Rule 29.02

Certificate identifying exhibit

Federal Court of Australia No.

District Registry: New South Wales

Division: General

IN THE MATTER of PROSPERO MARKETS PTY LTD (IN LIQUIDATION)
ACN 145 048 577

JONATHON SHERWOOD KEENAN and others named in the schedule

Plaintiff

This is the exhibit marked "**JSK-1**" produced and shown to **Jonathon Sherwood Keenan** at the time of swearing his affidavit this 11th day of March 2026.

Exhibit "JSK-1"
Electronic paginated bundle of documents

Before me:

……..

_____, Solicitor/Justice of Peace

Filed on behalf of	Jonathon Sherwood Keenan, Peter Paul Krejci and Andrew John Cummins as Liquidators of Prospero Markets Pty Ltd (in Liquidation), Plaintiffs		
Prepared by	Adam Cutri, Partner		
Law firm	Bartier Perry Lawyers		
Tel	+61 2 8281 7800	Fax	+61 2 8281 7838
Email	litigation@bartier.com.au	Ref	RXA 242423

Address for Service **BARTIER PERRY**
Level 25, 161 Castlereagh Street, Sydney NSW 2000
Email: litigation@bartier.com.au

BRI Ferrier



John Keenan

Principal

Through early intervention commercial outcomes are possible for all parties.

E jkeenan@brifnsw.com.au
M +61 (0)407 422 082
T +61 (0)2 8263 2300
W www.briferrier.com.au

Services

- Business recovery and turnaround
- Business insolvency

Industry specialisations

- Retail
- Manufacturing
- Tourism and Hospitality

Qualifications and memberships

- BCom (Accounting) – Macquarie University
- Registered liquidator
- Member, CA ANZ
- Member, ARITA
- Qualified Member, TMA

John has over 20 years' commercial, professional and restructuring experience with expertise in retail, professional services, insurance, manufacturing, clubs and charities.

John specialises in corporate recovery and business reconstruction, where his technical abilities complement his commercial skill. He prides himself on his ability to critically analyse a client's business to identify underlying strengths and weaknesses in times of distress.

John has wide ranging expertise and experience in dispute resolution, including litigation, where formal appointments are often used to bring commercial reality to parties and unlock opportunities. On many occasions, he has sold businesses and introduced new capital partners as part of a turnaround and restructure.

John has provided an extensive range of restructuring and reconstruction services to corporate clients using the voluntary administration ("VA"), deed of company arrangement ("DOCA"), creditors' trust, receivership and liquidation processes. His focus is always to find a commercial outcome for all stakeholders.

Outside of work, John enjoys spending time with his family, traveling and loves sport, in particular golf, baseball and rugby.

Experience

- ***Ocean Informatics***
  Multinational IT business with a viable software platform but cash flow difficulties, recapitalised and restructured using a VA and DOCA.
- ***Brightwater Engineering***
  Large-scale engineering business in a loss-making contract with an ASX listed company, returned to solvency and contractual dispute resolved to allow project to continue, using a VA and DOCA.
- ***Infa Products***
  Former child seat manufacturer in long-running litigation resolved and company returned to solvency, using a VA and DOCA, incorporating a Creditors Trust.
- ***King of Knives***
  Franchise retail network recapitalised and restructured using a VA and DOCA, incorporating a Creditors Trust.
- ***Kingsford Timber and Hardware - Mitre 10***
  Large-format retail business sold and dispute resolved between shareholders and secured creditors, using a VA and DOCA.

BRI Ferrier



Peter Krejci
Principal

My aim is to deliver commercial outcomes for the mutual benefit of all principal stakeholders of a distressed corporation. By combining a holistic approach to addressing underlying issues with my substantial experience in key industry sectors, I strive to deliver innovative and commercial solutions. When achieved, it is extremely rewarding.

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T +61 (0)2 8263 2300
W www.briferrier.com.au

Services

- Business recovery and turnaround
- Business insolvency
- Personal insolvency
- Forensic accounting
- Safe harbour advisory

Industry specialisations

- Property and construction
- Mining
- Retail
- Manufacturing
- Logistics
- Primary industry

Qualifications and memberships

- BBus (Accounting and Legal Studies) - Charles Sturt University
- Registered liquidator
- Member, CA ANZ
- Member, ARITA
- Member, TMA

Peter is a registered liquidator and is a founding principal of BRI Ferrier with over 20 years' experience in corporate recovery and turnaround management.

Peter's breadth of experience expands across a diverse portfolio of industries including agribusiness, financial services, logistics, mining, property and retail. He also has specific experience working with managed investment schemes and manufacturing companies.

Peter provides innovative solutions through strategic problem solving, negotiations and corporate advisory. His holistic approach in understanding the nuances of his client's strategic, financial and overall operations define his ability to provide commercial options and reach the best outcome for all stakeholders.

Outside of work, Peter enjoys spending time with his young family and walking their two poodles. He likes to keep fit and has a keen interest in all sports, particularly rugby league and golf. Peter is also an avid follower of politics.

Experience

- ***Bevillesta***
  Owned and operated a Sydney shopping centre, Bevillesta was restructured using a Voluntary Administration ("VA"), Deed of Company Arrangement ("DOCA") and Creditors Trust, facilitating unsecured creditor claims being paid in full.
- ***Forest Enterprises Australia***
  The third largest forestry managed investment schemes to collapse in Australia; Forest Enterprises Australia was restructured using a DOCA, delivering significant returns to stakeholders.
- ***AE&E***
  A provider of thermal power generation and environmental technology, AE&E was placed in VA whilst a strategy was developed to facilitate the completion of major projects including a $550+ million power plant for end client BHP.
- ***Infa Products***
  Former child seat manufacturer in long-running litigation resolved and company returned to solvency, using a VA and DOCA, incorporating a Creditors Trust.
- ***Lesso Building Material***
  Exhibition and warehousing business restructured, and shareholder dispute resolved, using a VA and DOCA, incorporating a Creditors Trust.

BRI Ferrier



Andrew Cummins
Principal

In the current economic environment, the voluntary administration regime represents a powerful and flexible tool for distressed corporate entities to deal with legacy issues. A proactive approach by directors in applying the regime early with an experienced insolvency practitioner maximises the opportunity to resolve financial problems and survive.

E acummins@brifnsw.com.au
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T +61 (0)2 8263 2300
W www.briferrier.com.au

Services

- Business insolvency
- Personal insolvency
- Forensic accounting

Industry specialisations

- Property and construction
- Mining
- Logistics
- Primary industry

Qualifications and memberships

- BEc (Economics) - The University of Sydney
- Registered liquidator
- Member, CA ANZ
- Member, ARITA

Andrew is a registered liquidator and principal of BRI Ferrier with over 20 years' insolvency experience specialising in the property, construction, retail and mining sectors. He also has particular experience in insurance broking and recruitment.

Andrew's focus in recent years has been advising financiers on their exposures, providing reconstruction services to both companies and financiers, and where required, accepting formal appointments.

Andrew is known for his skills in negotiating commercially practical solutions where other stakeholders involved have conflicting aims and desired outcomes. His approachability and straightforward nature are key attributes when executing the best available strategy for his clients.

Experience

- Receiver and manager of LKM Capital Limited, dealing with property, loan and other assets in excess of $75 million
- Voluntary administrator and liquidator of the Wideform Group of Companies. The Wideform Group of Companies operated a large formwork and construction business with over 600 employees in New South Wales and Queensland.
- Voluntary administrator and deed administrator of Strathfield Group Limited, an ASX-listed retailer of car audio, mobile phones and other electronic products with over 350 employees at 60 locations in New South Wales, Queensland, Victoria and South Australia.

Federal Court of Australia

District Registry: Victoria Registry

Division: General No: VID171/2024

AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION
Plaintiff

PROSPERO MARKETS PTY LTD ACN 145 048 577
Defendant

ORDER

REGISTRAR: Registrar Luxton

DATE OF ORDER: 10 April 2024

WHERE MADE: Melbourne

THE COURT ORDERS THAT:

1. Prospero Markets Pty Ltd be wound up pursuant to s 461(1)(k) of the *Corporations Act 2001* (Cth).
2. Andrew Cummins, Jonathon Keenan and Peter Krejci, registered liquidators, are appointed liquidators jointly and severally.
3. The plaintiff's costs, including reserved costs, be taxed and paid by the liquidators pursuant s 466(2) of the *Corporations Act 2001* (Cth).

Date that entry is stamped: 10 April 2024

Registrar

Subsection 35A (5) of the *Federal Court of Australia Act 1976* (the ***Act***) provides that a party to proceedings in which a Registrar has exercised any of the powers of the Court under subsection 35A (1) of the Act may, within the time prescribed by the Rules of Court, or within any further time allowed in accordance with the Rules of Court, apply to the Court to review that exercise of power.

Rule 3.11 provides that a party may apply to the Court under subsection 35A (5) of the Act for review of the exercise of a power of the Court by a Registrar and that any application must be made within 21 days after the day on which the power was exercised. A party seeking a review can apply to the Court to dispense with any requirement of the Rules (Rule1.34).

ASIC EXTRACT SNAPSHOT

Date Extracted	06/03/2026
Extract Order Date	06/03/2026
ACN	145 048 577
ABN	11 145 048 577
Current Name	PROSPERO MARKETS PTY LTD
Registered In	New South Wales
Registration Date	06/07/2010
Review Date	06/07/2026
Company Type	ACN (Australian Company Number)
Current Directors	XUEHAO ZHOU
Current Secretaries	XUEHAO ZHOU

CURRENT ORGANISATION DETAILS

Start Date	10/04/2024
Name	PROSPERO MARKETS PTY LTD
Name Start Date	14/07/2020
Status	** Under External Administration And/Or Controller Appointed **
Type	Australian Proprietary Company
Class	Limited By Shares
Sub Class	Proprietary Company
Disclosing Entity	No

Share Structure (Displaying Top 4 Only)

Go to full ASIC Results

Class	Class Type	Shares Issued	Amount Paid
ORD	ORDINARY	18003356	$18,003,356.00

(creditor)watch - Credit Score (0)

Go to full Credit Report



Risk Data Summary

Court Judgments	0	Payment Defaults	0	Insolvency Notices	4	Mercantile Enquiries	0	Credit Enquiries	57

DOW JONES - PEPs, Sanctions & Adverse media

No search results from authority for this organisation.

InfoTrack
www.infotrack.com.au
1800 738 524

ASIC
Current & Historical Organisation Extract

ASIC Data Extracted 06/03/2026 at 12:30

This extract contains information derived from the AustralianSecurities and Investment Commission's (ASIC) database undersection 1274A of the Corporations Act 2001.Please advise ASIC of any error or omission which you may identify.

