3. Each Scheme Creditor's percentage share of Scheme Debt will be used to determine allocation of Net Liquid Assets (in USD terms until the One-Time Conversion occurring upon Scheme implementation) and Net Illiquid Assets (in terms of specific tokens realized from Illiquid Assets). For the avoidance of doubt, the allocation and subsequent distributions recoveries of said assets are not capped at the USD value of each claim, allowing Scheme Creditors to potentially achieve USD recoveries in excess of their individual Approved Claims.
- 2.1.4. Upon Scheme implementation, a One-Time Conversion (over [●] Business Days) of the token denominations (BTC, ETH, XRP and USDC) that Net Liquid Asset recoveries are received in, and a rebalancing of Net Liquid Assets against these denominations. Please note that this is not a conversion of Approved Claims, and each Scheme Creditor's Approved Claim and percentage share of Scheme Debt remains unchanged.
- 2.1.5. After the One-Time Conversion, an initial Reverse Dutch Auction to be run over [●] Business Days, with successful bids returning percentage token returns to creditors.
- 2.1.6. [●] Business Days after the initial Reverse Dutch Auction, the pari-passu distribution of remaining Liquid Assets in the One-Time Conversion choice of tokens to remaining Scheme Creditors.
- 2.1.7. Ongoing, sustained efforts to realize Illiquid Assets, and Subsequent Reverse Dutch Auctions after the realisation of each Major Illiquid Asset (except the final Major Illiquid Asset) as determined and structured by the Board.
- 2.1.8. A Final Distribution following the realization of the final Major Illiquid Asset at the end of the Restructuring which is expected to take 36 months but subject to the Board's assessment of the recoverability of assets.

New Business

- 2.1.9. The restart of the Company's business, where funds from new customer monies will earn yield, improving recoveries for Scheme Creditors via distribution of net profits and the issuance of a Vault Token to Scheme Creditors.

Corporate Governance

- 2.1.10. The election of a creditor representative to the Board of Directors of the Company with reserved matters including approval of material variations to the Scheme cost forecast, format and execution of Subsequent Reverse Dutch Auctions associated with the recovery of Major Illiquid Assets, oversight and approval in respect of the proposed New Business, and the End Date for the Scheme and Restructuring.

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2.1.11. Safekeeping of Total Liquid Assets of the Company on-chain with a third-party custodian with corporate signatory controls for ease of independent verification.

2.2. The purpose of this Explanatory Statement is to provide a distilled explanation of the Scheme as well as to explain the involvement of the Scheme Creditors in the Scheme. Please refer to the Scheme for the exhaustive terms of the Scheme.

Recoveries to Creditors under the Scheme

2.3. Set out below is a comparison of the expected Scheme recoveries under the proposed Restructuring and under the likely alternative, a Liquidation:

Illiquid Asset Realizations (%)	100%	75%	50%	25%	0%
Restructuring	96%	81%	66%	51%	36%
Liquidation	80%	67%	54%	40%	27%

2.4. Overall Scheme recoveries under the proposed Restructuring (excluding improved recoveries from the New Business) to all Creditors are estimated at 96%, assuming 100% realization of all Illiquid Assets. In comparison, the recoveries under a Liquidation are estimated at 80%, which is materially lower than the recoveries under a Restructuring due to significantly higher costs and impairment of Illiquid Assets under a Liquidation.

2.5. Both the Scheme and Liquidation recoveries assumes that cryptocurrency asset prices are kept constant as at 4 April 2023. Higher USD recoveries are possible in the event of cryptocurrency price increase and vice versa.

2.6. Sub-maximal realization of Illiquid Assets will reduce overall recoveries as set out in the sensitivity analysis above – in all cases, a Restructuring results in higher recoveries on an overall basis than a Liquidation. The likelihood of Illiquid Asset impairment is also substantially higher under a Liquidation.

2.7. Individual Scheme Creditors will achieve different levels of recovery under a Scheme depending on their participation in RDA(s) and the overall outcome of each RDA. Set out below is an illustration of the estimated recoveries for Creditors at different points in the Restructuring assuming specific sensitised outcomes at the Initial RDA and 100% realizations of Major Illiquid Assets:

100% Major Illiquid Assets Realizations	Recovery Upon Exit At			
Initial RDA Bids	(i) Initial RDA	(ii) Second RDA	(iii) Third RDA	(iv) Final Distribution
(a) 70%	30%	152%	159%	227%
(b) 55%	45%	112%	118%	168%
(c) 45%	55%	102%	107%	153%

2.8. Currently, the Company holds USD129 million of Total Liquid Assets (40% of Scheme Debt). This is equivalent to 36% of Scheme Debt after accounting for forecast costs. The remaining USD194 million are Net Illiquid Assets representing 60% of Scheme Debt.

2.9. The Initial RDA allows Scheme Creditors who need liquidity to exit the Restructuring immediately at a recovery higher than 36% (the maximum possible immediate distribution on a pari-passu arrangement) and avoid taking on Illiquid Asset realization risk.

2.9.1. For example, a Scheme Creditor successfully bidding a 45% recovery in the Initial RDA gets ~9% more than the 36% possible under a pari-passu arrangement, on the condition that said creditor gives up future claims against the Company.

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2.10. Scheme Creditors who decide to stay in the Restructuring and take on Illiquid Asset realization risk can potentially get higher overall recoveries driven by reduction in Scheme Debt from RDAs, at the cost of potentially getting lower recoveries in the event of impairments to Illiquid Asset realizations.

2.10.1. For example, a Scheme Creditor who exits in the Second RDA, under the assumption of an overall 55% discount (45% recovery) at the Initial RDA which he did not participate in, can exit with 112% recovery which comprises both recoveries from the pari-passu distribution following the Initial RDA and the recoveries from the Second RDA.

2.10.2. If Illiquid Assets are fully impaired and unrecoverable however, this Scheme Creditor will only get 32% recoveries deriving solely from the pari-passu distribution following the Initial RDA as set out below:

0% Major Illiquid Assets Realization			Recovery Upon Exit At			
Initial RDA (Discount)	RDA Bids	(i) Initial RDA	(ii) Second RDA	(iii) Third RDA	(iv) Final Distribution	
(a) 70%		30%	43%	43%	43%	
(b) 55%		45%	32%	32%	32%	
(c) 45%		55%	29%	29%	29%	

2.11. In addition to the financial analysis presented in this Explanatory Statement, the Company has prepared an online tool to aid creditors in understanding the proposed Restructuring which may be accessed at: <https://www.vauld.com/restructuring>

Timelines under the Scheme

2.12. The Company is working towards the implementation of the Scheme at the start of July 2023 – this is subject to Court timetables. Set out below is an estimated timeline:

Timeline	Expected Indicative Date
(a) Court grants leave to hold an Online Meeting	[Last week of April 2023 (subject to Court timetables)]
(b) Online Meeting outlining the Restructuring terms and Scheme process	[Early May 2023]
(c) Administration and Assessment of Claims	[1 st to 3 rd Week of May 2023]
(d) Voting on the Scheme	[4 th week of May to 2 nd Week of June 2023]
(e) Sanction of the Scheme by the Court	[Early to mid July 2023 (subject to Court timetables)]
(f) One-Time Conversion	[2 nd week of July 2023]
(g) Bidding in Initial RDA	[3 rd week of July 2023]
(h) Transactions and payments on successful bids in Initial RDA	[4 th week of July to 1 st week of August 2023]
(i) Pari-passu distribution following Initial RDA	[1 st week of September 2023]

2.13. The timeline set out in this Explanatory Statement is subject to the Honourable Court's schedule.

Instructions for Creditors

2.14. Please refer to Section 11 for the key timelines in relation to the Scheme up until the sanction of the Scheme, if the requisite approval is obtained.

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3. BACKGROUND

- 3.1. The Company is a private company limited by shares. It was incorporated in Singapore on 10 December 2020, and it is in the business of operating the Vault Platform in relation to the lending and borrowing of cryptocurrencies. The Company's registered address is 160 Robinson Road #14-04, Singapore 068914.
- 3.2. The Company has an issued and fully paid-up share capital of SGD300,000.
- 3.3. The Company's directors, as at 10 April 2023, are Darshan Sunil Bathija and Sanju Sony Kurian.
- 3.4. Please refer to Appendix 2 for the latest available unaudited balance sheet of the Company as at 4 April 2023.

4. SALIENT TERMS OF THE SCHEME

- 4.1. Appendix 1 (The Scheme) of this Explanatory Statement sets out the terms of the Scheme. The Scheme is the basis of the compromise and arrangement between the Company and the Scheme Creditors and should be read in its entirety.

Scheme Creditors and Claims

- 4.2. The Scheme comprises a settlement between the Company and its Scheme Creditors. The total quantum of debt to be restructured under the Scheme is approximately USD323,565,709 as at the Ascertainment Date (based on information available as at 4 April 2023), and there is an estimated 150,000 of Creditors.
- 4.3. The Scheme shall apply to all Creditors. A Creditor is defined as a creditor of the Company with a Claim, and a Scheme Creditor is a Creditor who has an Approved Claim.
- 4.4. A Claim is defined as any known or unknown claim, charge, promise, cause of action, or similar right which any person may have against the Company (which is not an Excluded Claim), arising out of any transaction, act or omission of the Company or of any person occurring on or before the Ascertainment Date, including any interest, default interest, premium, additional amounts, make whole amounts, fees, commissions, and penalties arising out of such claim, whether the claim be actual, present, future or contingent or whether liquidated or sounding only in damages, and whether in contract or tort or howsoever arising. In this regard, the value of customers' Claim for their outstanding cryptocurrency balance in their accounts maintained on the Vault Platform would be the current balance without considering the accrued interest, rewards and/or any other payments or benefits payable to the Scheme Creditor since the Ascertainment Date. Customers who had obtained loans from the Company on the Vault platform for which they had made deposits of cryptocurrency that the Company had imposed restrictions on withdrawal and earning of interest thereon whilst these loans are outstanding, would have claims for the remaining amount of such deposits after the application of the same towards repayment of the outstanding loans.
- 4.5. An Approved Claim is defined as a Claim of a Scheme Creditor against the Company to the extent admitted by the Scheme Managers or established by the Scheme Creditor in proceedings in accordance with Clause 2 of the Scheme.
- 4.6. If you have an Approved Claim, you are a Scheme Creditor, and may therefore vote on the Scheme and be entitled to receive distributions under the Scheme.
- 4.7. Customers with accounts maintained on the Vault Platform do not have to file a Proof of Debt in respect of their claim for the outstanding cryptocurrency balance in their Vault Account or the net balance of their cryptocurrency deposited with the Company as security after the contemplated liquidation of the same for payment towards their loans taken from the Company. The Scheme Manager will adjudicate your claim and inform you of the sum of your Approved Claim. If you disagree with the Scheme Manager's determination of your Approved Claim

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and/or you consider that you have any additional Claim(s) against the Company, you may submit the Disputes and Other Claims Form within the prescribed period.

- 4.8. Under the terms of the Scheme, all Creditors would waive all interest (inclusive of any and all interest, yield or any type of other benefit accruing to a Customer Creditor on any deposits made by them or on their behalf into their Vault Accounts), default interest, premium, additional amounts or payments, make whole amounts, fees, commissions, and penalties chargeable, accruing on, or payable in respect of, or any other accretions whatsoever arising in respect of the Claims after the Ascertainment Date under or in connection with any other agreement relating to a Claim. For the avoidance of doubt, this waiver applies to all yield (including interest and commissions) that accrue in respect of deposits made by or on behalf of Customer Creditors into the Vault Accounts, and which remain outstanding in their Vault Accounts as at the Ascertainment Date.

Classification of Creditors

- 4.9. All of the Company's Scheme Creditors will be voting in one class.

Excluded Creditors

- 4.10. The following Creditors of the Company will be excluded from the Scheme:
- 4.10.1. Professional fees incurred in relation to the restructuring process; and
 - 4.10.2. The Company's ongoing service providers.
- 4.11. Separately, the directors of the Company, Mr Darshan Sunil Bathjia and Mr Sanju Sony Kurian, as well as the Related Creditors defined in Clause 1.1 of the Scheme, have waived all Claims against the Company as at the Ascertainment Date. This means that the above individuals will not be participating in the Scheme and will not receive any distributions.

Distribution under the Scheme

- 4.12. The Scheme contemplates the distribution of Liquid Assets as at the Scheme Effective Date within [●] Business Days of the Scheme Effective Date to be carried out by a Reverse Dutch Auction and a pari passu distribution to Scheme Creditors.
- 4.13. As there are Illiquid Assets of the Company of which timing and extent of recovery is uncertain, the other distributions will follow upon the recovery of one or more Major Illiquid Assets. The Company may carry out further Reverse Dutch Auctions, depending on the timing of the recovery of these assets, and if it does not consider it in the interests of Scheme Creditors, proceed directly to a pari passu distribution of Scheme Creditors.
- 4.14. In addition, the Company intends to commence a new business on decentralised lending, staking and liquidity mining, which is contemplated to be operated on the Vault Platform on a fully opt-in basis after the Scheme Effective Date. This New Business is contemplated to be carried out by a subsidiary of the Company to be incorporated within [●] Business Days of the Scheme Effective Date. New Business Profits received by the Company from this New Business will be distributed to Scheme Creditors.
- 4.15. As the distributions under the Scheme will be effected by way of deposit into the Scheme Creditors' Vault Accounts and be allowed for withdrawal, the Company recognises that there may be Scheme Creditors who fail to effect such withdrawals. As such, the Scheme contemplates that all unclaimed distributions will be consolidated and re-distributed to Scheme Creditors who opt-in to the Final Distribution, except for distributions unclaimed on the basis of transaction charges exceeding distributions. **In this regard, Scheme Creditors who are entitled to but fail to effect withdrawal of their entitlements from the distributions under the Scheme prior to the Final Distribution would be taken to have waived their rights and interests to such entitlements.**

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Releases and Moratorium

- 4.16. Unless expressly provided for otherwise under the Scheme, Scheme Creditors shall accept the distributions under the Scheme in full satisfaction and complete discharge of their Approved Claims. See Clause 13 of the Scheme.
- 4.17. Further, with effect from the Scheme Effective Date, each Creditor shall release the Company from any and all known Claims that such Creditor may have against the Company. See Clause 5 of the Scheme.
- 4.18. Additionally, a moratorium against the commencement or continuance of any legal proceedings against the Company will be in place during the period in which the Scheme is being implemented. See Clause 4 of the Scheme.

End of Scheme

- 4.19. The Scheme shall terminate upon the earlier of the events set out in Clause 13 of the Scheme.
- 4.20. Unless expressly stated otherwise in the Scheme, in the event of any breach or non-compliance of any terms of the Scheme, the Company shall rectify such breach or non-compliance within thirty (30) Business Days from the date of such breach or non-compliance. No breach of the Scheme shall be regarded as having occurred if rectified within such time period.

5. RATIONALE FOR THE SCHEME

- 5.1. The key commercial terms of the Scheme are summarised in the table below, and is not intended to be a comprehensive list of all relevant terms and conditions of the Scheme.
- 5.2. Overall, the Company's material liabilities are estimated at about USD365,565,709 equivalent in cryptocurrency balances as of 4 April 2023¹ comprising USD42,000,000 (USDC 35 million) secured loan owing to Counterparty A² and USD323,565,709 equivalent in unsecured amounts owing to the Company's customers as of 4 July 2022 (the Ascertainment Date) which are contemplated to be restructured under the Scheme. The Restructuring Financial Position above reflects the mandatory conversion of all non-BTC, non-ETH, non-XRP, and non-USDC tokens and stablecoins into USDC as part of the contemplated Scheme. However, the composition of BTC, ETH, XRP and stablecoins presented in the Restructuring Financial Position does not factor in the One-Time Conversion as part of the contemplated Scheme as the level of participation in the One-Time Conversion is unknown as this point of time.
- 5.3. For the avoidance of doubt, customers who have INR balances in their Vault Accounts are creditors of Flipvolt Technologies Pvt Limited for those INR balances, and not the Company.
- 5.4. On the other hand, the Company has assets of USD365,072,204 as of 4 April 2023 (the "Scheme Assets") equivalent in cryptocurrency tokens of which USD129,144,136 are Liquid Assets and USD235,927,888 are Illiquid Assets before any adjustments. Total Net Assets after adjustments amount to USD310,572,204.
- 5.5. Latest valuation estimates as of 4 April 2023 indicate that on the basis of current market prices, Total Liquid Assets will comprise USD129,144,316. After setting aside a reserve for anticipated costs of the restructuring of USD10,000,000 and USD2,500,000 in the event the Company

¹ There is an ongoing exercise by the Vault Group customer support team to resolve open ticket enquiries related to account balances which may affect the quantum of Customer Liabilities. Variation of the quantum of Customer Liabilities due to the unresolve ticket enquiries are not expected to be material. Further, a key underlying assumption in the restructuring recoveries forecast is fixed cryptocurrency prices as at 4 April 2023 over the entire forecast. This foundational assumption is made to simplify the presentation of recoveries into an easily understandable format for creditors to understand the key cost inputs and impact of the various RDAs on recoveries. Cryptocurrency prices are highly volatile, and this underlying assumption is unlikely to hold true over the course of the restructuring.

² Based on the full amount of loan payable to Counterparty A (principal + interest) upon maturity on 13 June 2023

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provides a loan to Flipvolt to facilitate the INR Payments, there are USD116,644,316 in Net Liquid Assets.

- 5.6. On the other hand, in respect of the Company's illiquid assets, the latest valuation estimates as of 4 April 2023 indicate that on the basis of current market prices, the Available Assets will comprise USD235,927,888 in Illiquid Assets. This includes in particular (i) USD179,324,277 equivalent in loans receivable from Counterparty A including principal amounts due for repayment of 4,293.84 BTC and 31,199.77 ETH); (ii) a USD35,106,019 balance of account due from CoinLoan materially denominated in XRP; and (iii) a USD21,497,592 intercompany loan due from Flipvolt³ ("**Major Illiquid Assets**"). USD42,000,000 will be utilised to pay the loan payable to Counterparty A (which is a secured loan) leaving Net Illiquid Assets of USD193,927,888.
- 5.7. As a result of heightened counterparty risk in the cryptocurrency industry and the risk of litigation risk in respect of disputes with the various counterparties, the quantum and timing of realization of the Illiquid Assets, including the Major Illiquid Assets, is uncertain. The Counterparty A assets are contractually due to be returned by June 2023. Counterparty A has initiated related arbitration proceedings against Mr Darshan Bathija, which are pending. We understand that it is reasonably arguable that he has an entitlement to the return of the assets by June 2023. The Company also understands that a bankruptcy application has been filed against CoinLoan in Estonia by another of its creditors, and the Company intends to join in this proceeding, subject to further information that the Company obtains. The Company has also submitted an appeal on 5 April 2023 with the Appellant Adjudicating Authority in India to pursue an unfreezing of Flipvolt's assets.
- 5.8. Defi Payments has an additional net claim of USD11,103,788 in the FTX bankruptcy, the recovery of which is highly uncertain in both amount and timing and possible to result in nil recovery (the "**FTX Claim**").
- 5.9. In addition, as of 4 April 2023 Defi Payments has USD1,653,347 in loans receivable comprising both principal and interest. These are loans provided to customers on the Vault Platform, for which customers deposit cryptocurrency with the Company as security. These loans are contemplated to be terminated within [●] Business Days of the Scheme Effective Date, and the cryptocurrency deposited with the Company would be applied towards payment of the outstanding balance of loan principal and interest. These customers would have a Claim against the Company for any balance cryptocurrency, and fall within the scope of the Scheme.

The Reverse Dutch Auctions

- 5.10. The Reverse Dutch Auction(s) give Scheme Creditors the optionality to exit the Scheme early at different stages.
- 5.11. Scheme Creditors will be invited to participate in the Reverse Dutch Auction process by offering their Approved Claims (in whole or part) up for purchase at a discount by the Company. Creditors are invited to use the Calculator at <https://www.vauld.com/restructuring> for an illustration of this.
- 5.12. It is contemplated that up to USD50,000,000 of Liquid Assets as at the Scheme Effective Date will be used for the Initial Reverse Dutch Auction.

³ Flipvolt bank accounts are currently subject to a lien of the Directorate of Enforcement in India. The lien will be released upon necessary orders being passed by appropriate authorities/courts in India, at which time Flipvolt would be expected to be in a position to pay the intercompany loan of USD18,968,077 currently owing from Flipvolt to Defi Payments, the quantum of which is subject to finalisation of a transfer pricing review at the Effective Date. Payment of USD2,529,515 to INR balance account holders is added to the intercompany receivable balance on the basis that the lien is not release upon implementation of the Scheme. The receivable owing from Flipvolt to the Company is denoted in INR and may be subject to fluctuations.

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- 5.13. For the Initial Reverse Dutch Auction, the threshold level of the discounted Claims amount will be set at a minimum of 45% (i.e. recoveries of 55%) and bids may be made for any level of discount from 45% (i.e. recoveries of 55%) ranging up to 70% (i.e. recoveries of 30%).
- 5.14. Subsequent Reverse Dutch Auctions may be carried out at the discretion of the Company following the recovery of any one or more of the Major Illiquid Assets. Threshold levels of offered discount for Subsequent Reverse Dutch Auctions will be determined closer to the date of execution of each Subsequent Reverse Dutch Auction taking into account the expected timeline and expected level of recovery of Illiquid Asset recoveries, i.e. realised Liquid Assets at that particular time.
- 5.15. Defi Payments will accept bids in order from the highest level of discount first and then in progression from highest to lowest level of discount up to the ceiling threshold of 45% (i.e. 55% recoveries), until the RDA Assets have been allocated for pay out either in full or in part. Bid increments may be submitted with precision up to 2 decimal places (e.g. 30.00%).
- 5.16. Partial Claims may be used to submit offers in the Reverse Dutch Auction. Claims submitted percentage will be applied pro-rata across the Scheme Creditor's Approved Claim.
- 5.17. Priority for identical bids will be determined on the basis of submission time, with earlier bids receiving priority. Each Scheme Creditor is only allowed one bid, which is irrevocable upon submission.
- 5.18. In terms of the indicative timeline, the Initial Reverse Dutch Auction will be carried out within [●] Business Days of the Effective Date as set out below:
- 5.18.1. Business Days [●] to [●]: Submissions of RDA Bids
- 5.18.2. Business Days [●] to [●]: Collation of bids and execution of transactions to procure tokens for successful RDA Bids
- 5.18.3. Business Day [●]: Crediting of successful bid tokens into the relevant Vault Customer Accounts and provision of details of all RDA bids submitted and acceptance / rejection of said bids.
- 5.19. The undiscounted value of Approved Claims / Partial Claims on which RDA bids are accepted by Defi Payments through the Reverse Dutch Auction process will be extinguished in full.
- 5.20. For purposes of the Initial Reverse Dutch Auction, Scheme Creditors can select one or more of BTC, ETH, XRP and USDC for their Discounted Payment ("**One Time Conversion**"). For example, if a RDA Bid is accepted in relation to a token denomination choice of BTC then the Discounted Payment due to the Scheme Creditor will be paid in BTC.
- 5.21. Successful bid percentages will be applied to the relevant token balance for consideration under the Initial Reverse Dutch Auction following the One-Time Conversion. Relevant token balances in USDC for consideration under the Initial RDA may, at the Company's discretion, be converted to an equivalent USD-linked stablecoin.
- 5.22. The relevant token balance for consideration under the Initial RDA will be calculated using prevailing market prices as at the time of the Initial RDA if a conversion, by election or mandatorily, was carried out at the One-Time Conversion. For example, if a 27000 USDC token balance representing a 27000 USD Approved Claim was elected to be received in BTC at the One-Time Conversion, with prevailing market prices of USD27000 / BTC at the time of Initial RDA, the relevant token balance for consideration under the Initial RDA will be 27000 USD / (27000 USD / BTC) = 1 BTC.
- 5.23. The relevant token balance for consideration under the Initial RDA will remain unchanged from the token denomination that comprised Approved Claims if a conversion, elected or mandatory, was not carried out at the One-Time Conversion. For example, if a 1 BTC token balance was

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not elected to be received in any other token at the One-Time Conversion, the relevant token balance for consideration under the Initial RDA will be 1 BTC.

- 5.24. Payments of Discounted Payments under any Subsequent Reverse Dutch Auction will be made in cryptocurrency tokens at the discretion of the Company. As a matter of default, the Company will make distribution based on the token denominations or fiat currency of the Net Proceeds or in such token denominations or fiat currency as may be determined with Full Board Approval pursuant to the recovery of Illiquid Assets, unless Scheme Creditors have indicated that they wish to receive payments in specific tokens limited to a choice of BTC, ETH, XRP and USDC, in which case payments of Discounted Payments under any Subsequent RDA will be made in the token denomination of choice following conversion at market prices.
- 5.25. There may be multiple cryptocurrency tokens in respect of each Approved Claim, in which case, the same methodology above would apply in respect of each cryptocurrency token.

Pari Passu Distributions

- 5.26. All obligations relating to the Claims of Scheme Creditors who choose not to participate in the Reverse Dutch Auction or who may not have been successful in the Reverse Dutch Auction process will receive distributions of the remaining Liquid Assets and any unutilised RDA Assets on a pari passu basis.
- 5.27. For purposes of the First Distribution only, Scheme Creditors can select one or more of BTC, ETH, XRP and USDC for their distribution. For example, if a Scheme Creditor selects BTC, then the distribution will be made in BTC. The First Distribution is contemplated to occur within [●] Business Days of the completion of the Initial Reverse Dutch Auction.
- 5.28. This distribution will be done on a pari passu basis determined by percentage share of Remaining Claims in USD terms as recalculated after the Reverse Dutch Auction, multiplied by the value of the Distribution Assets. For example, if there are Distribution Assets of USD100m and there are two Scheme Creditors left each holding 50% share of the remaining Aggregated Approved Claims, each Scheme Creditor will receive $USD100m * 50\% = USD50m$, converted to the token denomination of choice.
- 5.29. Our analysis indicates that Scheme Creditors who do not participate in the Initial Reverse Dutch Auction will receive a 23% - 34% level of recoveries from the distribution of the remaining Liquid Assets i.e. the First Distribution (as compared to a 30% - 55% level of recoveries of Scheme Creditors who exit via the Initial Reverse Dutch Auction).
- 5.30. For the Final Distribution, any unclaimed distributions transferred to Scheme Creditors' Vault wallets from prior Distributions from the Initial or Subsequent Reverse Dutch Auction processes or the prior pari passuu distributions, i.e. not withdrawn, by the date of the Final Distribution will be included in the pool of funds to be paid in the Final Distribution (the "**Unclaimed Monies**").
- 5.31. To participate in the Final Distribution, Scheme Creditors will need to opt-in. A Final Distribution will be made on a pari passu basis following recovery of the last of the three Major Illiquid Assets (or the determination by the Scheme Manager that there is no further recovery possible on the Major Illiquid Assets). Such distribution would be made out of all of the Liquid Assets of Defi Payments at that time including but not limited to: (i) recoveries of any Major Illiquid Assets; (ii) any remaining funds of the Costs Reserve in excess of requirement; (iii) any recoveries from the FTX Claim; (iv) Unclaimed Monies; and (v) realisation of any other remaining material assets of Defi Payments.
- 5.32. The Scheme contemplates a 36 month period for the Company to pursue the recovery of the Illiquid Assets, and thus any Final Distribution is intended to occur after the expiry of such period. This period may however be extended by 100% approval of the Board of Directors, which is intended to comprise the Chief Executive of the Company, one representative of the Scheme Manager and one independent professional to be nominated by the body of the Scheme Creditors.

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Other Obligations of the Company

- 5.33. Darshan Bathija (CEO) and Sanju Kurian (CTO) will resign from the Defi Payments Board of Directors and step down from management positions upon the Scheme taking effect and the appointment of the new directors as envisaged under Clause 12 of the Scheme.
- 5.34. Reserved matters for the new Board of Directors with requirement for 100% approval of the Defi Payments Board of Directors would include the quarterly approval of all material variations to the Scheme expense budget, structuring of subsequent Reverse Dutch Auctions, approval of the business plan in respect of the proposed New Business, and/or any other matter that may be prescribed in the Company's Constitution.
- 5.35. Subject to applicable Singapore laws, the new Board is intended to comprise the Chief Executive Officer of the Company, one representative of the Scheme Manager and one independent professional to be nominated by the body of the Scheme Creditors ("**Creditors' Representative**"), with the latter two to step down upon the cessation of the Scheme.
- 5.36. The independent professional is to be selected by the body of the Scheme Creditors from a list of shortlisted nominees from Singapore accounting or advisory firms with good standing provided by the Company and/or the Scheme Creditors. The nominees would have to first fulfil the following criteria, unless otherwise agreed by the Company, before votes would be taken in a manner prescribed by the Company:
- 5.36.1. Be a licensed insolvency practitioner in Singapore or a professional in the finance, accounting and/or advisory industry in Singapore or the like, for no less than 7 years;
- 5.36.2. Not be an undischarged bankrupt; and
- 5.36.3. Not be disqualified to act in the capacity of a director or in any capacity by law.

New Business

- 5.37. The Company intends to commence New Business by forming a new subsidiary to conduct this new business carrying out Decentralized Finance yield generating strategies. Defi Payments will within [●] Business Days of the implementation of the Scheme provide the newly-constituted Board with a comprehensive business case in respect of the New Business.
- 5.38. Assets of Defi Payments will not be invested into this New Business and it is not contemplated that any additional costs will be incurred. The New Business is contemplated to be operated using the existing cost base forecast for the Scheme, i.e. covered by the Costs Reserve.
- 5.39. The net profits earned from the New Business that are received by Defi Payments will be distributed to Scheme Creditors during the period of the Scheme on an annual basis or earlier at the discretion of Defi Payment's Board of Directors. For the avoidance of doubt, creditors who have exited the Scheme at the time of distribution of profits from the New Business relaunch will not be entitled to a distribution of the New Business Profits.
- 5.40. If the New Business performs well, Defi Payments may also create and issue its own token. Any such issuance and allocation to Scheme Creditors will be determined by the Board of Directors.

6. TAX IMPLICATIONS

- 6.1. The Company has not analysed, and this Explanatory Statement does not discuss, the tax consequences to any Scheme Creditor of the Scheme. Such tax consequences may be complex and each Scheme Creditor is urged to consult its own tax advisor with respect to the

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tax consequences of the Scheme in light of such person's particular circumstances. The Scheme Creditors are liable for any taxes that may arise as a result of the Scheme, and shall have no recourse to the Company, Kroll or any other person in respect of such taxes or any filing obligation with respect thereto.

7. COSTS AND EXPENSES RELATING TO RESTRUCTURING

- 7.1. In the Scheme, the Company agrees to pay, or procure the payment of, in full all costs, charges, expenses and disbursements incurred by it in connection with the preparation, conduct, sanctioning, implementation and execution of the Scheme as and when they arise, including, but not limited to, any costs in connection with the tabulation of votes on the Scheme, the costs of obtaining the sanction of the Court and the costs of issuing notices (if any) required by the Scheme.
- 7.2. Set out below is an approximate breakdown of the key professional costs and expenses which the Company expects to bear in connection with the preparation, conduct, sanctioning, implementation and execution of the Scheme. Such breakdown (a) has been computed using indicative figures and estimates, which in some cases have yet to be incurred, agreed or finalised, and (b) represents only the key estimated costs of the Restructuring currently foreseen by the Company and may not be comprehensive.

Restructuring Costs and Expenses	USD'000
Legal Advisor – Rajah & Tann Singapore LLP	500
Financial Advisor – Kroll Pte Limited	1,839
Proposed Independent Assessor – Quantuma (Singapore) Pte Limited	150
Scheme Manager – Kroll Pte Limited	560
Tabulation Agent and RDA Agent – Kroll Issuer Services	675
Total	3,724

- 7.3. Breakdown of the restructuring costs and expenses are detailed in Appendix 3 to this Explanatory Statement.

8. MANAGEMENT'S POSITION REGARDING THE SCHEME

- 8.1. The management of the Company, having considered the terms of the Scheme and the advice from appropriate Advisors, considers that the Scheme is in the best interests of the Company and its stakeholders. The key aims of the Scheme are to:
- 8.1.1. treat Creditors equitably and provide optionality in respect of liquidity opportunities by:
- 8.1.1.1. making early, in-kind liquidity available to Creditors who are prepared to exit at a discount; and
- 8.1.1.2. delivering maximum recovery value to Creditors who do not avail themselves of early liquidity opportunities.
- 8.1.2. introducing a strong governance structure capable of delivering proposed Restructuring outcomes;
- 8.1.3. maintain stable business continuity to support the New Business and streamline recovery efforts on Illiquid Assets; and
- 8.1.4. achieving a better outcome for Creditors than under a Liquidation.
- 8.2. The Company believes that the successful implementation of the Scheme will allow the Company's creditors who urgently need access to liquidity to access said liquidity earlier than under a Liquidation and allow Creditors who are willing to forego early liquidity opportunities to stay in the Restructuring and improve their recoveries through a combination of liability reduction from the Reverse Dutch Auctions and realization of illiquid assets.

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9. WHAT HAPPENS IF THE SCHEME FAILS?

- 9.1. The proposed Scheme is the result of extensive, arms-length discussions and negotiations with the Creditor Committee and Creditors, with the objective of treating all stakeholders equitably and follows a comprehensive consideration of the strategic options available to the Company.
- 9.2. The scope and feasibility of other strategic restructuring options available to the Company are limited, taking into consideration market conditions and the Company's operational cash requirements, available liquidity, and illiquid asset positions.
- 9.3. If the Scheme fails and the moratorium ends without any restructuring of the Company's debts, Creditors may be able to commence legal proceedings against the Company including but not limited to an application for the Company to be wound up and subject to a Court-ordered Liquidation process.
- 9.4. The Company considers that, if the Scheme were not to be successfully implemented, the possibility of successfully implementing an alternative financial restructuring without the continued protection of a Court-ordered moratorium would be very unlikely, given the time and cost of formulating the Scheme.

10. EXPECTED RETURNS UNDER THE SCHEME

- 10.1. Kroll has prepared a high-level analysis to estimate the recoveries to Scheme Creditors under the Restructuring against the potential scenario in which the Scheme and the Restructuring does not proceed and the Company enters into Liquidation.
- 10.2. As a general summary, the Kroll's analysis considers the estimated recovery rate to Scheme Creditors under a (a) Restructuring or (b) Liquidation. This analysis presents the range of average recoveries to creditors under different scenarios of Illiquid Asset realisations. For example, a 100% Illiquid Asset realization scenario assumes 100% recovery of Illiquid Asset receivables from Counterparty A, CoinLoan, and Flipvolt, which in turn will be available for distribution to Scheme Creditors.
- 10.3. Set out below is a summary of the recoveries to Scheme Creditors under the Restructuring and Liquidation at different Illiquid Asset realisation levels:

Major Illiquid Asset Realizations (%)	100%	75%	50%	25%	0%
Restructuring	96%	81%	66%	51%	36%
Liquidation	80%	67%	54%	40%	27%

- 10.4. This analysis has been prepared with reference to the asset position of the Company as at 4 April 2023 and liability position of the Company as at 4 July 2022 as relevant to the Restructuring and as set out below.

Financial Position as at 4 April 2023	USD
Net Liquid Assets	116,644,316
Net Illiquid Assets	193,927,888
Total Net Assets	310,572,204
Total Scheme Debt	(323,565,709)
Net Assets / Scheme Debt	96%

- 10.5. The Net Liquid Assets position nets off costs to be incurred in the Restructuring from the Total Liquid Asset position. Net Illiquid Assets position is in line with secured claims against the

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Company held by Counterparty A net off against the Illiquid Asset receivables due from Counterparty A. Total Scheme Debt is in line with the compromise of claims against the Company proposed under the Restructuring. Further details on the Company's financial position is set out in Appendix 2.

- 10.6. Given the nature and volatility of cryptocurrency token prices, it is not possible to accurately forecast the future prices of cryptocurrency tokens with any degree of confidence. Hence, the illustrated recoveries are prepared on the basis of token prices staying constant as at 4 April 2023 – this has the effect of aligning token recoveries and USD recoveries in percentage terms if the price assumption above is true. Movements in token prices will result in token and USD recoveries diverging.
- 10.7. The expected recoveries under a Restructuring as forecast do not include any upside in respect of the New Business, which contemplates the distribution of net profits to Scheme Creditors over the course of the Restructuring, and an allocation of any issued Vault Tokens to remaining Scheme Creditors. While the Company is committed to the launch of the New Business, the timelines and projected performance of said New Business are presently unclear and pending further in-depth commercial analysis and assessment, it is not possible to forecast the impact of the New Business on the expected recoveries under a Restructuring with sufficient precision. Initial high-level estimates, which will be subsequently refined and discussed with the New Board after Scheme implementation, put improved recoveries at 1.5 – 2% from New Business net profits, and an additional 3% from the Vault Token, both of which would be applicable only to Restructuring recoveries and not Liquidation recoveries as such a business restart is not possible under a Liquidation.
- 10.8. Based on the above, the Company believes that the Scheme offers the Scheme Creditors the best prospects of maximising their recovery with the earliest possible timeline.
- 10.9. The estimated average recovery rates to creditors set out in the table at paragraph 10.3 above represent the average returns to creditors and is not reflective of the recovery rates of individual creditors who exit at different stages of the restructuring.

Expected Returns under a Restructuring

- 10.10. Set out below is a breakdown of the estimated recoveries to creditors according to their respective exits during the restructuring at the Initial RDA, Second RDA, Third RDA or Final Distribution. This has also been modelled across the different Illiquid Asset realization scenarios.

Table A:

100% Major Illiquid Assets Realizations	Recovery Upon Exit At			
	Initial RDA (Discount)	(i) Initial RDA	(ii) Second RDA	(iii) Third RDA
(a) 70%	30%	152%	159%	227%
(b) 55%	45%	112%	118%	168%
(c) 45%	55%	102%	107%	153%

Table B:

75% Major Illiquid Assets Realization	Recovery Upon Exit At			
	Initial RDA (Discount)	(i) Initial RDA	(ii) Second RDA	(iii) Third RDA
(a) 70%	30%	125%	130%	181%
(b) 55%	45%	92%	96%	134%
(c) 45%	55%	84%	88%	122%

Table C:

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50% Major Illiquid Assets Realization			Recovery Upon Exit At			
Initial (Discount)	RDA	Bids	(i) Initial RDA	(ii) Second RDA	(iii) Third RDA	(iv) Final Distribution
(a) 70%			30%	97%	101%	135%
(b) 55%			45%	72%	75%	100%
(c) 45%			55%	66%	68%	91%

Table D:

25% Major Illiquid Assets Realization			Recovery Upon Exit At			
Initial (Discount)	RDA	Bids	(i) Initial RDA	(ii) Second RDA	(iii) Third RDA	(iv) Final Distribution
(d) 70%			30%	70%	72%	89%
(e) 55%			45%	52%	53%	66%
(f) 45%			55%	47%	49%	60%

Table E:

0% Major Illiquid Assets Realization			Recovery Upon Exit At			
Initial (Discount)	RDA	Bids	(i) Initial RDA	(ii) Second RDA	(iii) Third RDA	(iv) Final Distribution
(g) 70%			30%	43%	43%	43%
(h) 55%			45%	32%	32%	32%
(i) 45%			55%	29%	29%	29%

- 10.11. The contemplated Restructuring allows for creditors to exit the Restructuring via successful participation in an RDA. There are three RDAs expected and forecast, subject to the Board's approval. A successful bid at an RDA entails the creditor accepting a level of discount on their individual claim and exiting the Restructuring. The balance on their individual claim is extinguished and the creditor has no further claim against the Company. For example, a creditor who submits a successful bid of 70% at the Initial RDA will receive a 30% recovery on their individual claim in USD and token terms. The balance of their individual claim is written off and the creditor exits the Restructuring.
- 10.12. Bids for the Initial RDA may be made for any level of discount from 45% to 70% (i.e. recoveries of 55% to 30%). The actual average discount achieved in the Initial RDA will be subject to market forces. This analysis sets out a range of different average discounts achieved at the Initial RDA for creditors' consideration, with the assumption that the full balance of USD50 million of RDA Assets allocated for the Initial RDA is taken up.
- 10.13. The threshold levels of discount of Second RDA and Third RDA is assumed to be driven by the net present value at the time of each subsequent RDA of future cash flows available for a creditor who continues in the restructuring, as determined by the following factors:
- 10.13.1. a weighted average cost of capital of 30%; and
- 10.13.2. the latest expected timeline to subsequent Illiquid Asset realizations.
- 10.14. Set out below are two worked examples to illustrate the recoveries to creditors under different scenarios and guide creditors' interpretation of the tables above:
- 10.14.1. Worked Example 1:

Assumption	Reference
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100% Illiquid Assets realization	Table A
45% Initial RDA Bids	Row (c)
Creditor exits at Second RDA	Column (ii)
Recovery to Creditor	102%

10.14.2. Worked Example 2:

Assumption	Reference
50% Illiquid Assets realization	Table C
55% Initial RDA Bids	Row (b)
Creditor exits at Final Distribution	Column (iv)
Recovery to Creditor	100%

10.15. Further details and assumptions of this analysis are set out in Appendix 3. This analysis has been prepared by Kroll solely for the use of the Company and the Company's professional advisors as well as for the information (on a non-reliance basis) of the Scheme Creditors. Any disclosure of this analysis to Scheme Creditors is strictly on a non-reliance basis. Reliance on this analysis is limited to the Company only and does not extend to any other party including Scheme Creditors.

10.16. This analysis is based on information and explanations provided by the Company which have not been subject to independent verification or audit. Kroll assumes no liability whatsoever and makes no representations or warranties, express or implied, in relation to the contents of this analysis, including its accuracy, completeness or verification insofar as this is reliant on information or explanations provided by the Company or for any other statement made or purported to be made by or on behalf of the Company.

Expected Returns under a Liquidation

10.17. Kroll has prepared the following recoveries under a Liquidation based on the Company's asset position as of 4 April 2023 and liabilities position as of 4 July 2022:

Liquidation Scenario	USD'000
Book value under a Restructuring	365,072
Removal of Flipvolt receivables from payment of INR creditors	(2,530)
Impairment of Flipvolt receivable under Liquidation	(18,968)
Liquidation ERV	343,575
Amount due to Counterparty A (Secured Loan)	(42,000)
Recovery value after payment to Secured Creditor	301,575
Liquidation and legal fees and expenses	(41,875)
Recovery value to Unsecured Creditors	259,700
Unsecured Liabilities as at 4 July 2022	323,566
% of Recovery to Unsecured Creditors	80%

10.18. The book value under a Restructuring (USD365 million) is amended to exclude USD2.5 million of receivables from Flipvolt arising from an assumed loan to Flipvolt to facilitate payment to Flipvolt's creditors under a Restructuring which will not occur under a Liquidation, followed by a full impairment of all Flipvolt receivables under a Liquidation to arrive at a Liquidation ERV of USD343 million. This is further adjusted downwards to account for USD42 million of secured payables due to Counterparty A, and approximately USD42 million of liquidation fees and asset recovery expenses to arrive at a Liquidation recovery of USD259.7 million, an 80% recovery on USD323.6 million of Scheme Debt.

10.19. For the purposes of comparing recoveries under the Restructuring and Liquidation, we have adopted the same liability position as of 4 July 2022 for both scenarios (Scheme Debt). However, practically, under a Liquidation, Scheme Debt will not be compromised in a similar way as the proposed terms of this Restructuring, which waives accrued interest and associated referral bonuses after the Ascertainment Date, while fixing Scheme Debt in USD terms as at the Ascertainment Date. Under a Liquidation, creditors' claims will be established as at the date

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of liquidation and will include the impact of all market price movements, accrued interest and associated referral bonuses up to that date. It is thus likely that the liability position as of the date of liquidation will be materially higher than the liability as of 4 July 2022 as assumed under a Restructuring and will result in a lower percentage recovery to creditors, with an impact to pro-rata allocation of claims between Scheme Creditors. Further details and assumptions of this analysis under a Liquidation are set out in Appendix 3.

10.20. A Liquidation is likely to result in lower and more delayed recoveries to creditors primarily driven by increased liquidation costs and reduced Illiquid Asset recoveries as detailed below:

10.20.1. Under a Liquidation, Kroll has adopted the assumption that there is 100% realization of Counterparty A and CoinLoan receivables while there is a full impairment of Flipvolt intercompany receivables on the basis of materially compromised ability of a liquidator to support Flipvolt's legal process with the Enforcement Directorate of India to unfreeze its assets.

10.20.2. It is expected that significant costs will be incurred by the liquidator in the execution of their statutory duties to apprise themselves of the status of the company, establish control over assets, perform a KYC and adjudication process for over 150,000 creditors and their claims among other statutory requirements. Liquidations of similar nature and involving large number of creditors have resulted in significant fees and expenses incurred by a liquidator.

10.20.3. Apart from lower overall returns in a liquidation, the timeline to an interim dividend would reasonably be expected to be significantly longer in a liquidation (i.e. up to 12 months from the end of the moratorium). A liquidation will be subject to statutory timelines such as (i) issuing a statutory demand to Defi Payments and for the winding up application to be heard, (ii) receiving, KYC-ing, adjudicating and facilitating an appeal of at least 150,000 proofs of debts and (iii) issuing a Notice of Dividend and paying an interim dividend.

10.20.4. Without the benefit of the Company's existing technology platform, payment of a dividend in crypto will depend on whether customers from around the world can be onboarded for payment by the crypto payment service provider and if not, the likely practical outcome would be to make payment of the dividend in USD. As over 50% of claims are below ~USD50 it would therefore likely be cost prohibitive for up to 50% of creditors to be paid a dividend at all. The cost of meeting KYC requirements of onboarding a high volume of customers to a new platform of the crypto payment service provider and combined with transaction costs is likely to be costly and the economics may result in 50% of lower value creditors not receiving a dividend at all.

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11. SCHEME PROPOSED TIMELINES

- 11.1. The estimated timelines for the Scheme up until the sanction hearing are set out below. Please note that certain dates marked with an asterisk (*) are to be fixed by the Singapore Court, and we have made assumptions where necessary.

Description of activity	Dates (the reference to days herein are Business Days)
Filing of the Applications	12 April 2023
End of OA 318 moratorium	28 April 2023
*Court hearing for the Applications (and assuming that leave is granted to the Company to convene the meeting of creditors on the same day) (<i>subject to the Court's schedule</i>)	Day D ("D")
The Company issues a notice of a meeting of creditors (" Notice "), which contains key information, such as the creditors' claims against the Company as well as the scheme documents for the creditors' initial perusal	D+3
Online Meeting held in lieu of a meeting of creditors	D+11
Period for creditors to submit any disputes relating to their claims and additional claims against the Company, for a period of 10 Business Days	D+3 to D+13
The Company is to publish of a list of creditors who have a claim against the Company	D+14
Period for creditors to submit requests to inspect another creditor's proof of debt for a period of 3 Business Days	D+14 to D+17
The Company to send a notice to creditors with voting instructions	D+16
Period for the Independent Assessor to resolve any disputes, additional claims and/or requests for inspection	D+3 to D+27 (for claim disputes and additional claims) D+14 to D+27 (for requests for inspection)
Voting period	D+20 to D+25
Submission of votes for verification by the Independent Assessor	D+28
Independent Assessor verifies the votes and sends written notice to the Scheme Manager and the Company	D+31
Company to issue notice to all Creditors on results of the vote	D+33
The Company files an application to sanction the Scheme (if the Scheme receives approval from the requisite majority of creditors)	D+45
*Court hearing of the sanction application (<i>subject to the Court's schedule</i>)	Day H ("H")
*Extracting of Court Order and filing of Order with ACRA	H+5

- 11.2. Subject to the Honourable Court's directions otherwise, Scheme Creditors may attend the various hearings before the Court in person or through legal counsel that has the right of audience in the Singapore Courts. Scheme Creditors, which are incorporated entities, are required to be represented by legal counsel that has the right of audience in the Singapore courts. The Company will notify the Scheme Creditors of any hearing dates and/or directions of the Singapore Court through email blast as well as by posting such updates on the Scheme Website.

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- 11.3. Scheme Creditors are entitled to, subject to decision of the Independent Assessor, dispute their Approved Claims, submit additional claims, as well as submit requests for inspection of another Scheme Creditor's proof of debt, in accordance with the terms of the Scheme and the directions given by the Company and/or the Scheme Manager at the appropriate juncture.
- 11.4. Scheme Creditors are entitled to vote on the Scheme in accordance with the terms of the Scheme and the directions given by the Company and/or the Scheme Manager at the appropriate juncture. Please see Section 12 below for more details on voting at the Scheme.
- 11.5. Among other assumptions, the dates in this timetable and mentioned throughout this Explanatory Statement assume no additional court hearings or creditor meetings and that no court hearing or creditor meeting is adjourned or delayed, and that the requisite majority of creditors have voted and/or taken all other steps to submit a valid vote during the prescribed period.

12. SCHEME VOTING INSTRUCTIONS**Online Meeting**

- 12.1. The Company shall convene the Online Meeting via videoconference with Scheme Creditors, to:
- 12.1.1. provide the Scheme Creditors with a summary of the compromise and arrangement effected by the Scheme;
- 12.1.2. outline the Scheme timeline and voting instructions; and
- 12.1.3. to address any queries which Scheme Creditors may have in relation to the Scheme.
- 12.2. The Online Meeting will take place virtually via videoconference to accommodate the global distribution of the Scheme Creditors. The Online Meeting is currently scheduled to take place on [●] at [●] (Singapore time). Scheme Creditors will receive details on how to join the Online Meeting via the Vault Platform and Scheme Website.
- 12.3. Scheme Creditors who are unable to join the Online Meeting may view the recording of the Online Meeting which will be shared with all Scheme Creditors following the Online Meeting.

Voting Classes

- 12.4. The Scheme will proceed on the basis that Scheme Creditors constitute a single class of creditors of the Company. Having considered that the Scheme will affect in the same way the rights of all Scheme Creditors, the Company considers that the Scheme Creditors should be classed into one single class for the purposes of voting on the Scheme.

