

PROSPERO MARKETS PTY LTD (IN LIQUIDATION) ACN 145 048 577 (“THE COMPANY”)

FREQUENTLY ASKED QUESTIONS – FOR CLIENTS, EMPLOYEES AND CREDITORS

1. Why were the Liquidators appointed?

Andrew Cummins, Jonathon Keenan and Peter Krejci were appointed as Joint and Several Liquidators of the Company on 10 April 2024 pursuant to an Order of the Federal Court of Australia.

The winding up application was filed by the Australian Securities and Investment Commission (“ASIC”) on just and equitable grounds, following various concerns raised by the regulator, including the suspension of the Company’s Australian Financial Services License (“AFSL”).

2. What is the background?

The Company previously operated a foreign exchange broking and trading business in Australia. It is no longer trading or issuing financial products.

It appears that the Company and certain related parties were linked to the Changjiang Currency Exchange matter and resulting prosecution of associated persons, that occurred in 2023. The Australian Financial Security Authority registered a security interest over the shareholding interests in the Company, following orders being made under the Proceeds of Crime Act.

ASIC suspended the Company’s AFSL in December 2023, after it failed to lodge its 2023 audited financial statements. The AFSL was cancelled by ASIC on 25 September 2024.

All Company and client funds held with Australian banks were frozen around November 2023.

3. What happened to the business?

Following the suspension of its AFSL, the Company ceased to trade or issue financial products.

Our preliminary enquiries indicate that all client positions were closed out in around November 2023. However, as all funds have been frozen with the Australian banks, all client were suspended.

4. What are the Liquidators doing?

The Liquidators have taken control of the Company's affairs pursuant to the Court Orders.

The Liquidators have taken steps to secure all Company assets (including client funds) and have retained experts to assist them to interrogate the records to determine the full extent of liabilities. The Liquidators have undertaken a comprehensive process of reviewing and adjudicating claims lodged by clients.

Based on legal advice, the Liquidators filed an application to seek judicial directions from the Federal Court of Australia in respect of the handling of client funds and claims, and other matters in the Liquidation. The Liquidators have issued various circular updates and uploaded documents in relation to the Court application on the BRI Ferrier website (<https://briferrier.com.au/about-us/current-matters/prospero-markets-pty-ltd/>) and the Link Market Services Creditor Portal (<https://exad.com.au/bri/prospero/>).

The Court has made orders that certain defendants are joined and appointed a contradictor, which has resulted in delays to the distribution process and additional costs incurred. The proceedings are ongoing.

5. When will the Liquidators next correspond with us?

The Liquidators have issued various email updates during the Liquidation, based on email address details provided in the Link Market Services Creditor Portal. The Liquidators will continue to provide further updates as the matter progresses. Please ensure that you keep your contact details up to date in the Link Market Services Creditor Portal to receive all future updates and correspondence.

Further, all reports, Court documents and email updates can be downloaded from the BRI Ferrier website (<https://briferrier.com.au/about-us/current-matters/prospero-markets-pty-ltd/>) and the Link Market Services Creditor Portal (<https://exad.com.au/bri/prospero/>).

6. When will Clients get their money back?

The distribution of 'Client Money' is unable to occur until the Court delivers its judgement. Thereafter, the Liquidators anticipate a timeframe of 2-3 months to distribute Client Money, assuming there are no disputes on the claims, which would result in delays as the disputes are resolved via the Courts.

The return to clients is dependent on the outcome of the Court application, with current estimates of return range from 97 to 100 cents in the dollar (**to be determined in due course and may change*).

The current estimated timeline for distribution is estimated to be around June 2025.

7. Are the Client Money funds safe?

The Liquidators have taken control of the Company's affairs pursuant to the Court Orders. The Director and management are no longer in control of the Company or the client funds.

The Liquidators have issued instruction to all major banks, including the Commonwealth Bank of Australia, to continue the freeze over all accounts, which now fall under the Liquidation control. These funds have remained frozen during the Liquidation to date.

The Client Money funds are held on trust by the Company pursuant to law, and the various Product Disclosure Statements and Financial Services Guide issued.

8. Can Clients still access their MT4 accounts?

The Liquidators obtained an extension of the Company's MT4 licence and reinstated access for clients. During this time, the Liquidators engaged experts to assist with extracting a backup of the MT4 records which is now secured and under the control of the Liquidators.

Noting the delays in the Court proceeding and resulting additional costs, the Liquidators determined to reduce costs where possible, and the MT4 licences lapsed. Accordingly, the MT4 platform is no longer accessible to clients.

9. What information should Clients provide to the liquidators?

Given the substantial volume of client claims, the Liquidators have engaged Link Market Services to assist with the creditor management process, including the returning of client funds via an online portal.

You will have received your unique Creditor ID and Passcode via email. If you have not received these credentials, please contact our office.

To submit a Proof of Debt (POD) Form with supporting documentation, please visit the Link Market Services Creditor Portal (<https://exad.com.au/bri/prospero/>) and login using your unique Creditor ID and Passcode.

Clients are asked to provide:

- a. Latest MT4 statement and/or screenshot of their equity balance from the MT4 platform.
- b. Remittance Advices demonstrating funds deposited into the Company's bank accounts.
- c. Bank Statement showing bank account name (matching the MT4 account holder's details).