- 145 048 577 PROSPERO MARKETS PTY LTD -

ACN (Australian Company Number):	145 048 577	**Document No.**
ABN:	11 145 048 577	
Current Name:	PROSPERO MARKETS PTY LTD	
Registered in:	New South Wales	
Registration Date:	06/07/2010	
Review Date:	06/07/2026	
Company Bounded By:		

- Current Organisation Details -

Name:	PROSPERO MARKETS PTY LTD
Name Start Date:	14/07/2020
Status:	** Under External Administration And/Or Controller Appointed **
Type:	Australian Proprietary Company
Class:	Limited By Shares
Sub Class:	Proprietary Company

- Former Organisation Details from 14/07/2020 to 09/04/2024 -

Name:	PROSPERO MARKETS PTY LTD
Name Start Date:	14/07/2020
Status:	Registered
Type:	Australian Proprietary Company
Class:	Limited By Shares
Sub Class:	Proprietary Company

- Former Organisation Details from 19/02/2013 to 13/07/2020 -

Name:	RAINBOW LEGEND GROUP PTY LTD	7E5030876
Name Start Date:	19/02/2013	
Status:	Registered	
Type:	Australian Proprietary Company	
Class:	Limited By Shares	
Sub Class:	Proprietary Company	

- Former Organisation Details from 06/07/2010 to 18/02/2013 -

Name:	INTERCAPITAL MARKETS CO PTY LTD	1E6652755
Name Start Date:	06/07/2010	
Status:	Registered	
Type:	Australian Proprietary Company	
Class:	Limited By Shares	
Sub Class:	Proprietary Company	

- Company Addresses -

- Registered Office 7ECK66155

Address:	186 BELLAIR STREET KENSINGTON VIC 3031
Start Date:	07/11/2023

- Previous Registered Office 2EIU95032

Address:	LEVEL 4 990 WHITEHORSE ROAD BOX HILL VIC 3128
Start Date:	08/07/2021
Cease Date:	06/11/2023

- Previous Registered Office 7EAX24021

Address:	SUITE 602 160 QUEEN STREET MELBOURNE VIC 3000
Start Date:	15/06/2020
Cease Date:	07/07/2021

- Previous Registered Office 0ELR58309

Address:	CSJ LEGAL LEVEL 25 SUITE 3344 300 BARANGAROO AVENUE SYDNEY NSW 2000
Start Date:	23/05/2019
Cease Date:	14/06/2020

- Previous Registered Office 7EAE38822

Address:	SHIYUAN LIU UNIT 401 33-35 DUNNING AVENUE ROSEBERY NSW 2018
Start Date:	01/10/2018
Cease Date:	22/05/2019

- Previous Registered Office 7E5065336

Address:	GIBSONS LAWYERS LEVEL 13 210 GEORGE STREET SYDNEY NSW 2000
Start Date:	12/03/2013
Cease Date:	30/09/2018

- Previous Registered Office 7E3280709

Address:	ROTHSAY ACCOUNTING SERVICES PTY LTD LEVEL 1 12-14 O'CONNELL STREET SYDNEY NSW 2000
Start Date:	15/11/2010
Cease Date:	11/03/2013

- Previous Registered Office 1E6652755

Address:	1 LOCH MAREE AVENUE THORNLEIGH NSW 2120
Start Date:	06/07/2010
Cease Date:	14/11/2010

- Principal Place of Business 7ECK66155

Address: 186 BELLAIR STREET KENSINGTON VIC 3031
Start Date: 31/10/2023

- Previous Principal Place of Business 2EIU95032
Address: LEVEL 4 990 WHITEHORSE ROAD BOX HILL VIC 3128
Start Date: 28/06/2021
Cease Date: 30/10/2023

- Previous Principal Place of Business 7EAX24021
Address: SUITE 602 160 QUEEN STREET MELBOURNE VIC 3000
Start Date: 08/06/2020
Cease Date: 27/06/2021

- Previous Principal Place of Business 0ELR58309
Address: CSJ LEGAL LEVEL 25 SUITE 3344 300 BARANGAROO AVENUE SYDNEY NSW 2000
Start Date: 30/04/2019
Cease Date: 07/06/2020

- Previous Principal Place of Business 7EAE38822
Address: UNIT 401 33-35 DUNNING AVENUE ROSEBERY NSW 2018
Start Date: 18/09/2018
Cease Date: 29/04/2019

- Previous Principal Place of Business 7E5065336
Address: 'GIBSONS LAWYERS' LEVEL 13 210 GEORGE STREET SYDNEY NSW 2000
Start Date: 25/02/2013
Cease Date: 17/09/2018

- Previous Principal Place of Business 7E3280709
Address: LEVEL 1 12-14 O'CONNELL STREET SYDNEY NSW 2000
Start Date: 01/11/2010
Cease Date: 24/02/2013

- Previous Principal Place of Business 1E6652755
Address: 1 LOCH MAREE AVENUE THORNLEIGH NSW 2120
Start Date: 06/07/2010
Cease Date: 31/10/2010

- Company Officers -

Note:
A date or address shown as UNKNOWN has not been updated since ASIC took over the records in 1991. For details, order the appropriate historical state or territory documents, available in microfiche or paper format.
* Check documents listed under ASIC Documents Received for recent changes.

Director

Name: XUEHAO ZHOU 7ECK66155
Address: 186 BELLAIR STREET KENSINGTON VIC 3031
Birth Details: 20/02/1989 CHINA
Appointment Date: 27/10/2023
Cease Date:

Previous Director

Name:	SHENG YIN WANG	2EDR67737
Address:	1-2 LOMBARD COURT NARRE WARREN NORTH VIC 3804	
Birth Details:	27/05/1954 SHI JIA ZHUANG CITY CHINA	
Appointment Date:	15/03/2021	
Cease Date:	27/10/2023	

Name:	XIN SHENG CHEN	2EDR67737
Address:	14 LAWANNA DRIVE TEMPLESTOWE VIC 3106	
Birth Details:	12/12/1956 BEIJING CHINA	
Appointment Date:	15/03/2021	
Cease Date:	09/06/2021	

Name:	YE QU	7EAX24021
Address:	SUITE 602 160 QUEEN STREET MELBOURNE VIC 3000	
Birth Details:	10/12/1987 JILIN CHINA	
Appointment Date:	25/05/2020	
Cease Date:	15/03/2021	

Name:	XIAO CHEN	7EAP49507
Address:	4A BARROW STREET REVESBY NSW 2212	
Birth Details:	18/12/1986 QINGTIAN CHINA	
Appointment Date:	16/09/2019	
Cease Date:	01/06/2020	

Name:	YUNSI ZHENG	0ELR58309
Address:	UNIT 132 323 FOREST ROAD HURSTVILLE NSW 2220	
Birth Details:	18/09/1985 GUANGDONG CHINA	
Appointment Date:	30/04/2019	
Cease Date:	18/09/2019	

Name:	DAVID CALVER	7E7851201
Address:	UNIT 6 18 FLINTON STREET PADDINGTON NSW 2021	
Birth Details:	16/12/1941 SYDNEY NSW	
Appointment Date:	06/07/2010	
Cease Date:	16/09/2019	

Name:	SHIYUAN LIU	7EAE29171
Address:	UNIT 401 33-35 DUNNING AVENUE ROSEBERY NSW 2018	
Birth Details:	22/10/1989 HUBEI CHINA	
Appointment Date:	18/09/2018	
Cease Date:	11/04/2019	

Name:	ANTHONY KWOK SING WONG	7E8682424
Address:	FLAT C TOWER 2 OCEANIA HEIGHTS NO 2 HOI CHU ROAD HONG KONG	
Birth Details:	15/07/1967 HONG KONG HONG KONG	
Appointment Date:	16/09/2016	
Cease Date:	18/09/2018	

Name:	PAUL SUEN	7E4905576
Address:	250 GLOUCESTER ROAD BLOCK A, FLAT A4, 8/F CAUSEWAY BAY HONG KONG CHINA	
Birth Details:	23/01/1975 HONG KONG CHINA	
Appointment Date:	01/12/2012	
Cease Date:	17/09/2016	

Name:	BENJAMIN CALVER	7E5459272
Address:	4676 THE PARKWAY SANCTUARY COVE QLD 4212	
Birth Details:	19/11/1970 SYDNEY NSW	
Appointment Date:	20/08/2013	
Cease Date:	25/08/2016	

Name:	BRIAN EDWARD JONES	7E5188712
Address:	53 JOHN ROAD CHERRYBROOK NSW 2126	
Birth Details:	14/06/1952 JOHNNESBURG SOUTH AFRICA	
Appointment Date:	07/06/2012	
Cease Date:	20/08/2013	

Name:	NING ZHOU	1E6652755
Address:	712E WALNUT STREET PASADENA CA 91101 UNITED STATES	
Birth Details:	23/05/1964 CHINA	
Appointment Date:	06/07/2010	
Cease Date:	01/12/2012	

Name:	REBECCA KING	7E3190307
Address:	7 IRON BARK CLOSE WESTLEIGH NSW 2120	
Birth Details:	09/02/1967 MONA VALE NSW	
Appointment Date:	23/09/2010	
Cease Date:	22/10/2010	

Secretary

Name:	XUEHAO ZHOU	7ECK66155
Address:	186 BELLAIR STREET KENSINGTON VIC 3031	
Birth Details:	20/02/1989 CHINA	
Appointment Date:	27/10/2023	
Cease Date:		

Previous Secretary

Name:	XIAO CHEN	7EAP49507
Address:	4A BARROW STREET REVESBY NSW 2212	
Birth Details:	18/12/1986 QINGTIAN CHINA	
Appointment Date:	16/09/2019	
Cease Date:	01/06/2020	

Name:	YUNSI ZHENG	0ELR58309
Address:	UNIT 132 323 FOREST ROAD HURSTVILLE NSW 2220	
Birth Details:	18/09/1985 GUANGDONG CHINA	
Appointment Date:	30/04/2019	
Cease Date:	18/09/2019	

Name:	SHIYUAN LIU	7EAE29171
Address:	UNIT 401 33-35 DUNNING AVENUE ROSEBERY NSW 2018	
Birth Details:	22/10/1989 HUBEI CHINA	
Appointment Date:	18/09/2018	
Cease Date:	11/04/2019	

Name:	DAVID CALVER	7E7851201
Address:	UNIT 6 18 FLINTON STREET PADDINGTON NSW 2021	
Birth Details:	16/12/1941 SYDNEY NSW	
Appointment Date:	06/07/2010	
Cease Date:	18/09/2018	

Appointed Auditor

Name:	FRANK VRACHAS	7EAW65575
Address:	'ROTHSAY CHARTERED ACCOUNTANTS' LEVEL 1 12-14 O'CONNELL STREET SYDNEY NSW 2000	(FR 2018)
Birth Details:		
Appointment Date:	01/07/2017	
Cease Date:		

Previous Ultimate Holding Company

Name:	637 312 139 CJ PRIME FINANCIAL PTY LTD	7EAX04922
Address:		
Appointment Date:		
Cease Date:		

Name:	LQY MARKETS LIMITED	7EAE30242
Address:		
Appointment Date:		

Cease Date:

Petitioner Court Action

Name: AUSTRALIAN SECURITIES & INVESTMENTS COMMISSION 031860540
Address: LEVEL 5 86-100 MARKET STREET SYDNEY NSW 2000
Appointment Date: 29/02/2024
Cease Date:

- Court Details Affecting Role -

Type:	Federal	**State:**	Victoria
Application No:	VID171	**Application Year:**	2024

Appointed Liquidator (Court Winding Up)

Name: ANDREW JOHN CUMMINS 7ECQ95657
Address: BRI FERRIER LEVEL 26 25 BLIGH STREET SYDNEY NSW 2000
Birth Details:
Appointment Date: 10/04/2024
Cease Date:

- Court Details Affecting Role -

Type:	Federal	**State:**	Victoria
Application No:	171	**Application Year:**	2024

Name: PETER PAUL KREJCI 7ECQ95657
Address: BRI FERRIER LEVEL 26 25 BLIGH STREET SYDNEY NSW 2000
Birth Details:
Appointment Date: 10/04/2024
Cease Date:

- Court Details Affecting Role -

Type:	Federal	**State:**	Victoria
Application No:	171	**Application Year:**	2024

Name: JONATHON SHERWOOD KEENAN 7ECQ95657
Address: BRI FERRIER LEVEL 26 25 BLIGH STREET SYDNEY NSW 2000
Birth Details:
Appointment Date: 10/04/2024
Cease Date:

- Court Details Affecting Role -

Type:	Federal	**State:**	Victoria
Application No:	171	**Application Year:**	2024

- Share Structure -

Current

Class:	ORDINARY	3EOW08256
Number of Shares Issued:	18003356	
Total Amount Paid / Taken to be Paid:	$18,003,356.00	
Total Amount Due and Payable:	$0.00	

Note:
For each class of shares issued by a company, ASIC records the details of the twenty members of the class (based on shareholdings). The details of any other members holding the same number of shares as the twentieth ranked member will also be recorded by ASIC on the database. Where available, historical records show that a member has ceased to be ranked amongst the twenty members. This may, but does not necessarily mean, that they have ceased to be a member of the company.