Submission of Votes

- 12.5. Each Scheme Creditor will be entitled to vote on the Scheme (a "Vote"), in accordance with the terms of the Scheme.
- 12.6. The Company shall determine (a) each Scheme Creditor's standing to vote in the Scheme, and (b) the amount of each Scheme Creditor's Claims for voting purposes, subject to any successful Disputes and/or admission of additional claims, in each case, as of the Ascertainment Date by verifying the same against the relevant information derived from the Vault platform database, which will be made known to the Scheme Creditors via the Vault Platform.
- 12.7. Votes submitted will be definitive, irrevocable, and may not be changed and/or amended. Scheme Creditors can only cast one vote for the entirety of their claim. Additional votes will not be accepted through any other means, unless approved by the Scheme Manager. An announcement on the results of voting on the Scheme will be issued to Scheme Creditors via

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the Vault Platform and the Scheme Website, and such announcement is currently scheduled for [●] (or such later date as may be notified by the Company to the Scheme Creditors).

- 12.8. The value of the Approved Claims that are attributed for voting purposes to each Scheme Creditor, will be calculated as at the Ascertainment Date. Every Scheme Creditor shall have 1 vote, the value of which is represented by the Approved Claim.
- 12.9. The Company reserves the unilateral right to extend in good faith the timelines in the Scheme, including but not limited to the date of the Online Meeting and the voting period to increase participation in the Scheme. The Company will promptly notify the Scheme Creditors, via the Vault Platform and the Scheme Website, of any such changes.
- 12.10. Any votes submitted after the prescribed period will be disregarded for voting purposes unless approved by the Scheme Manager.
- 12.11. If a Scheme Claim is unascertained or contingent, the Chairperson may accept the Scheme Claim for voting purposes only at a value which the Chairperson considers is a fair and reasonable assessment of the sums owed by the Company in respect of that Scheme Claim.

Sales Assignments or Transfers of the Approved Claims

- 12.12. The Company and Chairperson shall not be under any obligation to recognise any sale, assignment or transfer of Approved Claims for the purposes of determining any Approved Claim.
- 12.13. If the Company has received written notice of a sale, assignment or transfer of any Scheme Claims (from each relevant party to such sale, assignment or transfer), the Company may, in its absolute discretion and subject to such evidence as it may reasonably require and any other terms and conditions which the Company may consider necessary or desirable, agree to recognise such sale, assignment or transfer for the purposes of determining any entitlement to vote on the Scheme. It shall be a term of such recognition that such purchaser, assignee or transferee so recognised by the Company shall be bound by the terms of the Scheme and for the purposes of the Scheme shall be a Scheme Creditor.

13. DIRECTORS

- 13.1. Pursuant to Section 211(1)(a) of the Companies Act, the material interests of the directors of the Company (whether as directors or as members, creditors, or holders of units of shares of the Company or otherwise) and the effect that the proposed Scheme has on those interests, insofar as that effect is different from the effect that the compromise or arrangement has on the like interests of other persons, are stated herein.
- 13.2. The directors of the Company, namely Darshan Bathija and Sanju Kurian, of the Company have the following interests, direct and indirect, in the Company.

Name of director	Brief description of the interest in the Company
Darshan Bathija	Holds 8,000,000 shares in Defi Holding Pte Ltd, the sole shareholder of the Company
Sanju Kurian	Holds 1,957,447 shares in Defi Holding Pte Ltd, the sole shareholder of the Company

- 13.3. The directors have irrevocably and unconditionally waived their Claims against the Company and are not Scheme Creditors. They will also be stepping down from the board of directors following the implementation of the Scheme.

14. RISK FACTORS

- 14.1. In considering whether to vote in favour of the Scheme, each Creditor should carefully consider all the information contained in this document in particular the matters set out herein. This

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summary of risk factors is not exhaustive and Creditors should also consider all other risks relevant in the circumstances.

Risks in the Scheme process

- 14.2. Even if the appropriate level of support is obtained from the Scheme Creditors (which cannot be assured), approval of the Scheme is at the discretion of the Court. Whilst the Company believe that the relevant statutory formalities have been complied with, the Court could determine that the information contained in the Scheme document is inadequate, that the solicitation of votes was improper due to the inadequacy of disclosure or for other reasons, and/or could determine that the Scheme fails to meet various other requirements, and require amendments or modifications which might not be acceptable to the Company or the Scheme Creditors or may not be accomplished in a timely manner. The Court could also differ from the selection and/or classification of creditors of the Company as Scheme Creditors.
- 14.3. Further, appeals or requests for other reviews in respect of the Scheme and appeals against the Order of Court sanctioning the Scheme could delay the commencement of the Scheme.

Realization quantum, token denomination and payment structure risk

- 14.4. The illiquid assets have to be realized before recoveries to creditors from their share of illiquid assets can be made. Each category of these illiquid assets carries its own set of unique circumstances and accompanying risks, however broadly the potential consequences these risks may be summarized as:
- 14.4.1. Actual realizations in token terms may be lower than expected;
- 14.4.2. Actual realizations may not be in the same tokens that the illiquid assets are currently denominated in; and
- 14.4.3. Actual realizations may not be received in a lump sum payment and may potentially be subject to a payment schedule.

Litigation and regulatory risk

- 14.5. Each category of illiquid assets is likely to be realized through the respective legal systems of the countries that the counterparties are incorporated in via a combination of arbitration, litigation, or both. As such, litigation risk is a key factor in the realizations of illiquid assets, and includes but is not limited to:
- 14.5.1. the sophistication and efficiency of the respective legal systems; and
- 14.5.2. the potential for arbitral or court rulings to be made in favour of the counterparty.
- 14.6. As cryptocurrency regulation progresses globally and catches up with the commercial state of cryptocurrency activity, there is a risk that regulations of the jurisdictions that illiquid asset recovery efforts are being carried out in may undergo changes that result in, among others:
- 14.6.1. the counterparty materially scaling down or withdrawing its business operations from the jurisdiction; and
- 14.6.2. a substantially altered legal and regulatory landscape that materially affects arbitral and / or litigation efforts.

Insolvency risk

- 14.7. Each category of illiquid assets has to be realized from third parties. In the context of a highly volatile cryptocurrency environment, the potential for each of these counterparties to encounter financial difficulties significant enough to result in insolvency represents a real risk.

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- 14.8. The challenges associated with realizing illiquid assets from insolvent parties are material and include, among others:
- 14.8.1. drawn out insolvency processes in foreign jurisdictions that may not have a robust insolvency framework;
 - 14.8.2. significant costs incurred by the insolvent counterparty's liquidator that materially reduce recoveries available to creditors under a liquidation; and
 - 14.8.3. the potential presence of secured creditors that rank ahead of the Company in priority under a liquidation.
- 14.9. As a result of the above, the insolvency of an illiquid asset counterparty is likely to result in significant or total impairment of illiquid asset receivables.

Timeline risk

- 14.10. The restructuring is forecast to be carried out over three years, which at present appears to be a reasonable timeframe to effect illiquid asset realization efforts and secure repayments from the respective counterparties. There remains a risk of slippage significant enough to materially extend individual realization timelines beyond the current three-year forecast, which may be the result of a combination of the other risk factors detailed in preceding sections.
- 14.11. While the Board of the Company will have the discretion to extend the restructuring subject to a 100% vote of Board members, how long an extension can go on for will likely be limited by the availability of funding to continue operations and asset recovery efforts. As such, there is a risk of impairment of expected realizations from illiquid asset recovery efforts that are unlikely to be complete within a reasonable extension after taking into account availability of funding.

Theft and bugs

- 14.12. While the Company maintains enterprise-grade information technology security for its operational infrastructure, engages in industry best practices for asset custody and transactional procedures, and carefully vets its third-party vendors to determine adherence to industry standards for information technology security and industry best practices, there remains risks associated with potential theft of cryptocurrency which can be minimized but not entirely eliminated.
- 14.13. Similarly, while the Company carries out regular reviews of its operational infrastructure for bugs and security vulnerabilities and issues patches to fix any detected issues as swiftly as possible, there remains risk associated with technological bugs and security vulnerabilities that can be minimized but not entirely eliminated.

RDA performance

- 14.14. The success of each RDA is governed by two key factors: average recovery bid price and take up amount. Several assumptions have been made in respect of these factors in the generation of the restructuring forecasts to best reflect potential parameters for the Initial RDA and subsequent RDAs, such as:
- 14.15. For the purpose of showing a range of RDA scenarios, a range of 30 – 55% average recovery bid price for the Initial RDA;
 - 14.16. Full takeup of the USD50m set aside as Buyback Assets for the Initial RDA;
 - 14.17. Average bid prices of subsequent RDAs determined via the application of a Net Present Value calculation using a Weighted Average Cost of Capital of 30% against expected quantum and timing of subsequent illiquid asset realizations; and

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- 14.18. The full balance of realized illiquid assets being set aside as Buyback Assets for subsequent RDAs; and
- 14.19. Full take up of the Buyback Assets set aside for subsequent RDAs.
- 14.20. As each RDA will be governed by market forces which affect the average recovery bid price and take up amount, it is not possible to guarantee that the above assumptions will reflect reality in the actual execution of the RDAs. Any departure from assumptions in respect of average recovery bid price and take up amount in the actual execution of the RDAs will affect:
- 14.21. The net reduction in claims as a result of the RDA; and
- 14.22. The improvements to recoveries made by creditors who do not participate in the RDA as a result in the net reduction in claims.
- 14.23. For the purposes of illustration, with all else held constant, a decrease in average bid price will result in increase in net reduction in claims and increase in recoveries made by creditors who do not participate in the RDA and vice versa.
- 14.24. With all else held constant, a decrease in take up amount in will result in a decrease in net reduction in claims and decrease in recoveries made by creditors who do not participate in the RDA and vice versa.
- 14.25. As the average bid prices are driven by the bids submitted by creditors and take up amount is driven by the claim balances submitted by creditors, it is possible for average bid prices and take up amounts to move in different directions. The net impact of such an occurrence will be governed by the relative impact of each of these movements to each other.
- 14.26. It is clear from the above that it is not possible to fully reflect potential outcomes of the RDAs through the restructuring forecast, and the performance of each RDA represents a significant source of uncertainty and risk that creditors need to be aware of.

Even if the Scheme is sanctioned and recognised in the Singapore Courts, it may be challenged in other jurisdictions outside of Singapore

- 14.27. On the basis that the Scheme Conditions are satisfied and the Scheme is recognised in the Singapore Courts, there may be challenges in relation to the Restructured claims that arise in other jurisdictions outside of Singapore.
- 14.28. The Company cannot guarantee that the Scheme will be recognised in jurisdictions outside of Singapore. However, given that the Company is incorporated in Singapore, any effective winding up action has to be taken in Singapore. If the Scheme is successful and sanctioned by the Singapore Court, the Singapore Court will recognise the extinguishment of Scheme Claims and creditors cannot commence or continue, or instruct, direct or authorise any other Person to commence or continue, any Proceedings in respect of or arising from any Released Claim given that the release and Moratorium form terms of the Scheme.

Licensing or regulations that prevents the Company from carrying out its obligations during the Restructuring

- 14.29. Current regulations under Singapore law do not prevent the Company from carrying out its obligations under a successful Scheme and Restructuring such as holding and distributing cryptocurrencies on behalf of Scheme Creditors and pursuing the realisations of the Illiquid Assets.
- 14.30. However, the regulatory landscape in respect of the cryptocurrency industry remains dynamic and is likely to stay dynamic for the foreseeable future in view of the rapid speed at which the cryptocurrency industry adopts and refines new and unregulated technology. The Company cannot guarantee that it will be able to satisfy its obligations under a Scheme and Restructuring in the event that regulations are passed that restricts it and/or its directors from doing so.

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Costs which may overrun

- 14.31. In “Section 5: Costs and expenses related to the Restructuring” and Appendix 3 Kroll sets out the estimated costs to be incurred during the Restructuring. The forecast cost is an estimate and may be subject to change.
- 14.32. The Company aims to ensure proper implementation of the Scheme and good governance via the appointment of a Board of Directors consisting of (i) one Scheme Creditor representative from the Remaining Claims; (ii) a newly appointed CEO of the Company; and (iii) a representative of the Scheme Manager. Reserved Matters will include the 100% approval of material variations to the approved Scheme quarterly budget.
- 14.33. While the costs and expenses of the Restructuring will be monitored closely by all three Board members, there is nevertheless a potential risk of cost overrun. There remains room for the Board of Directors to provide some flexibility in the costs and expenses incurred during the Restructuring, while ensuring that recoveries to Scheme Creditors are maximised.

15. PERSONAL DATA

- 15.1. Each Creditor (a) consents to the collection, use and disclosure and/or processing of its personal data by the Scheme Manager and the Company (or their respective agents or service providers) (“**Relevant Persons**”) for the purpose of the administration, facilitation and implementation of the Scheme by the Relevant Persons, and in order for them to comply with any applicable laws, regulations and/or guidelines including the Personal Data Protection Act 2012 (the “**PDPA**”) (“**Applicable Laws**”) (collectively, the “**Purposes**”); (b) warrants that where the Creditor discloses the personal data of its representative(s) (if any) to any of the Relevant Persons for the Purposes, the Creditor has obtained the prior consent of such representative(s) for the collection, use, disclosure and/or processing by the Relevant Persons of the personal data of such representative(s) for the Purposes; and (c) agrees that the Creditor will indemnify the Company or the Scheme Manager in respect of any penalties (including penalties imposed by the Personal Data Protection Commission of Singapore under the PDPA), liabilities, claims, demands, losses and damages as a result of the Creditor’s breach of warranty and/or Applicable Laws.

16. CONCLUSION AND RECOMMENDATION

- 16.1. The proposed Scheme, if approved and implemented, will allow the Scheme Creditors to obtain a better recovery than should the Company be wound up.
- 16.2. Accordingly, the Company and the Scheme Managers recommend that the Scheme Creditors vote in favour of the Scheme.

Dated this [●] day of [●] 2023

Yours faithfully

Defi Payments Pte. Ltd.

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APPENDIX 1. DRAFT SCHEME OF ARRANGEMENT
IN THE GENERAL DIVISION OF THE HIGH COURT OF
THE REPUBLIC OF SINGAPORE

HC/OA /2023

In the matter of Section 210 of the Companies Act 1967

And

In the matter of Part 5 of the Insolvency, Restructuring and Dissolution Act 2018

And

In the matter of **DEFI PAYMENTS PTE. LTD.**
(Singapore UEN No. 202040110H)

DEFI PAYMENTS PTE. LTD.
(Singapore UEN. 202040110H)

... Applicant

SCHEME OF ARRANGEMENT
PURSUANT TO SECTION 210 OF THE COMPANIES ACT 1967

Between

DEFI PAYMENTS PTE. LTD
(Singapore UEN No. 202040110H)
(the “**Company**”)

And

THE SCHEME CREDITORS
(as defined in the Scheme)

DATED THIS [•] DAY OF [•] 2023

Important information regarding the Meeting of Scheme Creditors:

Date of Meeting	:	[•]
Time of Meeting	:	[•]
Venue of Meeting	:	[•]

Important information regarding the Voting on the Scheme:

Deadline to Vote	:	[•]
Details of Voting	:	[•]

1. DEFINITIONS AND INTERPRETATION

Definitions

- 1.1 In this Scheme, except to the extent that the context requires otherwise, the following expressions shall bear the following respective meanings. Words shall have the meaning attributed to them by the Companies Act 1967 (the “**Companies Act**”) and/or the Insolvency, Restructuring and Dissolution Act 2018 (the “**IRDA**”) (as the context may require).
- (1) The third-party services providers for the purposes of this Scheme include the following:
 - (a) “**Independent Assessor**”, which means the potential appointment of Luke Furler care of Quantuma (Singapore) Pte Limited, to be appointed by the Court.
 - (b) “**RDA Agent**”, which has the meaning ascribed to it at Clause 9.
 - (c) “**Scheme Manager**” which means Mr Jason Kardachi care of Kroll Pte Limited.
 - (d) “**Tabulation Agent**”, which means Kroll Issuer Services Ltd.
 - (2) “**Aggregated Approved Claims**” means the aggregated amount of the Approved Claims in respect of all the Scheme Creditors as at any given date.
 - (3) “**Aggregated Participating Approved Claims**” means the aggregated amount of the Approved Claims in respect of the Participating Scheme Creditors as at the date immediately prior to the Final Distribution.
 - (4) “**Approved Claim**” means a Claim of a Scheme Creditor against the Company to the extent admitted by the Scheme Manager or established by the Scheme Creditor in proceedings in accordance with Clause 2 below.
 - (5) “**Ascertainment Date**” means 4 July 2022.
 - (6) “**Assessed Value**” shall mean the agreed value of any Security Interest held by any Creditor, and shall be determined as follows:
 - (i) by admission by the Scheme Manager of the amount stated by that Creditor in his Proof of Debt as being the value of the Security Interest;
 - (ii) by agreement between the Scheme Manager and that Creditor; or
 - (iii) in the absence of admission by the Scheme Manager or agreement between the Scheme Manager and the Creditor, by an Independent Assessor appointed pursuant to Clause 1.1.
 - (7) “**Business Day**” means any reference to a day in Singapore except Saturday, Sunday, Singapore public holiday, on which commercial banks are open for general business in Singapore.

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- (8) **“Claim”** means any known or unknown claim, charge, promise, cause of action, or similar right which any person may have against the Company (which is not an Excluded Claim), arising out of any transaction, act or omission of the Company or of any person occurring on or before the Ascertainment Date, including any interest, default interest, premium, additional amounts, make whole amounts, fees, commissions, and penalties arising out of such claim, whether the claim be actual, present, future or contingent or whether liquidated or sounding only in damages, and whether in contract or tort or howsoever arising.
- (9) **“Coinloan”** means CoinLoan OÜ, a private company limited by shares and incorporated in Estonia.
- (10) **“Company”** or **“Defi Payments”** means Defi Payments Pte Ltd (Singapore UEN No. 202040110H), a private company limited by shares and incorporated in Singapore.
- (11) **“Contingent Illiquid Assets”** means a receivable of the Company whose value is not fixed and is subject to the occurrence of a stated event.
- (12) **“Cost Reserves”** means a reserve of up to USD10 million that may be used by the Company at its sole discretion for any one or more of the following purposes: (i) third party professional fees, costs and expenses in relation to the Scheme (including the Scheme Manager’s costs and expenses); (ii) recovery of the Illiquid Assets; (iii) operational expenses of the Company; (iv) implementation of the New Business.
- (13) **“Counterparty A”** means the counterparty to the Company in respect of an unsecured loan which constitutes a significant proportion of the Illiquid Assets and whose identity remains subject to a Non-Disclosure Agreement at the time of preparation of this Scheme.
- (14) **“Creditor”** means any person who has a Claim against the Company, but excludes any Excluded Creditor. For the avoidance of doubt, a Creditor includes any Customer Creditor and Scheme Creditor.
- (15) **“Customer Creditor”** means any person who has a Claim against the Company arising out of any transaction on the Vault Platform.
- (16) **“Effective Scheme Date”** shall have the meaning ascribed to it in Clause 3.1.
- (17) **“Excluded Claim”** means any known or unknown claim, charge, promise, cause of action, or similar right which any person may have against the Company, arising out of any transaction, act or omission of the Company or of any person occurring on or before the Ascertainment Date, including any interest, default interest, premium, additional amounts, make whole amounts, fees, commissions, and penalties arising out of such claim, whether the claim be actual, present, future or contingent or whether liquidated or sounding only in damages, and whether in contract or tort or howsoever arising, which falls into one or more of the following categories:

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- (a) It is a claim by a creditor which would, pursuant to Section 203 of the Insolvency, Restructuring and Dissolution Act 2018, be entitled to be paid in priority to all other unsecured debts of the Company in a winding up of the Company; and/or
 - (b) It comprises any debt or liability of the Company up to the Assessed Value of a Security Interest.
- (18) **“Excluded Creditor”** means any of the following:
- (a) Amounts owing to employees of the Company arising solely from or in connection with their employment with the Company;
 - (b) Any person with an Excluded Claim against the Company, but only in respect of such Excluded Claim. For the avoidance of doubt, such person can also be a Scheme Creditor in respect of any Approved Claim which that person may concurrently have against the Company;
 - (c) Cyril Amarchand Mangaldas;
 - (d) Kroll Pte Limited;
 - (e) Kroll Issuer Services Ltd;
 - (f) Quantuma (Singapore) Pte Limited;
 - (g) Rajah & Tann Singapore LLP; and/or
 - (h) The following parties who have unconditionally and irrevocably waived all Claims as at the Ascertainment Date against the Company (**“Waived Claims”** or **“Waived Creditors”** as the context requires), and for the avoidance of any doubt, will not receive any distributions under the Scheme:
 - (i) Darshan Sunil Bathija;
 - (ii) Sanju Sony Kurian; and
 - (iii) the Related Creditors.
- Save for the Waived Creditors, all Excluded Creditors will be paid in full on or before the Effective Date of the Scheme.
- (19) **“Flipvolt”** means Flipvolt Technologies Private Limited, a private company limited by shares and incorporated in India.
- (20) **“FTX”** means FTX Trading Ltd, a private company limited by shares and incorporated in Antigua and Barbuda.
- (21) **“Full Board Approval”** means the approval by all members of the Company’s board of directors as constituted with the individuals listed in Clause 12.2.

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- (22) **"Illiquid Assets"** means all receivables of the Company, including the Major Illiquid Assets and the Contingent Illiquid Assets.
- (23) **"Liquid Assets"** means all assets of the Company excluding the Illiquid Assets and the Costs Reserves at any one time. For the avoidance of doubt, Liquid Assets includes the Net Proceeds and/or New Business Profits that are already received and held by the Company at any one time.
- (24) **"Major Illiquid Assets"** means the Company's assets classified as accounts receivable from Counterparty A, Coinloan, and Flipvolt, and not under the direct control of the Company at the Effective Scheme Date.
- (25) **"Net Proceeds"** means the proceeds to be received by the Company from the realisation of any of the Illiquid Assets less all costs and expenses incurred in respect of recovery and collection of the Illiquid Assets (including, without limitation, the costs of engaging professional advisors (including solicitors) and any disbursements incurred).
- (26) **"New Business"** means the contemplated business on decentralised lending, staking and liquidity mining to be operated on the Vault Platform on a fully opt-in basis after the Effective Scheme Date. This New Business is contemplated to be carried out by a subsidiary of the Company to be incorporated within [●] Business Days of the Effective Scheme Date, subject to Full Board Approval.
- (27) **"New Business Profits"** means the net profits from the yield generated from the New Business. For the avoidance of doubt, net profits would be calculated after accounting for payouts to the customers of the New Business as well as any other necessary administrative or operational costs, fees and expenses.
- (28) **"Party"** or **"Parties"** refer to either the Company or the Scheme Creditors, whether individually or collectively, as appropriate.
- (29) **"Prescribed Period"** means the period commencing on the Effective Scheme Date and ending on the expiry of 36 months from the Effective Scheme Date.
- (30) **"Registrar"** means the Accounting and Corporate Regulatory Authority of Singapore.
- (31) **"Related Creditor"** shall mean a Creditor who is a natural person who is a legal dependent of Darshan Bathija and/or Sanju Sony Kurian, and/or who is related by blood, adoption and/or marriage to either Darshan Bathija and/or Sanju Sony Kurian.
- (32) **"Scheme"** means this scheme of compromise and arrangement, including and incorporating all such amendments, additions and variations thereto as may be required, approved or sanctioned by the Court.
- (33) **"Scheme Creditor"** means a Creditor who has an Approved Claim against the Company and includes any person who becomes a Scheme Creditor pursuant to Clause 2.

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- (34) **“Scheme Creditors’ Meeting”** shall have the meaning ascribed to it in Clause 11, and for the avoidance of doubt, excludes the Scheme Meeting.
- (35) **“Scheme Creditors’ Resolution”** means an ordinary resolution passed at any Scheme Creditors’ Meeting in accordance with Clause 11, and for the avoidance of doubt, excludes any Special Resolution.
- (36) **“Scheme Manager”** means Mr Jason Kardachi of Kroll Pte Limited, or else any person appointed either by the Court to be a Scheme Manager of this Scheme, whether in addition to or in replacement of any person(s) then holding appointment(s) as “Scheme Manager”.
- (37) **“Scheme Manager Claim”** means any claim by the Scheme Manager against any person to enforce this Scheme.
- (38) **“Scheme Manager Proceeding”** means any legal proceeding in any jurisdiction in which any Scheme Manager Claim is made against any person (whether as a claim, counterclaim or otherwise).
- (39) **“Scheme Meeting”** means the meeting of Creditors to be convened and held by way of an online webinar on [●] at [●] and any adjournment thereof, for the purpose of considering and, if thought fit, approving (with or without modifications) this Scheme.
- (40) **“Scheme Period”** means the period commencing on the Effective Scheme Date and ending either on the End Date or the date on which the Scheme is terminated in accordance with Clause 3.3 (whichever may occur first).
- (41) **“Scheme Website”** means the website with the hyperlink [●] created by the Tabulation Agent for the purposes of setting out information on the Scheme as well as the adjudication and inspection of Claims and submission of votes for the Scheme.
- (42) **“Special Resolution”** means a resolution that is passed by at least 75% of the Scheme Creditors by value of their Approved Claims as at that time.
- (43) **“Vauld Platform”** means the Vauld web and/or mobile platform application.

1.2 Interpretation

- (a) The headings or titles to the Clauses in this Scheme are to facilitate reference and shall not be referred to or relied upon in the construction of any provision of this Scheme.
- (b) Where the context so admits, the singular shall include the plural and words in the masculine gender shall include the feminine and neutral genders and vice versa.
- (c) Any reference to any Party shall be construed as a reference to such Party’s successors, permitted assigns and permitted transferees, and for the avoidance of doubt, in respect of a Creditor, includes the assignees of the rights and interests of such Creditor in respect of such indebtedness or liability.

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- (d) The term “indebtedness” means any obligation for the payment of money, whether as principal or surety and whether present or future, actual or contingent and “indebted” shall be construed accordingly.
- (e) The expressions “legal proceedings” and “proceedings” shall each include any and all originating claims, arbitrations, judicial and quasi-judicial proceedings and any other proceedings in any jurisdiction whereby any order or decision may be made by any judicial body or tribunal or governmental or regulatory authority for the payment of any sum or arrest, seizure and/or the sale or disposal of any assets.
- (f) The words “include” or “including” shall be deemed to be followed by “without limitation” or “but not limited to” whether or not they are followed by such phrases or words of like import, and “otherwise” shall not be construed as limited by words with which it is associated.
- (g) References to any “person” include any natural person, corporation, judicial entity, association, statutory body, firm, partnership, limited liability company, joint venture, trust, estate, unincorporated organisation or government, governmental authority, department of any government state or any political subdivision, instrumentality, agency or authority, and references to “corporation” means any body corporate or entity incorporated, established or constituted under any law in any jurisdiction.
- (h) References in this Scheme to any “Clause” or “Appendix” shall be construed as references to the clause of or the appendix to this Scheme respectively.
- (i) A reference to time is to local time in Singapore.
- (j) Any reference in this Scheme to a statutory provision shall include such provision and any regulations made in pursuance thereof as from time to time modified or re-enacted whether before or after the date of this Scheme.
- (k) Any reference in this Scheme to any agreement or other document shall be construed as a reference to such agreement or other document, as may be amended, modified or supplemented from time to time, and shall include a reference to any document which amends, modifies or supplements it, or is entered into, made or given pursuant to or in accordance with its terms, whether or not they are followed by such phrases or words of like import.
- (l) No provision of this Scheme shall be construed adversely to a Party solely on the ground that the Party was responsible for the preparation of this Scheme or that provision.

2. APPROVED CLAIMS AND PROOF OF DEBT

2.1 For the purposes of this section, the following expressions shall bear the following respective meanings:

- (1) “**Contingent Scheme Creditor**” means a Creditor whose Claim against the Company is not fixed and is subject to the occurrence of a stated event.

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- (2) **"Cut Off Date"** means the date of the end of the period prescribed by the Company for which Customer Creditors may submit any disputes as to their Approved Claim, or for every other Creditor to submit their Proof of Debt, by way of the Disputes and Other Claims Form.
- (3) **"Disputes and Other Claims Form"** means the online form for Customer Creditors to submit any disputes as to their Approved Claim, or for every other Creditor to submit their Proof of Debt.

Customer Creditors

- 2.2 Customer Creditors are not required to submit a Proof of Debt within the meaning of the Companies Act or the IRDA in respect of their Claim for the balance outstanding in their respective accounts maintained on the Vault Platform, and shall be deemed to have submitted a Proof of Debt. The Company shall deliver to each Customer Creditor a written notification setting out how they may view on the Vault Platform their respective Approved Claim, that is determined in accordance with this Clause 2.
- 2.3 Any Customer Creditor who wishes to dispute any aspect of the Scheme Manager' determination of their Approved Claim or consider that he has any other Claim(s) must submit written notice of such dispute and/or additional Claim to the Scheme Manager via the Disputes and Other Claims Form by 5.00pm on the Cut Off Date. The adjudication of such dispute and/or assessment of additional Claim would be conducted by the Independent Assessor, and the costs of the Independent Assessor will be borne by the Company. Any dispute or additional Claim(s) that are not submitted in accordance with this Clause would not be considered.

Other Creditors

- 2.4 Save for the Customer Creditors, every other Creditor shall submit and deliver to the Scheme Manager a Proof of Debt via the online Disputes and Other Claims Form by 5.00pm on the Cut-Off Date, for the purpose of determining its Approved Claim in accordance with this Clause 2.
- 2.5 Any such Proof of Debt submitted by a non-Customer Creditor would be adjudicated by the Independent Assessor, and the costs of the Independent Assessor will be borne by the Company.

All Creditors (including Customer Creditors)

- 2.6 The Claim of any Creditor that is not an Approved Claim and not stated in a Proof of Debt submitted in accordance with this Clause 2 by 5.00pm on the Cut-Off Date shall be forever waived, released, discharged and extinguished, and the Creditor shall not have any rights, interests and claims whatsoever against the Company in respect of such Claim, save as the Scheme Manager may otherwise permit in their sole and absolute discretion.
- 2.7 For the purposes of adjudicating each Customer Creditor's Claim for the balance outstanding in their respective accounts maintained on the Vault Platform and each Creditor's Proof of Debt (including any Proof of Debt submitted by a Customer Creditor), the Scheme Manager (or the Independent Assessor as the case may be) shall adjudicate each Claim as at the Ascertainment Date, and may for that purpose

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take into account any mutual credits, mutual debts and/or other mutual dealings between the Company and that Creditor, pursuant to which the Scheme Manager (or the Independent Assessor as the case may be) shall be entitled (in their sole and absolute discretion) to set off any debts and liabilities to which each party is or may become subject as a result of such mutual credits, debts and/or dealings. Any part of the Claim that is thereby admitted shall be the Approved Claim.

- 2.8 For the avoidance of doubt, the Scheme Manager will not be required to delay or postpone the implementation of this Scheme, or the taking of any necessary steps thereunder, by the fact that there is pending an application to an Independent Assessor or to the Court in respect of any decision of the Scheme Manager or an Independent Assessor.
- 2.9 The Scheme Manager and/or the Independent Assessor are entitled to but not required to request for information and documents as necessary. Each Creditor shall promptly provide the Scheme Manager and/or the Independent Assessor with all such information and documents requested by the Scheme Manager and/or the Independent Assessor which are relevant to its Claim in its Proof of Debt, or to the adjudication of the amount of its Approved Claim and entitlement to distribution pursuant to the terms of this Scheme. In the event of any failure to provide any information or documents upon request and within reasonable time, the Scheme Manager and/or the Independent Assessor shall be entitled to proceed to adjudicate the Claim with regard to such information in its possession as they deem fit and without further reference to the Creditor, and may in their sole and absolute discretion (but shall not be obliged to) deem that Creditor's Proof of Debt withdrawn and that Creditor's Claims forever waived, released, discharged and extinguished as against the Company.
- 2.10 If a Creditor does not for any reason comply with the provisions of this Clause 2 (in whole or in part), such Creditor shall be deemed to have admitted and accepted in its entirety the Scheme Manager' and/or the Independent Assessor's determination as notified to such Creditor and any part of its Claim that is not an Approved Claim shall be forever waived and extinguished.
- 2.11 For the purposes of adjudicating the Claim of a Contingent Scheme Creditor, the Scheme Manager and/or the Independent Assessor (as the case may be) shall ascertain the Approved Claim of that Contingent Scheme Creditor by application of a just estimate of the value of the Claim.
- 2.12 Where a Contingent Scheme Creditor has more than one Claim against the Company which relates to a contingent or future debt as at the Ascertainment Date and which has been admitted by the Scheme Manager and/or the Independent Assessor (as the case may be), it shall be open to the Scheme Manager and/or the Independent Assessor (as the case may be) to make different just estimates of each such admitted and contingent Claim. In such event, that Contingent Scheme Creditor's Approved Claim shall be the aggregate of each such admitted and contingent Claim multiplied by the applicable just estimate thereto, together with the aggregate quantum of that Contingent Scheme Creditor's Claim(s) which relate to all present or current debts due from the Company to that Contingent Scheme Creditor as at the Ascertainment Date as may be admitted by the Scheme Manager and/or the Independent Assessor (as the

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case may be).

3. CONDITIONS PRECEDENT AND EARLY TERMINATION OF SCHEME

3.1 The following are conditions precedent to the entry into force of the Scheme, and the date on which all of the following are fulfilled shall be the "**Effective Scheme Date**", from which date onwards this Scheme shall take effect.

- (a) Approval of the Scheme by the requisite statutory majority pursuant to Section 210(3AB) of the Companies Act 1967;
- (b) Approval of the Scheme by the Court pursuant to Section 210(4) of the Companies Act 1967; and
- (c) Lodgement of the Order of Court sanctioning the Scheme with the Registrar pursuant to Section 210(5) of the Companies Act 1967.

3.2 Notwithstanding anything to the contrary herein, this Scheme shall not have commenced and shall have no effect at all if the above conditions precedent are not met.

3.3 The Scheme may also be terminated if the Scheme Creditors at a Scheme Creditors' Meeting called for that purpose resolve by Special Resolution to terminate the Scheme on the basis that the Company or the Scheme Manager (as the case may be) failed to comply, breached, or defaulted on any of the terms, conditions, stipulations, provisions, undertakings or obligations under this Scheme, and such breach or default is not rectified within 30 Business Days of a request in writing by at least two Scheme Creditors who represent not less than 50% of value of the Aggregated Approved Claims.

3.4 In the event that the Scheme is terminated as a consequence of Clause 3.3, the terms of and the obligations of the parties under, or pursuant to, this Scheme shall lapse, and the rights and obligations of the Parties existing prior to the Effective Scheme Date shall not be affected save that any Claims waived, released, discharged and/or extinguished pursuant to Clause 2.6 shall continue to be so waived, released, discharged and/or extinguished, and the value of all Scheme Creditors' claims against the Company shall be reduced by such payments and/or distributions as that Scheme Creditor had received during the Scheme.

4. MORATORIUM

4.1 On and from the Effective Scheme Date, each Creditor (regardless of whether it is a Scheme Creditor and regardless of whether it has filed a Proof of Debt under this Scheme) shall not take any steps, or cause any steps to be taken, whether directly or indirectly:

- (a) to wind up the Company, whether such proceedings be commenced in the Creditor's capacity as a creditor or a member thereof;
- (b) to appoint a receiver and/or a manager over any property or undertaking of the Company;

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- (c) to commence or continue any proceedings in any jurisdiction against the Company and shall discontinue and terminate and take all such actions required for the discontinuance and termination of any and all legal proceedings commenced by it against the Company or any assets of the Company in any jurisdiction:
 - (i) for the payment or recovery of any sum due from or owed by the Company under or arising from or in respect of any and all agreements, transactions, dealings and matters effected or entered into with the Company on or prior to the Ascertainment Date; and
 - (ii) to enforce any rights under or arising from any such agreements, transactions, dealings and matters;
- (d) to commence, continue or levy any execution, distress or other legal process against any property of the Company;
- (e) to exercise or enforce any alleged right of re-entry or forfeiture under any lease in respect of any premises occupied by the Company;
- (f) to enforce any judgment or order, including but not limited to any arbitral award, injunction, seizure or any other compulsory direction arising from or in respect of any Claim against the Company, or any of their assets in any jurisdiction by commencing or continuing any proceedings by way of legal or equitable execution including, inter alia, proceedings such as sequestration, attachment, garnishee or seizure and sale of the assets;
- (g) to place the Company under judicial management;
- (h) to amend the terms of any contract or agreement relating to or in connection with a Claim;
- (i) to accelerate the scheduled payment of, to call in, reduce, freeze, close out or cease to make available all or any part of any contract or agreement relating to or in connection with a Claim;
- (j) to enforce any provision for the automatic or accelerated payment or discharge of all or any part of the indebtedness and liabilities due, owing, or incurred under any contract or agreement relating to or in connection with a Claim, upon the occurrence of any applicable event of default (howsoever described);
- (k) to take any new Security Interest (or any other agreement or arrangement having the effect of conferring security), cash collateral or cash cover of whatever nature in respect of any contract or agreement relating to or in connection with a Claim;
- (l) to take any action to enforce or make any demand under any guarantee or similar support given in connection with any contract or agreement relating to or in connection with a Claim, by the Company; and

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- (m) to charge interest, commissions or fees at a default rate or amend the date for any payments in respect of any contract or agreement relating to or in connection with a Claim (except as contemplated by this Scheme, if at all).

5. RELEASES AND DISCONTINUANCE OF PROCEEDINGS**5.1 On and from the Effective Scheme Date:**

- (a) Each Creditor (regardless of whether they are a Scheme Creditor and regardless of whether they had filed a Proof of Debt under this Scheme) shall irrevocably, unconditionally, fully and permanently surrender, release, acquit, and forever discharge the Company (and the Company shall be completely and absolutely released and discharged from) any and all known or unknown Claims, other than Approved Claims, that such Creditor may have; and
- (b) All Creditors waive all interest (inclusive of any and all interest, yield or any type of other benefit accruing to a Customer Creditor on any deposits made by them or on their behalf into their accounts maintained on the Vault Platform), default interest, premium, additional amounts or payments, make whole amounts, fees, commissions, and penalties chargeable, accruing on, or payable in respect of, or any other accretions whatsoever arising in respect of the Claims after the Ascertainment Date under or in connection with any other agreement relating to a Claim. For the avoidance of doubt, this waiver applies to all yield (including interest and commissions) that accrue after the Ascertainment Date in respect of deposits made by or on behalf of Customer Creditors on the Vault Platform, and which remain outstanding in their account maintained on the Vault Platform as at the Ascertainment Date.

5.2 Within 7 Business Days after the Effective Scheme Date, each of the Creditors shall (regardless of whether or not it has submitted a Proof of Debt under this Scheme) discontinue, withdraw and/or terminate any and all legal, arbitration, insolvency, enforcement or other proceedings commenced by that Creditor against the Company or any assets of the Company in any jurisdiction for the payment or recovery of its Claims, and release or take all such action required for the release to the Company of all rights, funds or property arrested, seized, garnished or attached in any legal, arbitration, insolvency, enforcement or other proceedings.

5.3 All discontinuances, withdrawals, terminations and/or releases of legal proceedings for each Creditor to take in accordance with Clause 5.2 shall be on the basis that there be no order as to costs between the parties to the relevant proceedings, and the Company shall be entitled to seek the appropriate orders or awards against the relevant Creditor from the relevant court or tribunal to enforce and/or give effect to this Clause. The relevant Creditor shall be liable on a full indemnity basis for any costs incurred by the Company in enforcing and/or giving effect to this Clause.

5.4 Creditors (which include the Scheme Creditors) agree to release the Company's current and former officers (the "**Released Parties**") from any and all liability the same may have to the Company as an officer arising from their term of office on or before the implementation of the Scheme other than any liabilities arising from fraud, criminal conduct or self-dealing (the "**Released Claims**"). In consideration for its rights and

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entitlements under the Scheme, each Creditor, with immediate effect on and from the Effective Scheme Date, conclusively, irrevocably, unconditionally, fully and permanently:

- (1) waives, discharges and releases the Released Parties from the Released Claims;
- (2) ratifies and confirms everything which any Released Party may lawfully do or cause to be done in accordance with any authority conferred by the Scheme and agrees not to challenge: (a) the validity of any act done or omitted to be done; or (b) the exercise or omission to exercise any power conferred in accordance with the provisions of the Scheme in good faith by any Released Party; and
- (3) undertakes that it will not (and shall use all reasonable endeavours to procure that it will not) commence or continue, or instruct, direct or authorise any other person to commence or continue any proceedings against any or all of the Released Parties in respect of or arising from any Released Claim.

5.5 The releases, waivers and undertakings as set out in this Clause 5 above shall not prejudice or impair the rights of any Creditor created under the Scheme which arise as a result of a failure by the Company or any party to the Scheme to comply with any terms of the Scheme.

6. FLIPVOLT TECHNOLOGIES PRIVATE LIMITED

6.1 Within [●] Business Days of the Effective Scheme Date, the Company shall undertake to satisfy the liabilities owed by Flipvolt Technologies Private Limited ("**Flipvolt**") to Customer Creditors who are also creditors of Flipvolt for the amount of monies in INR outstanding in their accounts maintained on the Vault Platform.

6.2 In the event that Flipvolt does not have sufficient assets to make the payments contemplated at Clause 6.1 above, the Company shall be entitled to give a loan not exceeding [●] to assist with the payment processes so as to facilitate the payment contemplated at Clause 6.1 above. For the avoidance of doubt, any loan given by the Company to Flipvolt will constitute an account receivable owing from Flipvolt to the Company, and accordingly a Major Illiquid Asset of the Company.

7. CREDITORS' ENTITLEMENT TO DISTRIBUTIONS AND PAYMENTS

7.1 The Approved Claims of any Scheme Creditor shall be that Scheme Creditor's Claims as admitted by the Scheme Manager (in the case of Customer Creditors) or as stated in that Scheme Creditor's Proof of Debt reduced, in order:

- (a) by any Claim(s) not admitted by the Scheme Manager as representing a genuine debt owed by the Company to that Scheme Creditor as at the Ascertainment Date (whether actual, present, future or contingent);
- (b) by the value of any Security Interest held by that Scheme Creditor (the "**Assessed Value**"), insofar as such Assessed Value was not already

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accounted for by that Scheme Creditor in that Scheme Creditor's Proof of Debt. Such Assessed Value shall be determined as follows:

- (i) by admission by the Scheme Manager of the amount stated by that Creditor in his Proof of Debt to be the value of the Security Interest;
 - (ii) by agreement between the Scheme Manager and the Creditor; or
 - (iii) in the absence of admission by the Scheme Manager or agreement between the Scheme Manager and the Creditor, by the Court;
- (c) by the Realisation Amount of any Security Interest held by such Scheme Creditor, provided nevertheless that where an Assessed Value has previously been ascribed to that Security Interest, then the Scheme Creditor's Claim shall be reduced only by the amount (in the positive only) by which the Realisation Amount of such Security Interest exceeds the Assessed Value of such Security Interest; and
- (d) by any amount recovered or received by or for the account of such Scheme Creditor subsequent to the Ascertainment Date under or arising from any guarantee given to such Scheme Creditor by any person with respect to that Scheme Creditor's Claim against the Company.

7.2 Where, as a consequence of the above reductions, the Approved Claim of any Scheme Creditor becomes a negative number, such Scheme Creditor shall pay to the Company such excess amount.

7.3 Scheme Creditors shall only be entitled to receive benefits and distributions under this Scheme in respect of their Approved Claims.

7.4 Notwithstanding anything to the contrary in this Scheme, the Scheme Manager may direct that the Company withhold the distribution of any sum due to such Scheme Creditor under this Scheme in the event that any Scheme Creditor fails to comply with or observe any of the provisions of this Scheme (including its obligations under Clause 5), until such Scheme Creditor shall have fully complied with and observed such provision, and the Company shall comply with such direction. Nothing in this Scheme shall affect or prejudice the right of the Scheme Manager or any other Scheme Creditor or the Company to take any action in any jurisdiction to enforce this Scheme or any term thereof against such Scheme Creditor.

8. RECOVERY AND COLLECTION OF ILLIQUID ASSETS

8.1 The Company shall, during the Prescribed Period, use all reasonable efforts to recover and collect all Illiquid Assets of the Company.

8.2 The Company shall provide to the Scheme Manager, at every three-monthly interval after the Effective Scheme Date, a report setting out the Company's efforts to assert and prosecute all claims and causes of action in relation to the Major Illiquid Assets and the amount of proceeds recovered, collected or received by the Company from such efforts, as at the date of such report in such detail as the Scheme Manager may

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consider appropriate (including any opinion to be procured by the Company from its lawyers on the merits of any such claim and cause of action).

- 8.3 The Scheme Manager shall have the power to require and request the Company to initiate, prosecute, discontinue, dispose of, withdraw and/or settle any claims and/or legal proceedings relating to any of the Major Illiquid Assets, having regard to advice obtained by the Company from its advisors and lawyers.
- 8.4 Before the expiry of the Prescribed Period, the Scheme Manager shall have the discretion to extend the Prescribed Period for a further 3 months at each time subject to Full Board Approval being obtained. If the Prescribed Period is extended, the Company is to provide written notice to Scheme Creditors of the extension within 3 Business Days of the Full Board Approval being obtained.

9. DISTRIBUTIONS

9.1 For the purposes of this section and the next section, the following expressions shall bear the following respective meanings:

- (1) **"Discounted Payment"** means the payment to be made pursuant to a successful RDA Bid.
- (2) **"One-Time Conversion"** has the meaning ascribed to it below.
- (3) **"Prescribed Event"** means the recovery by the Company of one of the Major Illiquid Assets.
- (4) **"RDA"** or its plural means a debt tender offer conducted by the Company by way of a Reverse Dutch Auction, and may refer to either the Initial RDA, the Second RDA and/or the Third RDA, either individually or collectively, where applicable.
- (5) **"RDA Agent"** means Kroll Issuer Services Ltd, who will perform the administrative work on taking in tender information from the participating Scheme Creditors in the RDAs under the supervision of the Scheme Manager.
- (6) **"RDA Bid"** means a bid for a Discounted Payment which a Crypto Scheme Creditor submits in an RDA with respect to the token balance of their Scheme Claim post-One Time Claim Conversion, which will be subject to a minimum threshold of discount as required by the Company.
- (7) **"RDA Closing Date"** means the date prescribed by the Scheme Manager on which a particular RDA Period closes.
- (8) **"RDA Opening Date"** means the date prescribed by the Scheme Manager on which a particular RDA Period opens.
- (9) **"RDA Form"** means the online form that participating Crypto Scheme Creditors will fill in to submit an RDA Bid.
- (10) **"RDA Period"** means the period prescribed by the Scheme Manager during

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which participating Crypto Scheme Creditors may participate in the RDA.

- (11) “**Subsequent RDA**” means any RDA after the Initial RDA.
- 9.2 Within [●] days of the Effective Scheme Date and prior to any distributions, for purposes of the distribution of the Liquid Assets as at the Effective Scheme Date (i.e. the initial RDA and the First Distribution), Scheme Creditors shall be entitled but are not required to select one or more of the following cryptocurrency tokens that they wish to receive their Distributions in: (i) BTC; (ii) ETH; (iii) XRP; and (iv) USDC (“**One-Time Conversion**”), and the Company shall be entitled to carry out the necessary trades to facilitate such Distribution in the one or more of the aforesaid tokens (including any USD-linked stablecoin as an alternative to USDC at the Company’s discretion).
- 9.3 The Company shall make distributions of the Liquid Assets (as at the Effective Scheme Date) to Scheme Creditors in the following manner:
- (a) Within [●] Business Days of the Effective Scheme Date, the Company will determine the appropriate sum of Liquid Assets to be utilised for the RDA (i.e. the “**RDA Assets**”), and conduct the RDA in accordance with Clause 10 below.
 - (b) The Scheme Manager shall, within [●] Business Days after the relevant RDA Closing Date, direct the Company to make payments of the Discounted Payments and the Company shall, within [●] Business Days of the receipt of such direction, make such payment out of the RDA Assets to the participating RDA Scheme Creditor’s account on the Vault Platform, which will be made available for withdrawal by such Scheme Creditor subject to completion of KYC requirements, if the Company deems necessary (the “**RDA Payment Date**”).
 - (c) Within [●] Business Days of the RDA Payment Date, the remaining Liquid Assets and any unutilised RDA Assets will be distributed *pari passu* to Scheme Creditors (the “**Distribution**”).
- 9.4 The Company shall make distributions of the Illiquid Assets (as at the Effective Scheme Date) to Scheme Creditors in the following manner:
- (a) Subject to the net recovery and receipt by the Company of one or more of the three Major Illiquid Assets after having accounted for all administrative and operational expenses incurred directly or indirectly in the recovery of the Major Illiquid Assets (“**Net Recovery**”), the Company is at liberty and has the sole discretion (and not any obligation) to call a Subsequent RDA at any time after the First Distribution.
 - (i) If the Company calls a Subsequent RDA, Clause 9.3(a) to (c) apply *mutatis mutandis* with respect to any Subsequent Tender Offer, save that Clause 9.3(a) will have reference to the Company’s Net Recovery instead of “Effective Scheme Date”.
 - (ii) If the Company does not call a Subsequent RDA, the Company shall send written notice to all Scheme Creditors on the Net Recovery, and within [●] Business Days of such written notice,

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make a pari passu distribution of the Liquid Assets (including the Net Recovery) to Scheme Creditors.

- (b) Following the Company's receipt of Net Proceeds from the realisation of the last remaining Major Illiquid Assets (or the determination by the Company that there are no further recovery of Illiquid Assets, which shall be subject to agreement by the Scheme Manager), the Company shall make a final distribution to Scheme Creditors of such Net Proceeds (if applicable), together with (i) any other Liquid Assets (i.e. including any other Net Proceeds received by the Company from Other Illiquid Assets); (ii) any assets or funds which remain unclaimed / unwithdrawn by Scheme Creditors after the prior Distribution(s); (iii) any unutilised Costs Reserves (the "**Final Distribution**").