Once a POD is lodged, you will also be able to provide your bank details for the return of funds. The details provided will be matched to the Bank Statement, to ensure that funds are returned to the account holder.

We understand that all client positions have been closed, and the amount due to you should represent the 'equity' balance in your MT4 records.

All Clients are requested to submit claims via the Link Creditor Portal. The POD form is an electronic form in the online portal.

10. When will Employees be paid?

At this stage, the Liquidators estimate that realisations may be sufficient to discharge the priority (employee) creditors, however the quantum and timing of such payment is dependent on the outcome of the Court application. On this basis, we encourage former employees to lodge a claim with FEG as soon as possible. **Please note that FEG claims must be lodged by employees within 12 months of the date of the Liquidation, being 10 April 2025.**

FEG cover a range of entitlements owed to employees where their employers have been placed into Liquidation. Should you wish to file a claim please contact FEG directly via 1300 135 040 or online <https://fegonlineservices.dewr.gov.au/>.

Employees are encouraged to submit a Proof of Debt (POD) Form with supporting documentation, please visit the Link Market Services Creditor Portal (<https://exad.com.au/bri/prospero/>) and login using your unique Creditor ID and Passcode. Please attach relevant supporting documentation such payslips, contracts and entitlement calculations.

Employees will have received a unique Creditor ID and Passcode via email. If you have not received these credentials, please contact our office.

11. What about suppliers and creditors?

The Company largely ceased to trade in November 2023. All creditor claims in respect of goods and/or services provided to the Company prior to the Liquidation are subject to a moratorium (effectively frozen at this time).

At this stage, the return to unsecured creditors is dependent on the outcome of the Court application, with current estimates of return ranging from 35 to 100 cents in the dollar.

Creditors are encouraged to submit a Proof of Debt (POD) Form with supporting documentation, please visit the Link Market Services Creditor Portal (<https://exad.com.au/bri/prospero/>) and login using your unique Creditor ID and Passcode.

Creditors will have received a unique Creditor ID and Passcode via email. If you have not received these credentials, please contact our office.

12. Where can I find the Proof of Debt forms?

We have engaged Link Market Services to assist with the creditor management process, including the returning of client funds via an online portal.

All creditors are requested to submit claims via the Link Creditor Portal. The POD form is an electronic form in the online portal.

You will have received your unique Creditor ID and Passcode via email. If you have not received these credentials, please contact our office.

To submit a Proof of Debt (POD) Form with supporting documentation, please visit the Link Market Services Creditor Portal (<https://exad.com.au/bri/prospero/>) and login using your unique Creditor ID and Passcode.

13. I am a Client of offshore entity, Prospero Markets LLC (Prospero Global) – what do I do?

The Liquidators have received a number of claims from parties claiming to be client creditors of the Australian entity, Prospero Markets Pty Ltd (“the Company”). Some of those parties are located offshore, and appear to be seeking to recover funds.

However, please note the information provided by the Director indicates that those foreign parties may not have a valid claim against the Company. Rather, the Liquidators are advised by the Director that those foreign parties may have a claim against a related offshore entity, known as Prospero Global, which is controlled by associated parties and registered in the St Vincent and the Grenadines jurisdiction.

To clarify, the Liquidators were appointed over the Australian Company, Prospero Markets Pty Ltd, not any other offshore entity. If you have a claim against some other entity, such as Prospero Global, you will need to contact that entity directly to recover your funds.

The Liquidators have conducted independent investigations into the Company’s affairs, including claims from clients and creditors. Based on these investigations to date, the Liquidators have not been able to identify any deposits into any of the Company’s accounts from foreign parties that have lodged a claim.

For the time being, any foreign parties seeking to pursue a claim against Prospero Markets Pty Ltd are also invited to lodge a Proof of Debt Form, and provide relevant supporting documentation such as:-

1. Your latest MT4 statement, showing your equity balance.
2. Any agreement that you signed with the Company, including key account opening documents such as the Product Disclosure Statement and the Terms and Conditions.
3. Receipts or documentation showing your deposit of funds with the Company.

All claims will be formally adjudicated in due course.

Please note that the Liquidators have sought directions from the Court as to whether the Prospero Global clients have valid claims against the Company. Further information will be provided in due course.

14. If I have further queries, who do I contact?

In the first instance, please review this FAQ document in full.

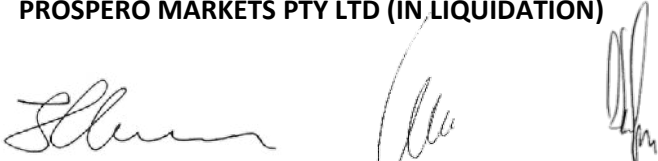
Should your query not be covered by one of the FAQs contained herein, you may submit your query by email prosperomarkets@brifnsw.com.au

You may wish to also contact us via telephone on 1300 291 012 (toll free) or +61 2 8044 0530.

The above list should not be considered exhaustive and this document will be updated periodically as the liquidation progresses.

Yours faithfully

PROSPERO MARKETS PTY LTD (IN LIQUIDATION)



JONATHON KEENAN, ANDREW CUMMINS & PETER KREJCI

Joint and Several Liquidators