- Share/Interest Holding -

Current

- Holding -

Class:	ORD	**Number Held:**	18003356	7ECK66155
Beneficially Owned:	Yes	**Fully Paid:**	Yes	

- Members -

Name:	SHENG YIN WANG
Address:	186 BELLAIR STREET KENSINGTON VIC 3031
Joint Holding:	No

Ceased/Former

- Holding -

Class:	ORD	**Number Held:**	2920622	2EDR67737
Beneficially Owned:	Yes	**Fully Paid:**	Yes	

- Members -

Name:	XIN SHENG CHEN
Address:	14 LAWANNA DRIVE TEMPLESTOWE VIC 3106
Joint Holding:	No

- Holding -

Class:	ORD	**Number Held:**	2920622	7EAX04922
Beneficially Owned:	Yes	**Fully Paid:**	Yes	

- Members -

Name:	CJ PRIME FINANCIAL PTY LTD

ACN: 637 312 139
Address: SUITE 403 448 ST KILDA ROAD MELBOURNE VIC 3004
Joint Holding: No

- Holding -

Class:	ORD	**Number Held:**	2920622	7EAU13169
Beneficially Owned:	Yes	**Fully Paid:**	Yes	

- Members -

Name: LQY MARKETS LIMITED
ACN:
Address: 89 NEXUS WAY, CAMANA BAY GRAND CAYMAN KY1-9009, CAYMAN ISLANDS CAYMAN ISLANDS
Joint Holding: No

- Holding -

Class:	ORD	**Number Held:**	2340000	7EAB89258
Beneficially Owned:	Yes	**Fully Paid:**	Yes	

- Members -

Name: RAINDANCE HOLDINGS PTY LTD
ACN: 105 189 259
Address: 'GIBSONS LAWYERS' LEVEL 13 210 GEORGE STREET SYDNEY NSW 2000
Joint Holding: No
Abn: 95 105 189 259

- Holding -

Class:	ORD	**Number Held:**	300000	7E4303229
Beneficially Owned:	Yes	**Fully Paid:**	Yes	

- Members -

Name: INTERCAPITAL MARKETS HOLDING LIMITED
ACN:
Address: SEA MEADOW HOUSE BLACKBURNE HIGHWAY (PO BOX 116) ROAD TOWN TORTOLA VIRGIN ISLANDS, BRITISH
Joint Holding: No

- Holding -

Class:	ORD	**Number Held:**	1	1E6652755
Beneficially Owned:	Yes	**Fully Paid:**	Yes	

- Members -

Name: NING ZHOU
Address: 712E WALNUT STREET PASADENA CA 91101 UNITED STATES
Joint Holding: No

- External Administration Documents -

Note:
Documents relating to External Administration and/or appointment of Controller.
This extract may not list all documents relating to this status. State and Territory records should be searched.

Form Type	Description	Date Lodged	Processed	No. Pages	Document No.
5011		23/09/2025	23/09/2025	12	7EDQ91291
5011A	COPY OF MINUTES OF MEETING OF MEMBERS, CREDITORS, CONTRIBUTORIES OR COMMITTEE OF INSPECTION OTHER THAN UNDER S.436E OR S.439A				
5602		09/07/2025	09/07/2025	13	7EDN51417
5602B	ANNUAL ADMINISTRATION RETURN RETURN OF WINDING UP BY COURT				
507		14/11/2024	14/11/2024	14	7EDC25730
507C	REPORT ON COMPANY ACTIVITIES AND PROPERTY REGARDING COURT WINDING UP				
5011		30/08/2024	30/08/2024	19	7ECX68997
5011A	COPY OF MINUTES OF MEETING OF MEMBERS, CREDITORS, CONTRIBUTORIES OR COMMITTEE OF INSPECTION OTHER THAN UNDER S.436E OR S.439A				
5601		10/07/2024	10/07/2024	91	7ECV33405
5601A	STATUTORY REPORT FROM LIQUIDATOR S70-40 OF INSOLVENCY PRACTICE RULES (CORPORATIONS) 2016 REPORT FROM LIQUIDATOR				
525		30/05/2024	30/05/2024	2	7ECT21712
525	NOTICE OF DISCLAIMER OF ONEROUS PROPERTY				
525		16/05/2024	16/05/2024	2	7ECS54913
525	NOTICE OF DISCLAIMER OF ONEROUS PROPERTY				
519		11/04/2024	17/04/2024	4	032122720
519D	NOTIFICATION OF MAKING OF WINDING UP ORDER				
560		11/04/2024	15/04/2024	3	032039308
560	COURT ORDER TO WIND UP A COMPANY AND APPOINT A LIQUIDATOR				
505		10/04/2024	10/04/2024	3	7ECQ95657
505G	NOTICE BY EXTERNAL ADMINISTRATOR/CONTROLLER-APPOINT/CEASE APPOINTMENT OF LIQUIDATOR BY THE COURT				

- Charges -

There are no charges held for this organisation.

Notes:
On 30 January 2012, the Personal Property Securities Register (PPS Register) commenced.
At that time ASIC transferred all details of current charges to the PPS Registrar.
ASIC can only provide details of satisfied charges prior to that date.
Details of current charges, or charge satisfied since 30 January 2012 can be found on the PPS Register, www.ppsr.gov.au.
InfoTrack may cap documents for on-file searches to 250.

- Document List -

Notes:
* Documents already listed under Registered Charges are not repeated here.
* Data from Documents with no Date Processed are not included in this Extract.
* Documents with '0' pages have not yet been imaged and are not available via DOCIMAGE. Imaging takes approximately 2 weeks from date of lodgement.
* The document list for a current/historical extract will be limited unless you requested ALL documents for this extract.
* In certain circumstances documents may be capped at 250.

Form Type	Date Received	Date Processed	No. Pages	Effective Date	Document No.
A104	14/03/2025	14/03/2025	2	14/03/2025	031808488
A104	Supplementary Pages to Imaged Document Alters 031 925 178				
FS66	30/09/2024	30/09/2024	1	30/09/2024	031925178
FS66	Order Revoking Afs Licence Altered by 031 808 488				
FS67	03/04/2024	03/04/2024	1	03/04/2024	031329798
FS67	Order Suspending Afs Licence				
FS67	08/03/2024	08/03/2024	1	08/03/2024	031973059
FS67	Order Suspending Afs Licence				
519	29/02/2024	04/03/2024	3	29/02/2024	031860540
519G	Notification of Application to Wind Up Company Under S. 459p, 462 or 464				
FS67	22/12/2023	22/12/2023	1	22/12/2023	031973006
FS67	Order Suspending Afs Licence				
FS90	14/11/2023	14/11/2023	1	13/11/2023	7ECL25957
FS90A	Notice That a Product in a Pds Has Ceased to Be Available - By Afs Licensee				
484	31/10/2023	31/10/2023	2	31/10/2023	7ECK66155
484	Change to Company Details				
484B	Change of Registered Address				
484C	Change of Principal Place of Business (Address)				
484A1	Change Officeholder Name or Address				
484A2	Change Member Name or Address				
484	30/10/2023	30/10/2023	2	30/10/2023	7ECK62120
484E	Change to Company Details Appointment or Cessation of A Company Officeholder				
484	30/11/2022	30/11/2022	2	30/11/2022	3EOW08256
484	Change to Company Details				
484O	Changes to Share Structure				
484G	Notification of Share Issue				
484N	Changes to (Members) Share Holdings				

FS88	23/12/2021	23/12/2021	3	22/12/2021	7EBO51808
FS88A	Pds In-Use Notice - By Afs Licensee				
484	18/10/2021	18/10/2021	2	18/10/2021	2EPE38504
484	Change to Company Details				
484O	Changes to Share Structure				
484G	Notification of Share Issue				
484N	Changes to (Members) Share Holdings				
FS88	05/10/2021	05/10/2021	3	05/10/2021	7EBL95181
FS88A	Pds In-Use Notice - By Afs Licensee				
484	01/07/2021	01/07/2021	2	01/07/2021	2EIU95032
484	Change to Company Details				
484B	Change of Registered Address				
484C	Change of Principal Place of Business (Address)				
484	09/06/2021	09/06/2021	3	09/06/2021	2EHR32688
484	Change to Company Details				
484E	Appointment or Cessation of a Company Officeholder				
484N	Changes to (Members) Share Holdings				
FS88	03/06/2021	03/06/2021	3	02/06/2021	7EBI02702
FS88A	Pds In-Use Notice - By Afs Licensee				
484	24/03/2021	24/03/2021	2	24/03/2021	7EBF88913
484D	Change to Company Details Change to Ultimate Holding Company				
484	22/03/2021	22/03/2021	3	22/03/2021	2EDR67737
484	Change to Company Details				
484E	APPOINTMENT OR CESSATION OF A COMPANY OFFICEHOLDER				
484N	CHANGES TO (MEMBERS) SHARE HOLDINGS				
FS88	17/02/2021	17/02/2021	3	17/02/2021	7EBE76783
FS88A	PDS IN-USE NOTICE - BY AFS LICENSEE				
205	14/07/2020	14/07/2020	2	13/07/2020	1ENE39255
205A	NOTIFICATION OF RESOLUTION CHANGING COMPANY NAME				
FS02	14/07/2020	14/07/2020	23	14/07/2020	0L0208184
FS02	COPY OF AFS LICENCE				
484	08/06/2020	08/06/2020	2	08/06/2020	7EAX24021
484	CHANGE TO COMPANY DETAILS				
484B	CHANGE OF REGISTERED ADDRESS				
484C	CHANGE OF PRINCIPAL PLACE OF BUSINESS (ADDRESS)				
484A1	CHANGE OFFICEHOLDER NAME OR ADDRESS				
484	01/06/2020	01/06/2020	3	01/06/2020	7EAX04922
484	CHANGE TO COMPANY DETAILS				
484D	CHANGE TO ULTIMATE HOLDING COMPANY				
484N	CHANGES TO (MEMBERS) SHARE HOLDINGS				