For the avoidance of doubt, any Scheme Creditor who does not claim or withdraw their distributions from prior Distributions from the Initial or Subsequent RDAs (if any) or the prior pari passu distributions by the date of the Final Distribution will waive their entitlements to the aforesaid distributions, and the unclaimed / unwithdrawn distributions will be included in the pool of assets to be distributed under the Final Distribution.

- 9.5 For purposes of the distribution of the Illiquid Assets as at the Effective Scheme Date (i.e. any subsequent RDA(s) and Distributions after the Initial RDA and First Distribution), the Company shall be entitled to effect each Distribution(s) in the token denomination(s) or fiat currency of the Net Proceeds or in such token denomination(s) or fiat currency as may be determined with Full Board Approval.
- 9.6 Save for the Accepted Bids under a RDA and the Final Distribution, any and all distributions or payments by the Company under this Scheme shall be on a *pari passu* basis calculated in relation to the Company's Aggregated Approved Claims as at the date immediately prior to the Distribution in question. Each Scheme Creditor shall only receive distributions or payments in respect of that Scheme Creditor's Approved Claims in accordance with the following formula:

$$D = (AC \div AAC) \times TD$$

Where:

- (a) D is the distribution to that Scheme Creditor of the Scheme Creditor's Approved Claim as at the date of that particular Distribution.
- (b) TD is the total value of Distribution Assets to be distributed to all eligible Scheme Creditors in that particular Distribution by the Company.
- (c) AC is that Scheme Creditor's Approved Claim as at the date immediately prior to that particular Distribution in USD equivalent based on the exchange rate on coinmarketcap.com or binance.com (if unavailable on coinmarketcap.com) as at the Ascertainment Date.
- (d) AAC is the Aggregated Approved Claims in respect of all Scheme Creditors as at the date immediately prior to that particular Distribution by the Company, in USD equivalent based on the exchange rate on coinmarketcap.com or

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binance.com (if unavailable on coinmarketcap.com) as at the Ascertainment Date.

- 9.7 Scheme Creditors with Approved Claims as at the date immediately prior to declaration of the Final Distribution shall be entitled to receive distributions or payments by the Company only if they elect to participate in the Final Distribution.
- 9.8 The Scheme Manager shall notify Scheme Creditors of the Final Distribution and invite Scheme Creditors to participate in the Final Distribution. Scheme Creditors who wish to participate in the Final Distribution shall submit a duly completed form, which shall be made available in the notification, by a stipulated deadline which shall not be shorter than [●] Business Days from the date of such notification. Scheme Creditors who submit a duly completed form in accordance with this Clause 9.6 shall constitute a **“Participating Scheme Creditor”**. Scheme Creditors who do not submit the duly completed form within the stipulated deadline shall not be entitled to receive any payment or distribution under the Final Distribution.
- 9.9 Each Participating Scheme Creditor shall only receive distributions or payments in respect of that Scheme Creditor’s Approved Claims from the Final Distribution in accordance with the following formula:
- $$D = (AC \div APAC) \times TD$$
- Where:
- (a) D is the distribution to that Scheme Creditor of the Scheme Creditor’s Approved Claim as at the date of that particular Distribution.
 - (b) TD is the total value of Distribution Assets to be distributed to all eligible Participating Scheme Creditors in that particular Distribution by the Company.
 - (c) AC is that Scheme Creditor’s Approved Claim as at the date immediately prior to that particular Distribution in USD equivalent based on the exchange rate on coinmarketcap.com or binance.com (if unavailable on coinmarketcap.com) as at the Ascertainment Date.
 - (d) APAC is the Aggregated Approved Claims in respect of all Participating Scheme Creditors as at the date immediately prior to that particular Distribution by the Company, in USD equivalent based on the exchange rate on coinmarketcap.com or binance.com (if unavailable on coinmarketcap.com) as at the Ascertainment Date.
- 9.10 The Company shall be entitled to make distributions or payments under this Scheme to Scheme Creditors by way of deposit into the accounts maintained by Scheme Creditors on the Vault Platform and allowing the withdrawal of such distributions and payments only to the name of such Scheme Creditor. This process shall be conducted by the Company with the assistance of the Tabulation Agent and under the supervision of the Scheme Manager.
- 9.11 A Scheme Creditor who has received a distribution to his/her account on the Vault Platform bears the responsibility to effect any withdrawals, including but not limited to ensuring that there is a sufficient balance in his/her account to process a withdrawal

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on the Vault Platform, and that any withdrawals from the Vault Platform are made in compliance with the applicable laws of their place of domicile. The use of the Vault Platform is at the Scheme Creditor's sole risk, and the Company expressly disclaims and waives all warranties and conditions of any kind, whether express or implied, including but not limited to the warranties of merchantability, fitness for a particular purpose or title, bugs, errors and/or omissions, problems or any other limitations on the Vault Platform, unless it arises out of the gross negligence, fraud or wilful default of the Company.

- 9.12 Scheme Creditors who are entitled to but do not effect the withdrawal of their distributions prior to the Final Distribution shall unconditionally and irrevocably waive all of their rights and interests in their entitlements to the aforesaid distributions, and the Company shall be entitled to recover these distributions from the accounts maintained by the Scheme Creditors on the Vault Platform and include these assets in the pool of assets to be distributed under the Final Distribution.
- 9.13 Any and all fees, expenses and charges incurred in connection with or which may be applicable to any distribution or payment made by the Company to any person under this Scheme (including any withdrawals to be made from the accounts maintained on the Vault Platform) shall be borne by such person and the Company may deduct from any sum or asset payable or to be distributed to such person the amount of such fees, expenses and charges.
- 9.14 Any sums or assets payable or to be distributed under the terms of the Scheme, shall be paid:
- (a) free of any restriction or condition; and
 - (b) without deduction or withholding (save to the extent required by law) on account of any other amount, whether by way of set-off, counterclaim or otherwise.

10. REVERSE DUTCH AUCTIONS

- 10.1 The Scheme Manager shall oversee the process of each RDA, which are carried out by the Company with administrative support from the RDA Agent.
- 10.2 Within [●] Business Days of the Effective Scheme Date, the Company shall send written notice to all Scheme Creditors on the conduct of the Initial RDA pursuant to Clause 9.2 above.
- 10.3 For subsequent RDAs pursuant to Clause 9.4 above, the Company shall send written notice to all Scheme Creditors on the conduct of such RDA or the *pari passu*

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distribution of Liquid Assets within [●] Business Days of the Net Recovery received by the Company.

- 10.4 Each RDA shall commence at 9.00am on the RDA Opening Date and end at 5.00pm on the RDA Closing Date for such RDA.
- 10.5 The Company shall have the discretion to determine the details of each RDA, including the value of Distribution Assets to be utilised for the RDA, and the minimum threshold level of discount applicable to each RDA.
- 10.6 Each Crypto Scheme Creditor shall be entitled to submit one (and only one) RDA Bid in each RDA. Each RDA Bid shall constitute an offer by the Crypto Scheme Creditor to the Company to accept the Discounted Payment from the Company in respect of such Crypto Scheme Creditor's Offered Debt. For the avoidance of doubt, any Offered Debt submitted by a Crypto Scheme Creditor may be a part of or the entirety of its Approved Claim less any deductions pursuant to Clause 9.13.
- 10.7 Each RDA Bid must comprise a fully completed RDA Form duly executed by the relevant Crypto Scheme Creditor making the relevant RDA Bid. Any RDA Bid that is not submitted within the relevant RDA Period or is not submitted using the RDA Form will not be considered.
- 10.8 All RDA Bids once submitted are final and cannot be amended and shall be considered irrevocable after 5.00 pm on the RDA Closing Date.
- 10.9 During the RDA Period, strict confidence shall be observed by all parties participating in the RDA, including the Company, the Scheme Manager and the RDA Agent, in respect of information relating to the number and details of the RDA Bids received.
- 10.10 The Scheme Manager shall have the discretion to consider invalid and disqualified, any bid submitted by a Scheme Creditor under any RDA which is, in the Scheme Manager' opinion, ambiguous, incomplete or unclear, or to reject as invalid and disqualified, any bid submitted by a Scheme Creditor under any RDA which is not submitted in accordance with Clause 10.7 (or any part thereof).
- 10.11 The results of each RDA shall be announced by the Scheme Manager to the relevant Scheme Creditors no later than [●] Business Days after the relevant RDA Closing Date. The results of each RDA shall be final and the Company and the Scheme Manager shall not be obliged to disclose any particulars of any of the RDA Bids received in such RDA.
- 10.12 Subject to any partial RDA Bids which may be accepted at the sole discretion of the Company, each Scheme Creditor, upon receipt of the Discounted Payment, shall accept the same in full satisfaction and complete discharge of the Offered Debt in respect of which the Discounted Payment is made. Upon receipt of the Discounted Payment, the relevant Scheme Creditor shall no longer have any Claim whatsoever against the Company.
- 10.13 In respect of each RDA, each Scheme Creditor, regardless of whether he had submitted a RDA Bid, and, if so, whether such RDA Bid was accepted by the Company, agrees that each of the Scheme Creditors who were successful in the RDA shall be

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entitled to absolutely and unconditionally retain for their own benefit the Discounted Payments received by them respectively in respect of their Accepted Bids pursuant to each such RDA. Each Scheme Creditor further expressly, unconditionally and irrevocably waives all rights and entitlements, whether founded upon any statute, contract or the general law, to the whole or any part of the Discounted Payments received by any other Scheme Creditor pursuant to each RDA.

10.14 The Scheme Manager shall, in respect of each RDA, determine which RDA Bids shall be accepted by the Company in accordance with the following:

- (a) If the aggregate of the Discounted Payments of all the RDA Bids submitted in the RDA is equal to or less than the sum of the RDA Assets for that RDA, all the RDA Bids shall be accepted by the Company and each such RDA Bid shall constitute an Accepted Bid.
- (b) In any other case, the Company shall accept the RDA Bids in order commencing from the highest Offered Discount until the aggregate of the Discounted Payments of the accepted RDA Bids does not exceed the RDA Assets. Each such accepted RDA Bid shall constitute an Accepted Bid.
- (c) Any two or more RDA Bids with the same Offered Discount shall be accepted in the chronological order of their submission time, with the RDA Bid submitted earlier in time accepted first.
- (d) The Company, in conjunction with the Scheme Manager, has the sole discretion to decide whether a RDA Bid shall be accepted partially. Any balance RDA Assets not utilised for payment of the Accepted Bids shall constitute Distribution Assets to be distributed in accordance with Clause 9.3(c) and/or Clause 9.4, where appropriate.

10.15 In the event all Approved Claims participate successfully in the RDAs, such that all Approved Claims are satisfied pursuant to Clause 10.12 above, all Approved Claims will be entitled to participate in the Final Distribution as if these Approved Claims were not extinguished pursuant to the RDA.

11. MEETINGS OF SCHEME CREDITORS

11.1 The Scheme Manager may at any time convene a meeting of the Scheme Creditors (a "**Scheme Creditors' Meeting**"). All Scheme Creditors' Meetings shall be held virtually on a video-conferencing platform to be determined by the Scheme Manager in their sole discretion.

11.2 Without prejudice to Clause 11.1, the Scheme Manager shall convene a Scheme Creditor Meeting upon the submission of a written request from any two or more Scheme Creditors whose Approved Claims subsisting at that time in aggregate constitute not less than 25% of the Aggregated Approved Claims subsisting at that time.

11.3 In the event (but not otherwise) that the Scheme Manager shall fail to convene and hold a meeting of Scheme Creditors within 30 calendar days after the date of any request of such Scheme Creditors entitled to do so under Clause 11.2 above, then

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those Scheme Creditors may convene a Scheme Creditors' Meeting at their own cost and expense.

- 11.4 At least 10 Business Days' prior written notice of a Scheme Creditors' Meeting shall be given to each and all the Scheme Creditors whose Approved Claims subsisting at that time are greater than nil. The notice convening any Scheme Creditors' Meeting shall specify the time and venue of the Scheme Creditors' Meeting and shall state the resolutions proposed to be passed or the matters proposed to be discussed and resolved at the Scheme Creditors' Meeting. No resolution shall be passed and no matter shall be discussed or resolved at any Scheme Creditors' Meeting other than the resolutions or matters stated in such notice. Any incidental omission to give any notice of any meeting or the non-receipt of any notice by any Scheme Creditor shall not invalidate any meeting or proceedings thereat.
- 11.5 No resolution shall be passed and no matters shall be discussed or resolved at any Scheme Creditors' Meeting, unless a quorum of Scheme Creditors is present at the time appointed for the Scheme Creditors' Meeting. The quorum for any Scheme Creditors' Meeting convened by the Scheme Manager shall be any two Scheme Creditors who have Approved Claims subsisting at the time, and the quorum for any Scheme Creditors' Meeting convened by the Scheme Creditors shall be any two Scheme Creditors present in person or by proxy whose Approved Claims subsisting at the time in aggregate constitute not less than 25% of the Aggregated Approved Claims subsisting at that time.
- 11.6 If within half an hour from the time appointed for any meeting, a quorum of the Scheme Creditors is not present, the meeting shall stand adjourned to the same day in the next week at the same time and if at such adjourned meeting, a quorum is not present, the Scheme Creditor present shall form a quorum and may transact any business which a Scheme Creditors' Meeting is competent to transact.
- 11.7 The chairperson of every Scheme Creditors' Meeting shall be one of the Scheme Manager. In the event that no Scheme Manager is present at any Scheme Creditors' Meeting or, if present, decline to chair the Scheme Creditors' Meeting, then the Scheme Creditors present at the meeting may by a resolution passed by a majority in number of the Scheme Creditors present at the meeting elect any one of them to chair that meeting.
- 11.8 The chairperson may, provided that there is a quorum constituted, with the consent of a majority in number of the Scheme Creditors present at any Scheme Creditors' Meeting, adjourn the Scheme Creditors' Meeting from time to time and from place to place, but no matter shall be discussed, dealt with or resolved upon at the adjourned Scheme Creditors' Meeting other than those which remain unfinished at the Scheme Creditors' Meeting from which the adjournment took place. When a Scheme Creditors' Meeting is adjourned for 30 calendar days or more, notice of the adjourned Scheme Creditors' Meeting shall be given as in the case of an original Scheme Creditors' Meeting. Except as aforesaid, it shall not be necessary to give any notice of any adjournment or of the matters to be discussed or resolved at an adjourned Scheme Creditors' Meeting.
- 11.9 Every Scheme Creditors' Resolution on any matter before a Scheme Creditors' Meeting shall be passed only with the support of a majority on a show of hands in

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number of the Scheme Creditors present and voting (whether in person or by proxy) on the resolution and whose Approved Claims subsisting at that time in aggregate constitutes more than 50% of the total in value of the Approved Claims subsisting at that time in aggregate of all Scheme Creditors present and voting on the resolution. In the case of an equality of votes, the chairperson shall both on a show of hands and on a poll have a casting vote in addition to the vote or votes (if any) to which he may be entitled as, or as the proxy of, a Scheme Creditor.

- 11.10 Every Special Resolution on any matter before a Scheme Creditors' Meeting shall be passed only with the support of a majority on a show of hands in number of the Scheme Creditors present and voting (whether in person or by proxy) on the resolution and whose Approved Claims subsisting at that time in aggregate constitutes at least 75% of the total in value of the Approved Claims subsisting at that time in aggregate of all Scheme Creditors present and voting on the resolution. In the case of an equality of votes, the chairperson shall both on a show of hands and on a poll have a casting vote in addition to the vote or votes (if any) to which he may be entitled as, or as the proxy of, a Scheme Creditor.
- 11.11 Other than as set out herein, the chairperson may determine whether any resolution requires the voting of a Scheme Creditors' Resolution or Special Resolution in order to be carried.
- 11.12 No objection shall be raised by any Scheme Creditor to the qualification of any Scheme Creditor to vote at any Scheme Creditors' Meeting except at the Scheme Creditors' Meeting at which the vote objected to is given or tendered and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection by any Scheme Creditor shall be made before the end of the Scheme Creditors' Meeting and shall be referred to the chairperson of the Scheme Creditors' Meeting whose decision shall be final.
- 11.13 Save as otherwise expressly provided in this Scheme, the Company and any of the Scheme Manager may, but shall not be obliged or required to, act upon or implement any resolution passed at any Scheme Creditors' Meeting.
- 11.14 The Company shall be entitled to receive the notice of and attend a Scheme Creditors' Meeting.
- 11.15 Every Scheme Creditor shall be entitled to attend the Scheme Meeting and/or any Scheme Creditors' Meeting in person or by proxy. Any instrument appointing a proxy

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must be in writing in the form set out in Appendices B or C, depending on whether that Scheme Creditor intends to file a general or special proxy.

12. OTHER OBLIGATIONS OF THE COMPANY

12.1 With effect from the Effective Scheme Date, the Company's board of directors will resign and a new board of directors will be formed ("**New Board**"). The New Board shall comprise at least 3 individuals.

12.2 Subject to the applicable laws of Singapore, the Company shall procure the appointment of the following individuals to the New Board:

- (a) The Chief Executive Officer of the Company. For the avoidance of doubt, this would exclude, if any, the Chief Financial Officer, the Chief Operating Officer and the Chief Technology Officer;
- (b) One representative to be appointed by the Scheme Manager (the "**Scheme Manager' Representative**"); and
- (c) One independent professional from an Singapore accounting or advisory firm with good standing to be selected by the body of Scheme Creditors from a list of shortlisted nominees provided by the Company and/or the Scheme Creditors (the "**Creditors' Representative**"), and who unless otherwise agreed by the Company, satisfies the following criteria:
 - (i) Be a licensed insolvency practitioner in Singapore or a professional in the finance, accounting and/or advisory industry in Singapore or the like, for no less than 7 years;
 - (ii) Not be an undischarged bankrupt; and
 - (iii) Not be disqualified to act in the capacity of a director or in any capacity by law;

(individually or collectively referred to as "**New Director**" or "**New Directors**", where applicable)

12.3 The selection of the Creditors' Representative would be conducted by way of a vote in a manner prescribed by the Company.

12.4 The Company shall have the sole discretion to determine the following in respect of any New Director:

- (1) The New Director's fees and term of office;
- (2) Any process or procedure relating to the proceedings of the New Board, including but not limited to the quorum of the New Board, the passing of resolutions, the replacement, removal and/or appointment of directors in the New Board, and the powers and duties of the New Directors.

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- 12.5 The Company shall have the sole discretion to amend the Company's Constitution and shareholders' agreement, where necessary, to facilitate the implementation and/or execution of the Scheme, without any restrictions imposed by this section.
- 12.6 The Company shall utilise a self-custody solution with corporate safeguard and control capabilities, including multi-signatories and approvals, to hold all Liquid Assets and Net Proceeds on behalf of the Company and take reasonable steps to ensure that any of the above assets denominated in cryptocurrency shall be maintained on chain.

13. END OF SCHEME

13.1 The Scheme shall terminate upon the earlier of the following occurring:

- (a) The Liquid Assets and Illiquid Assets (to the extent determined by the Scheme Manager to be recoverable) have been fully distributed to the Scheme Creditors;
- (b) The Scheme Creditors resolve by Special Resolution at a Scheme Creditors' Meeting to terminate this Scheme on the basis that the Company's obligations have been satisfied, discharged or waived; or
- (c) An order of the Court directing that the Scheme be terminated, whether by performance or otherwise, is obtained;

(the "**End Date**").

For the avoidance of doubt, whether the expiry of the Prescribed Period (or any other matter whatsoever not expressly set out in this Clause 13.1) has occurred shall have no bearing whatsoever on whether the End Date has occurred.

13.2 Upon the day after the End Date:

- (a) this Scheme shall cease and terminate;
- (b) the Creditors' Representative and the Scheme Manager' Representative will be removed from the Company's board of directors;
- (c) the Scheme Manager will cease to have any further rights, obligations and liabilities under the Scheme; and
- (d) all Creditors (regardless of whether they are a Scheme Creditor and regardless of whether they had filed a Proof of Debt under this Scheme) shall irrevocably, unconditionally and permanently surrender, release, acquit, and forever discharge the Company (and the Company shall be completely and absolutely released and discharged from) any and all known or unknown Claims that such Creditor may have, including Approved Claims under this Scheme,

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14. SCHEME MANAGER

Appointment, Resignation and Removal of the Scheme Manager

- 14.1 A person for the time being holding appointment as Scheme Manager shall cease to hold appointment as a Scheme Manager upon the occurrence of any of the following events:
- (a) the making of an order by the Court for his removal or replacement as a Scheme Manager; and
 - (b) the death or bankruptcy of such person.
- 14.2 Every person who is appointed as a Scheme Manager but whose appointment is terminated for any reason whatsoever shall make available to its successor and such persons as the Company may direct, such documents and records in its possession and provide such assistance as its successor and/or such persons may reasonably request.

Powers, Duties and Discretions

- 14.3 The Scheme Manager shall oversee and be responsible for the Company's implementation of and compliance with the provisions of this Scheme and shall have the power to do all such things as they may consider necessary or desirable towards that end, including, without limitation:-
- (a) to initiate, prosecute, discontinue, withdraw and/or settle any claim or proceeding against any person to enforce this Scheme;
 - (b) to appoint an agent to carry out or to assist them in carrying out any of their duties or functions which the Scheme Manager are unable to perform;
 - (c) to delegate the performance of their duties and the exercise of any of their powers to any suitably qualified person;
 - (d) to engage lawyers, financial or other professional advisers and consultants to advise and assist the Scheme Manager in the exercise of its rights and the performance or discharge of their duties as Scheme Manager.
 - (e) to enforce for the benefit of the Scheme Creditors any and all the undertakings and obligations of the Company under this Scheme and to commence proceedings against the Company in its capacity as Scheme Manager to enforce such undertakings and obligations, and in this connection, no Scheme Creditor shall commence any action against the Company to enforce any undertaking or obligation of the Company under this Scheme or to recover any loss arising from any breach by the Company of any such undertaking or obligation;
 - (f) to enforce for the benefit of the Company any and all the undertakings and obligations of the Scheme Creditors (in whole or in part) under this Scheme and to commence proceedings against any one or more of the Scheme

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Creditors in its capacity as Scheme Manager to enforce such undertakings and obligations; and

- (g) to do everything reasonable or necessary to implement the provisions of this Scheme.

14.4 The Scheme Manager may at any time apply to the Court:

- (a) to interpret and construe any provision of this Scheme; and
- (b) for any order or direction relating to any issue, concern or dispute arising from the discharge of its duties under this Scheme, or from any allegation raised by any Creditor.

14.5 The Scheme Manager may, at the Company's costs and expense, engage and pay lawyers, accountants, financial and other professional advisors and consultants to advise and assist the Scheme Manager in the exercise of its rights and the performance or discharge of their duties as Scheme Manager, in submitting any application to the Court for any directions or order regarding this Scheme or any issue, dispute or concern arising from this Scheme and in the initiation, prosecution, conduct, withdrawal and/or settlement of any Scheme Manager Claim or Scheme Manager Proceedings.

14.6 The Scheme Manager may rely on:

- (a) any representation, notice or document believed by him to be genuine, correct and appropriately authorised; and
- (b) any statement made by any person regarding any matters which may reasonably be assumed to be within its knowledge or within its power to verify.

14.7 The Scheme Manager shall maintain a register and record of all the Scheme Creditors at any point in time ("**Register**") and shall update the Register accordingly. In the event that the Scheme Manager are satisfied that a Scheme Creditor has validly and effectively transferred and assigned all its rights, interest and benefits under or arising from this Scheme pursuant to Clause 18, then the Scheme Manager shall enter the name of the transferee in the Register as a "Scheme Creditor" in place of the transferor.

14.8 The Scheme Manager may at any time and from time to time delegate their powers and functions under this Scheme to any natural person designated for this purpose. Any natural person to whom the Scheme Manager may delegate their powers will likewise have the same powers of delegation as are vested in the Scheme Manager by this Clause.

14.9 Notwithstanding anything to the contrary in this Scheme:

- (a) in exercising their powers and carrying out their duties under this Scheme, the Scheme Manager shall be deemed at all times to act as agents for and on behalf of the Company and the Company shall have no power to limit or terminate the Scheme Manager' authority to act in such manner, save in accordance with the terms of the Scheme;

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- (b) the Scheme Manager may rely on any representation, notice or document believed by them to be genuine, correct and appropriately authorised and any statement made by any person regarding any matters which may reasonably be assumed to be within their knowledge or within their power to verify;
- (c) the Scheme Manager shall not be obliged to do or omit to do anything if it would or might in their reasonable opinion constitute a breach of any law or regulation or a breach of a fiduciary duty or duty of confidentiality;
- (d) the Scheme Manager shall act in accordance with any direction or order of the Court and shall not be liable to any person whatsoever for doing so;
- (e) The Scheme Manager may be appointed, may resign, and may be removed, in accordance with the following terms:
 - (i) Any natural person may with the approval of the Scheme Manager be appointed a Scheme Manager upon the passing of a Scheme Creditors' Resolution at a Scheme Creditors' Meeting convened for the purpose. Alternatively, the Company or the Scheme Manager may apply to Court for an order appointing any person or persons as a Scheme Manager. Any natural person may be thus appointed as Scheme Manager in substitution of, or in addition to, the person or persons then holding appointment as the Scheme Manager or to fill any vacancy resulting from death or bankruptcy or any other cause.
 - (ii) Any Scheme Manager shall cease to hold office upon the occurrence of any of the following events:
 - (1) Resignation of that Scheme Manager by giving at least 30 calendar days' notice to the Company;
 - (2) Passage of a special resolution at a Scheme Creditors' Meeting convened for the purpose of appointing any person or persons to replace any or all of the Scheme Manager;
 - (3) upon the making of an Order of the Court for the removal or replacement of any or all of the Scheme Manager; or
 - (4) the death or bankruptcy of any or all of the Scheme Manager.
- (f) The Scheme Manager shall not be obliged to make or commence or continue any Scheme Manager Claim or Scheme Manager Proceedings or take any action if the Scheme Manager are satisfied in their sole and absolute discretion that the monies for the time being provided or made available to them by the Company and/or the Scheme Creditors for that purpose are insufficient to pay, defray, reimburse or meet all fees, expenses and liabilities which have been incurred or may otherwise be incurred;
- (g) Every person who ceases to be a Scheme Manager shall make available to his successor such documents and records in his possession and provide such assistance as the successor Scheme Manager may reasonably request for the

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purposes of performing any functions or duties as Scheme Manager under the Scheme;

- (h) the Scheme Manager may settle or discontinue or withdraw any Scheme Manager Claim or Scheme Manager Proceedings on such terms as the Scheme Manager consider appropriate in their sole and absolute discretion; and
- (i) the powers, rights and duties conferred and imposed on the Scheme Manager under this Scheme may be exercised and enforced by jointly and severally by any person or persons who at the time of such exercise and enforcement holds or hold appointment as "Scheme Manager", and in this connection, if at any time more than one person holds appointment as the Scheme Manager:
 - (i) the powers, rights and duties conferred and imposed on the Scheme Manager under this Scheme may be exercised, enforced and performed by any one of them; and
 - (ii) all references in this Scheme to the "Scheme Manager" shall be construed as a reference to any such person.

15. PERSONAL DATA

Each Creditor (a) consents to the collection, use and disclosure and/or processing of its personal data by the Scheme Manager and the Company (or their respective agents or service providers) ("**Relevant Persons**") for the purpose of the administration, facilitation and implementation of the Scheme by the Relevant Persons, and in order for them to comply with any applicable laws, regulations and/or guidelines including the Personal Data Protection Act 2012 (the "**PDPA**") ("**Applicable Laws**") (collectively, the "**Purposes**"); (b) warrants that where the Creditor discloses the personal data of its representative(s) (if any) to any of the Relevant Persons for the Purposes, the Creditor has obtained the prior consent of such representative(s) for the collection, use, disclosure and/or processing by the Relevant Persons of the personal data of such representative(s) for the Purposes; and (c) agrees that the Creditor will indemnify the Company or the Scheme Manager in respect of any penalties (including penalties imposed by the Personal Data Protection Commission of Singapore under the PDPA), liabilities, claims, demands, losses and damages as a result of the Creditor's breach of warranty and/or Applicable Laws.

16. SCHEME MANAGER' FEES, EXPENSES AND INDEMNITY

Fees and Expenses

- 16.1 The Scheme Manager shall be entitled to such reasonable fees and remuneration for their performance of their duties and services as Scheme Manager and for taking any

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action that they are required, authorised or empowered to take under or in respect of this Scheme as may be agreed with the Company or determined by the Court.

Exclusion of liability and Indemnity

- 16.2 The Scheme Manager disclaim all personal liability under any contract, agreement or other arrangement entered into on behalf of the Company, or with regard to any other act or omission to act, in connection with this Scheme.
- 16.3 The Scheme Manager shall not be responsible:
- (a) for the adequacy, accuracy and/or completeness of any information (whether oral or written) supplied by the Scheme Manager, the Company or any other person given in or in connection with this Scheme; or
 - (b) for the legality, validity, effectiveness, adequacy or enforceability of this Scheme or any other agreement, arrangement or document entered into, made or executed in anticipation of or in connection with this Scheme.
- 16.4 The Scheme Manager shall not be liable to any Creditor for any and all losses, damages, charges, costs and expenses of whatsoever nature which such Creditor may sustain, incur or suffer in connection with or arising from any act or omission on its part in relation to any Scheme Manager Claim or Scheme Manager Proceedings, unless directly caused by fraud, dishonesty or wilful misconduct on their part.
- 16.5 The Scheme Manager will not be responsible for any delay (or any related consequences) in crediting an account with any amount required to be paid to any Scheme Creditor under this Scheme if the Scheme Manager has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any bank used by the Scheme Manager for that purpose.
- 16.6 The Company shall at all times indemnify and hold harmless the Scheme Manager and their delegates appointed under Clause 14.8 from and against any and all losses, damages, charges, costs and expenses of whatsoever nature which they may at any time and from time to time sustain, incur or suffer at any time, whether before or after the End Date, in connection with the exercise of their powers in the performance of their duties under this Scheme, unless such losses, damages, charges, costs and expenses arise out of the gross negligence, fraud or wilful default of the Scheme Manager.
- 16.7 The Scheme Manager and their delegates appointed under Clause 14.8 shall not be liable for any and all losses, damages, charges, costs and expenses of whatsoever nature which the Company may at any time and from time to time sustain, incur or suffer at any time, whether before or after the End Date, in connection with the exercise of their powers in the performance of their duties under this Scheme, unless such

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losses, damages, charges, costs or expenses arise out of the gross negligence, fraud or wilful default of the Scheme Manager.

17. NOTICES AND COMMUNICATIONS**17.1 To Creditors**

The sending of notices and other documents by the Scheme Manager to Creditors under this Scheme shall be in accordance with Regulation 8 of the Insolvency, Restructuring and Dissolution (Proofs of Debts in Schemes of Arrangement) Regulations 2020, which shall be deemed incorporated by reference herein *mutatis mutandis*. For the purposes of this Clause, the Creditors shall be taken to have previously agreed in writing within the meaning of Regulation 8 to receive notices, requests or other information by way of their last known electronic mail address or facsimile transmission number (as the case may be) given to the Scheme Manager by the Company.

17.2 To Company and Scheme Manager

Any notice or communication to the Company or the Scheme Manager under this Scheme may be served by posting it by prepaid registered post to the address of the Company or Scheme Manager notified to the Creditors, and if so posted shall only be deemed to have been received by the Company or Scheme Manager respectively upon actual receipt thereof. Any notice to the Scheme Manager or the Company not sent in compliance with this Clause 17.2 or as otherwise expressly provided in the Scheme shall be deemed of no effect for all purposes of the Scheme, save as otherwise permitted by the Scheme Manager in their sole and absolute discretion.

18. ASSIGNMENT AND TRANSFER

18.1 No Creditor shall assign or transfer any of its rights, title, interests or benefits under this Scheme after the Effective Scheme Date except as expressly provided in this Clause 18 and subject to the conditions set out in this Clause 18.

18.2 Any Scheme Creditor ("**Transferor**") may absolutely assign and transfer to any person ("**Transferee**") all (but not part only) of its rights, title, interests and benefits under and arising from this Scheme, by delivering to the Scheme Manager a Transfer Instrument executed by both that Transferor and the proposed Transferee and receiving the Scheme Manager's consent in writing to such assignment or transfer, with such consent to be in the Scheme Manager's sole and absolute discretion to grant. Such Transferee shall, by the delivery of such Transfer Instrument, be deemed to have agreed to be bound by, and subject to the terms of this Scheme.

18.3 Notwithstanding service or delivery to the Scheme Manager of any Transfer Instrument, the Scheme Manager shall have no obligation or duty to accept and act upon that Transfer Instrument and may otherwise withhold making any payment or distribution, under this Scheme to the Transferee and the Transferor identified in that Transfer Instrument in their sole discretion. The Scheme Manager require the Transferor and/or Transferee to furnish to the Scheme Manager such evidence and

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documentation (including legal opinion(s)) as the Scheme Manager may consider appropriate, at the expense of the Transferor or Transferee.

- 18.4 A Transferee shall become a Scheme Creditor in place of the Transferor (and such Transferor shall cease to be a Scheme Creditor) for the purpose of this Scheme only in the event that the Transferee's name has been recorded in the Register maintained by the Scheme Manager, as confirmed in writing to the Transferee by the Scheme Manager.
- 18.5 No Transferee shall be entitled to receive under this Scheme any amount greater than that to which the Transferor would have been entitled.

19. NO VARIATION

- 19.1 No variation or amendment of any term of this Scheme shall be effective unless:
- (a) passed by a Scheme Creditors' Special Resolution at a Scheme Creditors' Meeting; and
 - (b) agreed in writing by the Scheme Manager.

20. FURTHER ASSURANCE

- 20.1 Each Creditor shall, if so requested by the Company and/or the Scheme Manager, provide the Company and/or the Scheme Manager all such information, documents and evidence as may be necessary, or as the Company and/or the Scheme Manager may require in their sole and absolute discretion, to give effect to this Scheme (including the Scheme Manager' determination of the Approved Claims of such Creditor and the entitlement of such Creditor to any distribution or payment under this Scheme and for the Scheme Manager' verification of any statement or assertion by any Creditor in relation to this Scheme).
- 20.2 The Company shall, if so requested by the Scheme Manager, provide the Scheme Manager all such information, documents and evidence as may be necessary, or as the Scheme Manager may require in their sole and absolute discretion, to give effect to this Scheme (including for the Scheme Manager' verification of any statement or assertion by the Company in relation to this Scheme).
- 20.3 Each Creditor shall, if requested by the Company or the Scheme Manager, regardless of whether it has delivered a Proof of Debt under this Scheme, promptly execute and deliver to the Company or the Scheme Manager such instrument(s), document(s) or instruction(s) (including such form(s) or deed(s) of release) as may be necessary, or as the Company or the Scheme Manager may reasonably require, to give effect to this Scheme (including any surrender, cancellation, extinguishment, release or discharge of the Company from any claim, right, title or interest of such Creditor).
- 20.4 Each Creditor hereby irrevocably agrees and authorises the Scheme Manager to execute or effect on behalf of each such Creditor any and all instrument(s), document(s) or instruction(s) as may be necessary, or as the Company or the Scheme Manager may reasonably require, to give effect to this Scheme. Every such instrument,

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document or instruction so executed by the Scheme Manager shall be effective as if it had been executed by the relevant Creditor.

- 20.5 In the case of any conflict or inconsistency between the terms of this Scheme and the terms of the Explanatory Statement thereto, the terms of this Scheme shall prevail.
- 20.6 Notwithstanding any rule or maxim of law or construction to the contrary, any ambiguity or uncertainty will not be construed against any Party or Parties by reason of the authorship of the Scheme or any provisions thereof.
- 20.7 If any provision in this Scheme shall be, or at any time shall become, invalid, illegal or unenforceable in any respect under any law, such invalidity, illegality or unenforceability shall not in any way affect or impair any other provisions of this Scheme but this Scheme shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein.

21. GOVERNING LAW AND JURISDICTION

- 21.1 This Scheme shall be exclusively governed by and construed in accordance with the laws of the Republic of Singapore.
- 21.2 All Parties irrevocably agree that the Court is to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with this Scheme. All Parties irrevocably submit to the jurisdiction of the Court and waive any objection to proceedings in the Court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum.
- 21.3 Save as expressly provided in this Scheme, the operation of the Contracts (Rights of Third Parties) Act 2001 of Singapore is hereby expressly excluded.

APPENDIX 2. FINANCIAL POSITION

1. OVERALL FINANCIAL POSITION

Financial Position as at 4 April 2023	USD
Total Liquid Assets	129,144,316
Less: Costs Reserves	10,000,000
Less: Reserved for INR Payments	2,500,000
Net Liquid Assets	116,644,316
Illiquid Assets	235,927,888
Less: Secured claims Counterparty A	(42,000,000)
Net Illiquid Assets	193,927,888
Total Net Assets	310,572,204
Unsecured Claims: Scheme Creditors	323,565,709

2. ASSET BREAKDOWN

Liquid Assets

Liquid Assets ¹ (4 April 2023)					
Token	Custodian	USD	% (USD)	Quantity	Wallet Address ²
BTC	Liminal	39,766,976	32.2%	1,411.77395	39oaS5oxQZ8VjD8Fmqmoty4cefKrwiyY9
BTC	Delta Exchange ³	1,357,344	1.1%	48.18730	N/A
ETH	Liminal	14,435,707	11.7%	7,715.46202	0xE11f040179922e54f927D133A3663550568da77d
XRP	Liminal	5,811,828	4.7%	11,542,855.59586	raNa8TuAW7ACJDcgjCK8HNc9hpnX47NsSS
USDC	Liminal	58,608,740 ⁴	47.4%	58,608,740.19335	0xE11f040179922e54f927D133A3663550568da77d
USDT	Delta Exchange ⁵	2,895,993	2.3%	2,895,993.44000	N/A
USDT	CoinDCX ⁶	99,137	0.1%	99,137.28000	N/A
DETO	Delta Exchange ⁷	4,357	0.0%	86,015.65860	N/A
DOT	Polkadot ⁸	565,217	0.5%	87,743.47760	N/A
Total		123,545,299	100%		
USDC – Costs	Liminal	3,099,017 ⁹		3,099,016.80	0x23f856b75Cc47697EDc97334b0cd35F2EF63d330

¹ Only includes cryptocurrency token balances (fiat balances of approximately USD500,000 subject to further reconciliation after payment of ongoing operational costs). Minor token movements possible due to ongoing unwinding of Delta Exchange, CoinDCX and Polkadot balances. Token balances subject to further updates in the final version of this document for issuance to creditors.

² On-chain balances as at 4 April 2023 can be verified by searching the wallet address on <https://etherscan.io/> or <https://blockchair.com/>

³ Comprises BTC token balances held on Delta Exchange which are pending updated KYC for withdrawal to the Liminal self-custody solution. This balance has been sighted by Kroll and the KYC update is already in process.

⁴ Includes 6.4 million USDC which were transferred subsequent to 4 April 2023 to the USDC wallet reserved for costs – adjusting for this transaction will align % USD proportion with the Company's Financial Position presented in the Information Pack.

⁵ Comprises USDT token balances held on Delta Exchange which are pending updated KYC for withdrawal to the Liminal self-custody solution. This balance has been sighted by Kroll and the KYC update is already in process.

⁶ Comprises USDT token balances held on CoinDCX which are pending updated KYC for withdrawal to the Liminal self-custody solution. This balance has been sighted by Kroll and the KYC update is already in process.

⁷ Comprises DETO token balances held on Delta Exchange which are pending updated KYC for withdrawal to the Liminal self-custody solution. This balance has been sighted by Kroll and the KYC update is already in process.

⁸ Comprises DOT token balances held on the Polkadot network which had been staked and will be unstaked on 14 April 2023. This balance has been sighted by Kroll.

⁹ Comprises USDC token balances earmarked for costs as at 4 April 2023. Does not account for 6.4 million USDC transferred from creditor funds wallet on Liminal and subsequent outward transfer of 100,000 USDC to bank accounts for costs. Accounts for 500,000 USDC already transferred to bank accounts which are presently

USDC – For any loan to Flipvolt	Liminal	2,500,000		2,500,000.00	0x87aAa741851BF9BA74ea251Bb1c4937E476B1EbB
Total		129,144,316			

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being applied to costs, not included in the above table and will be the subject of a comprehensive reconciliation in the final version of this document for issuance to creditors.

Illiquid Assets

Illiquid Assets (4 April 2023)				
Token	Counterparty	USD	% (USD)	Quantity
XRP	CoinLoan	34,339,525	15%	68,201,638.54654
XLM	CoinLoan	449,641	0%	4,233,906.01595
PAXG	CoinLoan	312,476	0%	154.35488
USDT	CoinLoan	4,377	0%	4,376.75000
USDT	Flipvolt	21,497,592	9%	21,497,592.37895 ¹⁰
BTC	Counterparty A	120,949,201 ¹¹	51%	4,293.83750 ¹²
ETH	Counterparty A	58,375,076 ¹³	25%	31,199.76675 ¹⁴
Total		235,927,888	100%	

¹⁰ Includes USD2,529,515.06 that would be due to Defi Payments if it provides a loan to Flipvolt to facilitate Flipvolt's payment of INR balance account holders, which increases the receivable amount accordingly.

¹¹ Represents full amount of BTC loan receivables from Counterparty A denominated in USD at 4 April 2023 token prices. Net amount offsetting pro-rata allocation of USD28.3 million loan payable to Counterparty A is USD92.6 million

¹² BTC token balance (principal + interest) upon maturity of loan receivable from Counterparty A on 13 June 2023

¹³ Represents full amount of ETH loan receivables from Counterparty A denominated in USD at 4 April 2023 token. Net amount offsetting pro-rata allocation of USD13.7 million loan payable to Counterparty A is USD44.7 million.

¹⁴ ETH token balance (principal + interest) upon maturity of loan receivable from Counterparty A on 13 June 2023

3. LIABILITIES BREAKDOWN

Customer Liabilities¹⁵

Token	Quantity	Token Price as at 4 July 2022 ¹⁶	USD	Token Price Source
btc	6,054	20,231.26	122,480,048	Coinmarketcap.com
usdc	108,016,587	1	108,016,587	Coinmarketcap.com
eth	32,410	1,151.06	37,305,855	Coinmarketcap.com
xrp	58,237,530	0.3288	19,148,500	Coinmarketcap.com
usdt	16,494,440	0.9991	16,479,595	Coinmarketcap.com
busd	3,487,137	1	3,487,137	Coinmarketcap.com
matic	5,636,366	0.4916	2,770,838	Coinmarketcap.com
sol	36,877	36.79	1,356,705	Coinmarketcap.com
dai	1,209,103	1	1,209,103	Coinmarketcap.com
mana	1,227,138	0.9057	1,111,419	Coinmarketcap.com
tusd	1,044,326	1	1,044,326	Coinmarketcap.com
ada	2,076,848	0.4696	975,288	Coinmarketcap.com
dot	109,359	7.17	784,104	Coinmarketcap.com
usdp	671,573	0.9988	670,767	Coinmarketcap.com
link	85,913	6.43	552,421	Coinmarketcap.com
xlm	4,213,270	0.1112	468,516	Coinmarketcap.com
shib	40,792,212,644	0.00001049	427,910	Coinmarketcap.com
bat	1,020,366	0.4064	414,677	Coinmarketcap.com
doge	5,333,873	0.06947	370,544	Coinmarketcap.com
aaave	5,109	63.06	322,174	Coinmarketcap.com
cake	96,641	3.16	305,386	Coinmarketcap.com
ftt	11,229	25.92	291,056	Coinmarketcap.com
bnb	1,247	231.57	288,768	Coinmarketcap.com

¹⁵ Platform loan receivables that have not been closed out valued as at 4 July 2022 amount to USD1,653,347. Collateral in respect of the loan receivables valued as at 4 July 2022 amount to USD2,974,786. These loans will be terminated and the collateral liquidated and applied towards payment of the loans as the Effective Date. The net amount of USD1,321,439 owing to customers following the liquidation of the collateral will constitute and is included in the Customer Liabilities.