484	01/06/2020	01/06/2020	2	01/06/2020	7EAX04918
484E	CHANGE TO COMPANY DETAILS APPOINTMENT OR CESSATION OF A COMPANY OFFICEHOLDER				
484	25/05/2020	25/05/2020	2	25/05/2020	7EAW83238
484E	CHANGE TO COMPANY DETAILS APPOINTMENT OR CESSATION OF A COMPANY OFFICEHOLDER				
388	20/05/2020	20/05/2020	38	30/06/2019	7EAW66022
388I	FINANCIAL REPORT FINANCIAL REPORT - SMALL PROPRIETARY COMPANY THAT IS CONTROLLED BY A FOREIGN COMPANY				
388	20/05/2020	20/05/2020	33	30/06/2018	7EAW65575
388	FINANCIAL REPORT				
388I	FINANCIAL REPORT - SMALL PROPRIETARY COMPANY THAT IS CONTROLLED BY A FOREIGN COMPANY				
388E	COMPANY - APPOINT CHANGE NAME/ADDRESS OF AUDITOR				
484	24/02/2020	24/02/2020	2	24/02/2020	7EAU13169
484	CHANGE TO COMPANY DETAILS				
484O	CHANGES TO SHARE STRUCTURE				
484G	NOTIFICATION OF SHARE ISSUE				
484N	CHANGES TO (MEMBERS) SHARE HOLDINGS				
484	07/11/2019	07/11/2019	2	07/11/2019	0EXF86187
484	CHANGE TO COMPANY DETAILS				
484O	CHANGES TO SHARE STRUCTURE				
484G	NOTIFICATION OF SHARE ISSUE				
484N	CHANGES TO (MEMBERS) SHARE HOLDINGS				
902	07/10/2019	21/10/2019	2	06/09/2019	030748414
902	SUPPLEMENTARY DOCUMENT Alters 0ET H41 090				
106	07/10/2019	21/10/2019	2	07/10/2019	030748413
106	NOTICE OF CANCELLATION OR REVOCATION OF A LODGED DOCUMENT Cancels 7EA P11 682				
484	20/09/2019	20/09/2019	2	20/09/2019	7EAP57554
484E	CHANGE TO COMPANY DETAILS APPOINTMENT OR CESSATION OF A COMPANY OFFICEHOLDER				
484	18/09/2019	18/09/2019	2	18/09/2019	7EAP49507
484E	CHANGE TO COMPANY DETAILS APPOINTMENT OR CESSATION OF A COMPANY OFFICEHOLDER				
484	06/09/2019	21/10/2019	2	06/09/2019	0ETH46297
484	CHANGE TO COMPANY DETAILS				
484O	CHANGES TO SHARE STRUCTURE				
484G	NOTIFICATION OF SHARE ISSUE				
484N	CHANGES TO (MEMBERS) SHARE HOLDINGS				

484	06/09/2019	21/10/2019	2	06/09/2019	0ETH46194
484	CHANGE TO COMPANY DETAILS				
484O	CHANGES TO SHARE STRUCTURE				
484G	NOTIFICATION OF SHARE ISSUE				
484N	CHANGES TO (MEMBERS) SHARE HOLDINGS				
484	06/09/2019	06/09/2019	2	06/09/2019	7EAP11682
484	CHANGE TO COMPANY DETAILS				
484O	CHANGES TO SHARE STRUCTURE				
484G	NOTIFICATION OF SHARE ISSUE				
484N	CHANGES TO (MEMBERS) SHARE HOLDINGS				
	Cancelled by 030 748 413				
484	06/09/2019	06/09/2019	2	06/09/2019	0ETH41090
484	CHANGE TO COMPANY DETAILS				
484O	CHANGES TO SHARE STRUCTURE				
484G	NOTIFICATION OF SHARE ISSUE				
484N	CHANGES TO (MEMBERS) SHARE HOLDINGS				
	Altered by 030 748 414				
484	06/09/2019	06/09/2019	2	06/09/2019	0ETH40246
484	CHANGE TO COMPANY DETAILS				
484O	CHANGES TO SHARE STRUCTURE				
484G	NOTIFICATION OF SHARE ISSUE				
484N	CHANGES TO (MEMBERS) SHARE HOLDINGS				
484	16/05/2019	16/05/2019	3	16/05/2019	0ELR58309
484	CHANGE TO COMPANY DETAILS				
484B	CHANGE OF REGISTERED ADDRESS				
484C	CHANGE OF PRINCIPAL PLACE OF BUSINESS (ADDRESS)				
484E	APPOINTMENT OR CESSATION OF A COMPANY OFFICEHOLDER				
370	06/05/2019	06/05/2019	3	06/05/2019	030591310
370	NOTIFICATION BY OFFICEHOLDER OF RESIGNATION OR RETIREMENT				
A104	26/03/2019	28/03/2019	3	26/03/2019	030535174
A104	SUPPLEMENTARY PAGES TO IMAGED DOCUMENT				
	Alters 7EA J19 035				
484	13/03/2019	13/03/2019	2	13/03/2019	7EAJ39106
484	CHANGE TO COMPANY DETAILS				
484O	CHANGES TO SHARE STRUCTURE				
484G	NOTIFICATION OF SHARE ISSUE				
484N	CHANGES TO (MEMBERS) SHARE HOLDINGS				
484	13/03/2019	13/03/2019	2	13/03/2019	7EAJ39032
484	CHANGE TO COMPANY DETAILS				
484O	CHANGES TO SHARE STRUCTURE				
484G	NOTIFICATION OF SHARE ISSUE				
484N	CHANGES TO (MEMBERS) SHARE HOLDINGS				

FS88	02/12/2018	02/12/2018	3	30/11/2018	7EAG70604
FS88A	PDS IN-USE NOTICE - BY AFS LICENSEE				
410	29/10/2018	29/10/2018	1	29/10/2018	7EAF50414
410B	APPLICATION FOR RESERVATION OF A NEW NAME UPON CHANGE OF NAME				
484	24/09/2018	24/09/2018	2	24/09/2018	7EAE38822
484	CHANGE TO COMPANY DETAILS				
484B	CHANGE OF REGISTERED ADDRESS				
484C	CHANGE OF PRINCIPAL PLACE OF BUSINESS (ADDRESS)				
484	20/09/2018	20/09/2018	3	20/09/2018	7EAE30242
484	CHANGE TO COMPANY DETAILS				
484D	CHANGE TO ULTIMATE HOLDING COMPANY				
484N	CHANGES TO (MEMBERS) SHARE HOLDINGS				
484	20/09/2018	20/09/2018	2	20/09/2018	7EAE29171
484E	CHANGE TO COMPANY DETAILS APPOINTMENT OR CESSATION OF A COMPANY OFFICEHOLDER				
484	06/07/2018	06/07/2018	2	06/07/2018	7EAB89258
484	CHANGE TO COMPANY DETAILS				
484O	CHANGES TO SHARE STRUCTURE				
484G	NOTIFICATION OF SHARE ISSUE				
484N	CHANGES TO (MEMBERS) SHARE HOLDINGS				
484	18/06/2018	18/06/2018	2	18/06/2018	7EAB11989
484	CHANGE TO COMPANY DETAILS				
484O	CHANGES TO SHARE STRUCTURE				
484G	NOTIFICATION OF SHARE ISSUE				
484N	CHANGES TO (MEMBERS) SHARE HOLDINGS				
FS02	22/03/2018	22/03/2018	23	22/03/2018	0L0206099
FS02	COPY OF AFS LICENCE				
484	02/11/2017	02/11/2017	2	02/11/2017	7E9609581
484	CHANGE TO COMPANY DETAILS				
484O	CHANGES TO SHARE STRUCTURE				
484G	NOTIFICATION OF SHARE ISSUE				
484N	CHANGES TO (MEMBERS) SHARE HOLDINGS				
484	13/01/2017	13/01/2017	2	13/01/2017	7E8682424
484E	CHANGE TO COMPANY DETAILS APPOINTMENT OR CESSATION OF A COMPANY OFFICEHOLDER				
484	21/09/2016	21/09/2016	2	21/09/2016	7E8364083
484E	CHANGE TO COMPANY DETAILS APPOINTMENT OR CESSATION OF A COMPANY OFFICEHOLDER				
484	06/04/2016	06/04/2016	2	06/04/2016	7E7851201
484A1	CHANGE TO COMPANY DETAILS CHANGE OFFICEHOLDER NAME OR				

ADDRESS

484	23/03/2016	23/03/2016	2	23/03/2016	7E7812588
484A1	CHANGE TO COMPANY DETAILS CHANGE OFFICEHOLDER NAME OR ADDRESS				
FS66	12/05/2015	12/05/2015	1	12/05/2015	028731688
FS66	ORDER REVOKING AFS LICENCE				
FS88	05/12/2014	05/12/2014	3	05/12/2014	7E6577423
FS88A	PDS IN-USE NOTICE - BY AFS LICENSEE				
FS89	05/12/2014	05/12/2014	1	01/12/2014	7E6577400
FS89A	NOTICE OF CHANGE TO FEES AND CHARGES IN A PDS - BY AFS LICENSEE				
FS88	05/09/2014	05/09/2014	3	05/09/2014	7E6346181
FS88A	PDS IN-USE NOTICE - BY AFS LICENSEE				
484	29/07/2014	29/07/2014	2	22/07/2014	2E0822666
484	CHANGE TO COMPANY DETAILS				
484O	CHANGES TO SHARE STRUCTURE				
484G	NOTIFICATION OF SHARE ISSUE				
484N	CHANGES TO (MEMBERS) SHARE HOLDINGS				
FS88	05/05/2014	05/05/2014	3	05/05/2014	7E6025700
FS88A	PDS IN-USE NOTICE - BY AFS LICENSEE				
484	12/02/2014	12/02/2014	2	20/01/2014	2E0225978
484	CHANGE TO COMPANY DETAILS				
484O	CHANGES TO SHARE STRUCTURE				
484G	NOTIFICATION OF SHARE ISSUE				
484N	CHANGES TO (MEMBERS) SHARE HOLDINGS				
484	22/08/2013	22/08/2013	2	22/08/2013	7E5459513
484	CHANGE TO COMPANY DETAILS				
484O	CHANGES TO SHARE STRUCTURE				
484G	NOTIFICATION OF SHARE ISSUE				
484N	CHANGES TO (MEMBERS) SHARE HOLDINGS				
484	22/08/2013	22/08/2013	3	22/08/2013	7E5459272
484	CHANGE TO COMPANY DETAILS				
484E	APPOINTMENT OR CESSATION OF A COMPANY OFFICEHOLDER				
484N	CHANGES TO (MEMBERS) SHARE HOLDINGS				
FS88	02/08/2013	02/08/2013	3	02/08/2013	7E5412960
FS88A	PDS IN-USE NOTICE - BY AFS LICENSEE				
484	01/05/2013	01/05/2013	2	01/05/2013	7E5188712
484A1	CHANGE TO COMPANY DETAILS CHANGE OFFICEHOLDER NAME OR ADDRESS				

484	05/03/2013	05/03/2013	2	05/03/2013	7E5065336
484	CHANGE TO COMPANY DETAILS				
484B	CHANGE OF REGISTERED ADDRESS				
484C	CHANGE OF PRINCIPAL PLACE OF BUSINESS (ADDRESS)				
FS02	27/02/2013	27/02/2013	19	27/02/2013	0L1001382
FS02	COPY OF AFS LICENCE				
205	19/02/2013	19/02/2013	2	18/02/2013	7E5030876
205A	NOTIFICATION OF RESOLUTION CHANGING COMPANY NAME				
FS02	19/12/2012	19/12/2012	19	19/12/2012	0L0310536
FS02	COPY OF AFS LICENCE				
484	11/12/2012	11/12/2012	2	11/12/2012	7E4905576
484E	CHANGE TO COMPANY DETAILS APPOINTMENT OR CESSATION OF A COMPANY OFFICEHOLDER				
484	08/06/2012	08/06/2012	2	08/06/2012	7E4505649
484E	CHANGE TO COMPANY DETAILS APPOINTMENT OR CESSATION OF A COMPANY OFFICEHOLDER				
484	01/03/2012	01/03/2012	2	01/03/2012	7E4303229
484	CHANGE TO COMPANY DETAILS				
484O	CHANGES TO SHARE STRUCTURE				
484G	NOTIFICATION OF SHARE ISSUE				
484N	CHANGES TO (MEMBERS) SHARE HOLDINGS				
484	28/02/2012	28/02/2012	3	28/02/2012	7E4293798
484A2	CHANGE TO COMPANY DETAILS CHANGE MEMBER NAME OR ADDRESS				
484	25/01/2012	25/01/2012	2	25/01/2012	7E4238286
484	CHANGE TO COMPANY DETAILS				
484O	CHANGES TO SHARE STRUCTURE				
484G	NOTIFICATION OF SHARE ISSUE				
484N	CHANGES TO (MEMBERS) SHARE HOLDINGS				
484	08/11/2010	08/11/2010	2	08/11/2010	7E3280709
484	CHANGE TO COMPANY DETAILS				
484B	CHANGE OF REGISTERED ADDRESS				
484C	CHANGE OF PRINCIPAL PLACE OF BUSINESS (ADDRESS)				
484	22/10/2010	22/10/2010	2	22/10/2010	7E3247211
484E	CHANGE TO COMPANY DETAILS APPOINTMENT OR CESSATION OF A COMPANY OFFICEHOLDER				
484	23/09/2010	23/09/2010	2	23/09/2010	7E3190307
484E	CHANGE TO COMPANY DETAILS APPOINTMENT OR CESSATION OF A COMPANY OFFICEHOLDER				
201	06/07/2010	06/07/2010	3	06/07/2010	1E6652755
201C	APPLICATION FOR REGISTRATION AS A PROPRIETARY COMPANY				