¹⁶ Based on the closing price as at 4 July 2022 from the token price source

Token	Quantity	Token Price as at 4 July 2022 ¹⁶	USD	Token Price Source
enj	527,583	0.5188	273,710	Coinmarketcap.com
paxg	150	1,813.07	271,961	Coinmarketcap.com
ava	300,340	0.5989	179,874	Coinmarketcap.com
vet	6,834,409	0.02332	159,378	Coinmarketcap.com
sand	125,647	1.2	150,776	Coinmarketcap.com
sushi	126,580	1.09	137,972	Coinmarketcap.com
grt	1,113,561	0.09825	109,407	Coinmarketcap.com
amp	9,407,716	0.00939	88,338	Coinmarketcap.com
mkr	85	942.95	80,151	Coinmarketcap.com
ftm	251,847	0.265	66,739	Coinmarketcap.com
lrc	166,102	0.4007	66,557	Coinmarketcap.com
skl	1,367,130	0.04775	65,280	Coinmarketcap.com
comp	1,294	49.33	63,833	Coinmarketcap.com
crv	73,455	0.8644	63,495	Coinmarketcap.com
algo	186,629	0.3197	59,665	Coinmarketcap.com
atom	6,193	8.76	54,251	Coinmarketcap.com
axs	3,469	14.93	51,792	Coinmarketcap.com
egld	952	54.34	51,732	Coinmarketcap.com
avax	2,860	17.94	51,308	Coinmarketcap.com
near	14,013	3.53	49,466	Coinmarketcap.com
ltc	941	52.24	49,158	Coinmarketcap.com
yfi	7	6,366.55	44,566	Coinmarketcap.com
1inch	69,414	0.6385	44,321	Coinmarketcap.com
zrx	146,618	0.3015	44,205	Coinmarketcap.com
snx	15,590	2.82	43,964	Coinmarketcap.com
qnt	672	60.54	40,683	Coinmarketcap.com
chz	395,894	0.1017	40,262	Coinmarketcap.com
etc	2,567	15.4	39,532	Coinmarketcap.com
bttc	41,691,570,346	0.00000087	36,272	Binance.com
gala	625,536	0.05532	34,605	Coinmarketcap.com

Token	Quantity	Token Price as at 4 July 2022 ¹⁶	USD	Token Price Source
icp	6,043	5.6	33,841	Coinmarketcap.com
knc	25,444	1.3	33,077	Coinmarketcap.com
hnt	3,368	9.48	31,929	Coinmarketcap.com
trx	383,421	0.06724	25,781	Coinmarketcap.com
xtz	16,086	1.54	24,772	Coinmarketcap.com
hbar	382,234	0.06371	24,352	Coinmarketcap.com
wrx	108,409	0.2165	23,471	Coinmarketcap.com
fil	4,062	5.56	22,585	Coinmarketcap.com
dgb	2,063,277	0.009535	19,673	Coinmarketcap.com
zil	484,037	0.03993	19,328	Coinmarketcap.com
hot	10,477,985	0.001768	18,525	Coinmarketcap.com
rune	8,083	2.16	17,459	Coinmarketcap.com
eos	16,250	0.9858	16,019	Coinmarketcap.com
slp	4,044,061	0.003911	15,816	Coinmarketcap.com
theta	11,638	1.25	14,548	Coinmarketcap.com
xmr	110	124.02	13,642	Coinmarketcap.com
miota	48,426	0.2794	13,530	Coinmarketcap.com
iost	940,732	0.01389	13,067	Coinmarketcap.com
dydx	6,702	1.91	12,801	Coinmarketcap.com
zec	214	58.27	12,470	Coinmarketcap.com
chr	65,710	0.188	12,353	Coinmarketcap.com
srm	16,023	0.7636	12,235	Coinmarketcap.com
coti	126,703	0.0948	12,011	Coinmarketcap.com
bch	111	108.13	12,002	Coinmarketcap.com
bal	2,240	4.93	11,043	Coinmarketcap.com
pond	969,446	0.0096	9,307	Coinmarketcap.com
cvc	60,720	0.1484	9,011	Coinmarketcap.com
ocean	51,551	0.1742	8,980	Coinmarketcap.com
iotx	288,279	0.02621	7,556	Coinmarketcap.com
nkn	79,911	0.09039	7,223	Coinmarketcap.com

Token	Quantity	Token Price as at 4 July 2022 ¹⁶	USD	Token Price Source
rsr	1,017,682	0.007069	7,194	Coinmarketcap.com
celo	7,898	0.9086	7,176	Coinmarketcap.com
poly	36,091	0.1977	7,135	Coinmarketcap.com
alice	3,059	2.33	7,127	Coinmarketcap.com
dent	7,798,582	0.0008981	7,004	Coinmarketcap.com
ygg	10,009	0.6532	6,538	Coinmarketcap.com
ar	487	12.04	5,863	Coinmarketcap.com
uma	1,899	2.75	5,222	Coinmarketcap.com
audio	13,605	0.3464	4,713	Coinmarketcap.com
ilv	39	117.98	4,601	Coinmarketcap.com
ksm	24	188.63	4,527	Coinmarketcap.com
omg	2,395	1.87	4,479	Coinmarketcap.com
ankr	157,955	0.02835	4,478	Coinmarketcap.com
stmx	614,522	0.007245	4,452	Coinmarketcap.com
mbl	1,588,979	0.002772	4,405	Coinmarketcap.com
qtum	1,506	2.91	4,382	Coinmarketcap.com
waves	790	5.5	4,345	Coinmarketcap.com
celr	281,442	0.01543	4,343	Coinmarketcap.com
storj	6,241	0.6694	4,178	Coinmarketcap.com
oxt	37,449	0.1054	3,947	Coinmarketcap.com
rose	76,663	0.05131	3,934	Coinmarketcap.com
ctsi	25,335	0.1514	3,836	Coinmarketcap.com
xno	4,508	0.8427	3,799	Coinmarketcap.com
xec	89,787,142	0.00003974	3,568	Coinmarketcap.com
rad	2,146	1.65	3,541	Coinmarketcap.com
torn	147	23.34	3,431	Coinmarketcap.com
forth	978	3.31	3,237	Coinmarketcap.com
dodo	25,146	0.1283	3,226	Coinmarketcap.com
hard	16,057	0.1991	3,197	Coinmarketcap.com
dash	70	44.35	3,105	Coinmarketcap.com

Token	Quantity	Token Price as at 4 July 2022 ¹⁶	USD	Token Price Source
lunc	22,690,648	0.0001283	2,911	Coinmarketcap.com
pols	5,627	0.5134	2,889	Coinmarketcap.com
fet	37,145	0.07728	2,871	Coinmarketcap.com
sys	19,270	0.1449	2,792	Coinmarketcap.com
fida	6,726	0.3944	2,653	Coinmarketcap.com
neo	308	8.6	2,649	Coinmarketcap.com
req	21,855	0.1208	2,640	Coinmarketcap.com
tlm	105,316	0.02505	2,638	Coinmarketcap.com
trb	206	12.05	2,482	Coinmarketcap.com
dusk	20,031	0.1187	2,378	Coinmarketcap.com
vtho	1,553,584	0.001456	2,262	Coinmarketcap.com
ogn	7,196	0.3126	2,249	Coinmarketcap.com
xvs	439	5.01	2,199	Coinmarketcap.com
akro	474,763	0.004535	2,153	Coinmarketcap.com
mbox	3,622	0.5884	2,131	Coinmarketcap.com
epx	3,789,269	0.0005588	2,117	Coinmarketcap.com
nmr	107	19.55	2,092	Coinmarketcap.com
ont	8,550	0.2415	2,065	Coinmarketcap.com
asr	672	3	2,016	Coinmarketcap.com
inj	1,597	1.25	1,996	Coinmarketcap.com
lpt	218	8.52	1,857	Coinmarketcap.com
band	1,233	1.36	1,677	Coinmarketcap.com
ckb	467,426	0.003579	1,673	Coinmarketcap.com
gft	83,437	0.01984	1,655	Coinmarketcap.com
flow	1,016	1.6	1,626	Coinmarketcap.com
reef	460,446	0.003497	1,610	Coinmarketcap.com
burger	1,645	0.9599	1,579	Coinmarketcap.com
sxp	3,887	0.401	1,559	Coinmarketcap.com
alpha	13,001	0.1181	1,535	Coinmarketcap.com
perp	2,130	0.7184	1,530	Coinmarketcap.com

Token	Quantity	Token Price as at 4 July 2022 ¹⁶	USD	Token Price Source
sfp	4,262	0.3511	1,496	Coinmarketcap.com
bar	375	3.99	1,496	Coinmarketcap.com
dnt	31,493	0.04683	1,475	Coinmarketcap.com
win	12,037,028	0.0001161	1,397	Coinmarketcap.com
super	10,441	0.1248	1,303	Coinmarketcap.com
sc	334,331	0.003896	1,303	Coinmarketcap.com
rlc	1,253	1.01	1,266	Coinmarketcap.com
utk	10,335	0.1215	1,256	Coinmarketcap.com
ren	9,744	0.1272	1,239	Coinmarketcap.com
flm	11,216	0.106	1,189	Coinmarketcap.com
mina	1,818	0.6504	1,182	Coinmarketcap.com
rvn	49,348	0.02354	1,162	Coinmarketcap.com
dock	63,314	0.01709	1,082	Coinmarketcap.com
ctxc	9,727	0.1112	1,082	Coinmarketcap.com
wan	5,417	0.1907	1,033	Coinmarketcap.com
agld	2,538	0.3936	999	Coinmarketcap.com
ant	601	1.63	980	Coinmarketcap.com
data	33,402	0.02886	964	Coinmarketcap.com
klay	3,925	0.2377	933	Coinmarketcap.com
front	4,598	0.1995	917	Coinmarketcap.com
tfuel	17,213	0.05276	908	Coinmarketcap.com
elf	4,663	0.1933	901	Coinmarketcap.com
arpa	23,307	0.03824	891	Coinmarketcap.com
orn	702	1.2	842	Coinmarketcap.com
og	248	3.31	821	Coinmarketcap.com
twt	1,051	0.7806	820	Coinmarketcap.com
mtl	604	1.29	779	Coinmarketcap.com
cfx	15,354	0.04964	762	Coinmarketcap.com
pnt	3,492	0.2152	751	Coinmarketcap.com
bake	2,863	0.2624	751	Coinmarketcap.com

Token	Quantity	Token Price as at 4 July 2022 ¹⁶	USD	Token Price Source
cos	116,701	0.00637	743	Coinmarketcap.com
mdx	8,497	0.08381	712	Coinmarketcap.com
icx	2,397	0.2966	711	Coinmarketcap.com
aion	23,885	0.02918	697	Coinmarketcap.com
nu	4,007	0.1718	688	Coinmarketcap.com
beta	6,727	0.1	673	Coinmarketcap.com
adx	4,126	0.1546	638	Coinmarketcap.com
tct	68,647	0.009198	631	Coinmarketcap.com
waxp	6,483	0.09683	628	Coinmarketcap.com
idex	8,985	0.06774	609	Coinmarketcap.com
dia	1,533	0.3923	601	Coinmarketcap.com
dcr	25	23.33	583	Coinmarketcap.com
xvg	183,325	0.003155	578	Coinmarketcap.com
key	145,358	0.003615	525	Coinmarketcap.com
troy	149,013	0.003486	519	Coinmarketcap.com
lsk	493	1.05	518	Coinmarketcap.com
ong	1,345	0.3779	508	Coinmarketcap.com
sun	85,071	0.005963	507	Coinmarketcap.com
fis	1,551	0.3215	499	Coinmarketcap.com
bel	575	0.8623	496	Coinmarketcap.com
vite	20,862	0.02365	493	Coinmarketcap.com
ramp	8,618	0.05228	451	Coinmarketcap.com
quick	8	55.18	441	Coinmarketcap.com
mask	283	1.52	430	Coinmarketcap.com
blz	4,408	0.09237	407	Coinmarketcap.com
iris	23,132	0.0176	407	Coinmarketcap.com
om	10,408	0.03867	402	Coinmarketcap.com
jst	13,667	0.02918	399	Coinmarketcap.com
mft	105,684	0.003732	394	Coinmarketcap.com
kava	212	1.8	382	Coinmarketcap.com

Token	Quantity	Token Price as at 4 July 2022 ¹⁶	USD	Token Price Source
lto	4,588	0.0808	371	Coinmarketcap.com
badger	114	3.19	364	Coinmarketcap.com
tvk	10,179	0.03438	350	Coinmarketcap.com
pundix	823	0.4017	331	Coinmarketcap.com
unfi	54	5.79	313	Coinmarketcap.com
clv	3,339	0.09202	307	Coinmarketcap.com
fun	40,383	0.0076	307	Coinmarketcap.com
xem	7,288	0.04203	306	Coinmarketcap.com
hive	637	0.4513	287	Coinmarketcap.com
dego	186	1.48	275	Coinmarketcap.com
lina	62,957	0.004313	272	Coinmarketcap.com
kmd	1,122	0.2323	261	Coinmarketcap.com
bond	84	2.89	243	Coinmarketcap.com
keep	1,261	0.1906	240	Coinmarketcap.com
psg	39	6.15	240	Coinmarketcap.com
strax	325	0.7324	238	Coinmarketcap.com
ata	1,390	0.1667	232	Coinmarketcap.com
wing	43	5.21	224	Coinmarketcap.com
ctk	276	0.807	223	Binance.com
tru	1,080	0.1925	208	Coinmarketcap.com
mdt	7,684	0.02607	200	Coinmarketcap.com
ray	275	0.7062	194	Coinmarketcap.com
vidt	1,012	0.1888	191	Binance.com
cocos	271	0.6878	186	Coinmarketcap.com
btcst	33	5.64	186	Coinmarketcap.com
pha	1,739	0.106	184	Coinmarketcap.com
btg	11	16.05	177	Coinmarketcap.com
auction	33	5.34	176	Coinmarketcap.com
tribe	1,119	0.1515	170	Coinmarketcap.com
one	283,399	0.0005979	169	Coinmarketcap.com

Token	Quantity	Token Price as at 4 July 2022 ¹⁶	USD	Token Price Source
drep	318	0.5323	169	Coinmarketcap.com
bts	16,687	0.01002	167	Coinmarketcap.com
stpt	3,841	0.04144	159	Coinmarketcap.com
firo	101	1.45	146	Coinmarketcap.com
df	3,784	0.03864	146	Coinmarketcap.com
ghst	103	1.32	136	Coinmarketcap.com
nbs	42,482	0.00318	135	Coinmarketcap.com
rare	10,426	0.01245	130	Coinmarketcap.com
c98	241	0.4939	119	Coinmarketcap.com
ardr	1,122	0.1055	118	Coinmarketcap.com
gno	1	116.8	117	Coinmarketcap.com
beam	823	0.1272	105	Coinmarketcap.com
dexe	14	7.09	99	Coinmarketcap.com
alpaca	457	0.2153	98	Coinmarketcap.com
farm	2	43.97	88	Coinmarketcap.com
tko	304	0.2848	87	Coinmarketcap.com
wtc	458	0.182	83	Coinmarketcap.com
fio	1,982	0.03955	78	Coinmarketcap.com
lazio	31	2.15	67	Coinmarketcap.com
ern	47	1.38	65	Coinmarketcap.com
tomo	135	0.4714	64	Coinmarketcap.com
nuls	347	0.1797	62	Coinmarketcap.com
for	3,697	0.01675	62	Coinmarketcap.com
zen	4	14.96	60	Coinmarketcap.com
wnxm	4	14.61	58	Coinmarketcap.com
rep	7	8.21	57	Coinmarketcap.com
atm	16	3.18	51	Coinmarketcap.com
cvp	175	0.2891	51	Coinmarketcap.com
stx	17,724	0.002786	49	Coinmarketcap.com
mith	2,427	0.01537	37	Coinmarketcap.com

Token	Quantity	Token Price as at 4 July 2022 ¹⁶	USD	Token Price Source
juv	7	3.66	26	Coinmarketcap.com
mln	1	25.04	25	Coinmarketcap.com
rif	489	0.05015	25	Coinmarketcap.com
chess	1,080	0.02023	22	Coinmarketcap.com
mir	3,136	0.002806	9	Coinmarketcap.com
uni	53,276	0.0001012	5	Coinmarketcap.com
lit	306	0.002381	1	Coinmarketcap.com
acm	37	0.008892	0	Coinmarketcap.com
gtc	98	0.0006207	0	Coinmarketcap.com
bnt	(3,644)	0.4938	(1,799) ¹⁷	Coinmarketcap.com
Total			323,565,709	

¹⁷ No collateral is pledged and denominated in BNT. Loan receivables denominated in BNT exceeds customer balances denominated in BNT. When loan is terminated, the USD equivalent amount of loan receivables will be paid using collateral (denominated in another token) and accordingly extinguishes its liability.

APPENDIX 3. DETAILED FINANCIAL FORECAST

1. DEFINITIONS

In this appendix, unless otherwise defined in this appendix or a contrary indication appears, terms defined in the Explanatory Statement shall have the same meanings when used in this appendix.

2. DISCLAIMER

- 2.1. This appendix has been prepared by Kroll solely for the information (on a non-reliance basis) of the Scheme Creditors, and to provide an estimate of the recoveries available to the Scheme Creditors in a hypothetical enforcement scenario in respect of the Company.
- 2.2. This appendix is based on information and explanations provided by the Company, which has not been subject to independent verification or audit. Kroll assumes no liability whatsoever and makes no representations or warranties, express or implied, in relation to the contents of this appendix, including its accuracy, completeness or verification insofar as this is reliant on information or explanations provided by the Company or for any other statement made or purported to be made by or on behalf of the Company.
- 2.3. In accepting delivery of this appendix, each recipient acknowledges that the information presented in this document has been prepared in a limited period of time based on limited information provided to Kroll. We are reliant upon representations made by the Management regarding the accuracy and validity of the information provided to us.
- 2.4. Each recipient of this appendix acknowledges that the Company operates in an industry and jurisdiction that has been and is likely to continue to be subject to fluctuations, changes in regulatory, cyclical movements and uncertainty. This appendix also sets out a forecast, which is not a guarantee of future performance and/or outcomes. The information contained in this appendix contains certain assumptions considered by the authors as correct at the time of writing that may prove to be incorrect and may be subject to change at any time.

3. ASSUMPTIONS, METHODOLOGY AND LIMITATIONS

- 3.1. This appendix has been prepared by Kroll based on the Company's asset position as of 4 April 2023 and liability position as of 4 July 2022 to identify recoveries available to Scheme Creditors under a Restructuring. In the event the Scheme did not take effect, the likely scenarios would involve the Company being put into Liquidation.
- 3.2. Sources of Information
- 3.2.1. Our primary sources of information include:
- 3.2.1.1. the Company's asset position as of 4 April 2023 as provided by the Company's management. The detailed token breakdown of assets as of 4 April 2023 is set out in Appendix 2 of the Explanatory Statement;
 - 3.2.1.2. the Company's liability position as of 4 July 2022 as provided by the Company's management. The detailed token breakdown of liabilities as of 4 July 2022 is set out in Appendix 2 of the Explanatory Statement;
 - 3.2.1.3. cryptocurrency token prices as of 4 April 2023 and 4 July 2022 generated from coinmarketcap.com or binance.com (if not available on coinmarketcap.com); and
 - 3.2.1.4. loan documentation in respect of 3,985.9 BTC and 28,955.7 ETH deposited with Counterparty A on 13 June 2022 as provided by the Company's management;
 - 3.2.1.5. loan documentation in respect of the 35 million USDC loan from Counterparty A to the Company as provided by the Company's management;
 - 3.2.1.6. intercompany receivable documentation in respect of the USD21,497,592 intercompany receivable from Flipvolt as provided by the Company's management;
 - 3.2.1.7. account balance documentation in respect of the USD35,106,019 receivable from CoinLoan as provided by the Company's management; and
 - 3.2.1.8. management accounts and other information as provided by the Company's management .
- 3.2.2. We have placed reliance on statements made by Company management as well as on discussions with certain other advisors of the Company (acting on the Company's behalf).

3.2.3. We do not accept responsibility for any such information which remains the responsibility of Company management. We have satisfied ourselves, as far as possible, that the information presented in this appendix is consistent with other information made available to us in the course of our work. We have not however, sought to establish the reliability of the sources by reference to other evidence.

3.3. Limitations

3.3.1. The scenario analysis set out in this appendix involve the hypothetical illustration of the potential outcomes that may occur if the Company were to enter into certain restructuring or liquidation scenarios.

3.3.2. We have placed reliance on the use of estimates and assumptions that are inherently subject to change based on factors that may not be known at the time this appendix has been prepared.

3.3.3. We have not conducted any independent audit in relation to the information provided to us.

3.3.4. There are certain risk factors which have not been modelled into the scenario analyses due to the uncertainty and variability of considering same. Should any of these risk factors arise in an actual liquidation of or other enforcement against the Company, there could be material change to the estimated outcome to unsecured creditors as presented in this appendix. Such risk factors include without limitation:

- 3.3.4.1. Potential price volatility in respect of cryptocurrency tokens which comprise the assets and / or liabilities of the Group.
- 3.3.4.2. Potential tax liabilities relating to the entities of the Company. No detailed tax analysis has been conducted by Kroll.
- 3.3.4.3. Recoveries from the pursuit of any potential causes of actions or any unknown litigation or legal proceedings that could arise as a result of the Company entering into a liquidation.
- 3.3.4.4. Potential crystallization of claims and/or contingent claims that could arise as a result of the Company entering into an insolvency process. Examples may include damages for breach of contract.
- 3.3.4.5. The value of creditor claims is assumed to be as recorded in the Company's books. This may not reflect the quantum of claims in an actual liquidation which can only be confirmed via a claims adjudication process.
- 3.3.4.6. The time taken to realize assets, which is likely to take place over an extended period of time, i.e. years) depending on the relevant jurisdiction, the Courts and stakeholder involvement. Costs of realization inherently increase as time passes as well as secured creditor claims which are likely subject to additional interest charges and default rates.

- 3.3.4.7. Repatriation of funds from one jurisdiction to another may be subject to capital restrictions. This scenario analyses in this appendix assume the free flow of capital.
- 3.3.4.8. Changes to government policy or the macro-economic or industry outlook could materially impact the value attributed to the realization of the Company's assets.

Please note this list is not an exhaustive list of all factors that could impact the estimated outcome as presented in this appendix.

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4. ESTIMATED RECOVERY UNDER THE SCHEME

- 4.1. The Scheme contemplates a Restructuring which broadly comprises the (i) initial distribution of Liquid Assets, (ii) realization and subsequent distribution of Illiquid Assets and (iii) early liquidity events via RDAs for Scheme Creditors who wish to exit the Restructuring early.
- 4.2. In a Restructuring, creditors may receive an average of 36% to 96% recovery depending on the level of Illiquid Asset realizations. Accordingly, creditors may choose to exit the restructuring at various points in time (Initial RDA, Second RDA, Third RDA or Final Distribution), which ranges from 29% to 227% recovery depending on the level of Illiquid Asset realizations and Initial RDA Discount Bids. The recovery matrix available to Scheme Creditors is set out in “Section 3 – Expected Returns under the Scheme” in the Explanatory Statement.
- 4.3. This section of this appendix aims to provide the assumptions and methodology used in calculating the average recovery and specific recovery at each RDA available to Scheme Creditors.
- 4.4. Set out below is a cashflow forecast of the Restructuring Scenario assuming a 100% Illiquid Asset realization and an Initial RDA Bid of 45% (55% recoveries):

USD'000	Pre-restructuring	Restructuring												Total
	2Q 2023	3Q 2023	4Q 2023	1Q 2024	2Q 2024	3Q 2024	4Q 2024	1Q 2025	2Q 2025	3Q 2025	4Q 2025	1Q 2026	2Q 2026	
Opening Balance - Liquid Assets	129,144	125,129	5,402	4,895	4,399	3,657	3,152	2,895	2,656	2,305	2,060	1,801	1,555	129,144
Asset Movements	-	(2,530)	-	-	21,498	137,324	-	-	-	-	-	-	35,106	191,398
Payroll and Related Costs	(119)	(92)	(92)	(95)	(100)	(100)	(100)	(102)	(108)	(108)	(108)	(108)	(108)	(1,338)
Infrastructure Costs	(146)	(131)	(61)	(48)	(48)	(76)	(61)	(48)	(48)	(48)	(61)	(48)	(62)	(885)
Illiquid Asset Realization Costs	(285)	(285)	(285)	(285)	(285)	(135)	(45)	(45)	(45)	(45)	(45)	(45)	(45)	(1,875)
Restructuring Related Costs	(2,989)	(30)	(30)	(30)	(155)	(155)	(30)	(30)	(30)	(30)	(30)	(30)	(155)	(3,724)
Other Costs	(477)	(44)	(39)	(38)	(155)	(39)	(21)	(15)	(120)	(15)	(16)	(15)	(127)	(1,120)
Asset Balance after Costs	125,129	122,016	4,895	4,399	25,154	140,476	2,895	2,656	2,305	2,060	1,801	1,555	36,165	
RDA	-	(50,000)	-	-	(21,498)	(137,324)	-	-	-	-	-	-	-	(208,822)

USD'000	Pre-restructuring	Restructuring												Total
	2Q 2023	3Q 2023	4Q 2023	1Q 2024	2Q 2024	3Q 2024	4Q 2024	1Q 2025	2Q 2025	3Q 2025	4Q 2025	1Q 2026	2Q 2026	
Pro-rata Distributions	-	(66,615)	-	-	-	-	-	-	-	-	-	-	(36,165)	(102,779)
Closing Balance - Liquid Assets	125,129	5,402	4,895	4,399	3,657	3,152	2,895	2,656	2,305	2,060	1,801	1,555	-	-
Opening Balance - Unsecured Liabilities	(323,566)	(323,566)	(166,042)	(166,042)	(166,042)	(145,220)	(20,726)	(20,726)	(20,726)	(20,726)	(20,726)	(20,726)	(20,726)	(323,566)
RDA Take Up Amount	-	50,000	-	-	21,498	137,324	-	-	-	-	-	-	-	-
RDA Recovery	0%	55%	0%	0%	103%	110%	0%	0%	0%	0%	0%	0%	0%	-
Extinguished Liabilities from RDA	-	90,909	-	-	20,821	124,494	-	-	-	-	-	-	-	-
Unsecured Liabilities after RDA	(323,566)	(232,657)	(166,042)	(166,042)	(145,220)	(20,726)	(20,726)	(20,726)	(20,726)	(20,726)	(20,726)	(20,726)	(20,726)	-
Extinguished Liabilities from Pro-rata Distributions	-	66,615	-	-	-	-	-	-	-	-	-	-	20,726	87,341
Recoveries in excess of Initial Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	15,438	15,438
Closing Balance - Unsecured Liabilities	(323,566)	(166,042)	(166,042)	(166,042)	(145,220)	(20,726)	(20,726)	(20,726)	(20,726)	(20,726)	(20,726)	(20,726)	-	-
% Recovery to Creditors	0%	36%	0%	0%	7%	42%	0%	0%	0%	0%	0%	0%	11%	
Cumulative Recovery to Creditors	0%	36%	36%	36%	43%	85%	85%	85%	85%	85%	85%	85%	96%	
RDA Recoveries		55%			103%	110%								

USD'000	Pre-restructuring	Restructuring												Total
	2Q 2023	3Q 2023	4Q 2023	1Q 2024	2Q 2024	3Q 2024	4Q 2024	1Q 2025	2Q 2025	3Q 2025	4Q 2025	1Q 2026	2Q 2026	
Pro-rata Distribution Recoveries		29%			0%	0%								174%
Total Recoveries (Exiting at Initial RDA, Second RDA, Third RDA, Final Distribution)		55%			102%	107%								153%
% of Creditors Exiting (in value)		49%			6%	38%								6% 100%

4.5. Key assumptions and methodology are as follows:

Assets

4.5.1. Liquid Assets

4.5.1.1. For the purposes of illustrating a Restructuring Scenario, there are approximately USD117 million in Net Liquid Assets as of 4 April 2023, which have been consolidated and held in third-party custodian accounts in the name of the Company.

4.5.1.2. The composition of Net Liquid Assets as of 4 April 2023 is as follows:

USD'000	BTC	ETH	XRP	Stablecoin / Fiat	Others	Total
Net Liquid Assets	41,124	14,436	5,812	54,703	570	116,644
Net Liquid Assets (%)	35%	12%	5%	47%	0%	100%

4.5.1.3. There are approximately USD4 million in Liquid Assets held in Delta Exchange and approximately USD0.1 million held in CoinDCX which are pending transfers to Liminal. These will be completed shortly upon the completion of additional KYC procedures as a result of account inactivity. In addition, there are approximately USD0.6 million in Liquid Assets held in the Polkadot network which is staked and is estimated to be unbound on 14 April 2023.

4.5.1.4. The target position of Net Liquid Assets is as follows:

USD'000	BTC	ETH	XRP	Stablecoin / Fiat	Total
Net Liquid Assets	41,154	13,449	6,903	52,139	116,644
Net Liquid Assets (%)	38%	12%	6%	45%	100%

4.5.1.5. When available, the Liquid Assets held with Delta Exchange, Polkadot network and CoinDCX will be converted to BTC and XRP in line with the above target position, which aims to align Net Liquid Assets in the same token composition as token balances of Scheme Debt as at 4 July 2022, on the assumption that all tokens other than BTC, ETH, XRP and USDC are treated as USDC (stablecoin).

4.5.1.6. The Restructuring Scenario financial forecast does not factor in the specific choices of tokens made by creditors at the One-Time Conversion after implementation of the Scheme, which is impossible to determine at this stage.

4.5.1.7. Given the nature and volatility of cryptocurrency token prices, it is not possible to accurately forecast the future prices of cryptocurrency tokens with any degree of confidence. Hence, the illustrated recoveries are prepared on the basis that the asset position (i.e. token prices) are kept constant as at 4 April 2023.

4.5.1.8. Upon the completion of the One-Time Conversion, Net Liquid Assets will be converted at prevailing market prices to reflect the token composition chosen at the One-Time Conversion. Therefore, the token composition and value of Liquid Assets shown above will differ materially from the post One-Time Conversion token composition and value of Liquid Assets.

4.5.2. Illiquid Assets

4.5.2.1. There are approximately USD194 million of Net Illiquid Assets consisting of net loan receivables from Flipvolt, Counterparty A and CoinLoan. The composition of Illiquid Assets, is as follows:

USD'000	BTC	ETH	XRP	Stablecoin / Fiat	Total
Illiquid Assets	92,621	44,703	34,340	22,264	193,928
Illiquid Assets (%)	48%	23%	18%	11%	100%

- 4.5.2.2. Intercompany loan receivables from Flipvolt amounts to approximately USD19 million. Upon implementation of the Scheme, Flipvolt's creditors with INR balances in their Vault accounts amounting to approximately USD2.5 million will be paid in full by Flipvolt. Currently, Flipvolt's funds are frozen by the Enforcement Directorate. If Flipvolt's funds have not yet been unfrozen and accordingly does not have available liquid funds to make these payments, the Company will procure that an intercompany loan be made to Flipvolt for the amount of INR needed to make the INR Payments. This intercompany loan increases the balance of Flipvolt Receivables and is included in the intercompany receivable totalling USD21.5 million. Further work is being undertaken to establish the final position in respect of the intercompany receivable from Flipvolt, which remains subject to finalization.
- 4.5.2.3. The loan to Counterparty A totalling USD137 million is inclusive of principal and interest based on its expected maturity date of June 2023 and net of the 35 million USDC loan (valued at USD42 million including principal and interest upon its maturity in June 2023) from Counterparty A to the Company.
- 4.5.2.4. For the same reasons explained in paragraph 4.5.1.7 above, the illustrated recoveries are prepared on the basis that the asset position (i.e. token prices) are kept constant as at 4 April 2023.
- 4.5.2.5. Kroll's analysis presents scenarios assuming different levels of Illiquid Asset realizations. The percentage of realization is based on the net loan receivables from these counterparties and are as follows:

USD'000 Counterparty	Illiquid Asset Realization				
	100%	75%	50%	25%	0%
Flipvolt	21,498	16,123	10,749	5,374	-
Counterparty A	137,324	102,993	68,662	34,331	-
CoinLoan	35,106	26,330	17,553	8,777	-
Total	193,928	145,446	96,964	48,482	-

- 4.5.2.6. Based on the current estimates from management and the current recovery efforts, we have assumed that the estimated realization of the Flipvolt, Counterparty A and CoinLoan receivables will likely take place in 2Q2024, 3Q2024 and 2Q2026 respectively.

Costs and Expenses

- 4.5.3. The Company has worked to minimize its operating costs from approximately USD558,000 per month historically (July 2022 to March 2023) to approximately USD229,000 per month going forward (April 2023 – June 2026). These costs are necessary for the Company to continue operating and meeting its obligations under a Restructuring.
- 4.5.4. A breakdown of the forecast costs is as follows:

Description USD	Pre- Restructuri ng	Restructuring												Total
	2Q 2023	3Q 2023	4Q 2023	1Q 2024	2Q 2024	3Q 2024	4Q 2024	1Q 2025	2Q 2025	3Q 2025	4Q 2025	1Q 2026	2Q 2026	
Payroll and Related Costs														
Vauld Care	46,966	11,636	11,636	12,024	12,800	12,800	12,800	13,226	14,080	14,080	14,080	14,080	14,080	204,284
Engineering	18,600	18,600	18,600	18,600	18,600	18,600	18,600	18,600	18,600	18,600	18,600	18,600	18,600	241,800
Administrative and Support (Management, Finance, Ops)	51,868	60,701	60,701	62,724	66,771	66,771	66,771	68,997	56,064	73,448	73,448	73,448	73,448	872,545
HR Expenses	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	19,500
Subtotal - Payroll and Related Costs	118,933	92,437	92,437	94,848	99,671	99,671	99,671	102,323	107,628	107,628	107,628	107,628	107,628	1,338,129
Infrastructure														
Custodian	8,400	51,111	8,400	8,400	8,400	37,166	8,400	8,400	8,400	8,400	8,400	8,400	22,875	195,152
SaaS	138,054	80,330	52,290	39,330	39,330	39,330	52,290	39,330	39,330	39,330	52,290	39,330	39,330	689,894
Subtotal - Infrastructure	146,454	131,441	60,690	47,730	47,730	76,496	60,690	47,730	47,730	47,730	60,690	47,730	62,205	885,046
Illiquid Asset Realization Costs														
Legal - Flipvolt	150,000	150,000	150,000	150,000	150,000	-	-	-	-	-	-	-	-	750,000
Legal - Counterparty A	90,000	90,000	90,000	90,000	90,000	90,000	-	-	-	-	-	-	-	540,000
Legal - Coinloan	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	585,000

Description USD	Pre- Restructuring	Restructuring												Total
	2Q 2023	3Q 2023	4Q 2023	1Q 2024	2Q 2024	3Q 2024	4Q 2024	1Q 2025	2Q 2025	3Q 2025	4Q 2025	1Q 2026	2Q 2026	
Subtotal – Illiquid Asset Realization Costs	285,000	285,000	285,000	285,000	285,000	135,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	1,875,000
Restructuring Related Costs														
Pre- restructuring - R&T	500,000	-	-	-	-	-	-	-	-	-	-	-	-	500,000
Pre- restructuring - Kroll	1,838,593	-	-	-	-	-	-	-	-	-	-	-	-	1,838,593
Pre- restructuring - Independent Assessor	150,000	-	-	-	-	-	-	-	-	-	-	-	-	150,000
Post- restructuring - Scheme Manager	50,000	30,000	30,000	30,000	80,000	80,000	30,000	30,000	30,000	30,000	30,000	30,000	80,000	560,000
Post- restructuring - Tabulation Agent and RDA Agent	450,000	-	-	-	75,000	75,000	-	-	-	-	-	-	75,000	675,000
Subtotal - Restructuring Related Costs	2,988,593	30,000	30,000	30,000	155,000	155,000	30,000	30,000	30,000	30,000	30,000	30,000	155,000	3,723,593
Others														
Audit	100,000	-	-	-	100,000	-	-	-	100,000	-	-	-	100,000	400,000

Description USD	Pre- Restructuring	Restructuring												Total	
		2Q 2023	3Q 2023	4Q 2023	1Q 2024	2Q 2024	3Q 2024	4Q 2024	1Q 2025	2Q 2025	3Q 2025	4Q 2025	1Q 2026		2Q 2026
Company Secretary	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	32,500
Others	374,011	41,503	36,197	35,406	52,643	36,050	18,740	12,278	17,543	12,543	13,191	12,543	24,517	687,163	
Subtotal - Others	476,511	44,003	38,697	37,906	155,143	38,550	21,240	14,778	120,043	15,043	15,691	15,043	127,017	1,119,663	
Total	4,015,492	582,881	506,824	495,484	742,543	504,717	256,600	239,831	350,401	245,401	259,009	245,401	496,849	8,941,431	

4.5.5. Payroll and Related Costs

- 4.5.5.1. For the period from April to June 2023, costs comprise the salary of 2 engineers, 7 administrative and support staff and 19 Vault Care staff totaling ~USD34,000 per month to address the high volume of queries received while the Company prepares for a Restructuring.
- 4.5.5.2. Upon the implementation of the Scheme (estimated in July 2023), manpower requirement will be reduced to 2 engineers, 6 administrative and support staff and 2 Vault Care staff with cost forecast totalling ~USD30,000 per month. Key scope of work for these employees include the facilitation of distributions, administration work relating to Illiquid Asset realizations (with the assistance of co-founders Darshan and Sanju, who are not and will not be receiving a salary from the Company), maintenance of the Vault Platform, and engagement with creditors.
- 4.5.5.3. A contractual severance payment of ~USD24,500 will be incurred in June 2023 to effect the rationalization of manpower described above.

4.5.6. Infrastructure Costs

- 4.5.6.1. **Custodian Costs** – To ensure proper custody and verifiability of assets, Liquid Assets have been consolidated and held with a third-party custodian, Liminal, supported by Bitgo withdrawal functionality in the name of the Company at an approximate cost of USD5,000 per month. Transaction costs of 5 basis points on non-ETH, non-stablecoin tokens will be incurred for distributions to Scheme Creditors via Bitgo's infrastructure. Distributions in ETH and stablecoins will be carried out using the Vault Platform with no incremental costs.

- 4.5.6.2. **Software and IT support** – The Company will maintain certain basic software and tools such as cloud security, cloud computing to host its platform, customer data and email / support chat function capabilities, totalling ~USD18,000 per month.
- 4.5.7. Illiquid Asset Realization Costs
- 4.5.7.1. This refers to the legal costs incurred to pursue the realization of Illiquid Assets. We have estimated that approximately USD50,000 and USD30,000 per month will each be incurred by the respective legal counsels in pursuing (i) the unfreezing of Flipvolt's funds in India and the repayment of its intercompany receivables to the Company and (ii) the recovery of net loan receivables from Counterparty A. It is estimated that USD15,000 per month will be incurred by legal counsel to take legal action against CoinLoan and recover its receivables.
- 4.5.7.2. We have assumed that legal costs will be incurred for each Illiquid Asset until recovered, which is in line with our expected time of realization as set out in paragraph 4.5.2.6 above. However, additional costs may be incurred due to protracted litigation or additional scope of work during the proceedings, which are not included in our forecast. The forecast assumes a fixed cost per month – as each of the respective legal engagements are charged on an hourly basis and not on a monthly fee cap, actual legal costs associated with the Illiquid Asset realizations are likely to be higher in periods leading up to major court or arbitration dates and lower when fewer hours are incurred during lower intensity periods.
- 4.5.8. Restructuring Related Costs
- 4.5.8.1. **Restructuring Legal Advisor (Rajah & Tann)** – Rajah & Tann has estimated that a total of USD500,000 (evenly split out between April to June 2023 in our forecast) will be incurred to facilitate a Restructuring. This includes: (i) draft and finalise the scheme documents including the Scheme Document and accompanying Explanatory Statement, (ii) advise on the Restructuring process and administration of the Scheme and (iii) prepare necessary Court applications and attend Court hearings on behalf of the Company.
- 4.5.8.2. **Restructuring Financial Advisor (Kroll)** – Kroll's services are subject to a monthly retainer of USD54,000 per month. Upon the implementation of a Scheme, Kroll will be entitled to a success fee of ~USD1,500,000. This cost estimate also includes USD0.2 million of catch-up payments relating to unpaid retainer invoices issued since January 2023 to be paid by the Company.
- 4.5.8.3. **Independent Assessor** – An independent assessor will be appointed to assist with the adjudication of any disputes in relation to Scheme Claims. We are in discussions with Quantuma for the role of independent assessor and expect to finalize their engagement shortly. Quantuma requires a retainer of SGD10,000 (USD7,500) and will charge SGD500

(USD380) per dispute. As the Company will be providing customers with their claims balances as at 4 July 2022, we do not foresee complex or high number of disputes. Hence, Quantuma has agreed that to cap costs at USD150,000, with any complex disputes and fees exceeding USD150,000 to be subject to further approval and agreement with the Company.

- 4.5.8.4. **Scheme Manager (Kroll)** – The Scheme Manager will oversee the Scheme and Restructuring, which includes the conduct of RDAs, distributions to Scheme Creditors and realization of Illiquid Assets. The Scheme Manager is expected to incur approximately USD10,000 per month to oversee the Scheme post-implementation. At each RDA / distribution the Scheme Manager will also provide settlement assistance by (i) tabulating instructions in a report and preparing a detailed financial model, compliant with the final form term sheet which provides the entitlement to Scheme Consideration on a per Scheme Creditor basis and (ii) assist with communicating each Scheme Creditor’s entitlements. The estimated cost to provide assistance is USD50,000 per RDA.
- 4.5.8.5. **Tabulation Agent and RDA Agent (Kroll Issuer Services)** – The Company has engaged a third-party to run the voting and RDA process. The tabulation agent will be responsible for building an online adjudication platform for Scheme creditors to accept or challenge their claims as well as leveraging on the same online platform for the voting of the Scheme. The tabulation agent will also disseminate information to Scheme Creditors, assisting creditors with the online instruction process and certify the voting results. The costs incurred by the tabulation agent for the adjudication, voting, Conversion, Initial RDA and distribution of Liquid Assets is estimated at USD450,000. Subsequent, RDAs and distributions will leverage the same platforms and procedures, which is estimated to cost USD75,000 per RDA / distribution.
- 4.5.9. Others
 - 4.5.9.1. **Audit** – This refers to the annual statutory (Accounting and Corporate Regulatory Authority) audit requirement of the Company. Given the nature and situation of the Company (a cryptocurrency company in financial restructuring), Company management expects that there are limited auditors willing to take up such an engagement. The Company is currently seeking proposals from potential candidates and expects the audit to cost USD100,000 per annum.
 - 4.5.9.2. **Company Secretary** – This refers to the ongoing costs to maintain the Company in good standing and to assist with the statutory filings of the Company, estimated at USD10,000 per annum.
 - 4.5.9.3. **Others** – This refers to any unforeseen and extra-ordinary costs to be incurred which is spread out at USD15,000 per month. An estimated USD100,000 for catch up payments relating to the period January to March 2023 which will be paid in April 2023 is included. This line item represents a contingency amount that is necessary to address unforeseen costs in the event that they occur but will not be spent if no such expenditure is necessary.

- 4.5.10. The cost forecast set out above is an estimate and may be subject to change. The Company aims to ensure proper implementation of the Scheme and strong corporate governance via the appointment of a Board of Directors. Reserved Matters will include any material variances to the quarterly expense budget as approved under the Scheme be subject to a requirement for 100% approval of the Board of Directors. While the costs and expenses of the Restructuring will be monitored closely by all three Board members, there is nevertheless a potential risk of cost overrun. There remains room for the Board of Directors to provide some flexibility in the costs and expenses incurred during the Restructuring, while ensuring that recoveries to Scheme Creditors are maximised.
- 4.5.11. Under the Restructuring Scenario, the Company will commence a New Business focusing on DeFi yield generation strategies for new customers injecting new money. The operational costs of this New Business is forecast to be captured under the existing budget of the Scheme and is not expected to result in any additional costs. Development costs to scale the New Business is expected to be funded from the revenue from the New Business and not from the costs forecast under the Scheme. Defi Payments will within [●] Business Days of the implementation of the Scheme provide the newly-constituted Board with a comprehensive business case in respect of the New Business for the Board's approval.

Liabilities

4.5.12. Secured Liabilities

- 4.5.12.1. In June 2022, Defi Payments borrowed 35 million USDC from Counterparty A, where its assets of 3,985.9 BTC and 28,955.7 ETH were deposited with Counterparty A and used as collateral. For the purposes of presenting the recoveries under the Restructuring, this secured loan is not presented in the liabilities section and instead net off from the loan receivables from Counterparty A presented in the realization of Illiquid Assets.

4.5.13. Unsecured Liabilities

- 4.5.13.1. There are approximately USD324 million of Scheme Debt as of 4 July 2022 representing liabilities owed to customers. The composition of Scheme Debt as denominated in the token compositions held in customer accounts, under the assumption that tokens other than BTC, ETH, XRP and USDC would be treated as USDC (stablecoin), is as follows:

USD'000	BTC	ETH	XRP	Stablecoin / Fiat	Total
Scheme Debt	122,480	37,306	19,148	144,631	323,566
Scheme Debt (%)	38%	12%	6%	45%	100%

- 4.5.13.2. As the Scheme fixes Scheme Debt as of 4 July 2022, for the purposes of presenting the Restructuring Scenario, the Company unsecured liabilities as of 4 July 2022 are used as the basis for calculating recoveries to Scheme Creditors.

The basis of using unsecured liabilities valued (i.e. token prices) as of 4 July 2022 does not change throughout the Restructuring.

- 4.5.13.3. Regardless of the outcome of the One-Time Conversion, the Scheme Debt will always remain at a gross amount of USD324 million, with any reduction of Scheme Debt only resulting from RDAs or distributions.
- 4.5.13.4. For the purposes of illustrating the recoveries under a Restructuring, the composition of BTC, ETH, XRP and stablecoins presented here does not factor in the One-Time Conversion as part of the contemplated Scheme as the level of participation in the One-Time Conversion is unknown as this point of time.
- 4.5.13.5. Scheme Debt also include the excess of collateral over platform loan receivables (USD1.3 million) which will be deemed to be closed out upon implementation of the Scheme.

RDA

4.5.14. Initial RDA

- 4.5.14.1. Upon implementation of the Scheme, it is assumed that USD50 million of RDA Assets will be made available for the Initial RDA where Scheme Creditors may bid to receive an early pay out at a discount and assumed that all USD50 million of RDA Assets are utilized for the Initial RDA.
- 4.5.14.2. The acceptable range of discounts for the Initial RDA will be 45% - 70% (corresponding to 30% to 55% recoveries) where the Company will accept bids starting with the highest discount bids and moving towards the lower discount bids within the acceptable range and/or until all RDA Assets have been utilised.
- 4.5.14.3. The acceptable range of discount has been derived based on the expected recovery of Illiquid Assets. The upper bound of this range (highest discount) represents a downside expectation of no future recovery of Illiquid Assets and reflects a recovery of approximately 36% (Net Liquid Assets of USD117 million over USD324 million of Scheme Debt). The lower bound of this range (lowest discount) represents an upside expectation of the future recovery of Illiquid Assets of approximately 80%. Given the risk of recoverability of the Illiquid Assets, we expect heavy discounting attributed to this future cash flow at approximately 55% recovery.
- 4.5.14.4. The recoveries under a Restructuring in the Explanatory Statement sets out scenarios of 45%, 55% and 70% Initial RDA Discount Bids. This represents the average Initial RDA Bid of the general body of creditors. However, this is not representative of the recoveries to each individual creditor. For the avoidance of doubt, the recovery to each individual

creditor will be the creditor's specific bid (i.e. if a creditor bids at a discount of 66% and is successful in the Initial RDA, his individual recovery will be 34%).

4.5.15. Subsequent RDAs

- 4.5.15.1. Subsequent RDAs are contingent upon the realizations of Illiquid Assets. Upon the realization of an Illiquid Asset, the Company may conduct Second RDA and/or Third RDA. The third and final realization of an Illiquid Asset will be paid out pari-passu to all remaining creditors and there will not be any RDA conducted. Given management's forecast, we expect net receivables from Flipvolt, Counterparty A and CoinLoan to be realized in 2Q2024, 3Q2024 and 2Q2026 respectively.
- 4.5.15.2. The threshold levels of discount of subsequent RDA are assumed to be driven by the net present value at the time of each subsequent RDA of future cash flows available for a creditor who continues in the restructuring and determined by the following factors: (i) a weighted average cost of capital of 30% and (ii) the latest expected timeline to subsequent Illiquid Asset Realizations.
- 4.5.15.3. Set out below is the calculation methodology of the expected recoveries of subsequent RDAs in the Restructuring Scenario assuming a 100% Illiquid Asset realization and an Initial RDA Bid of 45% (55% recoveries):

RDA USD'000	Second RDA	Third RDA	Final Distribution
Period	2Q2024	3Q2024	2Q2026
Expected Cashflow in Period	21,498	137,324	35,106
Future Expected Cashflow	193,928	172,430	35,106
Discount Rate	30%	30%	n/a
Net Present Value (NPV) – [A]	171,434	160,186	n/a
Unsecured Creditor Liabilities – [B]	166,042	145,220	n/a
RDA Recovery (A) / (B)	103%	110%	n/a

- 4.5.15.4. In all the scenarios of Illiquid Asset Realizations (100%, 75%, 50% and 25%) presented in the Explanatory Statement, we have assumed that **ALL** Illiquid Assets realized will be available and **FULLY** utilized for Second RDA and Third RDA. Hence, there are no remaining Illiquid Assets for pari-passu distribution after Second RDA and Third RDA.

Pari-Passu Distributions

4.5.16. Remaining Available Liquid Assets

- 4.5.16.1. Following the Initial RDA, the Liquid Assets remaining will be distributed pari-passu to all creditors remaining in the restructuring. Our analysis indicates that the creditors remaining in the restructuring post-Initial RDA, will receive a 29% to 42% level of recoveries from the payout of the remaining Liquid Assets. The level of recovery is a function of the average RDA bids submitted by creditors in the Initial RDA as a higher discount will result in more liabilities extinguished and greater percentage of distribution to a smaller pool of remaining liabilities.
- 4.5.16.2. Set out below is a breakdown of the recoveries to creditors based on various Initial RDA Bids assuming the USD50 million allocation of RDA Assets are fully utilized in the Initial RDA:

USD'000	Initial RDA Bids (Discount)		
	45%	55%	70%
Scheme Debt – [A]	323,566	323,566	323,566
RDA Take Up Amount – [B]	50,000	50,000	50,000
RDA Recoveries – [C]	55%	45%	30%
Extinguished Scheme Debt from RDA – [D = B / C]	90,909	111,111	166,667
Scheme Debt after RDA – [E = A – D]	232,657	212,455	156,899
Extinguished Scheme Debt from pari-passu distribution post-Initial RDA – [F]	66,615	66,615	66,615
Recovery to Creditors from pari-passu distribution post-Initial RDA – [G = F / E]	29%	31%	42%

4.5.17. Unallocated Assets and Final Distribution

- 4.5.17.1. For the purpose of presenting our analysis in the Restructuring, we have assumed that all available Illiquid Asset recoveries are fully utilized in Second RDA and/or Third RDA. Accordingly, our forecast presents nil remaining Illiquid Assets for pari-passu distribution in Second RDA and/or Third RDA. Should there be less than 100% utilization of the Illiquid Assets in Second RDA and/or Third RDA, the remaining assets will be distributed to pari-passu to creditors remaining in the restructuring.
- 4.5.17.2. Upon the recovery of the last and final Illiquid Asset, the Company will conduct a pari-passu distribution of remaining assets to creditors remaining in the restructuring. It is estimated that creditors will receive between 60% to 153% recovery from the Final Distribution based on 100% realization of Illiquid Assets. The level of recoveries is a function of the level of discounts bid in all the RDAs and a higher discount reflects more liabilities extinguished and less liabilities remaining in the Restructuring resulting in higher recoveries to remaining creditors at the Final Distribution.

Average Recovery to Creditors

4.5.18. A summary of the average recovery to creditors in different scenarios of Illiquid Asset realization is as follows:

USD'000	Estimated average recovery to creditors in different scenarios of Illiquid Asset realisations				
	100%	75%	50%	25%	0%
Available Illiquid Assets for distribution	311,601	263,752	215,902	168,052	117,673
Scheme Debt as of 4 July 2022	323,566	323,566	323,566	323,566	323,566
Recovery	96%	82%	67%	52%	36%

4.5.19. The average recovery to creditors represents the recovery to all creditors at the start of the Restructuring. This is not indicative of the recovery to individual creditors who may exit the Restructuring at different points in time (at the Initial RDA, Second RDA, Third RDA or Final Distribution).

Recoveries to Creditors at various exits during the Restructuring

4.5.20. The recoveries received by an individual creditor during the Restructuring is broadly a result of the following factors:

- 4.5.20.1. the level of Illiquid Asset realizations;
- 4.5.20.2. the timing at which the creditor exits the Restructuring (at the Initial RDA, Second RDA, Third RDA or Final Distribution); and
- 4.5.20.3. if the creditor exits the Restructuring early via an RDA, his individual bid submitted at that RDA.

4.5.21. On the basis of 100% realization of Illiquid Assets and 45% Initial RDA Bid, a summary of the calculation methodology of recoveries to creditors at various exits during the Restructuring is as follows:

Distribution No.	Description	Recovery to creditors who at exit			
		Initial RDA	Second RDA	Third RDA	Final Distribution
1	Total Recovery to Creditors exiting at the Initial RDA	55%			
2	Pari Passu Distribution 1 [A]		29%	29%	29%
	Unpaid claims after Pari Passu Distribution 1 [B = 100% - A]		71%	71%	71%

3	Second RDA Recovery [C]		103%		
	Net recovery in Second RDA [D = B x C]		74%		
	Total Recovery to Creditors exiting at Second RDA [E = A + D]		102%		
4	Pari Passu Distribution 2 [F]			0%	0%
	Unpaid claims after Pari Passu Distribution 2 [G]			71%	71%
5	Third RDA Recovery [H]			110%	
	Net recovery in Third RDA [I = G x H]			79%	
	Total Recovery to Creditors exiting at Third RDA [J = A + F + I]			107%	
6	Pari Passu Distribution 3 [K]				0%
	Unpaid claims after Pari Passu Distribution 3 [L]				71%
7	Final Distribution [M]				174%
	Net recovery in Final Distribution [N = L x M]				125%
	Total Recovery to Creditors exiting at Final Distribution [O = A + F + K + N]				153%

- 4.5.21.1. Under the scenario above, a creditor who exits the restructuring at the Initial RDA accepts a 45% haircut on his claims, will receive 55% recovery and exit the Restructuring.
- 4.5.21.2. Based on a full take up of the USD50 million allocated Liquid Assets for the Initial RDA, the pari passu distribution to creditors remaining in the Restructuring is 29% [A]. Claims of creditors left in the restructuring is 71% [B].
- 4.5.21.3. The average recovery in Second RDA at 103% will be based on the 71% remaining claims left, resulting in a 74% net recovery specific to Second RDA [D]. If a creditor exits the Restructuring at Second RDA, his total recovery (102%, [E]) will comprise:
- 4.5.21.3.1. the recovery received in the pari passu distribution 1 (29%, [A]); and

- 4.5.21.3.2. the net recovery received in Second RDA (74%, [D]).
- 4.5.21.4. Similarly, the average recovery in Third RDA at 110% will be based on the 71% remaining claims left, resulting in a 79% net recovery specific to Third RDA [I]. If a creditor exits the Restructuring at Third RDA, his total recovery (107%, [J]) will comprise:
 - 4.5.21.4.1. the recovery received in the pari passu distribution 1 (29%, [A]);
 - 4.5.21.4.2. the recovery received in pari passu distribution 2 (0%, [F]); and
 - 4.5.21.4.3. the net recovery received in Third RDA (79%, [I]).
- 4.5.21.5. The recovery in the Final Distribution (174%) will be based on the 71% remaining claims left, resulting in a 125% net recovery specific to the Final Distribution [N]. A creditor exiting at the end of the Restructuring at the Final Distribution will have a total recovery (153%, [O]) comprising:
 - 4.5.21.5.1. the recovery received in the pari passu distribution 1 (29%, [A]);
 - 4.5.21.5.2. the recovery received in pari passu distribution 2 (0%, [F]);
 - 4.5.21.5.3. the recovery received in pari passu distribution 3 (0%, [K]); and
 - 4.5.21.5.4. the net recovery received in the Final Distribution (125%, [N]).
- 4.5.22. A creditor who exits the Restructuring at an earlier stage at an RDA can avoid the risk of the impairments on Illiquid Assets at a cost of taking a discount on their Scheme Claims of their choice (subject to threshold limits). A creditor who exits the Restructuring at a later stage accepts the risk that Illiquid Assets may be impaired and not fully realized – this is the risk undertaken by creditors who stay with the potential for materially improved recoveries over creditors who exit in RDAs if Illiquid Assets are substantially or fully recovered. It is possible under the Restructuring, creditors who stay in the Restructuring to receive a lower recovery compared to those who exited earlier if the Illiquid Assets are not realized.

5. ESTIMATED RECOVERY UNDER A LIQUIDATION

- 5.1. In the event the Scheme did not take effect, the likely scenarios would involve the Company being put into liquidation. In a Liquidation, it is estimated that a creditor will receive a recovery between 27% to 80% depending on the level of Illiquid Asset realization.
- 5.2. This section of this appendix aims to provide the assumptions and methodology used in calculating the recovery to creditors in a Liquidation.
- 5.3. Set out below is a cashflow forecast of a Liquidation scenario:

USD'000	Pre-restructuring	Restructuring												Total
	2Q 2023	3Q 2023	4Q 2023	1Q 2024	2Q 2024	3Q 2024	4Q 2024	1Q 2025	2Q 2025	3Q 2025	4Q 2025	1Q 2026	2Q 2026	
Opening Balance - Liquid Assets	129,144	128,859	128,574	128,289	42,000	41,715	178,904	178,859	178,814	158,769	158,724	158,679	158,634	129,144
Asset Movements	-	-	-	-	-	137,324	-	-	-	-	-	-	35,106	172,430
Illiquid Asset Realization Costs	(285)	(285)	(285)	(285)	(285)	(135)	(45)	(45)	(45)	(45)	(45)	(45)	(45)	(1,875)
Liquidation Costs	-	-	-	-	-	-	-	-	-	-	-	-	(40,000)	(40,000)
Pro-rata Distributions	-	-	-	(86,004)	-	-	-	-	(20,000)	-	-	-	(153,695)	(259,700)
Closing Balance - Liquid Assets	128,859	128,574	128,289	42,000	41,715	178,904	178,859	178,814	158,769	158,724	158,679	158,634	-	-
Opening Balance - Unsecured Liabilities	(323,566)													
% Recovery to Creditors	0%	0%	0%	27%	0%	0%	0%	0%	6%	0%	0%	0%	48%	
Cumulative Recovery to Creditors	0%	0%	0%	27%	27%	27%	27%	27%	33%	33%	33%	33%	80%	

- 5.4. Key assumptions and methodology are as follows:

Assets

5.4.1. Liquid Assets

- 5.4.1.1. There are approximately USD129 million in Total Liquid Assets as of 4 April 2023. For the purposes of presenting recoveries under a Liquidation, we have assumed that the Total Liquid Assets will be held constant at token prices as of 4 April 2023.
- 5.4.1.2. While the assets are liquid and technically can be distributed immediately, the timeline to a distribution of the Total Liquid Assets would reasonably be expected to be significantly longer in a liquidation.
- 5.4.1.3. It is expected that the 1st interim dividend payment will likely only be available in 12 months (2Q 2024) due to statutory timelines of a liquidation as set out in the following table:

Date	Description	Days	Comments
28 April 2023	End of Moratorium	-	- The Company has no protection against possible legal action.
19 May 2023	Statutory Demand	21 Days	- Statutory timeline.
18 June 2023	Winding-Up Application	30 Days	- The Winding-Up application is to be heard by the court within 30 days.
October 2023	Submission and Adjudication of Proofs of Debt	~120 Days	- Adjudication of an expected 150,000 claims will take considerable time without the benefit of the Company's existing technology platform, where likely a bespoke tech solution will be required.
Before October 2023	Court directions		- Court summons for directions on dividend payment to be made in crypto or fiat (2-3 months).
October 2023	Notice of Intended Dividend		- Publish Notice of Intended Dividend in Gazette and at least one English local newspaper - Send notice to every creditor mentioned in SOA who has not proven their debt or claims to be a creditor whose claim has not been admitted.
November 2023	Last Day of Receiving Proofs of Debt	14 Days	- Within 14 days must admit / reject all POD submitted (or request for further supporting documents).
November 2023	Admit / Reject POD	14 Days	- If a proof is to be rejected, send notice of rejection. Any appeal must be commenced within 7 days.

Date	Description	Days	Comments
December 2023	Last Day to Appeal	21 Days	- To finalise the amount to be paid to creditors.
December 2023	Notice of Dividend	Within 2 months of Notice of Intended Dividend	<ul style="list-style-type: none"> - To inform the quantum of dividend and payment date in the Notice of Dividend. - Publish Notice of dividend in Gazette. - Send Notice to creditors whose proof has been admitted with instruction for collection. - To prepare dividend cheque before the payment date.
March 2024	Dividend Payment	Undetermined	<ul style="list-style-type: none"> - Without the benefit of the Company's existing technology platform, payment of a dividend in crypto will depend on whether customers from around the world can be onboarded for payment by the crypto payment service provider and if not, the likely practical outcome would be to make payment of the dividend in USD. - As over 50% of claims are below ~USD50 it would therefore likely be cost prohibitive for up to 50% of creditors to be paid a dividend at all. - The cost of meeting KYC requirements of onboarding customers to a new platform of the crypto payment service provider would be costly and the economics may result in 50% of lower value creditors not receiving a dividend at all.
TOTAL		~365 Days	- Potentially up to a year before payment of an interim dividend.

5.4.1.4. Out of the USD129 million of Total Liquid Assets, we expect that the Liquidator will reserve approximately USD42 million for the cost of liquidation and realization of Illiquid Assets. A remainder of USD86 million will be available for the first distribution to creditors in the Liquidation compared to USD117 million of Net Liquid Assets in the Initial RDA and First Distribution in the Restructuring.

5.4.2. Illiquid Assets

5.4.2.1. We have assumed that token prices of Illiquid Assets as of 4 April 2023 are kept constant during the Liquidation.

5.4.2.2. Under the illustrated Liquidation scenario above, Kroll has adopted the assumption that there is 100% realization of Counterparty A and CoinLoan receivables while there is a full impairment of Flipvolt intercompany receivables.

- 5.4.2.3. The Liquidation presents scenarios involved different levels of realizations of the Illiquid Assets. The percentage of realization is based on the net loan receivables from these counterparties and are as follows:

USD'000	Illiquid Asset Realisation				
Counterparty	100%	75%	50%	25%	0%
Flipvolt	-	-	-	-	-
Counterparty A	137,324	102,993	68,662	34,331	-
CoinLoan	35,106	26,330	17,553	8,777	-
Total	172,430	129,323	86,215	43,108	-

- 5.4.2.4. A liquidator of the Company will be an unsecured creditor of Flipvolt, one of the key counterparties for the realization of illiquid assets. A liquidator of the Company will not be able to support Flipvolt's legal process to have frozen assets unfrozen. All a liquidator of the Company is legally empowered to do is to serve Flipvolt a statutory demand notice for the outstanding receivable due by Flipvolt to the Company. As Flipvolt's assets are frozen and is not able to repay the Company, Flipvolt is likely to proceed into an insolvency of its own, which will heavily complicate the legal process with the Enforcement Directorate and in the absence of financial resources to progress this legal case, is highly likely to result in severe if not total impairment of the receivable from Flipvolt.

Costs and Expenses

5.4.3. Illiquid Assets Realization Costs

- 5.4.3.1. In a Liquidation, the liquidators will continue to pursue the realization of Illiquid Assets and are likely to engage legal advisors to pursue the relevant legal proceedings. We have assumed that the same costs under the Restructuring will apply the Liquidation.

5.4.4. Liquidation Costs

- 5.4.4.1. It is expected that significant costs will be incurred by the liquidator in the execution of their statutory duties to apprise themselves of the status of the company, establish control over assets, perform a KYC and adjudication process for over 150,000 creditors and their claims among other statutory requirements. The administrative load in large scale liquidations involving hundreds or thousands of creditors is significant, particularly when the appointment of a liquidator results in the departure of key employees and the impairment of existing infrastructure such as the Vault platform.
- 5.4.4.2. Liquidations of similar nature and involving large number of creditors have resulted in significant fees and expenses incurred by a liquidator. For example, in the most recent bankruptcy of FTX, professional fees since its bankruptcy in November to January 2022 has reached about USD81.3 million, consisting of USD71.7 million incurred by FTX and USD9.6 million by the unsecured creditors committee. Celsius Network, with more than 100,000 creditors, has incurred

USD6.5m in liquidation costs over 3.5 months (14 July – 31 October 2022). This represents an average of USD1.85m per month, or USD67m over 3 years. Hin Leong, the liquidation of an oil trading business with over 200 creditors, incurred USD7.5m in liquidation costs over 9 months (27 April 2020 – 3 February 2021) representing an average of in USD0.83m per month or USD30m over 3 years. Kroll market intelligence indicates that 6 other liquidations of similar nature with an average of 56,000 creditors incurred an average of USD2.1m per month in liquidation costs.

- 5.4.4.3. The time needed for the adjudication of debt would depend on the volume of claims and percentage of total claims disputed by creditors. Given that the Company has approximately 150,000 creditors and the total number of disputed claims is likely to be significant, the adjudication process would take about 4 months, longer than 2 weeks based on Kroll's experience.
- 5.4.4.4. It is also likely that a liquidation will require the Company to defend against / initiate legal proceedings and as a result incur significant professional fees.
- 5.4.4.5. As a liquidation involves the replacement of management and the appointment of a third-party liquidator, it does not allow creditors direct oversight and control over the incurrence of costs while a restructuring will allow for a creditor representative to be appointed to the New Board who will be able to review planned cost budgets and retains the right of veto to said cost budgets.

Liabilities

- 5.4.5. For the purposes of comparing recoveries under a Restructuring and Liquidation, we have adopted the same liability position as of 4 July 2022 for both scenarios. However, practically, a Liquidation will not compromise creditors' claims for accrued interest and/or referral bonuses, which is waived under the Restructuring. While creditors' Claims are not bound at its value as of 4 July 2022 under a Liquidation, they would likely be fixed as of the date of liquidation.

Recovery to Creditors

- 5.4.6. All unsecured creditors will be treated the same in a Liquidation and all distributions will be made pro-rata to each creditor. No RDAs will be available under a Liquidation.
- 5.4.7. The recovery to all creditors will be mainly a function of how much Illiquid Assets can be realized. This ranges from 27% if no Illiquid Assets are realized to 80% if all Illiquid Assets are realized (excluding the Flipvolt receivables which are assumed to be fully impaired under the Liquidation).
- 5.4.8. Without the benefit of the Company's existing technology platform, payment of a dividend in cryptocurrency will depend on whether customers from around the world can be onboarded for payment by the crypto payment service provider and if not, the likely practical outcome would be to make payment of the dividend in USD.

- 5.4.9. As approximately 50% of claims are below ~USD50 it would therefore likely be cost prohibitive for up to 50% of creditors to be paid a dividend at all. The cost of meeting KYC requirements of onboarding a high volume of customers to a new platform of the cryptocurrency payment service provider and combined with transaction costs is likely to be costly and the economics may result in 50% of lower value creditors not receiving a dividend at all.

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SCHEME PROTOCOL

1. INTRODUCTION

- 1.1. This document (the “**Scheme Protocol**”) sets out the procedure and timelines in which the Company proposes to convene a meeting of creditors to propose a scheme of arrangement to its creditors pursuant to Section 210 of the Singapore Companies Act 1967 (the “**Scheme Process**”).
- 1.2. Unless expressly defined otherwise, all capitalised terms used herein shall have the meaning that is ascribed to them under the Scheme.
- 1.3. For the avoidance of doubt, this Scheme Protocol only comprises the proposed procedure and timelines from the period commencing from the Company’s application for leave to convene a meeting of creditors up until the hearing for the Scheme to be sanctioned by the Court (if the Scheme receives approval from the requisite majority of creditors).
- 1.4. This document also sets out the proposed involvement of the various parties involved in the Scheme Process.
- 1.5. This Scheme Protocol encloses the following Annexures:
 - 1.5.1. Annex A – Sample screenshot of the Vault App
 - 1.5.2. Annex B – Sample construction of the Dispute and Other Claim Form
 - 1.5.3. Annex C – Sample construction of the Inspection Request Form
 - 1.5.4. Annex D – Sample construction of the Voting Form
 - 1.5.5. Annex E – Timeline of the Scheme Process
- 1.6. The Scheme will involve the following key parties, which will be referred to in this Scheme Protocol:
 - 1.6.1. “**Chairperson**” meaning the Scheme Manager.
 - 1.6.2. “**Company**” meaning Defi Payments Pte Ltd.
 - 1.6.3. “**Creditors**” whose meanings are prescribed in the Scheme.
 - 1.6.4. “**Independent Assessor**” meaning the proposed appointment of Luke Furler care of Quantuma (Singapore) Pte Limited.
 - 1.6.5. “**Information Agent**” meaning Kroll Issuer Services.
 - 1.6.6. “**Scheme Manager**” meaning Mr Jason Kardachi care of Kroll Pte Limited.

DRAFT**2. SUMMARY OF THE SCHEME PROCESS****The Scheme Process**

- 2.1. The Company shall be at liberty to fix the procedure, date, time, venue and the manner for any act to be undertaken or any meeting to be held.
- 2.2. The Company shall be at liberty to apply to the Court for any further order in relation to the Scheme Process as the Court sees fit.
- 2.3. A summary of the Scheme Process is set out below:

Description of the activity to be undertaken	Remarks	Dates (the reference to days herein are Business Days)
<i>Part I – The Online Meeting</i>		
(a) Filing of an application to the Court to seek orders including: <ul style="list-style-type: none"> (i) To convene a meeting of creditors (the “Scheme Application”) (ii) To vary the procedure of the Scheme pursuant to section 68(14) of the IRDA (the “Variation Application”) (iii) To obtain a moratorium against proceedings against the Company until the sanction of the scheme. <p>(the “Applications”)</p>		12 April 2023
(b) Court hearing for the Applications (and assuming that leave is granted to the Company to convene the meeting of creditors on the same day)	Subject to the Court’s schedule.	Day D (“ D ”)
(c) The Company will issue a notice to all Creditors (“ Notice ”) with: <ul style="list-style-type: none"> (i) Details as to how to access the bespoke Scheme Website (which will be secured and accessible only by Scheme Creditors) and any other key contact information; (ii) Details of the Online Meeting, and a link for Scheme Creditors to submit queries before the Online Meeting; (iii) Details as to how to access information relating to their individual Approved Claims, and how to dispute the Approved Claims and/or file any additional Claim(s) against the Company; (iv) Details as to how to access and/or inspect the List of Creditors; 		D+3

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Description of the activity to be undertaken	Remarks	Dates (the reference to days herein are Business Days)
<p>(v) A list of the proposed professional nominees to be nominated as the Scheme Creditors' Representative; and</p> <p>(vi) A document package, consisting of:</p> <ul style="list-style-type: none"> i. The Scheme of Arrangement; ii. The Explanatory Statement; and iii. This Scheme Protocol. <p>The Notice will be disseminated by way of email blast to the registered email addresses of all known Creditors.</p> <p>Once the Notice has been issued, the document package will be concurrently uploaded on the Scheme Website.</p>		
<p>(d) The Online Meeting will be held virtually by way of a live-stream.</p> <p>Prior to the Online Meeting, Scheme Creditors may submit queries to the Company.</p>		D+11
<p>(e) Recording of Online Meeting to be made available to all Scheme Creditors.</p>		D+13
<u>Part II – The Administration Period</u>		
<p>(f) Once the Notice is issued on Day D+3, Scheme Creditors may submit any disputes in relation to their Scheme Claims (a “Dispute”) or any other claims against the Company (“Other Claims”) using the online Dispute and Other Claims Form for a period of 10 Business Days.</p>		From D+3
<p>(g) Cut-off for Scheme Creditors to submit a Dispute or Other Claims.</p>		D+13
<p>(h) Creditor List Webpage (on the Scheme Website) to be made accessible to Scheme Creditors</p>		D+14
<p>(i) Notice to be issued to all Scheme Creditors that they may access the list of Scheme Creditors and their Approved Claims on the Creditor List Webpage.</p>		D+14

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Description of the activity to be undertaken	Remarks	Dates (the reference to days herein are Business Days)
(j) Scheme Creditors may submit a request to inspect another Scheme Creditor's proof of debt (" Inspection Request ") using the online Inspection Request Form for a period of 3 Business Days.		From D+14
(k) Cut-off for Scheme Creditors to submit an Inspection Request.		D+17
(l) Cut-off for the Independent Assessor to resolve any and all Disputes, Other Claims and Inspection Requests.		D+27
<u>Part III – The Voting Period</u>		
(m) The Company will issue a notice via email to inform Scheme Creditors of the Voting Period . - Link to the Voting Form will be circulated, but will only be accessible at the start of the Voting Period - Link to the Voting Form will be disabled at the end of the Voting Period This notice will also inform Scheme Creditors that the Creditor List Webpage will be updated.		D+16
(n) Start of Voting Period		D+20
(o) End of Voting Period		D+25
<u>Part IV – Post-voting Period</u>		
(p) The Information Agent tallies the votes under the supervision of the Scheme Manager, and the Scheme Manager submits the votes for verification by the Independent Assessor.		D+28
(q) Independent Assessor verifies the votes and sends written notice to the Scheme Manager and the Company.		D+31
(r) The Company will issue notice via email to all Creditors on the results of the vote.		D+33
(s) The Company files an application to sanction the Scheme pursuant to section 210(3AB)(c) of the Companies Act (the " Sanction Application ") (if the Scheme receives approval from the requisite majority of creditors)		D+45
(t) Hearing of the Sanction Application	Subject to Court's schedule	Day H (" H ")
(u) Extraction of Sanction Order and Filing of Order with ACRA	Subject to Court's order	H+5

2.4. A visual timeline of the Scheme Process can be found at Annex E.

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2.5. The details of each of the steps as set out above will be elaborated on below.

3. DETAILS OF THE SCHEME PROCESS

Among others, the Company intends to make an application to the Court pursuant to section 68(14) of the Insolvency, Restructuring and Dissolution Act, to diverge from the procedures relating to, *inter alia*, the conducting of meetings, the filing, inspecting and adjudication of proof of debts as well as disclosure of information requirements that are prescribed under the Insolvency, Restructuring and Dissolution (Proofs of Debt in Schemes of Arrangement) Regulations 2020 (the “**POD Regulations**”). The Company’s reasoning as well as details of the variations are set out below.

3.1. **Feature 1 – The meeting of creditors is replaced by an Online Meeting, an Administration Period and a Voting Period.**

- 3.1.1. **What is envisioned under the POD Regulations:** It is traditionally envisaged that the meeting of creditors is an actual gathering of the creditors, whether done physically or virtually (in recent times). The debtor company would propose the scheme, answer any queries and then the creditors would vote on the spot as to whether they are in favour of the proposed Scheme.
- 3.1.2. **Why the procedure envisioned under the POD Regulations is not feasible:** The Company views that this traditional method of convening a creditors’ meeting is not feasible for three main reasons: First, the Scheme Creditors are located across the globe and consequently different time zones. Even if a meeting was to be conducted virtually, there may not be a single time slot which would suit every creditor. Second, it is not feasible for all of the Scheme Creditors to attend a meeting, even a virtual one, to attend and discuss in the traditional manner given limitations of online platforms to accommodate the large number of creditors. Third, it would not be practical to allow creditors to nominate proxies, and the Company considers it more beneficial for creditors to be provided the information directly by way of the Scheme Website.
- 3.1.3. **The Company’s proposed solution:** As such, the Company has decided that a practical and feasible approach is that, instead of conducting a single session that encompasses a meeting of creditors and a voting, the Company conducts the meeting in **three stages**.
- 3.1.4. **Stage 1 – Online Meeting:** The Company will conduct a virtual Online Meeting that will be live-streamed, where the Company will explain the details of the Scheme as well as how it would affect the Scheme Creditors. During the Online Meeting, the Company will also provide information on matters which require action on the part of the Scheme Creditors, such as disputing and inspecting claims. An avenue will also be provided for Scheme Creditors to submit queries ahead of time, as well as to submit queries during the Online Meeting, for the Company to address.
- 3.1.5. As the Company envisages that a significant number of creditors will not be able to attend the Online Meeting, a recording of the Online Meeting will be taken and shared with all the Scheme Creditors so as to ensure that Scheme Creditors who are not able to attend the Online Meeting are not deprived of information which may help them make an informed vote.
- 3.1.6. **Stage 2 – Administration Period:** Concurrent with the Online Meeting, there will be a period called the Administration Period, where the following will be conducted: (i) Scheme Creditors to dispute their Approved Claims as well as to submit any additional claim(s) against the Company, (ii) Scheme Creditors to inspect the proof of debts of other Scheme Creditors, (iii) Scheme Creditors to submit any queries they may have before the Voting Period to the Company, and for the Company to address these queries, and (iv) for the Scheme Manager and/or the Independent Assessor to respond to any disputes, claims and inspection requests. This will be elaborated on below.

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3.1.7. **Stage 3 – Voting Period:** After the close of the Administration Period, the Scheme Creditors will vote on the Scheme using an online voting form. The Scheme Creditors will be given 5 Business Days to vote.

3.2. **Feature 2 – Voting will be done over a period by way of an online vote.**

3.2.1. The POD Regulations does not prescribe a fixed procedure to conduct the voting of the Scheme. The Company proposes to conduct a vote with the Scheme Creditors by way of a Voting Period, and votes are to be submitted using an online voting form (the “**Voting Form**”).

3.2.2. A link to the Voting Form together with login credentials will be sent to each Scheme Creditor 5 Business Days after the Online Meeting. The Voting Form will not be accessible until the Voting Period starts. The login credentials, which comprise a unique alphanumeric code and an email address, are unique to each Scheme Creditor, such that they will only be permitted to vote once per registered account tied to each Scheme Creditor.

3.2.3. When a Scheme Creditor accesses the voting link, the Scheme Creditor will first be required to input their login credentials, before he/she is able to cast his/her vote on the Scheme (“**Vote**”). A sample of the Voting Form can be found at **Annex D**.

3.2.4. The period for submitting a Vote on the Voting Form is 5 Business Days.

3.2.5. A Scheme Creditor will not be permitted to amend their Vote. Scheme Creditors will view a disclaimer that their Vote is final and cannot be amended, and that they are required to review their Vote before submitting the Voting Form. Once submitted, a Scheme Creditor may not amend or re-submit a Vote.

3.2.6. For the avoidance of doubt, the following will not be considered without the Scheme Manager’s approval. A clear disclaimer is given to the Scheme Creditors on the Voting Form itself.

3.2.6.1. Incomplete or erroneous Voting Forms;

3.2.6.2. Votes which are submitted in any other form other than the Voting Form; or

3.2.6.3. Votes submitted outside of the prescribed period.

3.2.7. The Votes will then be calculated by the Information Agent under the supervision of the Scheme Manager. Within 3 Business Days of the end of the Voting Period, the Scheme Manager will provide written notice of this tabulation of the results of the vote, his satisfaction that the vote has been conducted in a proper manner as well as the metadata of the voting to the Independent Assessor. The Independent Assessor, whose decision is final, will verify that the votes have indeed been tabulated accurately. Within 3 Business Days of receipt of the Scheme Manager’s notice, the Independent Assessor will inform the Scheme Manager and the Company of its decision by way of written notice.

3.2.8. For the avoidance of doubt, for the purposes of fulfilling the ‘headcount’ test pursuant to section 210(3AB) of the Companies Act, the total number of valid votes received shall be deemed as the universe of creditors “*present and voting*” at the meeting of creditors.

3.2.9. Within 2 Business Days of having received the Independent Assessor’s written notice, the Company shall notify Scheme Creditors via email of the results of the Vote.

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3.3. **Feature 3 – The appointment of a single Court-appointed independent assessor to resolve any and all disputes, additional claims and requests to inspect proofs of debts.**

- 3.3.1. **What is envisioned under the POD Regulations:** Pursuant to the POD Regulations, a creditor that has a dispute either in relation to the inspection of another creditor's proof of debts or the adjudicated amount of debt may take steps to appoint an independent assessor to resolve the dispute.
- 3.3.2. **Why the procedure envisioned under the POD Regulations is not feasible:** It is not practical for each creditor to take steps to appoint their own independent assessor, as some creditors may not have the requisite knowledge, financial means and/or representation in Singapore to appoint their own independent assessor. Even if this was possible, the entire process would take unduly long.
- 3.3.3. **The Company's proposed solution:** As such, the Company intends to apply to Court for an order that a single Court-appointed independent assessor (the "**Independent Assessor**") resolve all disputes.
- 3.3.4. The proposed Independent Assessor is Luke Furler care of Quantuma (Singapore) Pte Limited. The proposed scope of tasks of the Independent Assessor is as follows:
- 3.3.4.1. To resolve any disputes submitted by a creditor in respect of their Approved Claims ("**Dispute**"). In this regard, we refer to Feature 4 below where it is proposed that the process of filing and adjudication of proofs of debt be streamlined.
- 3.3.4.2. To resolve any additional claim(s) submitted by creditor against the Company ("**Other Claim(s)**"). In this regard, we refer to Feature 4 below where it is proposed that the process of filing and adjudication of proofs of debt be streamlined.
- 3.3.4.3. To facilitate the requests for inspection of proof of debts submitted by a creditor ("**Inspection Requests**").
- 3.3.4.4. To be the independent party that verifies the tallied votes during the Scheme.
- 3.3.5. The agreed remuneration for the proposed Independent Assessor is expected to be capped at USD150,000 for the above scope of work, subject to further finalization of the terms of engagement, with excess costs subject to agreement with the Company.

3.4. **Feature 4 – Variations as to the disclosure of information requirements.**

- 3.4.1. **What is envisioned under the POD Regulations:**
- 3.4.1.1. Pursuant to Regulation 3 of POD Regulations, the chairperson must send a list of creditors to every creditor who has filed a proof of debt for the purposes of voting, and this list must set out the (i) address of each creditor, (ii) the amount claimed under the proof of debt and (iii) a brief description of the nature of the claim under the proof of debt (the "**Preliminary List**").
- 3.4.1.2. Pursuant to Regulation 5(1) of POD Regulations, the chairperson must complete the adjudication of all proofs of debts for the purposes of voting at least 28 days before the creditors' meeting, and send in writing the results of the adjudication of the proofs of debts to every creditor who has filed a proof of debt.
- 3.4.1.3. Pursuant to Regulation 7 of the POD Regulations, on the day of the meeting but before the meeting, the chairperson must provide a physical copy of an updated list of creditors to every creditor whose proof is admitted, and this updated list must contain the (i) the amount admitted and rejected on each proof of debt and

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(ii) any differences in the post-dispute adjudication of proofs of debts (the “**Updated List**”).

3.4.2. **Why the procedure envisioned under the POD Regulations is not feasible:** It is not practical for the Company to disclose information in the manner set out at paragraph 3.3.1 above, for the following reasons:

3.4.2.1. First, the name and address of each creditor are personal, and there are concerns regarding the safety of each Scheme Creditor.¹ As such, the Company proposes that the address be omitted, and instead be replaced by the country of residence, and for names to be redacted and replaced with initials.

3.4.2.2. Second, given that the creditors’ meeting is to be held virtually and in three stages (see above at 3.2 generally), it is not feasible for the chairperson to send a physical copy of the Updated List to all Creditors.

3.4.2.3. Third, given that there may be potentially up to 150,000 Scheme Creditors, it is not feasible for the chairperson to send a list of all Scheme Creditors to all Scheme Creditors, even via electronic means.

3.4.3. **The Company’s proposed solution:** The Company proposes that instead of sending a Preliminary List and Updated List to each Scheme Creditor, the Company will instead upload on the Scheme Website a list of all Approved Claims, which will be sorted from highest to lowest by default (the “**Creditor List Webpage**”). The Creditor List Webpage will set out the Scheme Creditors’ name (partially redacted), the Scheme Creditor’s country of residence (instead of address), and value of Approved Claim.

3.4.4. The Scheme Website will be secured and accessible only by Scheme Creditors who have been provided with the password. Further work is being undertaken to establish the most effective way of mitigating the risk of such data being leaked.

3.4.5. Given the large number of Scheme Creditors, there is a likelihood of Scheme Creditors having similar names and/or initials. The Creditor List Webpage will thus include the following information: (i) the Scheme Creditor’s initials , (ii) the Scheme Creditor’s Approved Claim (iii) a brief description of the nature of the Scheme Creditor’s Approved Claim; and (iv) the Scheme Creditor’s country of residence. A table setting out the information that will be displayed on the Creditor List is as below.

S/N	Name of creditor (for illustration only)	Approved Claim (USD equivalent as at 4 July 2022)	Nature of claim	Country of residence
1	J. A.	___ (highest)	Customer deposit	___
2	M. B.	___	Customer deposit	___
	...			
150,000	P. C.	___ (lowest)	Customer deposit	___

3.4.6. The link to the Creditor List Webpage will be issued to all Scheme Creditors by way of a notice. This notice will also include instructions for Scheme Creditors to submit any Inspection Requests. This will be elaborated on below.

¹ In addition to maintaining the privacy of personal addresses, the Company is aware that some creditors have expressed concerns of receiving threats from other creditors. The Company wishes to uphold the safety of its creditors, and believes that the non-disclosure of personal addresses would assist with this.

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3.4.7. In the notice to be issued by the Company to inform of the start of the Voting Period, the Company will also inform creditors that an updated version of the Creditor List Webpage would be available. This is so as to account for any successful Disputes and/or the admission of Other Claims by the Independent Assessor.

3.5. **Feature 5 – Variations as to the procedure relating to the submission, adjudication and disputing of proof of debts.**

3.5.1. **What is envisioned under the POD Regulations:**

3.5.1.1. Pursuant to section 68(1) of the IRDA, the Company must issue the notice pursuant to section 211(1) of the Companies Act 1967, which includes the manner and period in which each creditor must file a proof of debt.

3.5.1.2. Pursuant to Regulation 5 of the POD Regulations, the chairperson must complete the adjudication of all proofs of debts for the purposes of voting at least 28 days before the creditors' meeting.

3.5.1.3. Pursuant to Regulation 5 and 6 of the POD Regulations, a creditor who objects to the results of the adjudication of the proofs of debts (defined as the 'opposing party' under the POD Regulations), may, no later than 14 days before the meeting of creditors' take steps to appoint an independent assessor to adjudicate the disputed proof of debt.

3.5.2. **Why the procedure envisioned under the POD Regulations is not feasible:**

3.5.2.1. It is not practical or time efficient for the Company to administer the receipt and adjudication of potentially up to 150,000 separate proofs of debt from each of the Scheme Creditors. Separately, it may not be feasible for each of the Scheme Creditors to individually file a proof of debt, particularly as many of them are not based in Singapore.

3.5.2.2. It is also not practical for each dissatisfied creditor to go through a separate process to appoint their own independent assessor, for the reasons mentioned above at paragraph 3.1.2.

3.5.3. **The Company's proposed solution:** The Company proposes to streamline the process for the filing, adjudication and disputing of proof of debts, which will be elaborated below.

3.5.3.1. The Scheme Manager will, using the information retained in the Company's database, determine each Scheme Creditor's Approved Claim, and programme it into the Vault App. This is because the Company anticipates that the Scheme Creditors comprises Creditors who are customers with accounts on the Vault Platform ("**Customer Creditors**"), with Claims against the Company for the outstanding balance in their accounts. Each Customer Creditor may view the details of their Approved Claim by logging into the Vault App. Each individual Customer Creditor will thus not be required to submit a proof of debt and are deemed to have submitted a proof of debt.

3.5.3.2. Customer Creditors will be informed in the Notice that they may get information on their outstanding balances either by logging into the Scheme Website or logging into the Vault App to view details of their Approved Claims. The Vault App will include details on the breakdown of their Approved Claims in token amounts while the Scheme Website is envisioned to include further details such as the total USD equivalent and the percentage of the Scheme Creditor's claims as a proportion of the entire universe of claims (only available after the completion of the adjudication and dispute process and all Approved Claims have been finalized). For illustration purposes only, a sample screenshot of what a Scheme Creditor would view on the Vault App can be found at **Annex A**.

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- 3.5.3.3. If a Scheme Creditor is dissatisfied with his Approved Claim, he may submit a dispute by way of submitting an online dispute form (the “**Disputes and Other Claims Form**”) via the Scheme Website. The Disputes and Other Claims Form is customized for each individual Scheme Creditor. When a Scheme Creditor accesses the Disputes and Other Claims Form, the Scheme Creditor will first be required to input their login credentials before he will be able to see his personal account information and the Approved Claim. The login credentials, which comprise a unique alphanumeric code and an email address, are unique to each Scheme Creditor. To dispute the Approved Claim, the Scheme Creditor will be required to input the necessary information set out in the form. Likewise, a Scheme Creditor who wishes to submit any additional Claim(s) against the Company would be required to input the necessary information set out in the form. A sample Disputes and Other Claims Form can be found at **Annex B**.
- 3.5.3.4. The period for submitting any Disputes and/or Other Claims is 10 Business Days.
- 3.5.3.5. For the avoidance of doubt, the following will not be considered without the Scheme Manager’s approval. A clear disclaimer would be given to the Scheme Creditors on the Disputes and Other Claims Form itself.
- 3.5.3.5.1. Incomplete or erroneous Disputes and Other Claims Forms;
- 3.5.3.5.2. Disputes and/or Other Claims which are submitted in any other form other than the Disputes and Other Claims Forms; or
- 3.5.3.5.3. Disputes and/or Claims which are submitted after the prescribed period.
- 3.5.3.6. Disputes and/or Other Claims will be considered by the Independent Assessor. The Independent Assessor would be entitled to dismiss any Disputes and/or Claims which it deems frivolous and/or baseless. The Independent Assessor also would be entitled (but not obliged) to request for further supporting documents from the Scheme Creditor to substantiate the Dispute and/or Claim. If the Scheme Creditor does not provide sufficient proof or does not timeously provide additional proof as requested by the Independent Assessor to his/her satisfaction, the Dispute and/or Other Claim may be dismissed.
- 3.5.3.7. The Independent Assessor is to provide written notice of his/her decision within 7 Business Days of the submission of the Dispute and/or Other Claim. The Independent Assessor’s decision is final.
- 3.5.3.8. Any Scheme Creditor who fails to submit a Dispute and/or Other Claim via the Disputes and Other Claims Form within the prescribed period shall, in accordance with section 68 of the IRDA read with the POD Regulations, be deemed to have admitted the decision of the Scheme Manager in relation to his/her Approved Claim.

3.6. **Feature 6 – Variations as to the procedure relating to the inspection of proof of debts:**

- 3.6.1. **What is envisioned under the POD Regulations:** Pursuant to Regulation 4 of the POD Regulations, a creditor who has filed a proof of debts for the purposes of voting (referred to as a ‘requesting creditor’ in the POD Regulations) and wishes to inspect the proof of debt filed by another creditor (referred to as the ‘affected creditor’ in the POD Regulations) must, not later than 21 days before the meeting, send in a written request to the chairperson and written notice of the request to the Company and the affected creditor. The affected creditor must within 3 days respond to the notice, and if a dispute arises, the requesting creditor must take steps to appoint an independent assessor to resolve the dispute.

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- 3.6.2. **Why the procedure envisioned under the POD Regulations is not feasible:**
- 3.6.2.1. First, the process is not practical or time efficient given the number of creditors potentially involved.
 - 3.6.2.2. Second, it is not practical for each requesting creditor and/or affected creditor to go through a process to appoint their own independent assessor, for the reasons mentioned above at paragraph 3.1.2.
- 3.6.3. **The Company's proposed solution:** The Company proposes to streamline the process for the inspection of proof of debts, which will be elaborated below:
- 3.6.3.1. As mentioned above at paragraph 3.3.6, after the period in which Scheme Creditors submit Disputes and/or Other Claims, the Scheme Creditors may access the Creditor List Webpage where they may view the Approved Claims of all the other Scheme Creditors.
 - 3.6.3.2. A requesting creditor who wishes to make an Inspection Request must submit the Inspection Request by way of an online inspection request form (the "**Inspection Request Form**"). The Inspection Request Form is customised for each individual Scheme Creditor. When the requesting creditor accesses the Inspection Request Form, the requesting creditor will first be required to input their login credentials before he or she will be able to see his or her personal account information and Approved Claim. The login credentials, which comprise a unique alphanumeric code and an email address, are unique to each requesting creditor. To submit an Inspection Request, the requesting creditor will be required to input the necessary information set out in the form. A sample Inspection Request Form can be found at **Annex C**.
 - 3.6.3.3. The period for submitting the Inspection Request Form is 3 Business Days.
 - 3.6.3.4. When an Inspection Request Form is validly submitted, the affected creditor is deemed to have objected to the Inspection Request, and the Independent Assessor will consider the Inspection Request. The Independent Assessor shall be entitled to dismiss any Inspection Requests which it deems frivolous and/or baseless. The Independent Assessor shall also be entitled to request for further supporting documents from the Scheme Creditor to substantiate the Inspection Request, but is not obliged to. If the Scheme Creditor does not provide sufficient proof or does not timeously provide additional proof as requested by the Independent Assessor to his/her satisfaction, the Inspection Request may be dismissed.
 - 3.6.3.5. The following will not be considered without the Independent Assessor's approval. A clear disclaimer is given to the Scheme Creditors on the Inspection Request Form itself.
 - 3.6.3.5.1. Incomplete or erroneous Inspection Request Forms;
 - 3.6.3.5.2. Inspection Requests which are submitted in any other form other than the Inspection Request Form; or
 - 3.6.3.5.3. Inspection Requests which are submitted after the prescribed period.
 - 3.6.3.6. The Independent Assessor is to provide written notice of his/her decision within 7 Business Days of the submission of the Inspection Request.
 - 3.6.3.7. If an Inspection Request is granted, the Independent Assessor will send by way of written notice to the requesting creditor the following:

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- 3.6.3.7.1. If the affected creditor, at the time the Inspection Request was made, had not submitted a Dispute and/or Other Claim, the Independent Assessor will provide the screenshot or data export of the affected creditor's Approved Claim on the Scheme Website; or
- 3.6.3.7.2. If the affected creditor, at the time the Inspection Request was made, had already submitted a Dispute and/or Other Claim, the Independent Assessor will provide the screenshot or the data export of the affected creditor's Approved Claim **and** a copy of the Dispute and Other Claims Form submitted by the affected creditor.

DRAFT**Annex A – Sample screenshot of the Vault Platform**

Wallet

Fiat			
Asset Type	Total Claim Amount ⓘ	Withdrawable Claim Amount ⓘ	Withdrawable Balance ⓘ
₹ INR	0.00	0.00	0.00 Open calculator
Crypto <input type="text" value="Search Token"/>			
Asset Type	Total Claim Amount ⓘ	Withdrawable Claim Amount ⓘ	Withdrawable Balance ⓘ
₿ BTC	0.00	₹ 0.00	₹ 0.00 Open calculator
⚡ ETH	0.00	₹ 0.00	₹ 0.00 Open calculator
₮ USDT	0.00	₹ 0.00	₹ 0.00 Open calculator
₪ USDC	0.00	₹ 0.00	₹ 0.00 Open calculator
⚡ BNB	0.00	₹ 0.00	₹ 0.00 Open calculator
ⓧ XRP	0.00	₹ 0.00	₹ 0.00 Open calculator

DRAFT**Annex B – Sample construction of Disputes and Other Claims Form****Disclaimer**

If you disagree with the Approved Claim notified to you and/or you consider that you have other claim(s) against the Company, you may submit a dispute in relation to your Approved Claim (“Dispute”) or submit an additional claim(s) against the Company separate from your Approved Claim (“Claim”) using this form (“Form”).

Incomplete Forms and Disputes and/or Claims which are submitted in any other form other than this Form will not be considered by the Independent Assessor. Disputes and/or Claims which are submitted after [●] on [●] will not be considered.

The Independent Assessor reserves the right to dismiss any Disputes and/or Claims which it deems frivolous and/or baseless. The Independent Assessor reserves the right to request for further supporting documents from you to substantiate your Dispute and/or Claim, but they are not obliged to. If you do not provide sufficient proof or do not timeously provide additional proof as requested by the Independent Assessor to his/her satisfaction, your Dispute and/or Claim may be dismissed.

You will not be allowed to amend your Form once submitted. Please review the Form carefully before clicking on the “Submit” button.

You will receive a written response with any requests for information and/or documents or notifying the outcome of your Dispute and/or Claim within 7 Business Days of your submission of your Dispute and/or Claim. Please note that the Independent Assessor’s decision is final.

For the avoidance of doubt, you are not required to submit a nil reply to this Form if you do not disagree with your Approved Claim and/or have any other claim(s) against the Company.

Please enter the Unique Code that has been provided to you alongside the link to access the Disputes and Other Claims Form.

Enter Unique Code

[●]

Enter Email Address

[●]

[The rest of the form below will load only if the correct credentials are provided above]

Personal information

1. Name: [●]
2. Registered email address: [●]
3. Approved Claim: [●]

Disputes over the Approved Claim

4. Do you have a Dispute regarding your Approved Claim: Y / N

[Unless “Y” is selected, the Scheme Creditor will not see Questions 5-7]

5. I consider that my claim against the Company should be in the sum of [●].
6. Please provide details of your Dispute, including a brief description of the nature of your Dispute: [●]
7. Please upload supporting documents for your Dispute: [●]

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Any other claim(s)

8. Do you have any other claim(s) against the Company in addition to the Approved Claim (“**Other Claims**”): Y / N

[Unless “Y” is selected, the Scheme Creditor will not see Questions 9-10]

9. If you have selected “Yes” for Question 8, please provide details of your Other Claim(s) including the amount claimed and a brief description of the nature of the Claim: [●]
10. Supporting documents for your Other Claims: [●]

Disclaimer: You will not be allowed to amend your Form once submitted. Please review the Form carefully before clicking on the “Submit” button below.

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DRAFT**Annex C – Sample construction of Inspection Request Form****Disclaimer**

The list of all Scheme Creditors and the value of their Approved Claims (subject to adjudication of any disputes) can be found at [●].

You (referred to as the “**Requesting Creditor**”) may request to inspect the Approved Claim of another Scheme Creditor (referred to as the “**Affected Creditor**”) by filling in this Form (“**Inspection Request**”). Please note that any Forms with incorrect information, incomplete Forms or Inspection Requests submitted in any other form other than this Form will not be considered by the Independent Assessor. Requests which are submitted after [●] on [●] will also not be considered.

You are required to justify your Request to the satisfaction of the Independent Assessor. The Independent Assessor reserves the right to dismiss any Requests which it deems frivolous and/or baseless. The Independent Assessor also reserves the right to, but are not obliged to, request for further information and/or documents from you justifying your Request.

You will not be allowed to amend your Request once submitted. Please review the Form carefully before clicking on the “Submit” button.

You will receive a written response on the outcome of your Request within 7 Business Days of your submission of your Request. Please note that the Independent Assessor’s decision is final.

For the avoidance of doubt, you are not required to submit a nil reply to this Form if you do not wish to make a Request to inspect the Approved Claims of another Scheme Creditor.

Please enter the Unique Code that has been provided to you alongside the link to access the Disputes and Other Claims Form.

Enter Unique Code

Enter Email Address

[●]

[●]

[The rest of the form below will load only if the correct credentials are provided above]

Personal information

1. Name: [●]
2. Registered email address: [●]
3. Approved Claim: [●]

Inspection Request

1. I wish to inspect the Approved Claim of:
 - a. [Affected Creditor’s initials as stated on the Scheme Website]
 - b. [Affected Creditor’s Approved Claim as stated on the Scheme Website]
 - c. [Affected Creditor’s jurisdiction as stated on the Scheme Website]
2. Please provide the basis for your Request: [●]
3. Please upload supporting documents for your Request: [●]

Disclaimer: You will not be allowed to amend your Form once submitted. Please review the Form carefully before clicking on the “Submit” button below.

DRAFT**Annex D – Sample construction of Voting Form**** Denotes compulsory question***Disclaimer**

Please submit this Form if you wish to submit a vote for the Scheme (“Vote”). Please note that any Vote submitted in any other form other than this Form will not be considered valid.

Please note the following instructions:

- You may only submit this Form once.
- You will not be allowed to amend your Vote once submitted. Please review your Form carefully before clicking on the “Submit” button below.
- This Form will remain open until [•] on [•]. You will not be able to access this Form and/or submit a Vote after [•] on [•].

If you face any technical issues with this Form, please contact [•].

Please enter the Unique Code that has been provided to you alongside the link to access the Disputes and Other Claims Form.

Enter Unique Code

Enter Email Address

[•]

[•]

[The rest of the form below will load only if the correct credentials are provided above]

Personal information

1. Name: [•]
2. Registered email address: [•]
3. Your Approved Claim for purposes of voting and participation in the Scheme is: [•]

*** Please select one**

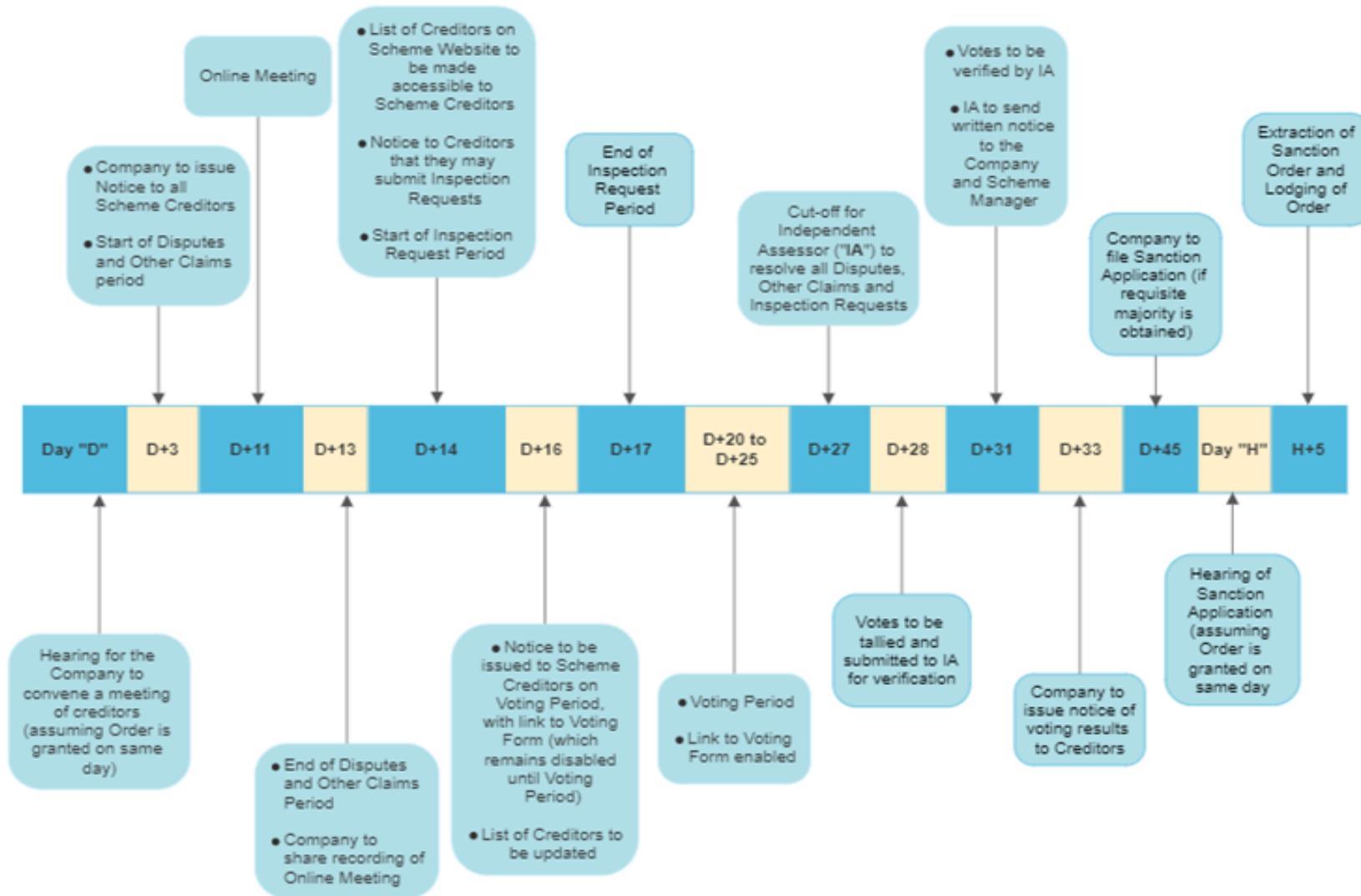
- I wish to vote **FOR** the Scheme.
- I wish to vote **AGAINST** the Scheme.

Disclaimer: You may only submit this Form once, and you will not be allowed to amend your Vote once submitted. Please review your Form carefully before clicking on the “Submit” button below.