- Financial Reports -

Document No.	Balance Date	Report Due	AGM Due	Extended AGM Due	AGM Held	Outstanding
7EAW65575	30/06/2018	31/10/2018				No
7EAW66022	30/06/2019	31/10/2019				No

- Company Contact Addresses -

- Previous Contact Address for ASIC use only

Address: PO BOX 1184 KENSINGTON VIC 3031
Start Date: 27/10/2023
Cease Date: 29/07/2024

*** End of Document ***

(creditor)watch

Credit Report

Name	PROSPERO MARKETS PTY LTD
ABN	11145048577
ACN	145048577
Document Type	Credit Report
Report Generated	06-03-2026 at 12:30
ASIC Extract	Not Included
ASIC Extract Status	Not Included

Credit Report	✓ Included
RiskScore	✓ Included
Payment Rating	✗ Not Included
CW Bankruptcy Check (PIRS)	✗ Not Included
ASIC Data (On File)	✗ Not Included
ASIC Current Extract	✗ Not Included
ASIC Current & Historical	✗ Not Included
PPSR ACN	✗ Not Included
PPSR ABN	✗ Not Included
PPSR Business Name	✗ Not Included
Append Docs Lodged	✓ Included
Append Business Names	✓ Included
Append Credit Enquiries	✓ Included

Summary

F / 0
Default Risk

57 Credit Enquiries

ACN Status:
External Administration
ABN Status:
Active

No ATO Tax Default

No Payment Defaults

No Court Actions

No Mercantile Enquiries

ASIC Data
4 Published Notices
3 Critical Documents

Important Cross Directorships Not Available

Adverse

Risk Data Detected - Review Required

Risk Category	Risk Level	Risk Overview
High Risk ASIC Documents	High	Documents lodged with ASIC in the past 18 months relating to Winding up notifications, external administrations, court orders, scheme of arrangements or liquidations
ASIC Published Notice	High	There are asic published notices connected to this company
ASIC Status	High	The company is under external administration

ABR Data

Main Name	PROSPERO MARKETS PTY LTD
ABN	11 145 048 577
Registered Date	06-07-2010
Entity Status	Active
Entity Type	Australian Private Company
GST Status	Registered for GST (from 10-04-2024)
Main Physical Address	NSW 2000 (from 29-05-2023)
ABN Last Updated	16-04-2024

ASIC Data

Name	PROSPERO MARKETS PTY LTD
Registered Office Address	186 BELLAIR STREET KENSINGTON VIC 3031
ACN	145 048 577
Registered Date	06-07-2010
Next Review Date	06-07-2026
Status	Under External Administration And/Or Controller Appointed
Company Type	Australian Proprietary Company
Class	Limited By Shares
Subclass	Proprietary Company
Locality	KENSINGTON VIC 3031
Regulator	Australian Securities & Investments Commission

Industry

ANZSIC Classification	Rental, Hiring and Real Estate Services Property Operators and Real Estate Services Property Operators Non-Residential Property Operators

RiskScore



F

RiskScore	0 / 850
Risk level	Default

RiskScore summary

Entity has a **100% chance of default** within the next 12 months.

Entity has become insolvent or does not have the ability to trade

Key contributing factors

There are no contributing factors for this entity

0

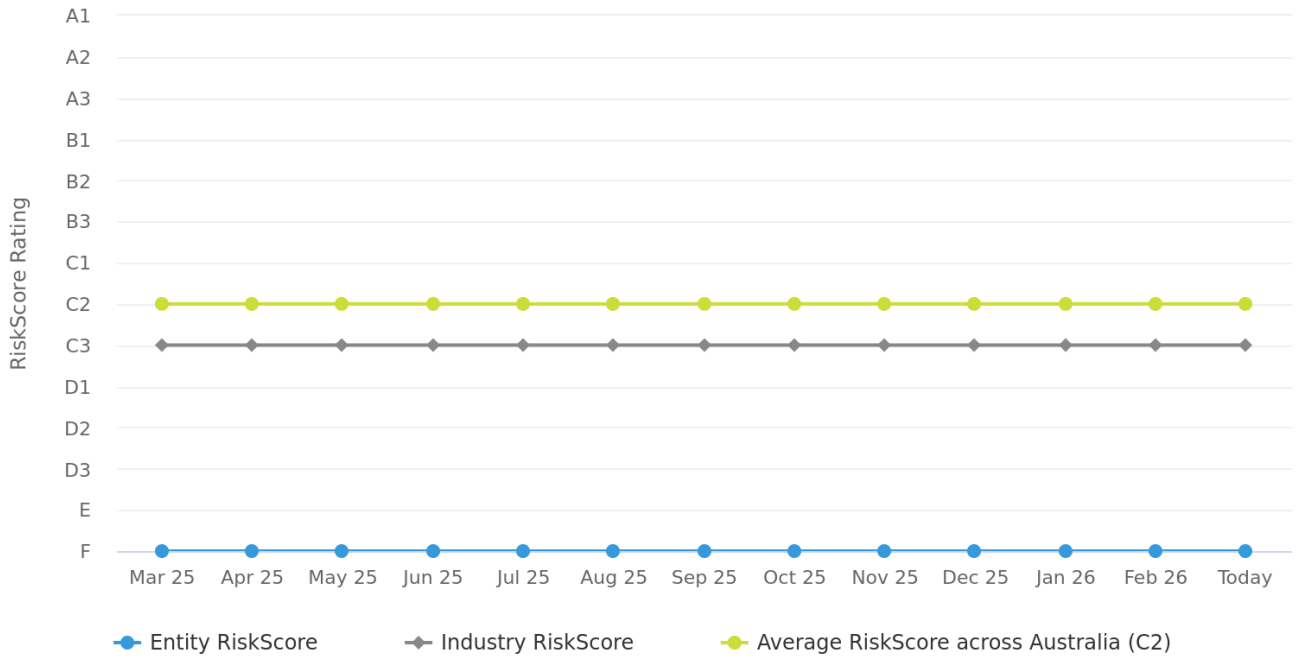
Average for similar entities

Higher risk

Lower risk

RiskScore Historical Information

Within the last 12 Months



Did you know?

- The Industry Score is based on the average score of entities within the same ANZSIC Division.
- The average RiskScore across Australia has historically been around **C2** (average default risk over the past 5 years).
- The dotted line shows a **rating band**, not a single score. Your numeric score can change within this band without moving the line.

The CreditorWatch RiskScore is the most advanced algorithm in the market and is designed to ensure you make the right decision. The RiskScore has been developed using the latest machine learning techniques in combination with CreditorWatch's extensive data. The CreditorWatch RiskScore should be used in partnership with your internal credit procedures and policies.

What is "probability of default"?
This is the likelihood that an entity will NOT be able to meet their financial commitments in the next 12 months eg: pay an invoice.

Score Recommendations

RiskScore Rating	Risk Level	Recommendation
A1, A2, A3	Very Low	Very strong credit quality based on behavioural and business demographics. Likelihood of default or insolvency is considered very low. Extend terms within consideration.
B1, B2	Low	Strong credit quality based on behavioural and business demographics. Likelihood of default or insolvency is considered very low. Extend terms within consideration.
B3, C1	Neutral	Lower than average default risk for an Australian business. Business demographics and behaviours indicative of low likelihood of default or insolvency in the short to medium term. Extend terms and monitor ongoing payment behaviour.
C2	Acceptable	Average default risk for an Australian business. Standard underwriting criteria and due diligence recommended prior to extending credit. Extend terms, closely monitor ongoing payment behaviour.
C3	Potential Risk	Behaviours and business demographics may indicate increased risk for some businesses in this group. Assessment of the entity's financial position and cashflow is recommended prior to extending material unsecured credit.
D1, D2, D3	High	Risk of default or insolvency is significantly higher than the average for Australian businesses. COD trading highly recommended.
E	Impaired	Entity is highly vulnerable to default or insolvency in the short term.
F	Defaulted	One or more creditors has initiated legal proceedings or other significant actions in response to unpaid debt obligations, or the entity is entering or has entered insolvency.

Please note that the rating and recommendation should be used in partnership with your company's internal credit procedures and policies. The rating should not be used as the sole reason in making decision about the entity.

What are contributing factors?

How it works

A contributing factor is a datapoint that determines the risk profile of a company. It could indicate a negative or positive impact on a business's ability to continue trading.

↑ The contributing factor drove the entity's RiskScore in a positive direction
↓ The contributing factor drove the entity's RiskScore in a negative direction

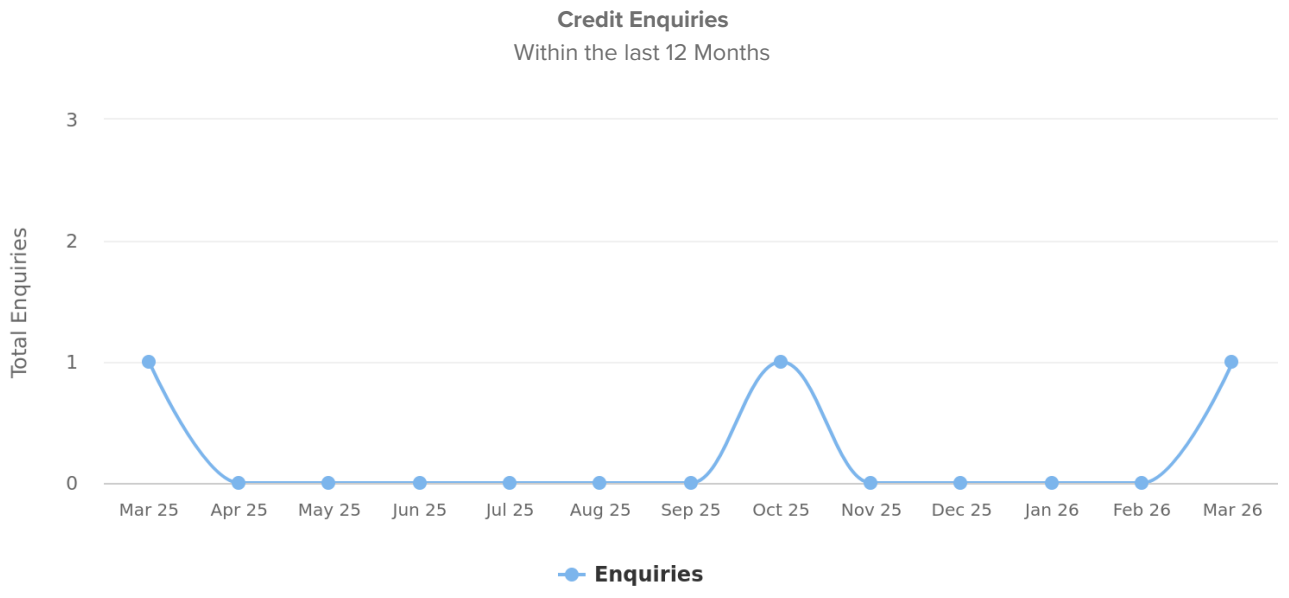
Contributing factors that could affect RiskScores