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Annex E – Timeline of Scheme Process

**Timelines are made with reference to Business Days*



TAB - 6

KROLL

VAULD GROUP

DeFi Payments Creditors' Committee Meeting

11.00pm Singapore time, 31 January 2023

Table of Contents

1. Court Process Update
2. Situation Assessment
3. Recovery Option – Restructuring
4. Recovery Option – Liquidation
5. Comparative Analysis of Recovery Options
6. Pros & Cons of Recovery Options
7. Next Steps
8. Engagement with the COC

01.

Court Process Update

Court Process Update

Hearing for Extension of Moratorium

- On 17 January 2023, the Singapore court granted an extension of the moratorium up to **28 February 2023**
- The Court provided the following directions at the hearing that DeFi Payments:
 - to consider and write in by **31 January 2023** to the Court regarding whether:
 - there was a possibility that the COC be expanded to a team of 25; and
 - if DeFi Payments could facilitate the creation of a communication space (such as a forum or platform) for all verified account holders to communicate with each other without any moderation from DeFi Payments
 - to write in by **10 February 2023** to provide the Court with an outline on how DeFi Payments intended to run the scheme meeting and voting process. The Court indicated that it would suffice that this letter be made available only to the Court
- The Court also indicated that it was amenable to granting a further extension upon application until April 2023 if all arrangements as indicated in Darshan's 8th affidavit went to according to plan with the estimated timeline

Court Process Update

Hearing for Extension of Moratorium

Steps to be taken by DeFi Payments

1. Suggest to the COC that they conduct a townhall (or the like) that is to be attended by just the COC and creditors
2. Prepare a very detailed, comparison table of the expected returns, pros and cons and other necessary details of the (a) fund manager option, (b) winding-down and (c) liquidation so that the creditors can easily compare and decide their preference
3. Negotiate, finalise and enter into a term sheet or the like by mid-February (as indicated in the affidavits) in respect of the proposed restructuring
4. Consider whether the COC can be expanded to 25 members, to ensure more representation from the smaller-value creditors from India, while ensuring proper representation from the other classes of creditors and to provide a written update to the Court by 31 January 2023
5. Consider setting up a forum or platform where all verified, registered users can communicate with each other so that, among others, they can decide among themselves how a vote on the scheme should be carried out and to provide a written update to the Court by 31 January 2023

02. Situation Assessment

Situation Assessment

Background to the situation

- **Background**

- Vaultd is a cryptocurrency brokerage and lending platform with ~150,000 creditors based largely in India, Singapore and the USA
- market developments in mid-2022 created near term liquidity pressures and adversely impacted the Group's net asset value
- Defi Payments suspended customer accounts on 4 July 2022 with the objective of stabilising liquidity, preserving value and developing a Restructuring Proposal

- **Current market environment**

- the collapse of the cryptocurrency market in mid-2022 has resulted in a contagion effect where risks remain significantly heightened
- cryptocurrency asset values have been negatively impacted where, since mid-2022, cryptocurrencies Bitcoin and Ethereum dropped as much as 70% and 75% from record highs, respectively as compared to a 20% drop in the S&P over a similar period
- market instability has persisted until now with the collapse of FTX in late 2022 and more recent collapse of Genesis' crypto lending businesses
- the general lack of transparency in financial reporting of crypto platforms and businesses is a barrier to meaningful assessment of counterparty risk

Situation Assessment

Background to the situation

- **Recovery Options**

- it is not a viable option to restart the business given the fundamental shift in the market in terms of economics
- scope of opportunities for acquisition by suitable alternate platforms to onboard customers are extremely limited, if any, and discussions with Nexo as a potential acquirer have not resulted in any agreement
- the remaining options for restructuring are therefore focused on recovery of assets and determining a **preferred mechanism to deliver maximum value** of the Company's assets to creditors
- possible mechanisms for delivering the realisable value of the Assets to the creditors of DeFi Payments (the "Creditors") include: (1) a **court sanctioned restructuring plan**; or (2) by **placing the company under third-party administration**, e.g. liquidation (the "Recovery Options")
- there are costs and risks associated with the different Recovery Options driven by structural factors and circumstances that would ultimately affect the associated costs and quantum and timing of payments made to creditors

Situation Assessment

DeFi Payments Financial Position

- **Updates since the Creditor Virtual Townhall held on 5 January 2023**

- To model the Recovery Options, we have updated the DeFi Payments financial position that was stated as of 14 December 2023 as follows:
 - Updated asset valuation based on token prices as of 26 January 2023;
 - Reserved USD10m of assets for costs of the Restructuring;
 - Revised estimate of Flipvolt Technologies Pvt Limited (“Flipvolt”) intercompany receivables based on latest transfer pricing estimates; and
 - Set off assets and liabilities due to Counterparty A (the sole secured creditor)
- These updates streamline the financial position in relation to unsecured creditors only and is appropriate for modelling Recovery Options for unsecured creditors, i.e. Vault customers

- **Latest Financial Position**

- the **Company’s assets total ~USD262m** (the “Assets”) and comprise:
 - (1) ~USD105m in available liquid assets; and
 - (2) ~USD157m in illiquid assets.
- the **Company’s unsecured liabilities total ~USD328m** (the “Claims”)
- the latest **asset / liability deficit is ~USD65m or 20% of Claims** as of a valuation date of 26 January 2023
- This financial position is a snapshot of a point in time used to illustrate modelled returns under the Recovery Options. The financial position and asset / liability deficit will vary over time with token prices

Situation Assessment

DeFi Payments financial position

DeFi Payments Financial Position as of 26 January 2023	Crypto Tokens (BTC)	Crypto Tokens (ETH)	Crypto Tokens (Other)	Stablecoin	Fiat	Total
USD'000						
Assets						
Cash	-	-	-	-	52	52
Investment in Crypto Tokens	54,827	23,636	31,274	5,499	-	115,236
Amount reserved for costs	(10,000)					(10,000)
Available Liquid Assets	44,827	23,636	31,274	5,499	52	105,236
Available Liquid Assets over Liabilities						32%
Third Party Receivables	99,532	50,449	28,950	(41,996)		136,936
Flipvolt Receivables					20,000	20,000
Total Illiquid Assets	99,532	50,449	28,950	(41,996)	20,000	156,936
Total Assets	144,359	74,085	60,224	(36,497)	20,052	262,223
Total Assets over Liabilities						80%
Total Liabilities	(122,932)	(37,334)	(41,375)	(126,057)	-	(327,698)
Net Available Liquid Assets / Liabilities	21,426	36,751	18,849	(162,553)	20,052	(65,475)

Basis for Valuation

- Assets are valued using 14 December 2022 token balances and 26 January 2023 token prices. With no substantial transactions occurring between 14 December 2022 and 26 January 2023, asset token balances remain materially unchanged between these dates
- Liabilities (Claims) are valued using token balances due to Vault customers and token prices as of 4 July 2022. This is equivalent to the overall amounts in the Vault app of all customers at the date of suspension of customer accounts
 - **Key clarification: the balance shown in the Vault app is representative of the Claims amount and not the Assets**
 - With the freezing of deposits and withdrawals on 4 July 2022, creditors have not been able to trade their exposure and have been locked into a particular token composition at the time of the suspension
 - To treat creditors equally under a restructuring, it is appropriate to value the Claims using the token balances and prices as at the date of the suspension

Situation Assessment

DeFi Payments financial position

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Proposed Treatment of Claims

- Each creditor will hold a pro-rata share of the Claims ("Pro-Rata Share")
 - This will be calculated by their token balance as at 4 July 2022 multiplied by the relevant token prices as at 4 July 2022, divided by the total Claims
- Each creditor's Pro-Rata Share will be used to determine percentage allocation of each distribution under a Scheme ("Pro-Rata Allocation")
 - For example, a creditor with Pro-Rata Share of 5% will be allocated USD5m of a USD100m distribution
- Each creditor's Pro-Rata Allocation will be converted to the relevant token composition at prevailing token prices at the time of distribution
 - For example, a creditor with Pro-Rata Allocation of USD5m and their claims fully denominated in BTC will be distributed 250 BTC assuming USD20,000 / BTC token price at the time of the distribution
 - A creditor with Pro-Rata Allocation of USD5m and claims 50% in BTC and 50% in USDT will be distributed 125 BTC and 2.5m USDT under similar token price assumptions
- Under the proposed treatment of Claims, creditors maintain their claims in-kind and receive distributions in-kind, with no conversion to fiat at any point
 - For example, a creditor currently owed BTC now will maintain their claims under a Scheme in BTC and receive distributions in BTC

Situation Assessment

DeFi Payments financial position

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Key Observations

- There is a net deficit in Assets, which as of 26 January 2023 was ~USD65m, where the ratio of the full value of Assets to Claims was 80%
- However as only ~USD105m of the Assets are liquid and available net of amounts reserved for costs, there are **only funds available sufficient to pay out approximately 32% of overall Claims** in the near term
- Therefore, although the Company will be able to make funds available at an early stage, it will be **unable to make 100% payment of the Claims**

Situation Assessment

Asset Recoveries

- Each of the possible Recovery Options, i.e. Restructuring or Liquidation, are focused on the recovery of assets with each having the main objective of delivering maximum value of the Company's assets to its creditors
- The Company's Assets of ~USD262m representing full recovery of Assets are comprised of:
 - **Available Liquid Assets (~USD105m)**
 - **Illiquid Assets (~USD157m)** comprised of three major Assets:
 - **Counterparty A (~USD108m):** net loans receivable from Counterparty A
 - **CoinLoan (~USD29m):** balance of account held at CoinLoan
 - **Flipvolt (~USD20m):** intercompany loan receivable from Flipvolt
- DeFi Payments also has a claim of ~USD9.5m in the FTX bankruptcy, the recovery of which is highly uncertain in both amount and timing and possible to result in nil recovery. This receivable is thus fully impaired for the purposes of our assessment
- The expected quantum and timing of Illiquid Asset recoveries is likely to differ for the different Recovery Options due to the relative advantages of administration and management of a restructuring as compared to the appointment of a liquidator
- At present, a key underlying modelling assumption for the Recovery Options is for **full recovery of Illiquid Assets within three years**, which is standardised across the Recovery Options modelling scenarios for comparative purposes. There is a significant level of risk and uncertainty associated with the recoverability of certain assets in all the Recovery Options. In a Liquidation there is likely greater levels of delay and impairment to these Illiquid Asset recoveries

Situation Assessment

Asset Recoveries – Available Liquid Assets

Available Liquid Assets

- There are ~USD115m in Liquid Assets that as of 26 January 2023 were held in wallets (~USD102m) and in third-party custodian accounts (Delta Exchange, Binance, Huobi) (~USD13m). USD10m of these Liquid Assets are reserved for costs, resulting in ~USD105m in Available Liquid Assets
- Kroll has sighted the balances contained in the wallets and custodian accounts and a further exercise to evidence the balances is planned
- In a Restructuring and upon implementation of the Scheme, the funds will be placed into safe keeping exclusively under third-party custody arrangements for the purpose of funding payouts to Creditors and/or deployment in line with investment strategies, depending on the final Restructuring Plan
- In a Liquidation, the Liquidator would take control of the Available Liquid Assets and given the volatility of the asset class likely convert the crypto assets to USD at the earliest appropriate opportunity

Situation Assessment

Asset Recoveries – Illiquid Assets

Counterparty A

- There are ~USD108m in net loans receivable from Counterparty A where crypto assets of 3,985.9 BTC and 28,955.7 ETH were deposited with Counterparty A on 13 June 2022 to purchase 'Fixed Earn' products and the deposited amounts were used as collateral to borrow 35m USDC, where under the agreements, these separate transactions constitute a single business and contractual relationship
- The direct contractual arrangements for the net receivable from Counterparty A are with Darshan Bathija who acts as the custodian on behalf of DeFi Payments by way of a Custody Agreement
- **Counterparty Risk**
 - The name of Counterparty A is unable to be disclosed due to there being a non-disclosure clause in the terms of the loan documentation, as referenced in the 1st Affidavit of Darshan Sunil Bathija dated 8 July 2022
 - The Company is unable to make meaningful assessment of the counterparty risk associated with Counterparty A with no access to the financial information of Counterparty A, which is a private company. Publicly available information on Counterparty A is mixed such that a clear view is not able to be formed regarding counterparty risk
 - There is a heightened level of counterparty risk across the industry and examples of failure of similar businesses including Babel Finance, FTX and BlockFi
- **Litigation Risk**
 - There is significant potential for disputes to arise in relation to the net receivables from Counterparty A which may take several years to resolve if litigated
 - There are a number of items in the loan documents that may indicate possibility of various defaults that may have occurred
 - These potential breaches create risk that litigation could cause substantial delay to any recoveries which may also be impaired as a result
- In our assessment, the amount due from Counterparty A will not be collected in June 2023 per the terms of the loan agreement as a result of the above risks. Active recovery efforts and likely litigation will be necessary with the estimated timing of recoveries is estimated to be at least 3Q 2024

Situation Assessment

Asset Recoveries – Illiquid Assets

CoinLoan

- DeFi Payments has ~USD29m deposited with CoinLoan, a cryptocurrency exchange platform, which imposed a withdrawal limit of USD10,000 per day from 27 July 2022, which subsequently increased to USD15,000 per day in October 2022
- Under normal circumstances, the CoinLoan funds would be fully liquid however given the level of the cap it would take approximately 5 years for the funds to be fully withdrawn
- The CoinLoan account is held in the name of Darshan Bathija who acts as the custodian on behalf of DeFi Payments by way of a Custody Agreement
- **Counterparty Risk**
 - The Company is unable to make meaningful assessment of the counterparty risk associated with CoinLoan with no access to the financial information of CoinLoan which is a private company, there is however a heightened level of counterparty risk across the industry and examples of failure of similar businesses including FTX and BlockFi
- **Litigation Risk**
 - Vault terminated the CoinLoan account and sought a full refund under the terms of the agreement with CoinLoan, where CoinLoan responded by freezing all withdrawals
 - Vault is taking steps to recover the balances held with CoinLoan, including commencing potential legal action in Estonia although the enforceability of any possible judgement debt may be challenging depending on what rights and remedies are available in this jurisdiction

Situation Assessment

Asset Recoveries – Illiquid Assets

Flipvolt

- DeFi Payments has an intercompany receivable of ~USD20m from Flipvolt. This intercompany receivable is an estimate and subject to confirmation via a transfer pricing study which is expected to conclude shortly
- The receivable is unable to be realised at this time due to the Enforcement Directorate (India) having frozen the assets of Flipvolt pending investigation into the possible money laundering activities of one of Vault's customers, Yellow Tune Technologies (Yellow Tune Technologies is in no way related to DeFi Payments or any of DeFi Payments' directors and management)
- **Investigation Progress**
 - There has been an initial hearing before the Adjudicating Authority under the Prevention of Money Laundering Act (PMLA) and Foreign Exchange Management Act (FEMA) held in mid-January 2023 regarding the asset freeze with the outcome pending
 - In the event that the matter progresses further through the judicial system in India, which is likely, it would reasonably be expected to take a further 12 – 18 months for resolution

Situation Assessment

Asset Recoveries – Illiquid Assets

Flipvolt (Cont'd)

- **Flipvolt Avenues of Recovery (Restructuring)**
 - DeFi Payments management will be able to continue with the strategy currently being utilised of recovering amounts receivable from Flipvolt
 - The expected quantum and timing of recoveries is uncertain however the prospects of recovery are improved in a restructuring where DeFi Payments management play an active role in asset recovery efforts
- **Flipvolt Avenues of Recovery (Liquidation)**
 - The only likely recourse available to a Liquidator of DeFi Payments would be to demand payment from Flipvolt in India
 - While Flipvolt will remain within the control of its directors, the liquidation of DeFi Payments will result in Flipvolt not having access to any financial support from DeFi Payments to fund legal costs associated with the recovery from the ED
 - Without access to financial support to progress the recovery from the ED and with no liquid assets to repay the statutory demand from the Liquidator of DeFi Payments, Flipvolt will likely enter into insolvency proceedings in India
 - An insolvency of Flipvolt will likely take years, and further add substantial cost and uncertainty for any recoveries from the ED
 - Under a Liquidation of DeFi Payments, it is likely that there would be nil recovery of the amount receivable from Flipvolt

Situation Assessment

Asset Recoveries – Contingent Asset

FTX Claims

- The Company's net exposure to FTX comprises tokens that Defi Technologies Europe UAB had stored in an account with FTX, offset by a loan payable to FTX
- The FTX account is held in the name of Defi Technologies Europe UAB who acts as the custodian on behalf of DeFi Payments by way of a Custody Agreement
- Due to market price recovery between the previous value date of 14 December 2022 and the latest value date of 26 January 2023, the net exposure to FTX has increased in USD terms from USD6.4m to USD9.5m
- FTX is currently undergoing financial difficulties and has entered bankruptcy and the funds are unable to be recovered at this time
- Defi Technologies Europe UAB will be able to make a claim against FTX in the bankruptcy proceedings
- Electronic submission of claims has not yet opened and the Court has not yet set a deadline for filing proofs of claim against FTX
- Recoveries in respect of the claim of USD9.5m against FTX are highly uncertain in terms of both amount and timing and has been fully impaired for the purposes of our analysis

03. Recovery Option - Restructuring

Situation Assessment

Recovery Options – Restructuring Proposal

- **Developing the Restructuring Proposal**
 - Kroll has worked with the Company to assess available restructuring options, taking into consideration cashflow, projections, risks and opportunities
 - There has been significant progress made in exploring options for restructuring and in developing alternatives for a viable Restructuring Proposal with the following objectives:
 - maintaining a standstill (the Moratorium) to protect against value destructive legal actions
 - stabilising the business and confirming the net asset position
 - exploring options to maximise returns to creditors
 - treating creditors fairly and providing options including voting entitlements
 - to achieve a better outcome for all creditors than under a liquidation

Situation Assessment

Recovery Options – Restructuring Proposal

- **Practical aspects of the Restructuring and timing**

- there has been a considerable amount of work done in developing the Restructuring Proposal including:
 - engaging in an investor process, supporting the Company in working through a process of due diligence and negotiations with Nexo as a potential acquirer
 - engaging with creditors through the formation of a DeFi Payments Committee of Creditors (the “COC”) and through direct feedback regarding developments in the restructuring
 - overcoming administrative challenges including making practical arrangements for the coordination of voting by up to ~150,000 creditors
- time has benefitted the process allowing for some degree of market stabilisation and bringing increased perspective to risk management
- more time is needed:
 - for engaging further with creditors to narrow down the options for restructuring
 - to develop and produce an Explanatory Statement, which is a detailed document outlining the background to the situation and terms of the restructuring proposal, and making this document available to all creditors with sufficient time allowed to read and understand in advance of voting on the Restructuring Proposal
 - to accommodate Singapore court processes that include statutory timelines leading to the sanctioning of the Restructuring Proposal via a Scheme of Arrangement (the “Scheme”)

Situation Assessment

Recovery Options – Restructuring Proposal

- The terms of the Restructuring Proposal are premised on the following:
 - **Available Liquid Assets:**
 - the Available Liquid Assets (~USD105m) to be paid out in full or in part upon implementation of the Scheme
 - a minimum level of Available Liquid Assets to be retained to fund the estimated costs of recovery actions in relation to the Illiquid Assets
 - the proposed mechanism for payment of the Available Liquid Assets is by way of a debt tender offer upon implementation of the Scheme in which all creditors may choose to participate
 - **Illiquid Assets:**
 - DeFi Payments management continues to play an active role in recovery efforts (including that the assets are held in their individual name) that are currently underway in relation to the Illiquid Assets (~USD157m) however the quantum and timing of realisations are subject to significant risk and uncertainty
 - the proposed mechanism for payment of the Illiquid Assets is to carry out debt tender offers (open to all remaining creditors) as and when recoveries are made
 - **Claims:**
 - the Claim amount will be as of 4 July 2022 (~USD328m), which is the date of suspension of customer account activity, interest and/or referral bonuses notionally accrued from this date will be proposed to be waived as part of the Restructuring Plan
 - Claims to be maintained 'in-kind' for BTC, ETH and stablecoin balances. The 'long tail' of claims in alt coins will be converted to claims in stablecoins valued as of 4 July 2022
 - distributions to be made to creditors 'in-kind', pro-rata to their share of the Claims
 - **Governance and Oversight:**
 - Introduction of structural elements to ensure an appropriate level of oversight and governance

Situation Assessment

Recovery Options – Restructuring Proposal

- **Possible alternatives for the Restructuring Proposal**
 - Given that there are only sufficient funds available to pay out approximately 32% of Claims in the near term and with full recovery of assets, 80% of Claims within an estimated 2-3 years, creditors who remain throughout the restructuring would only have the opportunity to make full recovery of their Claims against DeFi Payments subject to recovery of Assets and/or reduction in asset / liability deficit from other creditors exiting earlier via RDAs
 - there are two possible scenarios for restructuring currently being contemplated by DeFi Payments:
 - **Funds Under Management** - where a minimum level of Assets (~USD50m) are retained over a three-year period for investment by a third-party professional crypto asset manager, which would provide an opportunity for those creditors who remain in the restructuring access to a potentially higher level of recoveries through gains made through fund manager performance
 - **Managed Wind-Down** – where Assets are paid out as and when they become available, including the Liquid Available Assets which are currently available, and the Illiquid Assets as and when recoveries are made. There is no opportunity for investment of the funds and the level of Assets available for payouts over time will be determined solely as a function the level of net recoveries of Illiquid Assets able to be achieved
 - the major difference between these two possible Restructuring Proposals is that by placing Funds Under Management, creditors have the opportunity to achieve a higher level of recoveries than under a Managed Wind-Down
 - In both cases the Assets remain the assets would remain under the ownership of DeFi Payments for the benefit of Creditors

Situation Assessment

Recovery Options – Restructuring Proposal

- **Debt Tender Offer via Reverse Dutch Auction**

- The key mechanism for providing Scheme Creditors with payouts in the restructuring is via a Debt Tender Offer conducted by way of a Reverse Dutch Auction (“RDA”)
- All Scheme Creditors will be provided with the opportunity to participate in a series of RDAs for debt buybacks by DeFi Payments
- Assets will be made available through the RDA as and when available:
 - An initial RDA to be conducted using Available Liquid Assets upon implementation of the Scheme; and
 - Subsequent RDAs to be conducted upon recovery of major Illiquid Assets, including the Illiquid Assets and claim in the FTX bankruptcy
- The purpose of conducting the RDAs is to provide access to liquidity for Creditors at key points in time to provide:
 - Certainty of liquidity available to Creditors who choose to exit at a discount via an RDA, where earlier RDAs in the timeline will be offered at a deeper discount; and
 - Access to higher returns, potentially over 100%, for Creditors who opt to receive delayed payments, i.e. reward for risk incurred

Situation Assessment

Recovery Options – Restructuring Proposal

- **RDA Mechanism**

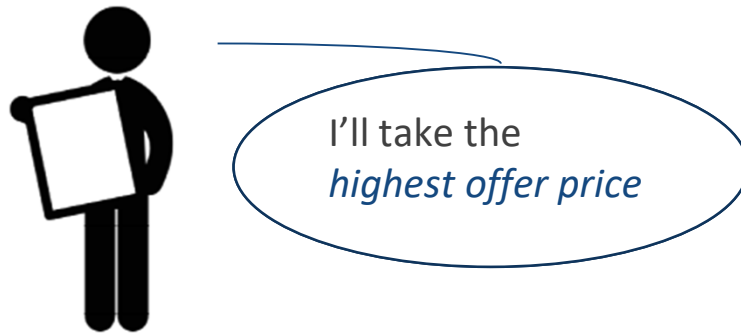
- Assets available for the debt buybacks by RDA will be capped at the level of liquid assets available for payment to participating Scheme Creditors (“Buyback Assets”)
- Scheme Creditors will be invited to participate in the RDAs for the Buyback Assets by offering their Claims in the Restructuring up for purchase at a discount by DeFi Payments
- The threshold level of the discounted Claims amount will be set at a minimum % offered discount
- Bids may be made for any level of discount from the minimum % threshold ranging up to 100%
- DeFi Payments will accept bids in order from the highest level of discount first and then in progression from highest to lowest level of discount up to the ceiling threshold of the minimum % offered discount until the Buyback Assets have been fully allocated
- Bids will be allowed on the basis of full or partial Claim amounts

Situation Assessment

Recovery Options – Restructuring Proposal

Reverse Dutch Auction Visualised

Traditional Auction



Reverse Dutch Auction



Situation Assessment

Recovery Options – Restructuring Proposal

- **Initial RDA**
 - An initial RDA will be conducted upon implementation of the Scheme using Available Liquid Assets as Buyback Assets (the “Initial RDA”)
 - The minimum threshold level of the discount on Claims of the Initial RDA to be set at say, 60% in the initial RDA – this is an indicative estimate and actual minimum threshold level will be determined with reference to token prices at the time of the initial RDA
 - In this example, bids may be made for any level of discount from 60% up to 100%, i.e. successful bidders will receive a payout from the Buyback Assets of not more than 40% of the Claim amount
 - The level of Buyback Assets available for the two possible alternatives for the Restructuring Proposal is a key point of difference:
 - **Funds Under Management** – a lower level of **Buyback Assets of an anticipated ~USD50m** to be made available in the Initial RDA where a minimum level of Assets are retained over a three-year period for investment by an asset manager
 - **Managed Wind-Down** – where Assets are paid out as and when they become available, including the Liquid Available Assets which are currently available, the level of **Buyback Assets of an anticipated ~USD100m** to be made available in the Initial RDA after maintaining an ongoing minimum cash balance of USD10m to support ongoing recovery actions
- **Subsequent RDAs**
 - Subsequent RDAs to be conducted with timing aligned with the recoveries of the major Illiquid Assets
 - The minimum threshold level of the offered discount on subsequent RDAs to be formularized based level of actual and future expected recoveries of major Illiquid Assets, see following example calculation

Situation Assessment

Recovery Options – Restructuring Proposal

- **Minimum offered discount of the Initial RDA**

- If the minimum threshold level of the discount on Claims of the Initial RDA is set at say, 60% in the initial RDA, the highest possible payout would be 40c on the dollar of the value of Claims
- The potential level of recoveries of up to 40% of Claims in this example is set at the lower midpoint between parameters reasonably expected to define the **range of possible recoveries of between 32% and 60%** available to Creditors at the time of the Initial RDA
 - Lower band (32%): Assuming all Available Liquid Assets were paid out to Creditors and no future recoveries made in respect of the Illiquid Assets, the payout would be 32c in the dollar

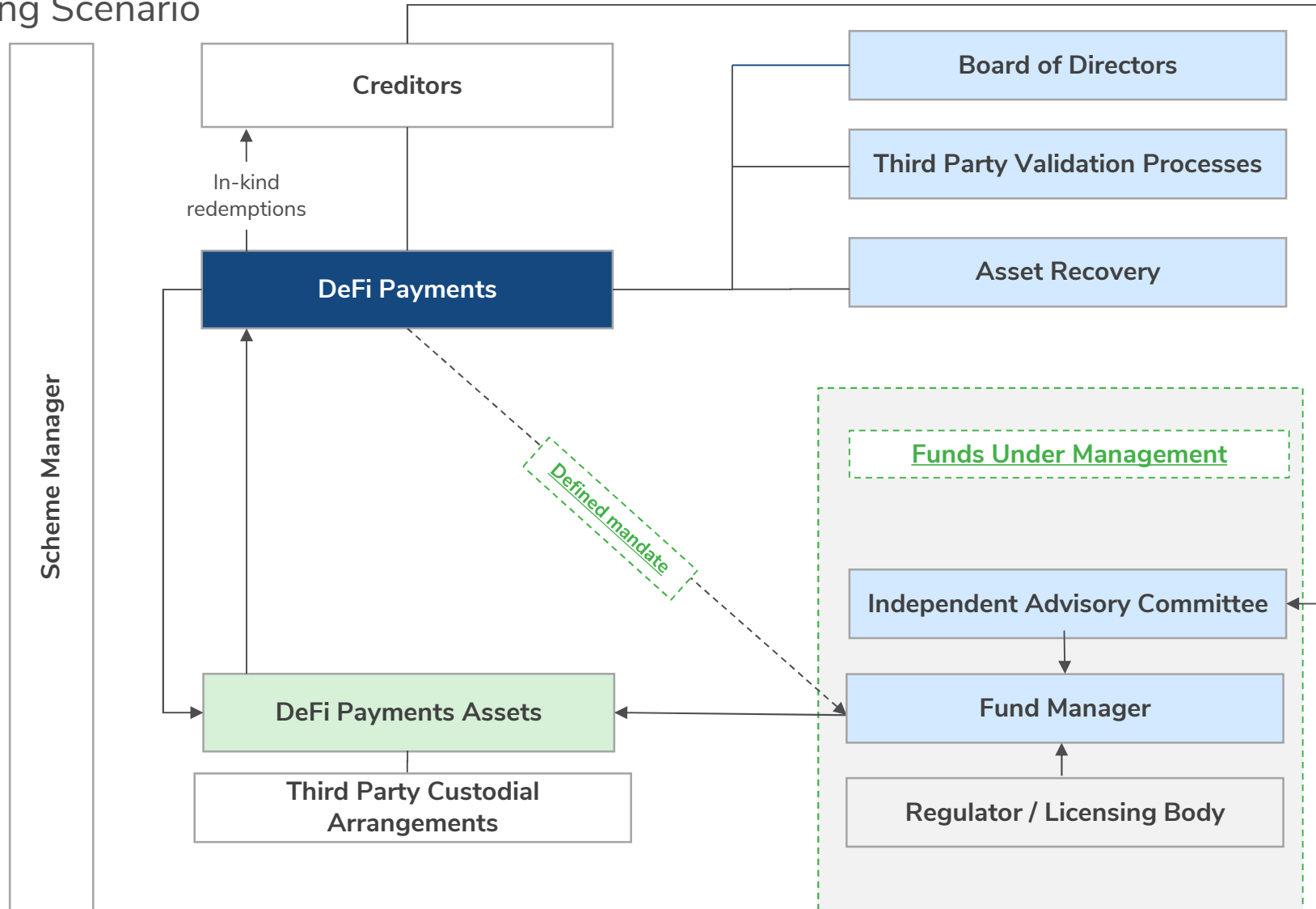
As at Implementation of Scheme	USD'000
Liquid Assets less USD10m of costs	105,287
Unsecured Claims	327,698
Liquid Assets / Unsecured Claims	32%

- Upper band (60%): Assuming all Available Liquid Assets plus the full recovery of the Illiquid Assets in present value terms are notionally available, the payout would be 60c in the dollar (Funds Under Management scenario)

Restructuring – Funds Under Management USD ' 000	2023	2023	2024	2024	2024	2024	2025	2025	2025	2025	2026	2026
	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Distributions to Creditors	50,000	-	-	20,000	107,000	-	-	-	-	-	-	95,814
NPV of Distributions to Creditors – [A]	195,233											
Total Unsecured Claims – [A]	327,698											
NPV of Distributions as % of Unsecured Claims – [A] / [B]	60%											

Structure & Governance

Restructuring Scenario



Structure & Governance

Restructuring Scenarios – Baseline Governance

- Appropriate levels of governance to be implemented under a restructuring plan with the following baseline measures that will apply in either case, of the Funds Under Management or Managed Wind Down scenarios
- **Board of Directors:**
 - The role of the directors of DeFi Payments is to oversee the implementation of the Scheme and overall ensure good governance
 - A board to include: (1) Defi Payments CEO (TBD other than the Co-Founders, currently under discussion); (2) Vauld creditor representative(s); and (3) Scheme Manager (Kroll representative)
- **Validation of Financial Position:**
 - Engaging third-party experts to evidence the financial position:
 - Provision of the necessary evidence, e.g. links to blockchain explorers, to show token balances by address
 - Independent process of adjudication of creditors claims
 - Conduct ongoing periodic independent valuation of the asset portfolio
- **Asset Recovery:**
 - Ongoing asset recovery efforts will be required over an estimated period of up to 3 (or possibly more) years in respect of: (1) the Flipvolt Technologies Pvt Limited (India) receivable; (2) the net loan receivable from Counterparty A; (3) the CoinLoan balance of account; and (4) the claim against FTX
 - Asset recoveries will be supported by the cooperation of Co-Founders, Darshan Bhatija and Sanju Kurian, on an ongoing basis.
 - As third-party receivables are held in the name of management under custody for DeFi Payments, management's cooperation and background knowledge will be essential to litigation and recovery efforts
- **Scheme Manager:**
 - Responsible for implementation of the Scheme, including oversight of the distribution of proceeds
 - Will support management in asset recovery efforts

Structure & Governance

Restructuring Scenarios – Additional Structuring

- Additional management and oversight to be layered in as follows where the crypto assets are managed by a third-party crypto asset manager:
- **Board of Directors**
 - A representative of the third-party crypto asset manager to be added to the Board of Directors of DeFi Payments
 - This board representative will be delegated responsibility by the Board of Directors to manage cryptocurrency assets for DeFi Payments
- **Crypto Asset Manager:**
 - The crypto assets of DeFi Payments to be retained in the ownership of the Company held by a third-party escrow/wallet, e.g. Coinbase Custody/Fireblocks
 - DeFi Payments to agree a mandate with the fund manager including pre-defined investment strategy, considering the proposed RDAs and other requirements of the creditors including to be able to redeem funds 'in-kind' proportionate to their claims
- **Independent Advisory Committee:**
 - An Independent Advisory Committee comprised of a proposed five DeFi Payments creditors
 - The role of the Independent Advisory Committee would be to work with the Crypto Asset Manager in establishing the investment strategies, working with the fund manager on the risk profile

04. Recovery Option – Liquidation

Situation Assessment

Recovery Options – Liquidation

- **Appointment of a third-party administrator**
 - The options to appoint a third-party administrator include the appointment of a Judicial Manager or a Liquidator
 - The role of a Judicial Manager is to take over the management of the business and develop a plan for rehabilitation and restructuring, however in cases where the plan fails the company is likely to proceed to liquidation
 - DeFi Payments is under a moratorium for the purpose of developing a Restructuring Proposal under Court supervision, similarly if the plan fails at a vote of the creditors, the Company is likely to proceed to liquidation
 - A liquidation would be managed by and the assets of the Company fully under the control of a third-party administrator

Situation Assessment

Recovery Options – Liquidation

- **Practical aspects of a Liquidation of DeFi Payments**

- Although the underlying business of DeFi Payments is no longer viable, there are benefits to the Company making a Restructuring Proposal which are in the best interests of the Creditors
 - Liquidator is appointed and Vault management does not play an active role in asset recovery efforts, resulting in a potentially greater level of impairment and possible delayed recoveries
 - Uncertain timing and quantum of distributions, the earliest of which is likely to take up to a year to:
 - get control over the assets not presently in the name of the company
 - establish accounts to be able to hold those assets
 - adjudicate the large volume of claims which also involves a statutory timeline including a minimum of 2 months prior to the declaration of a dividend and 21 days for creditors to appeal against the liquidator's adjudication decision
 - Higher expected costs than in a restructuring
 - Assets likely converted to fiat currency with distributions made in fiat currency, i.e. no 'in-kind' distributions
 - Likely minimum amount set for distribution, a "de minimis", where the cost of adjudicating and paying small claims (bank telegraphic transfer fees) exceed the amount to be paid, e.g. if a minimum dividend is set at ~USD50, 50% of customers by number would not qualify to receive any payment in the Liquidation

05. Comparative Analysis of Recovery Options

Recovery Scenarios

Restructuring – Funds Under Management

USD ' 000	Pre-Restructuring		Restructuring												Total
	2023	2023	2023	2023	2024	2024	2024	2024	2025	2025	2025	2025	2026	2026	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	
Opening Balance – Liquid Assets	115,287	115,007	111,851	61,944	62,372	62,816	62,649	63,478	63,983	64,505	65,042	65,596	66,167	66,754	115,287
Asset Movements	-	-	-	-	-	20,000	107,981	-	-	-	-	-	-	-	28,955
Fund Manager Gains	-	-	1,375	1,393	1,417	1,441	1,465	1,517	1,543	1,569	1,596	1,623	1,650	1,678	18,266
Fund Manager Costs	-	-	(725)	(532)	(541)	(550)	(559)	(579)	(589)	(599)	(609)	(620)	(630)	(641)	(7,174)
Asset Recovery Legal Costs	-	(500)	-	-	-	(500)	(500)	-	-	-	-	-	-	-	(2,000)
Restructuring and Operational Costs	(281)	(2,656)	(558)	(433)	(433)	(558)	(558)	(433)	(433)	(433)	(433)	(433)	(433)	(433)	(8,501)
RDA / Distributions	-	-	(50,000)	-	-	(20,000)	(107,000)	-	-	-	-	-	-	-	(95,814)
Closing Balance – Liquid Assets	115,007	111,851	61,944	62,372	62,816	62,649	63,478	63,983	64,505	65,042	65,596	66,167	66,754	-	-
Opening Balance – Unsecured Liabilities	(327,698)	(327,698)	(327,698)	(202,698)	(202,698)	(202,698)	(179,775)	(64,982)	(64,982)	(64,982)	(64,982)	(64,982)	(64,982)	(64,982)	(327,698)
RDA Bid Price	0%	0%	40%	0%	0%	87%	93%	0%	0%	0%	0%	0%	0%	0%	0%
Extinguished Liabilities	-	-	125,000	-	-	22,923	114,793	-	-	-	-	-	-	-	64,982
Recoveries in excess of Initial Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	30,832
Closing Balance – Unsecured Liabilities	(327,698)	(327,698)	(202,698)	(202,698)	(202,698)	(179,775)	(64,982)	(64,982)	(64,982)	(64,982)	(64,982)	(64,982)	(64,982)	30,832	30,832
Recovery to Creditors (at each exit)			40%			87%	93%								147%
% of Creditors Exiting (by Value)			38%			7%	35%								20%

Key Observations / Assumptions

- Assumed recovery of receivables from Flipvolt (USD20m), Counterparty A (USD108m) and CoinLoan (USD29m) in 2Q 2024, 3Q 2024 and 2Q 2026, respectively.
- Legal costs of an estimated USD2m to support ongoing asset recovery efforts
- Assumes moderate risk and 11% year-on-year gains earned by fund manager from assets under management. This return is over and above returns from asset price appreciation from market recovery. For ease of illustration, the Recovery Options have been modelled assuming neutral market prices however a sustained recovery in the cryptocurrency market is likely to significantly increase returns under a Funds Under Management scenario relative to USD as a base currency, for example if token prices were to appreciate by 30%, the average recovery under this scenario would increase from 83% to 108%
- Initial target RDA of 40% (i.e. a creditor achieves a 40% recovery of their claim). Subsequent RDAs targeted upon the recovery of loan receivables with recoveries between 87% - 93%

Creditors that remain until end of Restructuring (do not participate in any of the RDAs) can potentially recover more than 100% of their claims (~147%)

Recovery Scenarios

Creditor's Choice	In % of Claim	Year 1 (3Q2023 – 2Q2024)	Year 2 (3Q2024 – 2Q2025)	Year 3 (3Q2025 – 2Q2026)	Total Recovery for each Choice	Average Recovery
	Restructuring - Funds Under Management					83%
Exit early via an RDA – choose 1 of 3 RDA options	1 st RDA	40%			40%	
	2 nd RDA	87%			87%	
	3 rd RDA		93%		93%	
Stay for the full 3 years	Final Distribution			147%	147%	

Key Observations / Assumptions

- Creditors have 3 early liquidity opportunities in the form of 3 separate RDAs as follows:
 - 1st RDA to be carried out immediately upon Scheme implementation (estimated July 2023)
 - 2nd RDA to be carried out upon receipt of intercompany receivables from Flipvolt (estimated 2Q2024)
 - 3rd RDA to be carried out upon receipt of third-party receivables from Counterparty A (estimated 3Q2024)
- Creditors who successfully participate in an RDA will exit the restructuring at that point at the respective RDA bid prices
- Creditors who do not participate in any RDA and opt to stay until the end of Year 3 may potentially recover more than 100% of their claims as (i) the assets managed by the FM are allowed to grow over the three-year period and (ii) the pool of claims have been reduced via the three RDA events in Years 1 and 2
- The Restructuring – Funds Under Management option generates an average 83% recovery for the entire creditor base. This is a 3% higher than the Restructuring – Managed Wind Down option due to net USD11m gains from asset management and 19% higher than a Liquidation due to high costs and likely impairment of the Flipvolt receivable.

Recovery Scenarios

Restructuring – Managed Wind Down

USD ' 000	Pre-Restructuring		Restructuring												Total
	2023	2023	2023	2023	2024	2024	2024	2024	2025	2025	2025	2025	2026	2026	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	
Opening Balance – Liquid Assets	115,287	115,007	111,851	61,296	60,866	60,436	69,381	122,808	122,378	121,948	121,518	121,088	120,658	120,228	115,287
Asset Movements	-	-	-	-	-	20,000	107,981	-	-	-	-	-	-	-	28,955
Asset Recovery Legal Costs	-	(500)	-	-	-	(500)	(500)	-	-	-	-	-	-	-	(500)
Restructuring and Operational Costs	(281)	(2,656)	(555)	(430)	(430)	(555)	(555)	(430)	(430)	(430)	(430)	(430)	(430)	(430)	(8,471)
Asset Balances before RDA	115,007	111,851	111,296	60,866	60,436	79,381	176,308	122,378	121,948	121,518	121,088	120,658	120,228	148,252	
Amount Available for RDA			100,000			20,000	107,000								
RDA Take Up %			50%			50%	50%								
RDA Take Up / Final Distributions			(50,000)			(10,000)	(53,500)							(148,252)	(261,752)
Closing Balance – Liquid Assets	115,007	111,851	61,296	60,866	60,436	69,381	122,808	122,378	121,948	121,518	121,088	120,658	120,228	-	-
Opening Balance – Unsecured Liabilities	(327,698)	(327,698)	(327,698)	(202,698)	(202,698)	(202,698)	(188,984)	(120,307)	(120,307)	(120,307)	(120,307)	(120,307)	(120,307)	(120,307)	(327,698)
RDA Bid Price	0%	0%	40%	0%	0%	73%	78%	0%	0%	0%	0%	0%	0%	0%	0%
Extinguished Liabilities	-	-	125,000	-	-	13,714	68,677	-	-	-	-	-	-	120,307	327,698
Recoveries in excess of Initial Liabilities														27,945	27,945
Closing Balance – Unsecured Liabilities	(327,698)	(327,698)	(202,698)	(202,698)	(202,698)	(188,984)	(120,307)	(120,307)	(120,307)	(120,307)	(120,307)	(120,307)	(120,307)	27,945	27,945
Recovery to Creditors (at each exit)			40%			73%	78%							123%	
% of Creditors Exiting (by Value)			38%			4%	21%							37%	100%

Key Observations / Assumptions

- No fund manager gains (net of costs) will result in net USD11m less cash inflows compared to the Fund Manager Case
- No requirement to maintain USD50m AUM. Minimum asset balances reduced to USD10m necessary to fund (a) ongoing asset recovery and associated legal costs of USD2m and (b) operational costs of USD8m to keep Vault platform to service customers and facilitate distributions – funds in excess can be distributed to creditors
- Initial target RDA of, say 40% (i.e. a creditor achieves a 40% recovery of their claim) and subsequent RDAs targeted upon the recovery of loan receivables with recoveries between 73% - 78% on the assumption that for example 50% of assets available for RDA is taken up
- In the event that the RDA is not 100% taken up, the remaining assets are to be converted to stablecoins and offered at the time of the next RDA, i.e. to eliminate exposure to price fluctuations
- Creditors that remains until end of Restructuring (do not participate in any of the RDAs) can potentially recover more than 100% of their claims (~123%)

Conversion of available liquid assets to stablecoin to mitigate exposure to market movements also reduces potential returns from asset price appreciation from market recovery

Recovery Scenarios

Creditor's Choice	In % of Claim	Year 1 (3Q2023 – 2Q2024)	Year 2 (3Q2024 – 2Q2025)	Year 3 (3Q2025 – 2Q2026)	Total Recovery for each Choice	Average Recovery
	Restructuring – Managed Wind Down					80%
Exit early via an RDA – choose 1 of 3 RDA options	1 st RDA	40%			40%	
	2 nd RDA	73%			73%	
	3 rd RDA		78%		78%	
Stay for the full 3 years	Final Distribution			123%	123%	

Key Observations / Assumptions

- RDA availability and mechanism similar to the Restructuring – Funds Under Management option with 3 early liquidity opportunities in the form of 3 separate RDAs
- Creditors can use the RDA mechanism to exit the restructuring at a level of risk and discount acceptable to them as more clarity is afforded on the realization process for third-party receivables over time
- The Restructuring – Managed Wind Down option generates an average 80% recovery for the entire creditor base, which is lower than the Restructuring – FM option as assets are not invested and grown under the Restructuring – Managed Wind Down option
- The Restructuring – Managed Wind Down option still provides a higher recovery of 16% compared to a Liquidation

Recovery Scenarios

Restructuring – Managed Wind Down

- The RDAs allow for creditors with immediate liquidity needs to exit at a discount while remaining creditors can be rewarded for taking on the realisation risk for illiquid assets in the form of higher recoveries in the future
- As Restructuring – Managed Wind Down is not subject to a minimum AUM balance, more Buyback Assets are available for use in the 1st RDA (USD100m) than under Restructuring – Funds Under Management (USD50m).
- As an RDA held at 40% minimum recovery bid price using USD100m of Buyback Assets is unlikely to achieve full participation, the Restructuring – Managed Wind Down scenario assumes 50% participation at each RDA which utilizes half of the available Buyback Assets for the RDA
- The unused Buyback Assets for each RDA are rolled into the usable liquid asset balance for subsequent RDAs / Distribution
- Set out below is a summary of the potential returns to creditors based on varying levels of RDA participation:

Restructuring – Managed Wind Down		Exit at			
		1 st RDA	2 nd RDA	3 rd RDA	Final Distribution
RDA Participation	25%	40%	57%	61%	96%
	50%	40%	73%	78%	123%
	75%	40%	103%	110%	174%
	100%	40%	181%	193%	306%

- Key observations as follows:
 - Lower RDA participation results in fewer liabilities being extinguished at each RDA. As remaining assets to be distributed will form a lower percentage of remaining liabilities, creditors who exit later will get a lower recovery
 - Higher RDA participation results in more liabilities being extinguished and creditors who exit later may potentially get more than 100% recoveries

Recovery Scenarios

Breakdown of Restructuring, Legal and Operational Costs

USD ' 000	Pre-Restructuring		Restructuring												Total	
	2023	2023	2023	2023	2024	2024	2024	2024	2025	2025	2025	2025	2026	2026		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q		
Restructuring, Legal and Operational																
Legal cost to recover receivables	-	(500)	-	-	-	(500)	(500)	-	-	-	-	-	-	(500)	(2,000)	
Restructuring Costs	(281)	(2,281)	-	-	-	-	-	-	-	-	-	-	-	-	(2,561)	
Scheme Administration Costs	-	(375)	(258)	(133)	(133)	(258)	(258)	(133)	(133)	(133)	(133)	(133)	(133)	(133)	(2,340)	
Operational Costs	-	-	(300)	(300)	(300)	(300)	(300)	(300)	(300)	(300)	(300)	(300)	(300)	(300)	(3,600)	
Total Restructuring, Legal and Operational Cost	(281)	(3,156)	(558)	(433)	(433)	(1,058)	(1,058)	(433)	(433)	(433)	(433)	(433)	(433)	(933)	(10,501)	

Key Observations / Assumptions

- **Legal Cost to Recover Receivables** – Estimated legal cost of USD2m required to secure Defi Payment's receivables due to potential disputes
- **Restructuring Costs**
 - Retainer fees and estimated success fees of Defi Payment's financial advisor (Kroll): USD50k monthly retainer and an estimated USD1.5m in success fees
 - Retainer fees and estimated success fees of Defi Payment's legal advisor in Singapore (Rajah & Tann): estimated USD500k in legal fees
- **Scheme Administration Costs** – Costs for an Information and Tabulation Agent, Scheme Administrator (an independent party that will manage voting, RDA process and distributions), and fund administration costs
- **Operational Costs** – Monthly cost of USD100k – salaries to maintain a small Vault Care team and engineers for technical support (USD58k), the Vault platform and operational expenses such as tech tools and cloud subscriptions (USD20k), independent validation of financial position and valuation (USD16k) and others (USD6k)
- **Co-Founder Salaries** – Nil. Darshan Bhatiji and Sanju Kurian will not draw a salary from Defi Payments

Recovery Scenarios

Liquidation

USD ' 000	Pre-Liquidation		Liquidation												Total
	2023	2023	2023	2023	2024	2024	2024	2024	2025	2025	2025	2025	2026	2026	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	
Opening Balance – Liquid Assets	115,287	115,287	114,787	114,787	114,787	44,787	44,287	151,769	151,769	151,769	131,769	131,769	131,769	131,769	115,287
Asset Movements	-	-	-	-	-	-	107,981	-	-	-	-	-	-	28,955	136,936
Fund Manager Gains	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fund Manager Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Asset Recovery Legal Costs	-	(500)	-	-	-	(500)	(500)	-	-	-	-	-	-	(500)	(2,000)
Liquidation Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	(40,000)	(40,000)
RDA / Distributions	-	-	-	-	(70,000)	-	-	-	-	(20,000)	-	-	-	(120,223)	(210,223)
Closing Balance – Liquid Assets	115,287	114,787	114,787	114,787	44,787	44,287	151,769	151,769	151,769	131,769	131,769	131,769	131,769	-	-
Opening Balance – Unsecured Liabilities															
% Return to Creditors	0%	0%	0%	0%	21%	0%	0%	0%	0%	6%	0%	0%	0%	37%	
Cumulative Return to Creditors	0%	0%	0%	0%	21%	21%	21%	21%	21%	27%	27%	27%	27%	64%	