- Data on the registration or location of the business
  Businesses that have been established for a longer period of time, or have operated in the same location longer, tend to be less risky
- Data from invoices or aged trial balances
  Businesses that pay their invoices on time tend to be less risky
- Data relating to the size of the business
  Larger businesses tend to be less risky
- Data relating to important cross directorships
  Businesses without important director behaviour tend to be less risky
- Data relating to adverse risk factors
  Businesses without traditional credit risk drivers such as ASIC published notices or court judgments tend to be less risky
- Data relating to industry and type of the business
  Some industries or business types are more risky than others

Credit Enquiries

57
Last 5 Years

3
Last 12 Months



Enquiries Ordered by Industry

Industry (ANZSIC Division)	No of Enquiries
Electricity, Gas, Water and Waste Services (D)	1
Financial and Insurance Services (K)	1
Information Media and Telecommunications (J)	1
Total Enquiries (within the last 12 months)	**3**

Enquiries Ordered by Date

Industry (ANZSIC Division)	Date
Information Media and Telecommunications (J)	06-03-2026
Electricity, Gas, Water and Waste Services (D)	09-10-2025
Financial and Insurance Services (K)	11-03-2025

Credit enquiries provide an indication of the number of times an entity's credit file has been accessed. For credit enquiries performed in the last 12 months, the date of the enquiry and the industry of the business, sole trader or individual performing the credit enquiry is detailed in the graph and table.

Risk Data

Court Actions

Court Details	Plaintiff	Action	Nature of the Claim	Amount

No Court Actions

CreditorWatch aggregate data from courts around Australia to provide a summary of court actions against an entity. When available, details of the action include location, case number, state, plaintiff, nature of the claim, action type and dollar amount.

Payment Defaults

Added	Invoice Due	Submitted By	Amount	Status

No Payment Defaults Lodged

A default indicates that the debtor has failed to make a payment for goods or services. Payment Defaults are unique to CreditorWatch and can have one of three statuses: outstanding, partial payment or settled.

Tax Defaults

Date Added	Date Updated	Submitted By	Status	Amount

No Tax Defaults Lodged

A tax default indicates that a business has overdue tax payments and has failed to respond to a notice of disclosure by The Australian Taxation Office (ATO). Tax defaults are only lodged on debts that are over 90 days overdue and are over a value of $100,000.

Mercantile Enquiries

Enquiry Date	Mercantile Agent

No Mercantile Enquiries Lodged

A Mercantile enquiry is an indication that a mercantile agency (or debt collection agency) has conducted an enquiry on this entity for the purpose of debt collection.

Status Changes

ASIC Entity Status Changes

Change Date	ASIC Status
10-04-2024	Under External Administration And/Or Controller Appointed (Current status)
19-02-2013	Registered

The most common ASIC entity statuses are: registered, deregistered, external administration and strike-off action in progress. This section identifies if there have any been changes to the status of the entity's ACN, and the date the changes have occurred.

GST Status Changes

Change Date	GST Status
10-04-2024	Registered for GST (Current status)
29-06-2017	Not Registered for GST
06-07-2010	Registered for GST

An ABN can either be registered for GST, or not currently registered for GST. This section identifies if there have been any changes to the entity's GST registration, and the date the changes have occurred.

Business Names

Registered Business Index

Business Name	Status	Registered Number	Address
There are no business name extracts registered to this company			

Registered Business Names

Name	Business Name Type	Source
INTERCAPITAL MARKETS CO PTY LTD	Former Name	ASIC
INTERCAPITAL MARKETS CO PTY LTD	Former Name	ABR
PROSPERO MARKETS PTY LTD	Main Name	ABR
RAINBOW LEGEND GROUP PTY LTD	Former Name	ASIC
RAINBOW LEGEND GROUP PTY LTD	Former Name	ABR

Business names are derived from two data sources, one of which is basic information provided by ABR. The other comes from the business names extract index which, when available, includes the owner of the business name and registered business address.

Appendix

Disclaimer

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SEARCH RESULT SUMMARY REPORT
Report created: Friday, 6 March 2026 12:30 pm
Matter reference: 242423

Search Result Summary

Search criteria

Organisation Name	**PROSPERO MARKETS PTY LTD**
Search precision	**Precise**
Monitoring	**No**

Content sets

Watchlist

PEP	Include ADSR	Special Interest Categories	Sanction Lists	Other Official Lists	Other Exclusion Lists
All	Yes	All	All	All	All

Adverse Media

Adverse Media	ID Type
Include	All

Search result

No search results found for this organisation.

SEARCH PRECISION DEFINITION

Precision Type	Definition
Precise	It looks for exact and very close matches to the search criteria. It does not look for linguistic matches and does not tolerate typos/transposed characters.
Near	It looks for exact and close matches to the search criteria. It looks for linguistic matches such as phonetic and transcription variations, matches long and short forms of names and tolerates some typos.
Broad	It looks for the same as in Precise and Near matches, plus less common linguistic variations, typos in shorter name elements and transposed characters.

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POWERED BY DOW JONES

17 MARCH 2023, 7:02AM

Media Release

New money laundering taskforce tackles lifeblood of organised crime

Editor's Note: Audio grabs from AFP Assistant Commissioner Stephen Dametto are available via Hightail.

The AFP is unleashing a highly-skilled, multi-agency taskforce to target criminals who are laundering tens of millions of dollars in Australia every day to bankroll lavish lifestyles and further crime.

Revealed today, Taskforce Avarus is the next targeted offensive against Australian and offshore organised criminals, who are laundering money through

the nation's financial system and property market at an alarming scale.

Recent investigations have exposed the extent of large-scale and systemic money laundering throughout Australia, with a high proportion driven by illicit drug trafficking.

It is believed billions of dollars are being laundered in Australia every year. Intelligence and investigations have revealed that:

- One Sydney criminal gang in 2022, on some days, was laundering $1 million every hour for three to five hours;
- On behalf of organised crime, students, foreign nationals and others are making multiple, significant illicit cash deposits in ATMs – going from one ATM to the next;
- Money mules are being flown throughout Australia to collect illicit money and then deposit it into ATMs;
- Safe houses across Australia are hiding illicit money – sometimes millions of dollars;
- Cash couriers have moved large amounts of illicit cash to "dead drop zones" in parks and bushland;
- Criminal syndicates are using baby formula, vitamins and high-end goods to launder money;
- Criminal syndicates are opening bank accounts in the names of law-abiding Australians to move money offshore; and;
- Illicit money is being used to invest in property, often further enriching organised crime.

Taskforce Avarus is using the firepower of the AFP, AUSTRAC, Australian Criminal Intelligence Commission and Australian Border Force to unravel the complex structures and methods criminals adopt to hide their illicit money.

With Commonwealth partners in the Taskforce, the AFP will also seek the participation of a number of public private relationships, including financial institutions that currently assist law enforcement to combat money laundering.

Working closely with private industry will make the sharing of information faster and increase bilateral capability.

Overseas law enforcement agencies, which have significant partnerships with the AFP, will also work closely with the Taskforce.

The AFP collaborates with its law enforcement counterparts to target money laundering organisations and assist with arrests offshore and possible court processes in Australia.

Additionally, the AFP participates in the Five Eyes Law Enforcement Group's Money Laundering Community of Practice, which brings together senior law enforcement leaders and subject matter experts to share intelligence and cooperate on international operations.

Australia will host the next face-to-face meeting of the Communities of Practice in Sydney later this year.

The AFP's investigative resources now dedicated to the Taskforce have executed 164 search warrants.

Forty-two people have been arrested, 66 charges laid, and criminal groups have been deprived of more than $250 million in cash and assets.

Overall in 2022, the AFP charged 74 people with 82 money laundering offences.

In the same year, the AFP-led Criminal Assets Confiscation Taskforce (CACT) obtained restraining orders over criminal assets, including real estate, cash, cryptocurrency, vehicles, jewellery and luxury items, with a combined value of about $160 million.

Operation Avarus-Midas last month alone resulted in the arrest of nine people in Australia and one person in Malaysia.

The AFP executed 13 premises search warrants across Sydney on 1 February, 2023. The CACT sought and obtained restraining orders in the Supreme Court of NSW over 20 properties, with all assets, including seized cash and luxury items totalling more than $200 million, including $30 million in cryptocurrency.

AFP Assistant Commissioner Eastern Command Stephen Dametto said money laundering undermined Australia's national security, the economy and social security system.

“These money laundering syndicates being targeted by the taskforce are sophisticated, international groups with one purpose - to provide a shadow economy enabling crime,” Assistant Commissioner Dametto said.

"They exist only to launder money on behalf of organised crime and rely on the expertise of professionals, such as lawyers and accountants, to help them evade law enforcement.

“This dirty money that is laundered through our economy is not only bankrolling lavish lifestyles but also funding future crime, such as more illicit drug importations and weapons trafficking. Put simply, without the ability to launder their money, transnational serious organised crime ceases to function.

“While law-abiding Australians are earning an honest day’s living, paying their taxes or being good community citizens, organised crime gangs are using money gained illegally to increase their wealth.

“They are buying homes, commercial property, investing in our financial systems and living large without the financial pressures felt by ordinary Australians.”

AUSTRAC Deputy CEO Intelligence Dr John Moss said there was an inaccurate perception that money laundering was a victimless crime.

”It’s important to understand that money laundering is not something that just happens in movies. It is a real-world crime with real-world consequences, and not in some place far away, but right here in Australia, and in our communities,” Dr Moss said.

“Criminals engage in the activities which are the most lucrative, like trafficking in drugs or humans. So when criminals are cleaning the money made from these crimes, people shouldn’t lose sight of the child that was exploited, or the violence and deaths caused by the trafficking of illicit drugs.

“That’s why AUSTRAC is proud to be part of this taskforce and brings our strong partnership with the financial industry through the AUSTRAC-led Fintel Alliance, our deep expertise in Financial Intelligence and our regulatory powers to work with our law enforcement partners to hit transnational, serious and organised crime where it hurts.”

ABF Assistant Commissioner Erin Dale said the ABF is committed to whole of government priorities in combatting money laundering activities that are facilitated through, and impact the integrity of, Australia's border.

"This taskforce allows the ABF to maintain a contemporary operational presence in the area of serious organised crime where there is an identified border nexus," Assistant Commissioner Dale said.

"Multi-agency activities like AVARUS provide an important opportunity for law enforcement partners to leverage the ABF's substantial capabilities.

"And so while the ABF will continue to fiercely protect the integrity of Australia's border, Taskforce AVARUS will only serve to further enhance our capability to target activities driven by criminal syndicates," she said.

Anyone with information about suspicious border activity or border-related crime the community can report it anytime through Border Watch at borderwatch.gov.au. Information can be provided anonymously.

ACIC Executive Director Intelligence Operations Jennifer Hurst said that the ACIC is committed to supporting its partners deliver on their functions as they relate to money laundering which is a key enabler for transnational serious organised crime.

"The vast majority of organised crime is motivated by profit. The ACIC is committed to working collaboratively with our partners to develop intelligence on money laundering to better inform operational responses and insights."

WHY CRIMINALS MONEY LAUNDER AND HOW THEY DO IT

Money is the lifeblood of organised crime. The AFP has already had significant success in targeting the encrypted communications of organised crime, and now it will focus on eliminating its other key enabler.