Key Observations / Assumptions

- Full impairment of Flipvolt intercompany receivables due to inability of the Liquidator to use assets of DeFi Payments to support active recovery efforts.
- A Liquidator has to obtain cooperation from key stakeholders in an insolvency, establish control over the assets not presently in the name of the company, structure accounts to be able to hold those assets, and adjudicate the large volume of claims which also involves a statutory timeline of a minimum of 3 months. All of this combines to delay the first distribution for likely up to a year and add substantial expected Liquidator costs of an estimated USD40m over the course of the Liquidation.
- Legal costs of an estimated USD2m to support ongoing asset recovery efforts. Dividend payments are made in fiat currency (USD) rather than in-kind and will incur significant transaction fees upon distribution to creditors
- No fund manager gains or costs will result in net USD11m less cashflows compared to the Fund Manager High Case while incurring additional USD32m more in Liquidators fees and expenses compared to the restructuring costs incurred in the Fund Manager or Managed Wind Down scenarios
- Results in projected total recoveries of 64% to all creditors

Recovery Scenarios

Creditor's Choice	In % of Claim	Year 1 (3Q2023 – 2Q2024)	Year 2 (3Q2024 – 2Q2025)	Year 3 (3Q2025 – 2Q2026)	Recoveries	Average Recovery
	Liquidation					64%
Creditors have no optionality in a Liquidation	1 st Distribution	21%			21%	
	2 nd Distribution		6%		6%	
	3 rd and Final Distribution			37%	37%	
	Total Recoveries from Distributions				64%	

Key Observations / Assumptions

- Creditors do not have any optionality for early liquidity under a Liquidation – all distributions will be made according to progress on the Liquidator's work and statutory timelines
- The earliest opportunity for liquidity will be subject to Liquidator requirements to consolidate liquid assets, verify creditors claims and process creditor distributions – in our experience this process can take up to a year or more given the volume of creditors
- Subsequent distributions may be made on a yearly basis subject to the Liquidator's ability to recover third-party receivables. There is significant risk to the Liquidator's ability to recover these assets as set out in the previous slide
- We have assumed a three-year timeline for a Liquidation which appears reasonable however is subject to significant uncertainty and may take more than three years
- A Liquidation will generate an average 64% recovery for the entire creditor base which is lower by 19% and 16% compared to the Restructuring – Fund Manager option and Restructuring – Managed Wind Down option, respectively
- A Restructuring that is implemented with the ongoing support of DeFi Payment management and infrastructure is the less expensive and most effective option, and will achieve a superior level of returns relative to Liquidation realizations from asset recovery efforts delivered earlier

Recovery Scenarios

Summary Comparative Analysis

In % of Claim	Recoveries	Structure
Restructuring – Funds Under Management		<ul style="list-style-type: none"> A minimum AUM of ~USD50m is actively managed by a crypto asset fund manager to generate returns on investments over a 3-year period All assets in excess of ~USD50m plus a further ~USD10m reserved to fund costs of the Restructuring, including operational costs and costs of recovery actions, are utilised as Buyback Assets in the Initial RDA and subsequent RDAs as and when major asset recoveries are made, i.e. ~USD50m in Buyback Assets Assets remain exposed to market price fluctuations All funds, including the funds under management, are paid out to remaining Creditors at the end of the 3-year period
RDA's	40 – 93%	
Final Distribution	147%	
Average Recoveries	83%	
Restructuring – Managed Winddown		<ul style="list-style-type: none"> All assets in excess of ~USD10m reserved to fund costs of the Restructuring, including operational costs and costs of recovery actions, are utilised as Buyback Assets in the Initial RDA and subsequent RDAs as and when major asset recoveries are made, i.e. ~USD100m in Buyback Assets All funds are paid out to remaining Creditors as and when Asset recoveries are made with the final payout occurring with the last remaining major asset recovery Any assets not utilised in the RDA are to be converted to stablecoins to eliminate exposure to market price fluctuations
RDA's	40 – 78%	
Final Distribution	123%	
Average Recoveries	80%	
Liquidation		<ul style="list-style-type: none"> A Liquidator is appointed to DeFi Payments to realise and distribute assets Lower overall quantum of expected Asset recoveries, delayed timelines of realisation of Assets and significantly higher associated costs
Average Recoveries	64%	

06. Pros & Cons of Recovery Options

Pros & Cons of Recovery Options

Funds Under Management

Key Considerations	Pros	Cons
Asset Recoveries	<ul style="list-style-type: none"> All of the Illiquid Assets are not held directly by DeFi Payments, and so the continued involvement and cooperation of Vault management taking active steps to recover assets will serve to optimise the amount and timing of asset recoveries The costs of recovery actions are significantly lower than under a Liquidation due to the continued direct involvement of Vault management Higher expected returns available to Creditors Payment a shorter timeframe than under a Liquidation 	<ul style="list-style-type: none"> Exposed to counterparty and Illiquid Assets recovery and realisation risks – this is not strictly a con as all scenarios are exposed to these risks, with the insolvency factor heightening this risk under a Liquidation Recovery actions will entail necessary legal costs that can be managed but not avoided entirely
Level of returns to Creditors	<ul style="list-style-type: none"> Option to exit at an early stage (40%) Highest overall possible returns (83%) Highest possible return under an RDA round (93%) Highest final payout potentially in excess of in excess of full recovery (147%) The option with the largest potential to capture asset appreciation from market recoveries – all asset balances in excess of USD10m of costs will be positioned to capture this upside. This is not shown in the modelling, which assumes neutral pricing for illustrative purposes The only option with the potential for higher than forecast in-kind returns driven by asset management performance. The level of asset management returns factored in are in excess of the returns from asset appreciation from market recoveries 	<ul style="list-style-type: none"> Exposed to possible underperformance of the asset manager which may adversely affect final payout and reduce estimates of overall recoveries to creditors Exposed to price risk which may impact asset values at key milestones (such as an RDA) and can result in sub-optimal liquidity available to run RDAs

Pros & Cons of Recovery Options

Funds Under Management

Key Considerations	Pros	Cons
Costs	<ul style="list-style-type: none"> • Cost containment, including that Vault management will remain actively involved in Scheme implementation however will not be salaried • Lower expected costs of distribution of payouts through existing Vault infrastructure • The returns expected to be generated by a Fund Manager exceed the costs, with fees subject to a high-water mark 	<ul style="list-style-type: none"> • A successful Restructuring will necessitate the payment of restructuring-related costs which include advisor success fees • Maintaining Vault infrastructure will entail ongoing operational expenditure that can be minimised but not eliminated entirely • The engagement of a Fund Manager will necessitate baseline costs that would impact available assets in the event of underperformance
Treatment of Claims	<ul style="list-style-type: none"> • Adjudication of Claims by an independent third-party provider with the benefit of access to Vault management knowhow and tech infrastructure • Claims denominated 'in-kind' • Distributions made 'in-kind' through Vault infrastructure • The engagement of an independent, third-party provider to tabulate voting and adjudicate claims will introduce a separate source of communication to creditors which will ensure clarity 	<ul style="list-style-type: none"> • The engagement of an independent, third-party provider to tabulate voting and adjudicate claims will bring associated costs
Oversight and governance	<ul style="list-style-type: none"> • Implementation of appropriate levels of governance including: (i) Board changes; (ii) Third Party Validation; and (iii) Scheme manager • Additional measures layered-in in the case of engaging a crypto asset fund manager including: (i) the fund manager appointed to the board; (ii) Appropriately licensed third-party professional fund manager; and (iii) Independent Advisory Committee. • Independent Advisory Committee has direct input with Fund Manager 	<ul style="list-style-type: none"> • The mechanism for selection of participants for the Independent Advisory Committee will require careful consideration to ensure that selected participants are sufficiently sophisticated and committed to represent interests of the general creditor body on an ongoing basis

Pros & Cons of Recovery Options

Managed Wind Down

Key Considerations	Pros	Cons
Asset Recoveries	<ul style="list-style-type: none"> All of the Illiquid Assets are not held directly by DeFi Payments, and so the continued involvement and cooperation of Vault management taking active steps to recover assets will serve to optimise the amount and timing of asset recoveries The costs of recovery actions are significantly lower than under a Liquidation due to the continued direct involvement of Vault management Higher expected returns available to Creditors Payment a shorter timeframe than under a Liquidation 	<ul style="list-style-type: none"> Exposed to counterparty and Illiquid Assets recovery and realisation risks – this is not strictly a con as all scenarios are exposed to these risks, with the insolvency factor heightening this risk under a Liquidation Recovery actions will entail necessary legal costs that can be managed but not avoided entirely
Level of returns to Creditors	<ul style="list-style-type: none"> Option to exit at an early stage (40%) Second highest overall returns (78%) Second highest possible return under an RDA round (80%) Second highest final payout potentially in excess of in excess of full recovery (123%) The option with the largest potential to capture asset appreciation from market recoveries—all asset balances in excess of USD10m of costs will be positioned to capture this upside. This is not shown in the modelling, which assumes neutral pricing for illustrative purposes The only option with the potential for higher than forecast in-kind returns driven by asset management performance. The level of asset management returns factored in are in excess of the returns from asset appreciation from market recoveries 	<ul style="list-style-type: none"> Exposed to possible underperformance of the asset manager which may adversely affect final payout and reduce estimates of overall recoveries to creditors Exposed to price risk which may impact asset values at key milestones (such as an RDA) and can result in sub-optimal liquidity available to run RDAs

Pros & Cons of Recovery Options

Managed Wind Down

Key Considerations	Pros	Cons
Costs	<ul style="list-style-type: none"> • Cost containment, including that Vault management will remain actively involved in Scheme implementation however will not be salaried • Lower expected costs of distribution of payouts through existing Vault infrastructure • The returns expected to be generated by a Fund Manager exceed the costs, with fees subject to a high water mark 	<ul style="list-style-type: none"> • A successful Restructuring will necessitate the payment of restructuring-related costs which include restructuring and legal advisor retainer and success fees • Maintaining Vault infrastructure will entail ongoing operational expenditure that can be minimized but not eliminated entirely • The engagement of a Fund Manager will necessitate baseline costs that would impact available assets in the event of underperformance
Treatment of Claims	<ul style="list-style-type: none"> • Adjudication of Claims by an independent third-party provider with the benefit of access to Vault management knowhow and tech infrastructure • Claims denominated 'in-kind' • Distributions made 'in-kind' through Vault infrastructure • The engagement of an independent, third-party provider to tabulate voting and adjudicate claims will introduce a separate source of communication to creditors which will ensure clarity 	<ul style="list-style-type: none"> • The engagement of an independent, third-party provider to tabulate voting and adjudicate claims will bring associated costs
Oversight and governance	<ul style="list-style-type: none"> • Implementation of appropriate levels of governance including: (i) Board changes; (ii) Third Party Validation; and (iii) Scheme manager • Additional measures layered in in the case of engaging a crypto-asset fund manager including: (i) the fund manager appointed to the board; (ii) Appropriately licensed third-party professional fund manager; and (iii) Independent Advisory Committee. • Independent Advisory Committee has direct input with Fund Manager 	<ul style="list-style-type: none"> • The mechanism for selection of participants for the Independent Advisory Committee will require careful consideration to ensure that selected participants are sufficiently sophisticated and committed to represent interests of the general creditor body on an ongoing basis

Key: red text and strikethrough denote comparative differences between Funds Under Management and Managed Wind Down restructuring options

Pros & Cons of Recovery Options

Liquidation

Key Considerations	Pros	Cons
Asset Recoveries	<ul style="list-style-type: none"> Managed by a third-party administrator 	<ul style="list-style-type: none"> Lower expected quantum of asset recoveries absent the continued direct involvement of Vault management taking active steps to recover Illiquid Assets, here the assets are for the most part not held directly by DeFi Payments The legal costs of recovery actions significantly higher without the direct involvement of Vault management Lower expected returns available to Creditors within a longer timeframe than under a Restructuring
Level of returns to Creditors	<ul style="list-style-type: none"> Returns available to Creditors (64%) 	<ul style="list-style-type: none"> Significant level of value destruction as compared to a Restructuring (64% average returns < 80% assets / liability ratio) Distributions made in fiat currency with likely 'de minimis' amount, with the effect that up to 50% of creditors by number will not be entitled to any payout

Pros & Cons of Recovery Options

Liquidation

Key Considerations	Pros	Cons
Costs	<ul style="list-style-type: none"> Potential for oversight of costs by an ad hoc creditors' committee 	<ul style="list-style-type: none"> High level of costs of approximately ~USD40m over 3 years as compared to the costs of implementing and administering the Scheme of ~USD8m
Treatment of Claims	<ul style="list-style-type: none"> Claims to be adjudicated by a Liquidator 	<ul style="list-style-type: none"> Adjudication of 150,000 Claims without the benefit of access to Vault management knowhow and tech infrastructure will affect timing of dividend distribution, i.e. delayed access to funds Claims likely to be stated in USD equivalent
Oversight and governance	<ul style="list-style-type: none"> The Liquidator will have full control of the assets of DeFi Payments to the progress of the liquidation, with possible consultation of an ad hoc creditors' committee 	<ul style="list-style-type: none"> The Directors of DeFi Payments would be required to cooperate with the Liquidator however would not be expected to take an active role in maximising asset recoveries or minimizing timing to recovery

07. Next Steps

Next Steps

- A Townhall Webinar is planned for [Day] February 2023 with planned format as follows:
 - Presentation of detailed options for the DeFi Payments restructuring proposal by Kroll
 - COC moderated session:
 - AMA session including Darshan and Kroll; and
 - Creditors only discussion forum
- Informal voting to determine the preferred option for restructuring, either Funds Under Management or Managed Wind Down over the period from [Day] February 2023 to [Day +7] February 2023
- Prepare for mid-February 2023 hearing for further extension of the moratorium beyond 28 February 2023:
 - Finalise and enter into a term sheet or the like by mid-February (as indicated in the affidavits), to inform the Court at the next hearing for the extension of the moratorium
 - Collate and take into consideration the results of the informal voting from the Townhall Webinar session for presentation to the Court where views of the creditors will be taken into consideration
- Work in parallel to prepare for the next stages of the restructuring process:
 - Finalise the Explanatory Statement by end of March 2023
 - Work with the independent Scheme Information and Tabulation Agent to prepare the infrastructure for voting by DeFi Payments creditors

08. Engagement with the COC

Engagement with the COC

- Consultation with the COC:
 - Determining Creditor preference regarding possible Recovery Options: (i) Funds Under Management; or (ii) Managed Wind-Down
 - Selection of two (2) COC members to moderate the upcoming Townhall webinar



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KROLL

VAULD GROUP

Creditor Virtual Town Hall

8.30pm Singapore time, 9 February 2023

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01. Situation Assessment

Situation Assessment

Key Challenges

- **Current Situation**

- it is not viable to restart the business given the fundamental shift in the market economics
- opportunities for acquisition have been explored and are not possible in current market conditions
- remaining options are focused on recovery of assets and determining a preferred mechanism to deliver maximum value to Creditors which include:
 - Court sanctioned restructuring plan; or
 - Liquidation (the “Recovery Options”)

- **DeFi Payments’ Current Financial Position¹**

- Creditor Claims of ~USD328m denominated in 250+ tokens (as of 4 July 2022)
- Overall Assets of ~USD262m including (as of 26 January 2023):
 - Liquid Assets of ~USD105m comprising 32% of Claims; and
 - Illiquid Assets of ~USD157m comprising 48% of Claims (denominated in BTC, ETH, XRP and USDT and not currently realisable)
- There is an Asset deficit of ~USD65m (20%) of Claims – the Company does not have sufficient Assets to pay out 100% of Claims

- **Key Objectives of a Restructuring**

- make early, in-kind liquidity available to Creditors who are prepared to exit at a discount
- deliver maximum in-kind value to Creditors
- treat creditors fairly and provide options including choice
- introduce governance and structure to deliver proposal
- to achieve a better outcome for all creditors than under a Liquidation

¹ Further breakdown of financial position outlined in [Appendices 7.1](#)

Situation Assessment

Asset Recoveries

- Overall Assets² of ~USD262m comprise:
 - Liquid Assets (~USD105m): including ~USD102m held in self-custody and ~USD13m in third-party custodian accounts (net of ~USD10m reserved for costs)
 - Illiquid Assets (~USD157m): comprised of three major assets of which the quantum and timing of recovery is uncertain, as follows:

Party	Receivable (USDm)	Key Risks
Counterparty A	108	<ul style="list-style-type: none"> Counterparty Risk – Heightened level of counterparty risk across the industry. No access to the financial information of Counterparty A. Publicly available information on Counterparty A is mixed such that a clear view is not able to formed regarding counterparty risk. Litigation Risk – Significant potential for disputes and possibility of various defaults based on the loan documentation. Risk of litigation with potential to cause significant delay in recoveries.
CoinLoan	29	<ul style="list-style-type: none"> Counterparty Risk – Heightened level of counterparty risk across the industry. No access to financial information of CoinLoan Litigation Risk – Vault terminated the CoinLoan account and sought full refund under the terms of the agreement with CoinLoan. CoinLoan has responded by freezing all withdrawals. Vault is taking steps to recover the balances held with CoinLoan, including commencing legal action in Estonia. Enforceability of any possible judgement debt in Estonia may be challenging.
Flipvolt Technologies Pvt Limited (“Flipvolt”) Intercompany Receivable	20	<ul style="list-style-type: none"> Counterparty Risk – Flipvolt does not have significant liquid assets to repay any demands made by a creditor of Flipvolt, including DeFi Payments as an inter-company creditor. If insolvency proceedings are commenced against Flipvolt in India, there is likely to be nil recovery by any creditor. DeFi Payments also has an interest in funding Flipvolt's legal costs for freeing its assets from the ED; should DeFi Payments be wound up, efforts to free Flipvolt's assets from the ED would likely be hampered. Litigation Risk – Enforcement Directorate (India) froze the assets of Flipvolt pending investigation into the possible money laundering activities of one of Vault’s customers. There was an initial hearing before the Adjudicating Authority in mid-January 2023 with the outcome pending. In the likely event that the matter progresses further through the judicial system in India, it would be expected to take a further 12 – 18 months for resolution.

- DeFi Payments has an additional claim of ~USD9.5m in the FTX bankruptcy, the recovery of which is highly uncertain in both amount and timing and possible to result in nil recovery. This receivable is thus fully impaired for the purposes of our assessment

² Further detail on asset recoveries outlined in [Appendices 7.2](#)

Situation Assessment

INR Balances

- Vault customer balances held in INR are claims against Flipvolt and not against DeFi Payments
- **Restructuring**
 - INR balances paid in full upon approval of the Restructuring Plan subject to (i) the release of Flipvolt's frozen assets by the Enforcement Directorate, which is expected to take a further 12 – 18 months, and (ii) the sufficiency of assets
- **Liquidation**
 - Customers with INR balances would not receive any payment under a potential DeFi Payments Liquidation as the claims are against Flipvolt, i.e. INR creditors are creditors of Flipvolt and not DeFi Payments
 - The outcome for INR creditors will depend heavily on release of Flipvolt funds by the Enforcement Directorate which is subject to the outcome of ongoing litigation, however Flipvolt has no liquid available assets to fund the recovery actions
 - A demand payment from a potential DeFi Payments Liquidator would likely result in a Flipvolt liquidation which would increase uncertainty of recovery of the frozen assets
- **Optimal Outcome**
 - The optimal outcome for INR creditors is through a Restructuring, for the fastest and highest possible returns with the most certainty

02. Liquidation

Liquidation

Practical Outcomes of a Liquidation of DeFi Payments

- Vault management is displaced by the liquidator and will not play an active role in asset recovery efforts
- Uncertain timing and quantum of distributions. Optimistically, it is likely to take up to a year to first dividend payout as a Liquidator will need to:
 - update themselves on the company's affairs prior to commencing asset recovery
 - get control over the assets not presently in the name of the company
 - establish accounts to be able to hold those assets
 - adjudicate the large volume of claims
 - adhere to statutory timelines including, but not limited to, a minimum of 2 months prior to the declaration of a dividend, 14 days for creditors to file proof of debts, and 21 days for creditors to appeal against the liquidator's adjudication decision
- Higher expected costs than in a restructuring of upwards of USD40m – Kroll market intelligence indicates that for 8 similar insolvencies, of which 6 were crypto-related, average liquidation costs were USD2m / month for an average of 36,300 creditors
- Assets likely converted to fiat currency with distributions made in fiat currency, i.e. no 'in-kind' distributions
- Likely minimum amount set for distribution, a "de minimis", where the cost of adjudicating and paying small claims (bank telegraphic transfer fees) exceed the amount to be paid, e.g. if a minimum dividend is set at ~USD50, 50% of customers by number would not qualify to receive any payment in the Liquidation

Liquidation

Forecast Profile of Recoveries Under a Liquidation

USD ' 000	Funds Under Management	Impairment of Flipvolt receivable	Net difference in costs	Exclusion of net fund manager gains	Liquidation
Opening Asset Balance	115,287	-	-	-	115,287
Asset Recoveries	156,936	(20,000)	-	-	136,936
Net Fund Manager Gains	11,092	-	-	(11,092)	-
Asset Recovery Legal Costs	(2,000)	-	-	-	(2,000)
Restructuring / Liquidation and Operational Costs	(7,961)	-	(32,039)	-	(40,000)
RDA / Distributions	(273,354)	20,000	32,039	11,092	(210,223)
Closing Asset Balance	-	-	-	-	-
Return to Creditors	83%	(6%)	(10%)	(3%)	64%

- **Impact to recoveries:**

- Impairment of Flipvolt intercompany receivables as the Liquidator may not fully utilise all available resources for asset recovery efforts – impact to recoveries USD20m (6%)
- Significant cost of Liquidator fees and expenses (USD40m) is ~USD32m higher than costs under Restructuring – impact to recoveries USD32m (10%)
- No fund manager gains or costs will result in net USD11m less cashflows compared to Funds Under Management – impact to recoveries USD11m (3%)
- Overall impact: Liquidation forecast recovery of 64% is 19% lower than the 83% forecast recovery under a Funds Under Management Restructuring

03. Summary Restructuring Proposal

Summary Restructuring Proposal

- **Initial Treatment of Claims**

- The amount of the Claims is equivalent to the token balances shown in the Vault app as of 4 July 2022, the date of suspension of customer account activities
- The right to claim interest and / or referral bonuses notionally accrued from 4 July 2022 will be waived under the Restructuring
- Creditors will have a one-time opportunity to trade existing Claims into the denomination of the top few cryptocurrency tokens that the Claims are denominated in at 4 July 2022 prices (the “Conversion”)
 - For example, a creditor with a claim of 1 BTC may choose to convert this claim to 19,858 USDT at a 4 July 2022 price of 1 BTC = 19,858 USDT
- Creditors’ share of post-Conversion Claims relative to each other will be calculated and locked using post-Conversion token balances and token prices as at 4 July 2022
- Claims will be maintained in the post-Conversion token composition

Summary Restructuring Proposal

- **Initial Debt Tender Offer (“RDA”)³**
 - ~USD50m of Liquid Assets (at current prices) will be set aside to buy Claims at a discount through an initial RDA
 - All creditors will have the opportunity to participate in the RDA to offer Claims for sale
 - The RDA will cause a higher reduction in Claims than Liquid Assets used to run the RDA, resulting in a net reduction in Claims and improvement of Asset / Claims deficit
 - The net reduction in Claims allows remaining Creditors to achieve a higher recovery from the same post-initial RDA Asset balance being applied against a reduced Claims balance
- **Successful bid**
 - Successful participants in the initial RDA will receive distributions in kind pro-rata to the tokens held after Conversion. The balance of their claims will be written off, and they will exit the Restructuring at that point
 - For example, if a creditor holding a Claim for 1 BTC submits an offer to sell the Claim at a 60% discount (40% recovery) and is accepted, the creditor will receive 0.4 BTC payout and the balance of that creditor’s claim is written off
- **Non-participation / Unsuccessful Bid**
 - Claimants who did not participate or were not successful in the initial RDA will remain in the Restructuring
 - Creditors who remain in the Restructuring will continue to hold their Claims in the post-Conversion token composition

³ Further detail on RDA mechanism outlined in [Appendices 7.3](#)

Summary Restructuring Proposal

- **Treatment of Claims Post-initial RDA**

- Remaining Liquid Assets:

- Remaining Liquid Assets will be held in the same proportion as Creditors' choice of tokens on Conversion

- Illiquid Assets:

- Illiquid Assets are denominated in BTC (46%) , ETH (23%), XRP (18%) and USDT (13%) and will be realized in these tokens. These tokens are outside of the Company's control and cannot be converted to Creditors' choice of tokens
 - Creditors do not have a choice for the balance of their Claim (other than the Remaining Liquid Assets), and they will receive the same token proportion as Illiquid Assets are held in i.e. BTC (46%) , ETH (23%), XRP (18%) and USDT (13%)
 - Ongoing rebalancing will be done to align Claims with Assets after Illiquid Asset realizations and subsequent RDAs

Summary Restructuring Proposal

- **Worked Example – Initial Treatment of Claims**

- Creditor A held 0.00016114 BTC in his Vault app as at 4 Jul 22
- Creditor A chooses to convert his claim in BTC entirely to XRP

Description	Formula	Assumption	Calculation
Creditor A claim as at 4 Jul 22	A	0.001611404 BTC	
4 Jul 22 price of XRP / BTC	B	62,057 XRP / BTC	
Conversion: Creditor A chooses to convert claim in BTC to XRP	$C = A * B$		0.001611404 BTC * 62,057 XRP / BTC = 100 XRP

- **Worked Example – Initial RDA**

- Initial RDA uses ~USD50m of Liquid Assets to buy back ~USD125m of Claims with an average recovery rate of ~40%

Description	Formula	Assumption	Calculation
Pre-initial RDA Claims	D	USD328m	
Reduction in Claims from initial RDA	E	USD125m	
Post-initial RDA Claims	$D - E$		USD328m – USD128m = USD203m
Remaining Liquid Assets (post-Initial RDA)	F	USD55m	
Remaining Liquid Assets / Remaining Claims	$G = F / (D - E)$		USD55m / USD203m = 27%

- At present, Liquid Assets make up 32% of claims. Creditors who take the RDA achieve 40%
- Creditors who stay in the Restructuring are worse off (27% recovery) if Illiquid Assets are fully impaired. However, if Illiquid Assets are fully realized, these creditors stand to achieve >100% recoveries at the end of the Restructuring
- The average recovery rate of 40% is an illustrative example. The actual recovery is likely to be between 32% (what Creditors can expect if only Liquid Assets were distributed and all Illiquid Assets were impaired) and 60% (the net present value of all Liquid and fully realized Illiquid Assets)

Summary Restructuring Proposal

Pre-initial RDA			Claims		Assets	
Status	Underlying Asset	Token	Units	USD ' 000	Units	USD ' 000
Pre-Conversion		BTC / ETH / any	10.0	327,698		
Post-Conversion	Liquid	BTC	3.2	105,287	3.2	105,287
	Illiquid	BTC	6.8	102,309	4.8	156,936
		ETH		51,154		
		XRP		40,034		
		USDT		28,913		
	Total		10.0	327,698	8.0	262,223
	Assets			262,223		
	Claims			327,698		
	Assets / Claims			80%		

- In unit terms, Assets remain at 80% of Claims – conversion does not change the 20% Asset / Claims deficit
- Overall, creditors can only get back 80% recovery on the Claims unless there are in-kind returns over the market delivered by a fund manager
- Individual creditors can potentially get back in excess of 80% recovery from reduction in the Asset / Claims deficit via RDAs

- Creditors can choose the tokens this part of their Claim is held in and received in at distribution – this is shown in BTC solely for presentation purposes
- This part of the Claim is fully backed by Liquid Assets (representing 32% of Claims) which will be held in the same denomination as Claims
- Creditors who choose to hold stablecoins will receive ~4% returns from their proportion of Liquid Assets held in risk-free Treasury Bills to generate yield
- Creditors who choose to hold crypto will benefit from exposure to price movement
- Regardless of status of Illiquid Asset recovery, 32% of Claims are backed by Liquid Assets and are available to Creditors in the token composition of their choosing

Prior to Illiquid Asset realization

- Creditors cannot choose the tokens this part of Claims are held in as the Illiquid Assets are out of the control of the Company
- There are only 4.8 units of Assets to repay 6.8 units of Claims, leading to a 2.0 Asset / Claims deficit in unit terms. This is equivalent to the 20% Asset / Claims deficit

Upon Illiquid Asset realization

- Creditors can choose the tokens this part of Claims is distributed in – they can either (i) receive distributions in the tokens that they are realized in, i.e. the 4.8 units will be realized in and distributed in BTC (46%), ETH (23%), XRP (18%) and USDT (13%), or (ii) convert their units to their choice of token and accept potential pricing impact and conversion costs at the time of conversion
- Partial realizations on Illiquid Assets will reduce recoveries on this part of Claims – if only 2.4 units of value are realized from Illiquid Assets (50% impaired), only 2.4 units of value will be returned to creditors and not 4.8 units

Summary Restructuring Proposal

- **3 worked examples will be presented at varying assumptions of market performance**
 - Market Neutral: prices stay flat from 4 Jul 22 to distribution
 - Market Upside: BTC prices increase to 300% of 4 Jul 22 BTC prices at the time of distribution
 - Market Downside: BTC prices decrease to 10% of 4 Jul 22 BTC prices at the time of distribution
- **1 worked example will be presented to demonstrate potential impact of choosing to convert Illiquid Asset distributions to a particular token**
 - Market Neutral except for changes to price of the token that Creditor 2 chooses to receive his Illiquid Asset distribution in (assumed to be 100% received in ETH)
- **Key Assumptions**
 - Claims are owed to 2 creditors who each hold 50% share of claims as calculated and locked at 4 Jul 2022
 - Creditor 1 converted his claims entirely to BTC and Creditor 2 converted his claims entirely to USDT during the one-time Conversion
 - All assets are distributed at the same time and a fund manager is not engaged to manage Liquid Assets
 - RDAs are assumed to have been run with no participation by Creditors 1 and 2, both of whom choose to stay in the Restructuring
- **Key Caveats**
 - These worked examples are highly simplified to explain the proposed treatment of Claims and Assets – in practice there are likely to be significant departures in quantum and timing from the assumed distribution of assets among other variations in execution, including RDAs, which will introduce significant complexity
 - The price movements used in these examples are intentionally significant to illustrate directional changes and should not be taken as the Company's or its advisors' expectation of price movements in the crypto market.
 - The 2-creditor assumption of is a simplification of post-Conversion creditor and Claims token composition and should not be taken as the Company's or its advisors' expectation of the outcome of the Conversion

Summary Restructuring Proposal – What is a “Unit”?

- A Unit is a pro-rata share of tokens established at 4 Jul 22 token balances and prices used purely to conceptualize the recoveries to Creditors as a proportion of Claims
- A Unit is not a token. Creditors will not have their Claims crystallized as Units. Creditors will receive their share of recoveries in tokens, not Units.

Pre-initial RDA			Claims		Assets		
Status	Underlying Asset	Token	Units	USD ' 000	Units	USD ' 000	
Pre-Conversion		BTC / ETH / any	10.0	327,698			
Post-Conversion	Liquid	BTC	3.2	105,287	3.2	105,287	
	Illiquid	BTC		102,309			
		ETH		6.8	51,154		
		XRP			40,034		
		USDT			28,913		
	Total		10.0	327,698	8.0	262,223	

Unit Calculation Methodology

Claims

- Claims are split into 10 Units calculated using 4 Jul 22 token balances and token prices

Assets

- With reference to the 10 Units of Claims, Assets are split into 8 Units calculated using 4 Jul 22 token balances and token prices
- There are 2 fewer Units of Assets than there are of Claims (20% Assets / Claims deficit)
- As the tokens that comprise each Unit do not change, Units are fixed
- Absent in-kind gains from asset management by fund managers, there will always be 8 Units of Assets relative to 10 Units of Claims

Liquid vs Illiquid Assets

- Of the 8 Units of Assets, 3.2 Units are Liquid and under the Company's control
- The remaining 4.8 Units are Illiquid and are not under the Company's control

Claims vs Assets

- 3.2 Units of Claims are fully backed by 3.2 Units of Liquid Assets in the exact token composition – creditors will receive these Liquid Assets in the tokens that comprise them
- 6.8 Units of Claims will be repaid from 4.8 Units of Illiquid Assets – the Asset / Claims deficit will come from the Illiquid Assets
- As the Illiquid Assets are outside the Company's control, Creditors will receive their pro-rata share of Illiquid Assets in the tokens that they are realized in unless they opt to receive the distribution in a token of their choice and accept potential pricing impact and conversion costs at the time of conversion

Summary Restructuring Proposal – Market Neutral

Creditor 1					DeFi Payments					Creditor 2				
Claim			Distribution		Claims			Assets		Claim			Distribution	
Token	Units	USD ' 000	Unit	USD ' 000	Token	Units	USD ' 000	Units	USD ' 000	Token	Units	USD ' 000	Unit	USD ' 000
BTC	1.6	52,644	1.6	52,644	BTC	1.6	52,644	1.6	52,644	BTC	0.0	-	0.0	-
USDT	0.0	-	0.0	-	USDT	1.6	52,644	1.6	52,644	USDT	1.6	52,644	1.6	52,644
BTC	1.6	51,154	1.1	36,095	BTC	3.1	102,309	2.2	72,190	BTC	1.6	51,154	1.1	36,095
ETH	0.8	25,577	0.6	18,048	ETH	1.6	51,154	1.1	36,095	ETH	0.8	25,577	0.6	18,048
XRP	0.6	20,017	0.4	14,124	XRP	1.2	40,034	0.9	28,248	XRP	0.6	20,017	0.4	14,124
USDT	0.4	14,457	0.3	10,201	USDT	0.9	28,913	0.6	20,402	USDT	0.4	14,457	0.3	10,201
Total	5.0	163,849	4.0	131,112	Total	10.0	327,698	8.0	262,223	Total	5.0	163,849	4.0	131,112

Creditor 1	
Recovery	%
Units	80%
USD	80%

Creditor 2	
Recovery	%
Units	80%
USD	80%

Unit Recoveries

- There are a total of 8 Units of Assets and 10 units of Claims. There are 2 more Units of Claims than there are Assets i.e. 20% Assets / Claims deficit
- Each creditor has a 50% share of the Claims, and is entitled to 50% of the Units of Assets recovered
- Each creditor receives 50% of the 8 available Units of Assets = 4 units, which is equivalent to 80% recovery in Units

USD Recoveries

- Under market neutral assumptions, Unit Recoveries = USD Recoveries
- As the price has not changed, the Units distributed are worth 80% of the Claims

Liquid Assets

- Liquid Assets are balanced along the same proportions as the creditors' share of Claims, and held in kind
- As the USDT and BTC claims are equally divided (50% / 50%), Liquid Assets are equally divided and held between USDT and BTC
- Creditors will receive exactly the tokens held for them in the Liquid Assets e.g. Creditor 1 will receive the 1.6 units of BTC held for him

Illiquid Assets

- Illiquid Assets will maintain the same proportions as the creditors share of claims but held in the tokens that they will be realized in
- Creditors will receive their share of the Illiquid Asset token composition e.g. Creditor 2 will receive 50% of the 2.2 BTC, 1.1 ETH, 0.9 XRP and 0.9 USDT that comprise the Illiquid Assets

Summary Restructuring Proposal – Market Upside

Creditor 1					DeFi Payments					Creditor 2				
Claim			Distribution		Claims			Assets		Claim			Distribution	
Token	Units	USD ' 000	Unit	USD ' 000	Token	Units	USD ' 000	Units	USD ' 000	Token	Units	USD ' 000	Unit	USD ' 000
BTC	1.6	52,644	1.6	157,931	BTC	1.6	52,644	1.6	157,931	BTC	0.0	-	0.0	-
USDT	0.0	-	0.0	-	USDT	1.6	52,644	1.6	52,644	USDT	1.6	52,644	1.6	52,644
BTC	1.6	51,154	1.1	108,286	BTC	3.1	102,309	2.2	216,571	BTC	1.6	51,154	1.1	108,286
ETH	0.8	25,577	0.6	18,048	ETH	1.6	51,154	1.1	36,095	ETH	0.8	25,577	0.6	18,048
XRP	0.6	20,017	0.4	14,124	XRP	1.2	40,034	0.9	28,248	XRP	0.6	20,017	0.4	14,124
USDT	0.4	14,457	0.3	10,201	USDT	0.9	28,913	0.6	20,402	USDT	0.4	14,457	0.3	10,201
Total	5.0	163,849	4.0	308,589	Total	10.0	327,698	8.0	511,891	Total	5.0	163,849	4.0	203,302

Creditor 1	
Recovery	%
Units	80%
USD	188%

Creditor 2	
Recovery	%
Units	80%
USD	124%

Unit Recoveries

- There are a total of 8 Units of Assets and 10 Units of Claims.
- Price movement does not affect the number of Units, which are fixed
- Regardless of market performance, creditors will only get 80% Unit Recoveries

USD Recoveries

- USD Recoveries increase when markets improve because the USD value of distributed assets (in this case BTC) increase
- Creditor 1, who held BTC and was allocated BTC from Liquid Assets, receives a higher USD Recovery than Creditor 2, who held USDT which was stable in value
- Both creditors get exposure to BTC appreciation through the BTC distributed from Illiquid Assets, resulting in higher USD Recovery than a market neutral case for both creditors

Liquid Assets and Conversion

- As the Liquid Assets are held in the same tokens that creditors hold their Claims, the Conversion mechanism allows creditors exposure to market movements to the extent of their Claims backed by Liquid Assets
- Creditors who choose to convert their Claims to USDT will receive some returns (not shown here) from having the Liquid Assets backing their Claims being invested in Treasury Bills to generate yield

Summary Restructuring Proposal – Market Downside

Creditor 1					DeFi Payments					Creditor 2				
Claim			Distribution		Claims			Assets		Claim			Distribution	
Token	Units	USD ' 000	Unit	USD ' 000	Token	Units	USD ' 000	Units	USD ' 000	Token	Units	USD ' 000	Unit	USD ' 000
BTC	1.6	52,644	1.6	5,264	BTC	1.6	52,644	1.6	5,264	BTC	0.0	-	0.0	-
USDT	0.0	-	0.0	-	USDT	1.6	52,644	1.6	52,644	USDT	1.6	52,644	1.6	52,644
BTC	1.6	51,154	1.1	3,610	BTC	3.1	102,309	2.2	7,219	BTC	1.6	51,154	1.1	3,610
ETH	0.8	25,577	0.6	18,048	ETH	1.6	51,154	1.1	36,095	ETH	0.8	25,577	0.6	18,048
XRP	0.6	20,017	0.4	14,124	XRP	1.2	40,034	0.9	28,248	XRP	0.6	20,017	0.4	14,124
USDT	0.4	14,457	0.3	10,201	USDT	0.9	28,913	0.6	20,402	USDT	0.4	14,457	0.3	10,201
Total	5.0	163,849	4.0	51,247	Total	10.0	327,698	8.0	149,872	Total	5.0	163,849	4.0	98,626

Creditor 1	
Recovery	%
Units	80%
USD	31%

Creditor 2	
Recovery	%
Units	80%
USD	60%

Unit Recoveries

- There are a total of 8 Units of Assets and 10 units of Claims.
- Price movement does not affect the number of Units, which are fixed
- Regardless of market performance, creditors will only get 80% Unit Recoveries

USD Recoveries

- USD Recoveries decrease when markets improve because the USD value of distributed assets (in this case BTC) decrease
- Creditor 1, who held BTC and was allocated BTC from Liquid Assets, receives a lower USD Recovery than Creditor 2, who held USDT which was stable in value
- Both creditors have exposure to BTC depreciation through the BTC distributed from Illiquid Assets, resulting in lower USD Recovery than a market neutral case for both creditors

Risk Mitigation

- Holding a higher proportion of Claims in stablecoin will mitigate against reduction in USD Recoveries from decreases in crypto pricing
- The downside of holding stablecoin is the reduction in exposure to crypto token price movement, which limits USD Recoveries growth potential
- In either case, chosen token composition of Claims does not impact Unit Recovery, which is fixed at 80%

Summary Restructuring Proposal

Worked Example: Choosing to take Illiquid Asset distributions in a particular token

- A key feature of the distribution of realized Illiquid Assets in the token compositions they are realized in is the ability to return the tokens without having to go back to the market for token conversion and be subject to prevailing prices, which may have changed materially
- Individual creditors who request a conversion from the Illiquid Asset token composition to a token composition of their choice will have to bear any potential pricing impact of selling the Illiquid Asset token composition at prevailing market prices, and buying their preferred token composition at prevailing market prices
- **Worked example:** Creditor 2 chooses to convert his share of the Illiquid Asset distribution entirely to ETH. All other token prices remain unchanged

	Variations in ETH price at time of distribution relative to 4 Jul 22 ETH price						
	-15%	-10%	-5%	0%	5%	10%	15%
Illustrative Claim (ETH)	100	100	100	100	100	100	100
Illustrative Distribution (ETH)	92	88	84	80	77	74	71
Recovery in tokens (%)	92%	88%	84%	80%	77%	74%	71%

- Key Observations:
 - When ETH prices at distribution increase relative to 4 Jul 22 ETH prices, each ETH token is more expensive to purchase – the number of ETH tokens that can be bought by selling Illiquid Asset token composition on the market will decrease relative to 4 Jul 22, resulting in lower-than-expected recovery in tokens. For example, if ETH prices increase by 10%, recovery in ETH tokens is 74% instead of 80%
 - The opposite is true when ETH prices decrease – each ETH is cheaper to purchase and more ETH tokens can be bought on the market. For example, Creditor 2 will receive 88 ETH tokens for every 100 ETH tokens he had in his claim if ETH prices decreased by 10% relative to 4 Jul 22

Summary Restructuring Proposal

- **Treatment of Remaining Liquid Assets Post-initial RDA**

- Remaining Liquid Assets of an estimated ~USD50m remaining after the initial RDA will either be: (1) managed by a fund manager in line with agreed investment strategies and composition of token denomination/s of choice; or (2) held in a composition of token denomination/s of choice

- **Funds Under Management**

- A fund manager will receive the Remaining Liquid Assets and invest them over a 3-year term
- The scope of the engagement will be governed by a fund mandate that outlines the investment strategies
- Presently, the fund manager will be expected to achieve 11% per annum returns in kind, over and above crypto markets
 - For example, a fund manager will be expected to achieve 0.11 BTC gain on an initial investment of 1 BTC after 1 year
 - If BTC price doubles relative to USD during that time period, the value of this investment in USD terms will be 2.22x

- **Managed Wind Down**

- The Remaining Liquid Assets will be converted to match the token composition of the remaining Claims. Distribution of these assets will be made in the token composition of Remaining Claims
- The remaining Claims not aligned with Remaining Liquid Assets will be converted to align with Illiquid Asset token composition. Distribution of these assets will be made in the token composition of Illiquid Assets

Summary Restructuring Proposal

- **Illiquid Asset Recoveries and Subsequent Payouts**

- Subsequent RDAs will be conducted upon realization of major Illiquid Assets where all remaining Claims may participate and be paid in the denomination of the Claims
- Active recovery efforts will be engaged to realise the Illiquid Assets over an estimated 2-3 years upon which a final distribution will be made – timeline to actual realisation will vary however we have forecast the following recoveries:
 - Flipvolt receivable: 2Q2024
 - Counterparty A receivable: 3Q2024
 - CoinLoan receivable: 2Q2026

USD ' 000	Restructuring												Total
	2023 3Q	2023 4Q	2024 1Q	2024 2Q	2024 3Q	2024 4Q	2025 1Q	2025 2Q	2025 3Q	2025 4Q	2026 1Q	2026 2Q	
Flipvolt receivable				20,000									20,000
Counterparty A receivable					107,981								107,981
CoinLoan receivable												28,955	28,955
Total Receivables				20,000	107,981							28,955	156,936

- The Restructuring will be supported by Vault management for maintaining operations (to effect payouts) and in active recovery efforts (to effect realisations)

Summary Restructuring Proposal

- Other
 - INR creditors will be paid out in full subject to availability of funds at Flipvolt and small size claims will benefit from participation not otherwise available under a Liquidation

- **Restructuring vs Liquidation⁴**

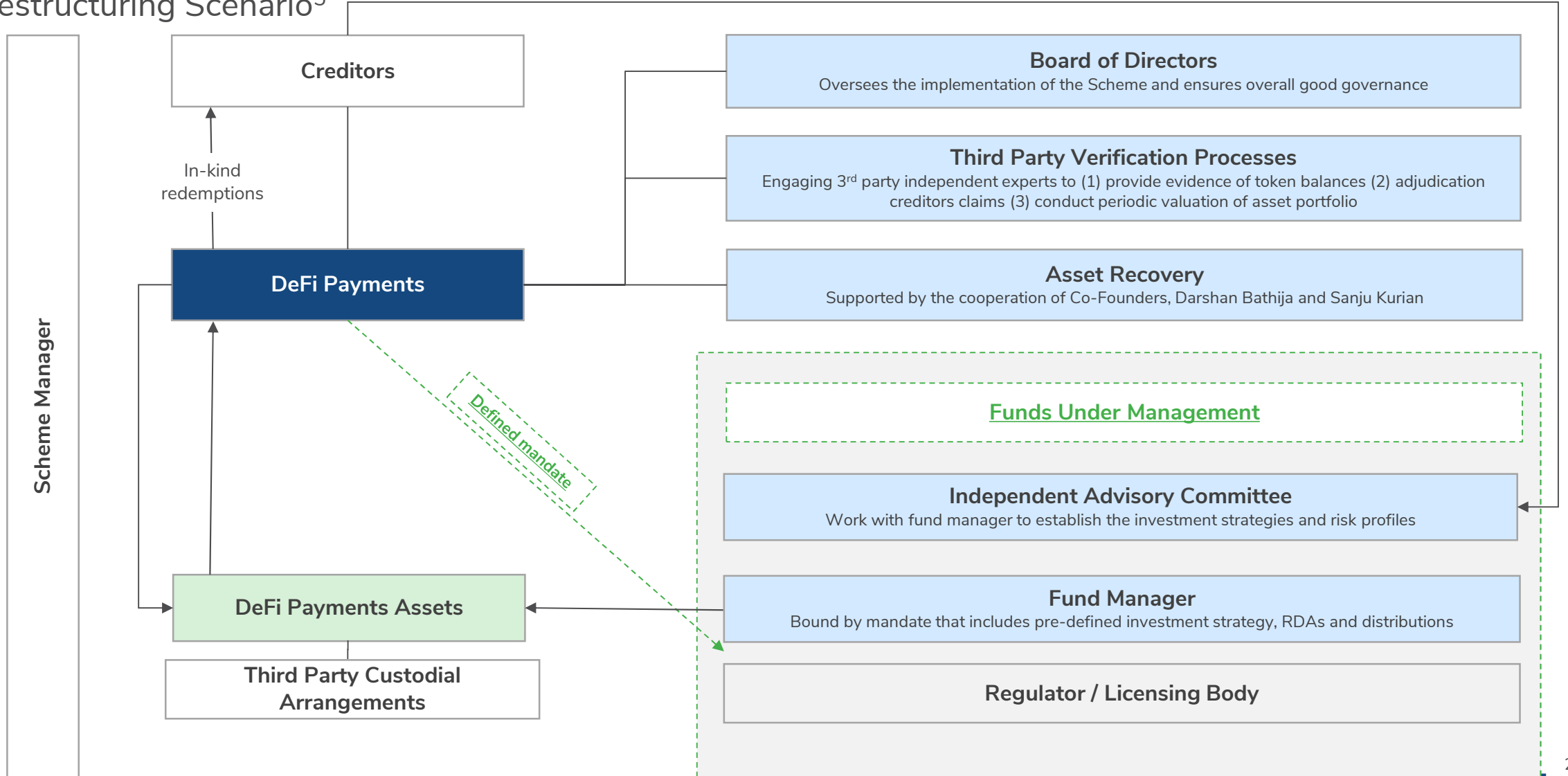
USD ' 000	Funds Under Management	Managed Wind Down	Liquidation
Opening Asset Balance	115,287	115,287	115,287
Asset Recoveries	156,936	156,936	136,936
Net Fund Manager Gains	11,092	-	-
Asset Recovery Legal Costs	(2,000)	(2,000)	(2,000)
Restructuring / Liquidation and Operational Costs	(7,961)	(7,931)	(40,000)
RDA / Distributions	(273,354)	(262,292)	(210,223)
Closing Asset Balance	-	-	-
Return to Creditors	83%	80%	64%

- A Restructuring provides the best estimated recoveries to creditors (80 – 83%). Liquidation has the lowest estimated recoveries (64%)
- The key difference in recovery between Restructuring options is the additional 3% (USD11m) from fund manager gains
- The key differences between a Restructuring and Liquidation are Liquidator costs of 10% (USD32m) and impaired receivables of 6% (USD20m)

⁴ Further detail on forecast and assumptions outlined in [Appendices 7.4](#)

Structure & Governance

Restructuring Scenario⁵



⁵ Further detail on structure and governance outlined in [Appendices 7.5](#)

Recovery Option - Restructuring

Potential Fund Manager

- Vauld has progressed discussions with a range of various potential fund managers and is presently in active discussions with 3 shortlisted fund managers

Description	DACM	Arca	LedgerPrime (MNNC Group)
AUM	>USD300m	>USD500m	Formerly managed >USD350m
Background	<ul style="list-style-type: none"> Established 2017, 100% digital asset fund taking conviction positions on listed, liquid digital assets. 3 core strategies: venture, long-only, market neutral 	<ul style="list-style-type: none"> An institutional grade crypto asset management firm with actively and managed and passive crypto and other investment products 	<ul style="list-style-type: none"> Specializes in taking advantage of market dislocations using sophisticated arbitrage algorithms and extensive liquidity infrastructure 3 core strategies: market making and arbitrage, statistical arbitrage, volatility trading
Track Record	Digital asset fund was world #1 in 2020 – 2021 <ul style="list-style-type: none"> 203% return in 2021 over cryptocurrency market CCI30 index returns of 126% 183% return in 2020 over cryptocurrency market CCI30 index returns of 244% 	Performance of Arca's flagship Digital Assets Fund: <ul style="list-style-type: none"> -17% return in 2022 under the benchmark Bloomberg Galaxy Crypto Index ("BGCI") return of -70% 162% return in 2021 over the benchmark BGCI return of 153% 97% return in 2020 over the benchmark BGCI return of 277% 	<ul style="list-style-type: none"> Performance of their Digital Assets Opportunity Fund: -4.9% return in 2022 under the benchmark BGCI return of -70% up until October 2022 99.9% return in 2021 over the benchmark BGCI return of 153% 41.4% return in 2020 over the benchmark BGCI return of 277%
Team	16 global members with decades of experience in banking, financial markets, risk management and digital assets	53 global members with decades of experience in banking, financial markets, risk management and digital assets	Core team comprises 6 members with decades of experience in algorithmic strategies, quantitative strategies and full stack execution engine design
Proposed Strategy	Long-only, alpha-generating portfolio	Blended returns from strategies including fixed income, long discretionary, lending, staking, options, volatility, arbitrage and basis trading, and liquidity pools	Self custody DeFi staking strategies so that the principal of the assets are not risked, volatility, arbitrage and basis trading, and liquidity pools

- Vauld is in advanced discussions with the potential candidates and is ready to enter into binding terms with a fund manager upon indication of creditors on their preferred option

04. Comparative Analysis

Recovery Options

Summary Comparative Analysis – Recoveries to Creditors

Type	Options	RDA 1	RDA 2	RDA 3	Final Distribution	Average Recoveries
		3Q2023	2Q2024	3Q2024	2Q2026	
Restructuring	Funds Under Management	40%	87%	93%	148%	83%
Restructuring	Managed Wind Down	40%	84%	90%	142%	80%
Type	Options	Distribution 1	Distribution 2	-	Final Distribution	Average Recoveries
		1Q2024	2Q2025	-	2Q2026	
Liquidation	Liquidation	21%	6%	-	37%	64%

- The percentage values indicate forecast return on individual claims at key points in time, i.e. RDA / Distribution of proceeds
 - For example: a creditor with a 1 BTC post-Conversion claim fully exiting the Restructuring at RDA 3 under a Funds Under Management Restructuring is forecast to receive 0.93 BTC in recoveries. In token terms, this is 0.13 BTC (13%) higher than the pre-Restructuring 80% Asset / Claims ratio comprising:
 - 0.1 BTC (10%) from the net reduction in Claims from the preceding RDAs; and
 - 0.03 BTC (3%) from gains achieved by the fund manager
 - In cash terms, if BTC appreciates to USD40,000 / BTC (~2x as of 4 July 2022), then this creditor will have received a recovery worth 0.93 BTC * USD40,000 = USD37,200 compared to his 1 BTC claim which was worth ~USD19,858 as at 4 July 2022
- Key clarifications:
 - “Average Recoveries” refers to average recoveries over the entire creditor base while RDA and Distributions are specific returns to individual creditors who participate in the RDAs / receive distributions at these specific events
 - exiting at a Restructuring RDA locks in the RDA recovery with no further recoveries achievable
 - creditors are entitled to participate in all distributions under a Liquidation on a pro rata basis
 - recoveries detailed above are indicative and subject to key risks set out in the next slide

Recovery Options

Summary Comparative Analysis – Qualitative Considerations⁶

Option	Recovery Optimisation Mechanism	Treatment of Claims	INR creditors	Liquidity Optionality	Costs	Asset Realisation Risk	Price Risk	Execution Risk
Funds Under Management	Investment returns and RDAs – drives highest recoveries overall and for each RDA / distribution	Claims maintained in post-Conversion token composition. Distributions made in a combination of tokens chosen by Creditors (realizations from Liquid Assets) and fixed token compositions (realizations from Illiquid Assets)	Paid out in full	Option available for early liquidity in the form of multiple RDAs. Earliest access to liquidity upon implementation of Scheme	Lowest cost due to company resources and management remaining intact (USD10m)	Lowest risk due to management driving the asset realization process who are best placed to minimize risk and maximize recoveries with their experience and knowledge of the background in relation and illiquid asset	Price risk due to Remaining Liquid Assets with fund manager exposed to the market	Risk that fund manager does not achieve target gains over the market
Managed Wind Down	RDAs only – some improvement to returns for some via RDA effect but nil impact to overall recoveries to creditor base (no value creation)						Price risk due to Remaining Liquid Assets held in token compositions chosen by creditors	Nil
Liquidation	Nil – no value creation and significant value destruction due to high costs	Claims and distribution likely not in-kind – potential for tax implications and claims smaller than USD50 would likely not receive any payout (~50% of creditors by number)	Uncertain outcome under Flipvolt case with ED, which may result in impairment	No option for early liquidity – Liquidator will decide distribution timing, the earliest of which is likely to take at least a year	Highest cost due to Liquidator fees under an insolvency and costs associated with distributions in fiat (USD42m)	Highest risk due to a Liquidator driving the asset realization process, under an insolvency scenario that may trigger, for example, default clauses and result in complications to recovery	Minimal price risk due to Liquidator converting available crypto to stablecoins or a fiat currency	

⁶ Comprehensive Pros & Cons outlined in [Appendices 7.6](#)

05. Next Steps

Next Steps

- Set out below is an estimated timeline for the next steps in the proposed restructuring:


Date	Description
9 February 2023	Third Creditor Virtual Town Hall
9 to 15 February 2023	<p>Informal voting exercise open to all creditors to provide an indication of the preferred recovery option and to provide feedback to the Company.</p> <p>Creditors will be able to vote as follows:</p> <ul style="list-style-type: none"> FOR: Restructuring Plan including Funds Under Management ONLY FOR: Restructuring Plan including Managed Wind Down ONLY FOR: Restructuring Plan including EITHER Funds Under Management or Managed Wind Down AGAINST: Any proposed Restructuring Plan <p>Additional poll will be taken for preference of potential fund manager and interest in RDA participation.</p>
15 to 22 February 2023	Work with COC to take into account voting and develop a Restructuring Proposal. If appropriate, finalise and enter into a term sheet with a Fund Manager.
Mid-end February 2023	Finalise proposed Restructuring terms. Tentative court hearing on a further moratorium extension.
28 February 2023	End of moratorium
March 2023	Prepare, finalise and issue Explanatory Statement
April 2023	Apply to Court for leave to convene a meeting of creditors
April / May 2023	Submission, adjudication and appeal of Proof of Debt
April / May / June 2023	Scheme meeting and voting on the Restructuring Proposal
June 2023	Court sanction of the Scheme
July 2023	Implementation of the Scheme subject to the above timeline being met

Next Steps

Informal voting by Defi Payments Creditors: [Informal Voting](#)

Instructions for voting

1. Enter email address to sign in via a Google account log in
2. Voting is one time – consider carefully
3. Any questions contact enquiries@vauld.com or use the chat option in the Vault app or website



Informal Voting by Defi Payments Pte. Limited Creditors

Defi Payments Pte. Limited (the "Company") is currently subject to a moratorium granted by the Singapore courts for the purpose of developing a Restructuring Plan.