Money launderers use many different methods to avoid detection by law enforcement agencies.

They can range from using pools of criminal cash held in different jurisdictions to off-setting one transaction against another, to purchasing cryptocurrency,

property and gold, as well as recruiting everyday people to make cash deposits at multiple ATMs into multiple bank accounts.

Cryptocurrency is used by money launderers because it takes only seconds to create a crypto account (or address) with a crypto service provider, which is free of cost and provides a perceived level of anonymity.

Crypto ATMs, prepaid debit cards loaded with cryptocurrency or online gaming sites that accept cryptocurrency are some of the ways crypto is then used to hide illicit funds.

Example scenario of how dirty money is cleaned using cryptocurrency methods

1. A money launderer has $5000 of illicit cash.
2. The money launderer deposits the cash at a crypto ATM to a crypto address he or she opened earlier.
3. The money launderer then sends the funds from crypto address (1) to another crypto address (2).
4. Others connected to the money laundering organisation also send funds to crypto address (2), known as a crypto-mixer. The funds are now mixed together in one address.
5. The funds are portioned out and sent to different addresses.
6. This process is repeated multiple times with different crypto addresses and crypto-mixers until the funds reach their final destination e.g. organised crime group based offshore.
7. It is now nearly impossible to trace the origins of the illicit funds.

How structuring in money laundering works

1. Most financial institutions and some other service providers must submit a report to AUSTRAC when their customers engage in cash transactions of $10,000 or more.
2. Money laundering syndicates seek to avoid triggering these reports by using one or more workers within the money laundering syndicate to, for example, deposit funds into bank accounts in lots of less than $10,000.
3. This practice happens using both ATMs and in-branch deposits. However, recent changes to the way ATMs operate have made that mode of structuring more difficult.

How money laundering works, using daigous as an example

1. An organised crime syndicate based offshore, sells their drugs through a local distributor in Australia.
2. The drug distributor in Australia needs to launder the proceeds and get the money back to the syndicate heads offshore without attracting the attention of authorities.
3. They reach out to a money laundering organisation, based offshore or in Australia, and negotiate a contract on how much is to be laundered. The money launderers then nominate a cash collector in Australia.
4. The Australian drug distributors will nominate a syndicate member to meet the Australian cash collector working on behalf of the money laundering organisation. The syndicate member will hand over the cash to be laundered.
5. The money laundering organisation will have a large supply of cash on hand, and will then release the money to the offshore syndicate, charging a commission.
6. The cash collector in Australia then gets to work turning the illegal drug profits into legitimate cash or goods. This can be done by funnelling money through cash based businesses, such as daigous – legal businesses buying goods to send to another country. Daigou translates to "surrogate shopper."
7. The daigous hire community members to buy large amounts of baby formula, cosmetics, vitamins, designer shoes and handbags from pharmacies, supermarkets and department stores.
8. The goods are then shipped overseas and re-sold, with the profits going back to the money laundering organisation.

Some criminals in Australia find it hard to transfer money out of offshore bank accounts because some foreign governments prevent large amounts of money leaving their country.

Often these criminals turn to money launderers, who use complex methods to facilitate payments.

Criminals often mix their illicit money with legitimately-earned cash, making it harder for law enforcement to identify or seize. Money laundering organisations are the equivalent of underground banks with branches all over the world.

The cash reserves these money laundering organisations hold – tens of millions of dollars – are often from the proceeds of illicit drug trafficking.

One typical example of money laundering is the following:

1. A criminal syndicate in Australia needs to repay a debt owed to another organised crime group overseas, but it would attract the attention of law enforcement or regulators if a large amount of cash was transferred.
2. The criminal syndicate in Australia turns to a money laundering organisation to repay the debt.
3. The money laundering organisation gives its low-level syndicate members in Australia money to buy goods, such as baby formula, designer handbags or other wanted items. The goods are to the value that is owed to the crime group overseas.
4. All the goods are transferred to one location in Australia and shipped overseas to a group, which then sells the goods and the money raised provided to the overseas organised crime group.

CASE STUDIES

NSW

Money mule allegedly flown around Australia A woman allegedly flown around the country by money laundering controllers to deposit cash at ATMs was arrested at an airport in Australia last year. It is alleged the woman, on a student visa, had millions of dollars go through her accounts.

On multiple occasions, she allegedly picked up thousands of dollars cash from the controller of a money laundering syndicate, deposited it at an ATM, picked up more cash and deposited it at a different ATM.

Police suspect the money laundering organisation flew her around the country to deposit cash at different ATMs in an attempt to evade law enforcement detection.

The woman now faces a maximum penalty of 25 years' imprisonment.

She is remanded in custody and due to appear in court on 29 March, 2023.

An image of the woman being arrested at Sydney Airport is available via Hightail.

Gold dealer and wife allegedly move $22 million

The AFP charged a gold dealer and his wife in July 2022, after an investigation revealed the pair had allegedly moved more than $22 million through their bank accounts in an 18-month period.

The man is a registered precious metals dealer and director of a gold trading company.

It is alleged he failed to adhere to his reporting obligations on gold sales by providing his clients with anonymity when making large cash purchases.

The AFP executed a search warrant on their Lakemba home and found gold bullion hidden in the man's underwear drawer.

Officers seized about $86,000 cash and $148,000 worth of gold bullion of various sizes as well as business documents and cash deposit receipts.

The man and woman are next in Parramatta Local Court on 24 March, 2023.

Gold bullion is one method money laundering organisations use to hide the source of their illicit funds from law enforcement; similar to purchasing luxury watches and jewellery.

It is another form of money transfer where organised criminals can trade it or pack it in their luggage, take it offshore and sell it for cash.

Images of the seized gold bullion are available via hightail.

Alleged rigged up cash houses

Through Operation Ironside intelligence, the AFP identified a person suspected to be the controller of a Vietnamese money laundering organisation.

The AFP suspected the money laundering activities to be occurring at a NSW property.

Investigations led to two units at a Western Sydney building complex that were allegedly being used as cash houses to hide illicit funds.

The units had reinforced doors and windows with trip wires set to active CCTV cameras when someone attempted to enter.

The AFP seized about $2.6 million cash from the units. The AFP arrested one woman in January 2022 in connection to the cash houses and charged her with a proceeds of general crime offence.

This offence has a maximum penalty of 25 years' imprisonment.

The woman is scheduled to next appear in Downing Centre Local Court on 24 April, 2023.

Criminal investigators subsequently partnered with the AFP-led Criminal Assets Confiscation Taskforce (CACT) and further financial investigation established that the assets were grossly disproportionate to declared incomes.

On 30 June 2022, within a short period from the original seizure of the $2.6 million cash by the AFP's money laundering teams, the CACT obtained restraining orders in the NSW Supreme Court over the seized cash, as well as 13 real properties.

The current estimated gross value of all restrained property is more than $23 million.

Vision of the seizure is available via hightail.

Hidden compartments in car to allegedly transport drugs and cash

The AFP charged an alleged member of a group of drug dealers and money launderers who were transporting drugs and cash around Sydney.

The AFP executed multiple search warrants across Sydney and seized $250,000 cash and 8kg of cocaine and methamphetamine.

The AFP also seized the man's vehicle, which allegedly had multiple hidden compartments containing cash and drugs.

The man was arrested in October 2022 and charged with drugs and proceeds of crime offences.

He is scheduled to next appear in Sutherland Court on 3 May, 2023.

Vision of the arrest and officers deconstructing the car with hidden compartments is available via hightail.

Alleged industrial-scale daigou operation

The AFP dismantled an alleged industrial-scale daigou operation where, on a daily basis, cash hidden in boxes labelled baby formula would arrive at a commercial warehouse, the cash would be deposited at ATMs and the money would be used to purchase actual baby formula to be sold for a high price in China.

The organiser in China would monitor the cash counting live through CCTV cameras stationed in the office of the warehouse.

The controller in Sydney would allegedly open each box and count the cash with the CCTV camera positioned over his shoulder.

The AFP executed a search warrant in April 2022 at the warehouse and seized about $300,000 cash. Investigators suspect the money laundering organisation moved about $14.5 million in a one year period.

One man was arrested in April 2022 and charged with proceeds of crime offences.

He is scheduled to next appear in Parramatta District Court on 17 March, 2023.

Images of the warehouse and office where the goods were stored is available via Hightail.

NSW and Victoria

Alleged Vietnamese-controlled money laundering organisation dismantled – Wardrobe changes, bribery charges and attempts to escape the country.

The AFP charged six alleged members of a money laundering organisation for allegedly operating for a number of years in Sydney and Melbourne.

It is alleged the organisation, based in Vietnam, used multiple money mules to pick up cash and deposit it at ATMs around Sydney and Melbourne.

Investigators allege a money mule in Sydney regularly changed her appearance in an attempt to disguise her identity for the ATM cameras when depositing cash.

She would allegedly change her clothes, put on a wig and sunglasses, but always wore her signature red sneakers.

The woman is scheduled to be next in Downing Centre Local Court on 21 March, 2023.

The activities of a husband and wife money mule duo allegedly working for this money laundering organisation in Melbourne came to police attention.

The duo was arrested at Melbourne Airport in October 2022 when attempting to leave the country.

The couple is scheduled to be next appear in Melbourne Magistrates Court on 10 May, 2023.

After five alleged money mules linked to the money laundering organisation were charged by the AFP, the Vietnam-based coordinator allegedly came to Sydney to check what was happening.

He was arrested on arrival. He allegedly tried to bribe AFP officers with $20,000 cash to release him.

He allegedly made the offer twice. In addition to being charged with proceeds of crime offences, he was also charged with two counts of attempted bribery.

The AFP suspects the money laundering organisation moved $25 million over a two year period.

He is scheduled to next appear in Downing Centre Local Court on 29 March, 2023.

Vision of the Melbourne couple and Sydney woman available via Hightail.

Victoria

Money laundered through gaming venue

The AFP charged three alleged members of the money laundering syndicate in Melbourne in September 2022.

The syndicate allegedly laundered millions of dollars in illicit cash through a Springvale licensed gaming venue by buying jackpots from patrons.

The jackpots were then paid out by the venue as cheques which would later be deposited into bank accounts, and promptly withdrawn as cash. Investigations

revealed that between November 2021 and June 2022, about 73 per cent of the cheques issued at the gaming venue – valued at more than $4.7 million – were issued to patrons linked to the syndicate.

Investigations are continuing in relation to the source of the funds.

The three people are scheduled to next appear in Melbourne Magistrates Court on 8 May, 2023.

Vision of the arrests and images of the seized items are available via Hightail.

Queensland

Consultant allegedly launders money through his clients fraudulently opened bank accounts.

Cash hidden within safes stored inside staircase.

The AFP charged two Queensland men in October 2022 for their alleged involvement in a money laundering syndicate responsible for laundering $4.5 million dollars in cash.

A Helensvale man and a Graceville man were charged with conspiring to deal in the proceeds of general crime and at the time of dealing, the value of the money or property was $1,000,000 or more. It will be alleged the Helensvale man used personal information from clients to his consultancy business to open fraudulent bank accounts.

The accounts were opened in the name of some of his clients believed to be without their knowledge.

The Graceville man allegedly supplied millions of dollars of funds that is the suspected proceeds of crime to be deposited into the accounts in an effort to avoid detection by authorities.

The AFP also seized a cash counter and $70,000 cash from two safes that were hidden within the staircase at a Bardon premises.

A further $160,000 cash was seized from a safe at the home of the Helensvale man.

The Graceville man is scheduled to next appear in Brisbane Magistrates Court on 17 March, 2023, while the Helensvale man is scheduled to next appear in Southport Magistrates Court on 15 May, 2023.