The Company is preparing to propose the Restructuring Plan to its creditors (the "Creditors") and seeks to make an assessment of Creditors' preference of a scheme of arrangement comprising, amongst others (i) the Company's funds being placed under management ("Funds Under Management"); or (ii) a distribution of the Company's funds to Creditors ("Managed Wind Down"). This informal assessment would be done by way of informal voting. The vote will be held open from 9 February 2023 and will close on 15 February 2023 at 5pm (Singapore time). Please see <https://youtube.com/live/TKqgs33do> for further information on the 2 options above.

The Company wishes to hear from its Creditors what their preferred choice of proposal for a Restructuring Plan may be. This is so as to facilitate the Company's consideration as to what it should propose in its Restructuring Plan with the feedback from Creditors taken into account and so as to ensure the best possible outcome for Creditors. The results of the informal assessment is purely for indicative purposes to facilitate the Company's consideration of the Restructuring Plan to be ultimately proposed to the Creditors and the results:


1. will not be made publicly available other than by way of possible submissions to the Singapore courts; and
2. this informal voting process is purely for indicative purposes and is not binding on any individual Creditor or the Company. In other words, the result of this informal vote does not dictate the eventual Restructuring Plan that will be proposed by the Company. Neither are Creditors required to vote in a similar manner for this informal vote and in the formal vote for the Restructuring Plan when a meeting of creditors is eventually convened under the Companies Act 1967.

Please enter the registered email address you use to sign-in to Vault

* Required

Email *

Your email



Informal Voting by Defi Payments Pte. Limited Creditors

* Required

Based on the information provided at the Creditor Virtual Town Hall Webinar on 9 February 2023

I would vote as follows for the Company's proposed Restructuring Plan: *

FOR: Restructuring Plan including Funds Under Management ONLY

FOR: Restructuring Plan including Wind Down ONLY

FOR: Restructuring Plan including EITHER (i) Funds Under Management; or (ii) Managed Wind Down, i.e. both options represent a satisfactory outcome as compared to liquidation of the Company

AGAINST: Any proposed Restructuring Plan

In the event that the Company proposes a Restructuring Plan including Funds Under Management, my preference of fund manager is as follows: *

DACM

Arca

MNNC

No preference

I am interested in participating in the Initial RDA: *

Yes

No

Not decided

06. Q&A



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07. Appendices

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7.1 DeFi Payments Financial Position

Breakdown of financial position

DeFi Payments Financial Position as of 26 January 2023	Crypto Tokens (BTC)	Crypto Tokens (ETH)	Crypto Tokens (Other)	Stablecoin	Fiat	Total
USD'000						
Assets						
Cash	-	-	-	-	52	52
Investment in Crypto Tokens	54,827	23,636	31,274	5,499	-	115,236
Amount reserved for costs	(10,000)					(10,000)
Liquid Assets	44,827	23,636	31,274	5,499	52	105,236
Liquid Assets over Liabilities						32%
Third Party Receivables	99,532	50,449	28,950	(41,996)		136,936
Flipvolt Receivables					20,000	20,000
Total Illiquid Assets	99,532	50,449	28,950	(41,996)	20,000	156,936
Total Assets	144,359	74,085	60,224	(36,497)	20,052	262,223
Total Assets over Liabilities						80%
Total Liabilities	(122,932)	(37,334)	(41,375)	(126,057)	-	(327,698)
Net Liquid Assets / Liabilities	21,426	36,751	18,849	(162,553)	20,052	(65,475)

Latest Financial Position*

- the **Assets total ~USD262m** and comprise:
 - ~USD105m in Liquid Assets; and
 - ~USD157m in Illiquid Assets.
- the **Claims total ~USD328m**
- the latest **asset / liability deficit is ~USD65m or 20% of Claims**
- This financial position is a snapshot of a point in time used to illustrate modelled returns under the Recovery Options. The financial position and asset / liability deficit will vary over time with token prices
- Key clarification: the balance shown in the Vault app is representative of the Claims amount and not the Assets of the Company

Key Observations

- There is a net deficit in Assets, which as of 26 January 2023 was ~USD65m, where the ratio of the full value of Assets to Claims was 80%.
- However as only ~USD105m of the Assets are liquid and available net of amounts reserved for costs, there are **only funds available sufficient to pay out approximately 32% of overall Claims** in the near term
- Therefore, although the Company will be able to make funds available at an early stage, it will be **unable to make 100% payment of the Claims**

7.1 DeFi Payments Financial Position

Valuation Methodology

- **Updates since the Creditor Virtual Townhall held on 5 January 2023**
 - To model the Recovery Options, we have updated the DeFi Payments financial position that was stated as of 14 December 2023 as follows:
 - Updated asset valuation based on token prices as of 26 January 2023;
 - Reserved USD10m of assets for costs of the Restructuring;
 - Revised estimate of Flipvolt intercompany receivables based on latest transfer pricing estimates; and
 - Set off assets and liabilities due to Counterparty A (the sole secured creditor)
 - These updates streamline the financial position in relation to unsecured creditors only and is appropriate for modelling Recovery Options for unsecured creditors, i.e. Vault customers
- **Basis for Valuation**
 - Assets are valued using 14 December 2022 token balances and 26 January 2023 token prices. With no substantial transactions occurring between 14 December 2022 and 26 January 2023, asset token balances remain materially unchanged between these dates
 - Liabilities (Claims) are valued using token balances due to Vault customers and token prices as at 4 July 2022. This is equivalent to the overall amounts in the Vault app of all customers at the date of suspension of customer accounts
 - **Key clarification: the balance shown in the Vault app is representative of the Claims amount and not the Assets**
 - With the freezing of deposits and withdrawals on 4 July 2022, creditors have not been able to trade their exposure and have been locked into a particular token composition at the time of the suspension
 - To treat creditors equally under a restructuring, it is appropriate to value the Claims using the token balances and prices as at the date of the suspension

7.2 Asset Recoveries

Liquid Assets

- **Liquid Assets**

- There are ~USD115m in Liquid Assets that as of 26 January 2023 were held in wallets (~USD102m) and in third-party custodian accounts (Delta Exchange, Binance, Huobi) (~USD13m). USD10m of these Liquid Assets are reserved for costs, resulting in ~USD105m in Liquid Assets available
- Kroll has sighted the balances contained in the wallets and custodian accounts and a further exercise to evidence the balances is planned
- In a Restructuring and upon implementation of the Scheme, the funds will be placed into safe keeping exclusively under third-party custody arrangements for the purpose of funding payouts to Creditors and/or deployment in line with investment strategies, depending on the final Restructuring Plan
- In a Liquidation, the Liquidator would take control of the Liquid Assets and given the volatility of the asset class likely convert the crypto assets to USD at the earliest appropriate opportunity

7.2 Asset Recoveries

Illiquid Assets

- **Counterparty A**

- There are ~USD108m in net loans receivable from Counterparty A where crypto assets of 3,985.9 BTC and 28,955.7 ETH were deposited with Counterparty A on 13 June 2022 to purchase 'Fixed Earn' products and the deposited amounts were used as collateral to borrow 35m USDC, where under the agreements, these separate transactions constitute a single business and contractual relationship
 - The direct contractual arrangements for the net receivable from Counterparty A are with Darshan Bathija who acts as the custodian on behalf of DeFi Payments by way of a Custody Agreement
- In our assessment, the amount due from Counterparty A will not be collected in June 2023 per the terms of the loan agreement as a result of the above risks. Active recovery efforts and likely litigation will be necessary with the estimated timing of recoveries is estimated to be at least 3Q 2024

- **CoinLoan**

- DeFi Payments has ~USD29m deposited with CoinLoan, a cryptocurrency exchange platform, which imposed a withdrawal limit of USD10,000 per day from 27 July 2022, which subsequently increased to USD15,000 per day in October 2022
- Under normal circumstances, the CoinLoan funds would be fully liquid however given the level of the cap it would take approximately 5 years for the funds to be fully withdrawn
- The CoinLoan account is held in the name of Darshan Bathija who acts as the custodian on behalf of DeFi Payments by way of a Custody Agreement

7.2 Asset Recoveries

Illiquid Assets

- **Flipvolt**
 - DeFi Payments has an intercompany receivable of ~USD20m from Flipvolt. This intercompany receivable is an estimate and subject to confirmation via a transfer pricing study which is expected to conclude shortly
 - The receivable is unable to be realized at this time due to the Enforcement Directorate (India) having frozen the assets of Flipvolt pending investigation into the possible money laundering activities of one of Vault's customers, Yellow Tune Technologies (Yellow Tune Technologies is in no way related to DeFi Payments or any of DeFi Payments' directors and management)
- **Flipvolt Avenues of Recovery (Restructuring)**
 - DeFi Payments management will be able to continue with the strategy currently being utilized of recovering amounts receivable from Flipvolt
 - The expected quantum and timing of recoveries is uncertain however the prospects of recovery are improved in a restructuring where DeFi Payments management play an active role in asset recovery efforts

7.2 Asset Recoveries

Contingent Asset

- **FTX Claims**

- The Company's net exposure to FTX comprises tokens that DeFi Technologies Europe UAB had stored in an account with FTX, offset by a loan payable to FTX
- The FTX account is held in the name of DeFi Technologies Europe UAB who acts as the custodian on behalf of DeFi Payments by way of a Custody Agreement
- Due to market price recovery between the previous value date of 14 December 2022 and the latest value date of 26 January 2023, the net exposure to FTX has increased in USD terms from USD6.4m to USD9.5m
- FTX is currently undergoing financial difficulties and has entered bankruptcy and the funds are unable to be recovered at this time
- DeFi Technologies Europe UAB will be able to make a claim against FTX in the bankruptcy proceedings
- Electronic submission of claims has not yet opened and the Court has not yet set a deadline for filing proofs of claim against FTX
- Recoveries in respect of the claim of USD9.5m against FTX are highly uncertain in terms of both amount and timing and has been fully impaired for the purposes of our analysis

7.3 Reverse Dutch Auction

RDA Mechanism

- **Debt Tender Offer via Reverse Dutch Auction**
 - All Scheme Creditors will be provided with the opportunity to participate in a series of RDAs for debt buybacks by DeFi Payments
 - Assets will be made available through the RDA as and when available:
 - An initial RDA to be conducted using Liquid Assets upon implementation of the Scheme; and
 - Subsequent RDAs to be conducted upon recovery of major Illiquid Assets, including the Illiquid Assets and claim in the FTX bankruptcy
 - DeFi Payments will accept bids in order from the highest level of discount first and then in progression from highest to lowest level of discount until the Buyback Assets have been fully allocated
 - Bids will be allowed on the basis of full or partial Claim amounts
 - The purpose of conducting the RDAs is to provide access to liquidity for Creditors at key points in time to provide:
 - Certainty of liquidity available to Creditors who choose to exit at a discount via an RDA, where earlier RDAs in the timeline will be offered at a deeper discount; and
 - Access to higher returns, potentially over 100%, for Creditors who opt to receive delayed payments, i.e. reward for risk incurred

7.4 Recovery Scenarios

Restructuring – Funds Under Management

USD ' 000	Pre-Restructuring		Restructuring												Total
	2023	2023	2023	2023	2024	2024	2024	2024	2025	2025	2025	2025	2026	2026	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	
Opening Balance – Liquid Assets	115,287	115,007	111,851	61,944	62,372	62,816	62,649	63,523	64,073	64,640	65,222	65,866	66,527	67,204	115,287
Asset Movements	-	-	-	-	-	20,000	107,981	-	-	-	-	-	-	-	28,955
Fund Manager Gains	-	-	1,375	1,393	1,417	1,441	1,465	1,517	1,543	1,569	1,596	1,623	1,650	1,678	18,266
Fund Manager Costs	-	-	(725)	(532)	(541)	(550)	(559)	(579)	(589)	(599)	(609)	(620)	(630)	(641)	(7,174)
Asset Recovery Legal Costs	-	(500)	-	-	-	(500)	(500)	-	-	-	-	-	-	(500)	(2,000)
Restructuring and Operational Costs	(281)	(2,656)	(558)	(433)	(433)	(558)	(513)	(388)	(388)	(388)	(343)	(343)	(343)	(343)	(7,961)
RDA / Distributions	-	-	(50,000)	-	-	(20,000)	(107,000)	-	-	-	-	-	-	(96,354)	(273,354)
Closing Balance – Liquid Assets	115,007	111,851	61,944	62,372	62,816	62,649	63,523	64,073	64,640	65,222	65,866	66,527	67,204	-	-
Opening Balance – Unsecured Liabilities	(327,698)	(327,698)	(327,698)	(202,698)	(202,698)	(202,698)	(179,816)	(65,230)	(65,230)	(65,230)	(65,230)	(65,230)	(65,230)	(65,230)	(327,698)
RDA Bid Price	0%	0%	40%	0%	0%	87%	93%	0%	0%	0%	0%	0%	0%	0%	0%
Extinguished Liabilities	-	-	125,000	-	-	22,882	114,586	-	-	-	-	-	-	65,230	327,698
Recoveries in excess of Initial Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	31,124	31,124
Closing Balance – Unsecured Liabilities	(327,698)	(327,698)	(202,698)	(202,698)	(202,698)	(179,816)	(65,230)	(65,230)	(65,230)	(65,230)	(65,230)	(65,230)	(65,230)	31,124	31,124
Recovery to Creditors (at each exit)			40%			87%	93%							148%	
% of Creditors Exiting (by Value)			38%			7%	35%							20%	100%

Key Observations / Assumptions

- Assumed recovery of receivables from Flipvolt (USD20m), Counterparty A (USD108m) and CoinLoan (USD29m) in 2Q 2024, 3Q 2024 and 2Q 2026, respectively.
- Legal costs of an estimated USD2m to support ongoing asset recovery efforts
- Assumes moderate risk and 11% year-on-year gains earned by fund manager from assets under management. This return is over and above returns from asset price appreciation from market recovery. For ease of illustration, the Recovery Options have been modelled assuming neutral market prices however a sustained recovery in the cryptocurrency market is likely to significantly increase returns under a Funds Under Management scenario relative to USD as a base currency, for example if token prices were to appreciate by 30%, the average recovery under this scenario in USD as a base currency would increase from 83% to 108%
- Initial target RDA of 40% (i.e. a creditor achieves a 40% recovery of their claim). Subsequent RDAs targeted upon the recovery of loan receivables with recoveries between 87% - 93%
- Creditors that remain until end of Restructuring (do not participate in any of the RDAs) can potentially recover more than 100% of their claims (~148%)

7.4 Recovery Scenarios

Restructuring – Managed Wind Down

USD ' 000	Pre-Restructuring		Restructuring												Total
	2023	2023	2023	2023	2024	2024	2024	2024	2025	2025	2025	2025	2026	2026	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	
Opening Balance – Liquid Assets	115,287	115,007	111,851	61,296	60,866	60,436	59,381	59,353	58,968	58,583	58,198	57,858	57,518	57,178	115,287
Asset Movements	-	-	-	-	-	20,000	107,981	-	-	-	-	-	-	-	28,955
Asset Recovery Legal Costs	-	(500)	-	-	-	(500)	(500)	-	-	-	-	-	-	-	(500)
Restructuring and Operational Costs	(281)	(2,656)	(555)	(430)	(430)	(555)	(510)	(385)	(385)	(385)	(340)	(340)	(340)	(340)	(7,931)
RDA / Final Distributions			(50,000)			(20,000)	(107,000)								(85,292)
Closing Balance – Liquid Assets	115,007	111,851	61,296	60,866	60,436	59,381	59,353	58,968	58,583	58,198	57,858	57,518	57,178	-	-
Opening Balance – Unsecured Liabilities	(327,698)	(327,698)	(327,698)	(202,698)	(202,698)	(202,698)	(178,938)	(59,957)	(59,957)	(59,957)	(59,957)	(59,957)	(59,957)	(59,957)	(327,698)
RDA Bid Price	0%	0%	40%	0%	0%	84%	90%	0%	0%	0%	0%	0%	0%	0%	0%
Extinguished Liabilities	-	-	125,000	-	-	23,760	118,981	-	-	-	-	-	-	-	59,957
Recoveries in excess of Initial Liabilities															25,336
Closing Balance – Unsecured Liabilities	(327,698)	(327,698)	(202,698)	(202,698)	(202,698)	(178,938)	(59,957)	(59,957)	(59,957)	(59,957)	(59,957)	(59,957)	(59,957)	25,336	25,336
Recovery to Creditors (at each exit)			40%			84%	90%								142%
% of Creditors Exiting (by Value)			38%			7%	36%								18%

Key Observations / Assumptions

- No fund manager gains (net of costs) will result in net USD11m less cash inflows compared to the Fund Manager Case
- No requirement to maintain USD50m AUM. Remaining liquid assets post-initial RDA to be held in Creditors' choice of token denomination to capture market movements
- Minimum asset balances reduced to USD10m necessary to fund (a) ongoing asset recovery and associated legal costs of USD2m and (b) operational costs of USD8m to keep Vault platform to service customers and facilitate distributions – funds in excess can be distributed to creditors
- Initial target RDA of, say 40% (i.e. a creditor achieves a 40% recovery of their claim) and subsequent RDAs targeted upon the recovery of loan receivables with recoveries between 84% - 90% on the assumption that for example 100% of assets available for RDA is taken up
- Creditors that remains until end of Restructuring (do not participate in any of the RDAs) can potentially recover more than 100% of their claims (~142%)

7.4 Recovery Scenarios

Breakdown of Restructuring, Legal and Operational Costs

USD ' 000	Pre-Restructuring		Restructuring												Total
	2023	2023	2023	2023	2024	2024	2024	2024	2025	2025	2025	2025	2026	2026	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	
Restructuring, Legal and Operational															
Legal cost to recover receivables	-	(500)	-	-	-	(500)	(500)	-	-	-	-	-	-	(500)	(2,000)
Restructuring Costs	(281)	(2,281)	-	-	-	-	-	-	-	-	-	-	-	-	(2,561)
Scheme Administration Costs	-	(375)	(258)	(133)	(133)	(258)	(258)	(133)	(133)	(133)	(133)	(133)	(133)	(133)	(2,340)
Operational Costs	-	-	(300)	(300)	(300)	(300)	(255)	(255)	(255)	(255)	(210)	(210)	(210)	(210)	(3,060)
Total Restructuring, Legal and Operational Cost	(281)	(3,156)	(558)	(433)	(433)	(1,058)	(1,013)	(388)	(388)	(388)	(343)	(343)	(343)	(843)	(9,961)

Key Observations / Assumptions

- **Legal Cost to Recover Receivables** – Estimated legal cost of USD2m required to secure DeFi Payment's receivables due to potential disputes
- **Restructuring Costs**
 - Retainer fees and estimated success fees of DeFi Payment's financial advisor (Kroll): USD50k monthly retainer and an estimated USD1.5m in success fees
 - Retainer fees and estimated success fees of DeFi Payment's legal advisor in Singapore (Rajah & Tann): estimated USD500k in legal fees
- **Scheme Administration Costs** – Costs for an Information and Tabulation Agent, Scheme Administrator (an independent party that will manage voting, RDA process and distributions), and fund administration costs
- **Operational Costs** – Monthly cost of USD100k – salaries to maintain a small Vault Care team and engineers for technical support (USD58k), the Vault platform and operational expenses such as tech tools and cloud subscriptions (USD20k), independent validation of financial position and valuation (USD16k) and others (USD6k). Vault is committed to reduce ongoing operating expenses with an indicative forecast 15% annual reduction
- **Co-Founder Salaries** – Nil. Darshan Bathija and Sanju Kurian will not draw a salary from DeFi Payments

7.4 Recovery Scenarios

Liquidation

USD ' 000	Pre-Liquidation		Liquidation												Total
	2023	2023	2023	2023	2024	2024	2024	2024	2025	2025	2025	2025	2026	2026	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	
Opening Balance – Liquid Assets	115,287	115,287	114,787	114,787	114,787	44,787	44,287	151,769	151,769	151,769	131,769	131,769	131,769	131,769	115,287
Asset Movements	-	-	-	-	-	-	107,981	-	-	-	-	-	-	-	28,955
Asset Recovery Legal Costs	-	(500)	-	-	-	(500)	(500)	-	-	-	-	-	-	-	(2,000)
Liquidation Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	(40,000)	(40,000)
RDA / Distributions	-	-	-	-	(70,000)	-	-	-	-	(20,000)	-	-	-	(120,223)	(210,223)
Closing Balance – Liquid Assets	115,287	114,787	114,787	114,787	44,787	44,287	151,769	151,769	151,769	131,769	131,769	131,769	131,769	-	-
Opening Balance – Unsecured Liabilities															
% Return to Creditors	0%	0%	0%	0%	21%	0%	0%	0%	0%	6%	0%	0%	0%	37%	
Cumulative Return to Creditors	0%	0%	0%	0%	21%	21%	21%	21%	21%	27%	27%	27%	27%	64%	

Key Observations / Assumptions

- Full impairment of Flipvolt intercompany receivables due to inability of the Liquidator to use assets of DeFi Payments to support active recovery efforts.
- A Liquidator has to obtain cooperation from key stakeholders in an insolvency, establish control over the assets not presently in the name of the company, structure accounts to be able to hold those assets, and adjudicate the large volume of claims which also involves a statutory timeline of a minimum of 3 months. All of this combines to delay the first distribution for likely up to a year and add substantial expected Liquidator costs of an estimated USD40m over the course of the Liquidation.
- Creditors do not have any optionality for early liquidity under a Liquidation – all distributions will be made according to progress on the Liquidator’s work and statutory timelines which are forecast here to occur on a yearly basis
- Legal costs of an estimated USD2m to support ongoing asset recovery efforts. Dividend payments are made in fiat currency (USD) rather than in-kind and will incur significant transaction fees upon distribution to creditors
- No fund manager gains or costs will result in net USD11m less cashflows compared to the Fund Manager High Case while incurring additional USD32m more in Liquidators fees and expenses compared to the restructuring costs incurred in the Fund Manager or Managed Wind Down scenarios, resulting in projected total recoveries of 64% to all creditors

7.5 Structure & Governance

Restructuring Scenarios – Baseline Governance

- Appropriate levels of governance to be implemented under a restructuring plan with the following baseline measures that will apply in either case, of the Funds Under Management or Managed Wind Down scenarios
- **Board of Directors:**
 - The role of the directors of DeFi Payments is to oversee the implementation of the Scheme and overall ensure good governance
 - A board to include: (1) DeFi Payments CEO (TBD other than the Co-Founders, currently under discussion); (2) Vault creditor representative(s); and (3) Scheme Manager (Kroll representative)
- **Third Party Verification Process:**
 - Engaging third-party experts to evidence the financial position:
 - Provision of the necessary evidence, e.g. links to blockchain explorers, to show token balances by address
 - Independent process of adjudication of creditors claims
 - Conduct ongoing periodic independent valuation of the asset portfolio
- **Asset Recovery:**
 - Ongoing asset recovery efforts will be required over an estimated period of up to 3 (or possibly more) years in respect of: (1) the Flipvolt receivable; (2) the net loan receivable from Counterparty A; (3) the CoinLoan balance of account; and (4) the claim against FTX
 - Asset recoveries will be supported by the cooperation of Co-Founders, Darshan Bathija and Sanju Kurian, on an ongoing basis.
 - As third-party receivables are held in the name of management under custody for DeFi Payments, management's cooperation and background knowledge will be essential to litigation and recovery efforts
- **Scheme Manager:**
 - Responsible for implementation of the Scheme, including oversight of the distribution of proceeds
 - Will support management in asset recovery efforts

7.5 Structure & Governance

Restructuring Scenarios – Additional Structuring

- Additional management and oversight to be layered in as follows where the crypto assets are managed by a third-party crypto asset manager:
- **Board of Directors**
 - A representative of the third-party crypto asset manager to be added to the Board of Directors of DeFi Payments
 - This board representative will be delegated responsibility by the Board of Directors to manage cryptocurrency assets for DeFi Payments
- **Crypto Asset Manager:**
 - The crypto assets of DeFi Payments to be retained in the ownership of the Company held by a third-party escrow/wallet, e.g. Coinbase Custody/Fireblocks
 - DeFi Payments to agree a mandate with the fund manager including pre-defined investment strategy, considering the proposed RDAs and other requirements of the creditors including to be able to redeem funds ‘in-kind’ proportionate to their claims
- **Independent Advisory Committee:**
 - An Independent Advisory Committee comprised of a proposed five DeFi Payments creditors
 - The role of the Independent Advisory Committee would be to work with the Crypto Asset Manager in establishing the investment strategies, working with the fund manager on the risk profile

7.6 Pros & Cons of Recovery Options

Funds Under Management

Key Considerations	Pros	Cons
Asset Recoveries	<ul style="list-style-type: none"> • All of the Illiquid Assets are not held directly by DeFi Payments, and so the continued involvement and cooperation of Vault management taking active steps to recover assets will serve to optimise the amount and timing of asset recoveries • The costs of recovery actions are significantly lower than under a Liquidation due to the continued direct involvement of Vault management • Higher expected returns available to Creditors • Payment a shorter timeframe than under a Liquidation 	<ul style="list-style-type: none"> • Exposed to counterparty and Illiquid Assets recovery and realisation risks – this is not strictly a con as all scenarios are exposed to these risks, with the insolvency factor heightening this risk under a Liquidation • Recovery actions will entail necessary legal costs that can be managed but not avoided entirely
Level of returns to Creditors	<ul style="list-style-type: none"> • Option to exit at an early stage (40%) • Highest overall possible returns (83%) • Highest possible return under an RDA round (93%) • Highest final payout potentially in excess of in excess of full recovery (148%) • The only option with the potential for higher than forecast returns driven by asset management performance. The level of asset management returns factored in are in excess of the returns from asset appreciation from market recoveries 	<ul style="list-style-type: none"> • Exposed to possible underperformance of the asset manager which may adversely affect final payout and reduce estimates of overall recoveries to creditors • Exposed to price risk which may impact asset values at key milestones (such as an RDA) and can result in sub-optimal liquidity available to run RDAs

7.6 Pros & Cons of Recovery Options

Funds Under Management

Key Considerations	Pros	Cons
Costs	<ul style="list-style-type: none"> • Cost containment, including that Vault management will remain actively involved in Scheme implementation however will not be salaried • Lower expected costs of distribution of payouts through existing Vault infrastructure • The returns expected to be generated by a Fund Manager exceed the costs, with fees subject to a high-water mark 	<ul style="list-style-type: none"> • A successful Restructuring will necessitate the payment of restructuring-related costs which include advisor success fees • Maintaining Vault infrastructure will entail ongoing operational expenditure that can be minimised but not eliminated entirely • The engagement of a Fund Manager will necessitate baseline costs that would impact available assets in the event of underperformance
Treatment of Claims	<ul style="list-style-type: none"> • Adjudication of Claims by an independent third-party provider with the benefit of access to Vault management knowhow and tech infrastructure • Claims maintained in post-Conversion token composition. • Distributions made in a combination of tokens chosen by Creditors (realizations from Liquid Assets) and fixed token compositions (realizations from Illiquid Assets) • The engagement of an independent, third-party provider to tabulate voting and adjudicate claims will introduce a separate source of communication to creditors which will ensure clarity 	<ul style="list-style-type: none"> • The engagement of an independent, third-party provider to tabulate voting and adjudicate claims will bring associated costs
Oversight governance and	<ul style="list-style-type: none"> • Implementation of appropriate levels of governance including: (i) Board changes; (ii) Third Party Validation; and (iii) Scheme manager • Additional measures layered-in in the case of engaging a crypto asset fund manager including: (i) the fund manager appointed to the board; (ii) Appropriately licensed third-party professional fund manager; and (iii) Independent Advisory Committee. • Independent Advisory Committee has direct input with Fund Manager 	<ul style="list-style-type: none"> • The mechanism for selection of participants for the Independent Advisory Committee will require careful consideration to ensure that selected participants are sufficiently sophisticated and committed to represent interests of the general creditor body on an ongoing basis

7.6 Pros & Cons of Recovery Options

Managed Wind Down

Key Considerations	Pros	Cons
Asset Recoveries	<ul style="list-style-type: none"> All of the Illiquid Assets are not held directly by DeFi Payments, and so the continued involvement and cooperation of Vault management taking active steps to recover assets will serve to optimise the amount and timing of asset recoveries The costs of recovery actions are significantly lower than under a Liquidation due to the continued direct involvement of Vault management Higher expected returns available to Creditors Payment a shorter timeframe than under a Liquidation 	<ul style="list-style-type: none"> Exposed to counterparty and Illiquid Assets recovery and realisation risks – this is not strictly a con as all scenarios are exposed to these risks, with the insolvency factor heightening this risk under a Liquidation Recovery actions will entail necessary legal costs that can be managed but not avoided entirely
Level of returns to Creditors	<ul style="list-style-type: none"> Option to exit at an early stage (40%) Second highest overall returns (80%) Second highest possible return under an RDA round (90%) Second highest final payout potentially in excess of in excess of full recovery (142%) Allows Creditors market exposure on Remaining Liquid Assets which will be held in a token denomination of their choice The only option with the potential for higher than forecast returns driven by asset management performance. The level of asset management returns factored in are in excess of the returns from asset appreciation from market recoveries 	<ul style="list-style-type: none"> Exposed to possible underperformance of the asset manager which may adversely affect final payout and reduce estimates of overall recoveries to creditors Exposed to price risk which may impact asset values at key milestones (such as an RDA) and can result in sub-optimal liquidity available to run RDAs

Key: red text and strikethrough denote comparative differences between Funds Under Management and Managed Wind Down restructuring options

[Link back to main slides](#)

7.6 Pros & Cons of Recovery Options

Managed Wind Down

Key Considerations	Pros	Cons
Costs	<ul style="list-style-type: none"> • Cost containment, including that Vault management will remain actively involved in Scheme implementation however will not be salaried • Lower expected costs of distribution of payouts through existing Vault infrastructure • The returns expected to be generated by a Fund Manager exceed the costs, with fees subject to a high-water mark 	<ul style="list-style-type: none"> • A successful Restructuring will necessitate the payment of restructuring-related costs which include restructuring and legal advisor retainer and success fees • Maintaining Vault infrastructure will entail ongoing operational expenditure that can be minimized but not eliminated entirely • The engagement of a Fund Manager will necessitate baseline costs that would impact available assets in the event of underperformance
Treatment of Claims	<ul style="list-style-type: none"> • Adjudication of Claims by an independent third-party provider with the benefit of access to Vault management knowhow and tech infrastructure • Claims maintained in post-Conversion token composition. • Distributions made in a combination of tokens chosen by Creditors (realizations from Liquid Assets) and fixed token compositions (realizations from Illiquid Assets) • The engagement of an independent, third-party provider to tabulate voting and adjudicate claims will introduce a separate source of communication to creditors which will ensure clarity 	<ul style="list-style-type: none"> • The engagement of an independent, third-party provider to tabulate voting and adjudicate claims will bring associated costs
Oversight and governance	<ul style="list-style-type: none"> • Implementation of appropriate levels of governance including: (i) Board changes; (ii) Third Party Validation; and (iii) Scheme manager • Additional measures layered in in the case of engaging a crypto asset fund manager including: (i) the fund manager appointed to the board; (ii) Appropriately licensed third-party professional fund manager; and (iii) Independent Advisory Committee. • Independent Advisory Committee has direct input with Fund Manager 	<ul style="list-style-type: none"> • The mechanism for selection of participants for the Independent Advisory Committee will require careful consideration to ensure that selected participants are sufficiently sophisticated and committed to represent interests of the general creditor body on an ongoing basis

Key: red text and strikethrough denote comparative differences between Funds Under Management and Managed Wind Down restructuring options

[Link back to main slides](#)

7.6 Pros & Cons of Recovery Options

Liquidation

Key Considerations	Pros	Cons
Asset Recoveries	<ul style="list-style-type: none"> Managed by a third-party administrator 	<ul style="list-style-type: none"> Lower expected quantum of asset recoveries absent the continued direct involvement of Vault management taking active steps to recover Illiquid Assets, here the assets are for the most part not held directly by DeFi Payments The legal costs of recovery actions significantly higher without the direct involvement of Vault management Lower expected returns available to Creditors within a longer timeframe than under a Restructuring
Level of returns to Creditors	<ul style="list-style-type: none"> Returns available to Creditors (64%) 	<ul style="list-style-type: none"> Significant level of value destruction as compared to a Restructuring (64% average returns < 80% assets / liability ratio) Distributions made in fiat currency with likely 'de minimis' amount, with the effect that up to 50% of creditors by number will not be entitled to any payout

7.6 Pros & Cons of Recovery Options

Liquidation

Key Considerations	Pros	Cons
Costs	<ul style="list-style-type: none"> Potential for oversight of costs by an ad hoc creditors' committee 	<ul style="list-style-type: none"> High level of costs of approximately ~USD40m over 3 years as compared to the costs of implementing and administering the Scheme of ~USD8m
Treatment of Claims	<ul style="list-style-type: none"> Claims to be adjudicated by a Liquidator 	<ul style="list-style-type: none"> Adjudication of 150,000 Claims without the benefit of access to Vault management knowhow and tech infrastructure will affect timing of dividend distribution, i.e. delayed access to funds Claims likely to be stated in USD equivalent
Oversight and governance	<ul style="list-style-type: none"> The Liquidator will have full control of the assets of DeFi Payments to the progress of the liquidation, with possible consultation of an ad hoc creditors' committee 	<ul style="list-style-type: none"> The Directors of DeFi Payments would be required to cooperate with the Liquidator however would not be expected to take an active role in maximizing asset recoveries or minimizing timing to recovery

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Hi there,

The link to the video recording of the Vauld Group Creditors Town Hall Meeting held today, 9 February 2023 at 8.30 pm (Singapore time) can be found [here](#) and the slides used can be found [here](#).

As mentioned in the meeting, we are opening an informal voting poll for creditors to provide an indication of the preferred recovery option by way of feedback. This is not the formal vote on the restructuring yet, but simply a way for us to receive your feedback at this critical point in time. The poll will remain open until 5:00 pm (Singapore time) next Wednesday, 15 February 2023. Please click through to submit your vote [here](#).

In order to enable open dialogue and receive your feedback after you go through the documents, we will be holding a Live Q&A session on Monday, 13th February 2023 at 6:00 PM India / 8:30 PM Singapore / 7:30 AM New York. Details for this call will be shared separately.

FAQs will be updated shortly and please don't hesitate to contact us at enquiries@vauld.com or use the chat option in the Vauld app or website for any queries.

We are here to help.

Kind regards,

Vauld team

Disclaimer: You are receiving this email from us because you, your company and/or your client are or may potentially be a creditor of Defi Payments Pte. Ltd. (“Defi Payments”). If this is not the case, or if you do not wish to receive any further correspondence from ourselves, please let us know by way of reply. All the rights of Defi Payments are fully and expressly reserved. For the avoidance of doubt, nothing in this letter or any subsequent correspondence or conduct in connection with HC/OA 318/2022 shall be taken as an admission, concession or acknowledgment of any particular rights which you, your company and/or your client may have against Defi Payments or of any particular liabilities which Defi Payments may owe to you, your company and/or your client.



Informal Voting by Defi Payments Pte. Limited Creditors

Defi Payments Pte. Limited (the "Company") is currently subject to a moratorium granted by the Singapore courts for the purpose of developing a Restructuring Plan.

The Company is preparing to propose the Restructuring Plan to its creditors (the "Creditors") and seeks to make an assessment of Creditors' preference of a scheme of arrangement comprising, amongst others (i) the Company's funds being placed under management ("Funds Under Management"); or (ii) a distribution of the Company's funds to Creditors ("Managed Wind Down"). This **informal** assessment would be done by way of **informal voting**. The vote will be held open from 9 February 2023 and will close on 15 February 2023 at 5pm (Singapore time). Please see <https://www.youtube.com/watch?v=V4g1pv-1CvI> and <https://drive.google.com/file/d/1kggNrl8YVPmtNnBeEefSiaK9xA4wpsv5> for further information on the 2 options above.

The Company wishes to hear from its Creditors what their preferred choice of proposal for a Restructuring Plan may be. This is so as to facilitate the Company's consideration as to what it should propose in its Restructuring Plan with the feedback from Creditors taken into account and so as to ensure the best possible outcome for Creditors. The results of the informal assessment is purely for indicative purposes to facilitate the Company's consideration of the Restructuring Plan to be ultimately proposed to the Creditors and the results:

1. will not be made publicly available other than by way of possible submissions to the Singapore courts; and
2. this informal voting process is purely for indicative purposes and is not binding on any individual Creditor or the Company. In other words, the result of this informal vote does not dictate the eventual Restructuring Plan that will be proposed by the Company. Neither are Creditors required to vote in a similar manner for this informal vote and in the formal vote for the Restructuring Plan when a meeting of creditors is eventually convened under the Companies Act 1967.

Please enter the registered email address you use to sign-in to Vault

[Switch accounts](#)



*Required

Email *



Informal Voting by Defi Payments Pte. Limited Creditors

[Switch accounts](#)

*Required

Based on the information provided at the Creditor Virtual Town Hall Webinar on 9 February 2023

I would vote as follows for the Company's proposed Restructuring Plan: *

- FOR: Restructuring Plan including Funds Under Management ONLY
- FOR: Restructuring Plan including Wind Down ONLY
- FOR: Restructuring Plan including EITHER (i) Funds Under Management; or (ii) Managed Wind Down, i.e. both options represent a satisfactory outcome as compared to liquidation of the Company
- AGAINST: Any proposed Restructuring Plan

In the event that the Company proposes a Restructuring Plan including Funds Under Management, my preference of fund manager is as follows: *

- DACM
- Arca
- MNNC
- No preference

Managed Wind Down, i.e. both options represent a satisfactory outcome as compared to liquidation of the Company

AGAINST: Any proposed Restructuring Plan

In the event that the Company proposes a Restructuring Plan including Funds Under Management, my preference of fund manager is as follows: *

DACM

Arca

MNNC

No preference

I am interested in participating in the Initial RDA: *

Yes

No

Not decided

My preference for the payout mechanism is as follows: *

RDA for every distribution

RDA for initial distribution and pro rata payout of subsequent recoveries

Pro rata payout for every distribution

No preference

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Vertical sidebar with icons: search, star, share, print, settings, and a plus sign.

DeFi Payments Informal Voting - Results as at end of day, 15 February 2023

	By Number		By Value	
	Total	Total (%)	Value (USD)	Value (%)
Question: I would vote as follows for the Company's proposed Restructuring Plan:				
AGAINST: Any proposed Restructuring Plan	220	14%	18,235,187.26	14%
FOR: Restructuring Plan including EITHER (i) Funds Under Management; or (ii) Managed Wind Down, i.e. both options represent a satisfactory outcome as compared to liquidation of the Company	690	45%	52,777,053.24	39%
FOR: Restructuring Plan including Funds Under Management ONLY	366	24%	18,814,402.73	14%
FOR: Restructuring Plan including Wind Down ONLY	249	16%	44,526,502.96	33%
Grand Total	1,525	100%	134,353,146.19	100%

	By Number		By Value	
	Total	Total (%)	Value (USD)	Value (%)
Question: In the event that the Company proposes a Restructuring Plan including Funds Under Management, my preference of fund manager is as follows:				
Arca	124	8%	10,859,864.66	8%
DACM	196	13%	22,468,943.67	17%
MNNC	64	4%	9,288,456.48	7%
No preference	1,141	75%	91,735,881.38	68%
Grand Total	1,525	100%	134,353,146.19	100%

	By Number		By Value	
	Total	Total (%)	Value (USD)	Value (%)
Question: My preference for the payout mechanism is as follows:				
No preference	425	28%	14,091,224.82	10%
Pro rata payout for every distribution	417	27%	47,942,780.44	36%
RDA for every distribution	369	24%	56,174,219.30	42%
RDA for initial distribution and pro rata payout of subsequent recoveries	314	21%	16,144,921.63	12%
Grand Total	1,525	100%	134,353,146.19	100%

	By Number		By Value	
	Total	Total (%)	Value (USD)	Value (%)
Question: I am interested in participating in the Initial RDA:				
No	404	26%	77,238,256.71	57%
Not decided	686	45%	43,426,879.71	32%
Yes	435	29%	13,688,009.77	10%
Grand Total	1,525	100%	134,353,146.19	100%

TAB - 8



Luke Furler

Managing Director & Head of APAC, Restructuring & Insolvency

Licensed Insolvency Practitioner (Singapore, Hong Kong, Dubai International Financial Centre)
Chartered Accountant (Singapore, Australia, United Kingdom)
CPA (Hong Kong)

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E: luke.furler@quantuma.com



Luke has extensive experience in complex and high-value international commercial transactions. Luke's practice involves a wide range of operational and financial restructuring and advisory work, with a particular focus on special situations.

Recent assignment highlights:

- **KrisEnergy Limited:** appointed liquidator in Cayman Islands over a Singapore listed oil and gas company with operations throughout Asia.
- **Agritrade Resources Limited:** appointed provisional liquidator in Bermuda over a Hong Kong listed energy company with assets in Indonesia (coal) and India (power).
- **Project Build:** appointed Chief Restructuring Officer to dual Singapore-Dubai NASDAQ listed design and construction company with operating businesses in Singapore, China, Thailand, Malaysia, Sri Lanka, Dubai and Myanmar. The engagement included taking the business through nine (9) parallel scheme of arrangements in Singapore and Malaysia and raising a S\$62 million rescue financing facility.
- **Reenova Investment Holding Limited:** appointed Judicial Manager to SGX listed company with key operating assets in Africa.
- **Kaddra Pte Ltd:** appointed liquidator to Toronto listed technology company. Appointment included liaison with regulators, multiple stakeholder groups and a sale process for the business and technology stack of the group.
- **Propzy Pte Ltd:** appointed liquidator to one of the regions most high-profile prop-tech businesses with investment from the worlds leading VC funds.
- A list of further appointments as liquidator is included at Appendix 1.

Specialisms

- Corporate insolvency
- Cross-border insolvency
- Operational and financial restructuring
- Chief Restructuring Officer / Interim CEO appointments
- International and complex situations

Sectors

- Financial Services
- Property
- Shipping and logistics
- Manufacturing
- Construction
- Commodity trading



Appendix 1 – select liquidation appointments

- Set out below is a list of select recent liquidator appointments of Mr Luke Furler:
 - **Galoc Production Company WWL (Incorporated in Bahrain)** – oil production business
 - **Ricebowl Technologies Pte Ltd** – financial technology business
 - **Suntech Power Investments Pte Ltd** – China resource business
 - **HyOil Singapore Pte Ltd** – oil production business
 - **Zetta Jet Pte Ltd (subject to US Chapter 7 proceedings)** – private aircraft business
 - **Apies Ventures Pte Ltd** – commodity trading
 - **Three Alps Pte Ltd** – commodity trading
 - **XMI Group Pte Ltd** – commodity trading
 - **El Baba Pte Ltd** – commodity trading
 - **Bridgestreet Singapore Pte Ltd** – housing and accommodation business
 - **3D Metalforge Pte Ltd** – manufacturing and technology
 - **Kahoo (Singapore) Pte Ltd** – technology
 - **Trikonsel (Singapore) Pte Ltd** – finance and telecommunications business