Vision of the arrest and images of the seized cash hidden within the stairs are available via Hightail.

Western Australia

Cash allegedly moved to dead drop zones

The AFP arrested an alleged cash courier and seized up to $5 million dollars in suspected illicit cash in Perth in December 2022.

It is alleged the man was acting as a cash courier for a criminal syndicate and was moving large amounts of money, believed to be the proceeds of crime, to dead drop zones in parks and bushland across Perth.

The AFP executed a search warrant at his Alexander Heights home and seized up to $5 million cash, hidden in a suitcase and duffle bags.

The man is scheduled to next appear in Perth Magistrates Court on 27 April, 2023.

Vision of the arrest and images of the seized cash are available via Hightail.

Almost $1 million cash seized from car boot

The AFP seized $998,850 in cash from a car boot and charged a West Australian man with dealing in the proceeds of crime, as part of an investigation into alleged money laundering in October 2022.

It will be alleged the man was linked to local criminal groups attempting to launder large amounts of cash generated from the proceeds of crime.

He was arrested at a car park in the coastal suburb of City Beach, as he was allegedly in the process of laundering the cash. He is scheduled to next appear in Perth Magistrates Court on 24 March, 2023.

Images of the arrest and seizure are available via Hightail.

$4 million in assets forfeited in international money laundering investigation

The AFP-led CACT began an investigation in 2020 after receiving intelligence from AUSTRAC which identified suspicious account activity and large funds transfers between bank accounts in WA and Thailand.

A joint investigation was subsequently established between the AFP and Royal Thai Police, pursuant to existing cooperative arrangements to combat transnational crime, including money laundering and serious fraud.

Each of the bank accounts were allegedly linked to a man based in WA, although the bank accounts were held variously in the names of companies or other individuals, including a relative and business associate of the man.

The investigation identified the balances of the accounts appeared grossly disproportionate to relevant personal and business income which had been declared to the Australian Taxation Office (ATO).

The CACT commenced court proceedings, on the basis that the man was suspected of dealing in the proceeds of crime, as well as failing to make proper declarations to the ATO.

Following an extensive investigation, the WA Supreme Court ordered that about $4 million in assets, including funds in bank accounts, and an apartment in Perth, were to be forfeited.

Photos of the Perth apartment are available via Hightail.

Canberra

$12 million in assets restrained including eight ACT properties

Operation Nairana began in late 2020 when the FBI and the US Internal Revenue Service (IRS), as part of the Joint Chiefs of Global Tax Enforcement (J5), reported an Australian-based person was allegedly using crypto-currency to launder money.

The AFP charged a Canberra man with dealing with property reasonably suspected of being proceeds of crime in July 2022.

It is alleged the man used sophisticated transactions to launder cash and cryptocurrency from the sale of stolen personal identification information and

illegal goods, as well as the proceeds from fraudulent scams and illegal online gambling.

The AFP will further allege the man had accumulated a significant number of assets that were suspected to be the proceeds of crime, including eight properties, four luxury cars worth more than $800,000, 28 bank accounts and approximately $600,000 in cryptocurrency.

The AFP-led CACT obtained restraining orders in the ACT Supreme Court over more than $12 million dollars in assets – including eight ACT properties, four high-end vehicles, luxury goods, cash and cryptocurrencies – amid the international money laundering investigation.

The man is scheduled to next appear in ACT Magistrates Court on the 17 April, 2023.

Vision of the arrest and seized property is available via Hightail.

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26 OCTOBER 2023, 6:54AM

Media Release

Seven syndicate members charged for allegedly laundering almost $229 million

Editor's note: Images and footage available via Hightail.

Seven members of an alleged Chinese organised crime syndicate accused of secretly running a prominent, multi-billion-dollar money remitting chain in Australia, have been charged under the most complex AFP-led money-laundering investigation in the nation's history.

The Changjiang Currency Exchange, which the AFP alleges is being secretly run by the Long River money laundering syndicate, is accused of laundering almost

$229 million in the proceeds of crime in the past three years.

More than 240 AFP members, plus 92 specialist members, yesterday executed 20 search warrants across every mainland state while simultaneously restraining more than $50 million in property and vehicles under AFP-led Operation Avarus-Nightwolf.

Four Chinese nationals and three Australian citizens have been charged for their alleged involvement in the money laundering syndicate and are expected to appear in Melbourne Magistrates' Court today (Thursday, October 26).

Those charged include:

- A Balwyn man, 37.
- A Glen Iris man, 40.
- A Vermont woman, 33.
- A Kew man, 35.
- A Kew woman, 35.
- A Balwyn North man, 37.
- A Balwyn woman, 38.

Registered money remitters are lawful businesses, and can facilitate international money transfers from one customer to another, allowing individuals to access funds that have been converted to a currency of choice.

The Changjiang Currency Exchange, which has 12 shop fronts in every mainland state, is now subject to regulatory action by AUSTRAC.

The Changjiang Currency Exchange has modern-looking shop fronts and supplied resources to customers about Australia's anti-money laundering laws, which the AFP will allege was the company's attempt to look and act like a law-abiding remittance company.

The AFP will allege it identified links between known money laundering organisations and the Changjiang Currency Exchange, which piqued the attention of investigators when the company opened new and updated existing shopfronts in Sydney during COVID-19 lockdowns.

In August 2022, Taskforce Avarus, an AFP-led standing taskforce on money laundering, established Operation Avarus-Nightwolf to investigate the Long River

money laundering organisation, an AFP high-value target. The AFP will allege it linked this criminal group to the Changjiang Currency Exchange.

Operation Avarus-Nightwolf, a 14-month investigation, is supported by AUSTRAC, Australian Border Force (ABF), Australian Criminal Intelligence Commission (ACIC), the Australian Securities and Investments Commission (ASIC), the Australian Taxation Office (ATO) and the United States Department of Homeland Security Investigations (HSI).

A purpose-built private industry working group was also established through the Fintel Alliance to ensure the alleged syndicate could be dismantled and any potential financial mechanisms it was exploiting could be closed.

The Changjiang Currency Exchange has transferred in excess of $10 billion in the past three financial years. While most of these funds were from customers engaged in lawful actions, the AFP will allege the company facilitated a system for organised criminals to secretly transfer unlawfully-obtained money in and out of Australia. The AFP alleges the amount of money laundered between 2020-2023 was $228,883,561.

It is alleged some of the money laundered by the syndicate was from the proceeds of crime, including from cyber-enabled scams, the trafficking of illicit goods and violent crimes.

It is alleged the syndicate would coach its criminal customers how to create fake business paperwork, like false invoices and bank statements.

It is alleged this enabled criminal customers and the Changjiang Currency Exchange to show authorities that unlawfully-gained money was from lawful sources in the event the transfers came to the attention of authorities.

Put simply this how the AFP alleges money was laundered – that the Changjiang Currency Exchange transferred unlawfully-obtained funds to national and international accounts by claiming it was the legitimate business profits and business expenses of their customers.

The AFP will allege the construct of Changjiang Currency Exchange's criminal enterprise, and accomplices allegedly recruited within the financial sector, also

enabled syndicate members to financially benefit from the proceeds of crime and tax evasion between 2020-2023.

It is alleged the Changjiang Currency Exchange profited from every transaction it made and charged higher fees for customers with unlawful funds than customers with lawful funds.

The AFP will allege the Changjiang Currency Exchange avoided its tax liabilities on legitimate money remitted and other income, depriving Commonwealth taxpayers of millions of dollars.

It is alleged the co-mingling of legal and illicit funds enabled the company to transfer up to $100 million a day for customers in Australia and throughout the world, with the volume of transfers masking the alleged laundering of tainted funds.

Further, it is alleged the Changjiang Currency Exchange sought to avoid undue regulatory attention by actively making efforts to appear legitimate in its reporting.

AFP Eastern Command Assistant Commissioner Stephen Dametto said it would be alleged the highly-organised syndicate purchased false passports for $200,000 each, which could have enabled members to flee the country in the event law enforcement agencies became suspicious about their activities.

“The AFP will allege the Changjiang Currency Exchange was able to hide its illegal behaviour because it looked like a legitimate and lawful money remitter,” Assistant Commissioner Dametto said.

“The reason why this investigation was so unique and complex was that this alleged syndicate was operating in plain sight with shiny shopfronts across the country – it was not operating in the shadows like other money laundering organisations.”

AFP Assistant Commissioner Dametto said one aspect of the investigation was linked to COVID-19 lockdowns in Sydney.

“During COVID-19, AFP members were still coming into work, and while most of Sydney was a ghost town, alarm bells went off among our money laundering

investigators when they noticed Changjiang Currency Exchange opened and updated new and existing shopfronts in the heart of Sydney.

“It was just a gut feeling – it didn’t feel right. Many international students and tourists had returned home, and there was no apparent business case for Changjiang Currency Exchange to expand.”

The AFP will allege syndicate members were able to amass a significant amount of illegal wealth from their criminal activity.

“We allege they lived the high life by eating at Australia’s most extravagant restaurants, drinking wine and sake valued in the tens of thousands of dollars, travelling on private jets, driving vehicles purchased for $400,000 and living in expensive homes, with one valued at more than $10 million,” Assistant Commissioner Dametto said.

Property and other assets suspected of being purchased with tainted money have now been restrained by the Criminal Assets Confiscation Taskforce (CACT). The assets include houses and investment properties, luxury vehicles, and other high value luxury property items.

Assistant Commissioner Dametto said Operation Avarus-Nightwolf was undertaken by some of the best money laundering investigators, forensic accountants and asset confiscation teams within law enforcement.

“Starting with a handful of members, the investigation team rapidly expanded to include 42 AFP members who worked to build the criminal case, while the CACT traced assets that were allegedly purchased by the syndicate using the proceeds of their criminal conduct.

“AFP investigators and key partners spent 14 months using the AFP’s unique expertise, capabilities and legislation – including five forensic accountants and undercover operatives – to plan and execute the takedown of the Long River money laundering organisation.

“Investigators combed through bank statements, tax records, identity documents and many other financial records while deploying specialist AFP capabilities to capture evidence.”

He said it would be alleged the Long River money laundering organisation had been building its enterprise over many years.

“It is a highly-complex, sophisticated money laundering organisation,” he said.

“Unlike traditional money laundering organisations that exploit vulnerabilities in the financial sector, the Long River money laundering organisation entrenched itself into the very fabric of the financial services industry, becoming one of the largest independently-owned remitters in the country. We allege that enabled it to exploit vulnerabilities far more easily, and for a period of time.

“We expect our charges will significantly impact on the amount of illicit money being remitted in and out of Australia in the coming days alone.”

He said dismantling the Long River money laundering syndicate required a whole-of-government effort.

He said the AFP and its partners today were sending a strong warning to money laundering syndicates that they would be identified, dismantled, charged and stripped of unlawfully-gained assets.

Over the past 12 months alone, Taskforce Avarus investigations have led to 26 people being arrested or charged for money laundering offences plus removed more than $270 million from the criminal environment.

AUSTRAC’s Acting Deputy CEO, Brad Brown, said AUSTRAC’s financial intelligence expertise was critical in supporting the AFP to investigate and disrupt the massive, alleged transnational money laundering operation.

“As Australia’s financial intelligence agency, AUSTRAC’s unique capability to follow the money as it moves through the financial system, crosses international and digital environments – transforming from cash to cryptocurrency – flushes out suspicious transactions linked to crime,” he said.

“AUSTRAC’s financial intelligence analysts have specialist skills enabling us to surface complex money laundering methodologies and identify property, high value assets, and key players in this operation.

“In our role as a regulator, we actively monitor high-risk entities across the banking, gambling, remittance, and virtual assets sectors. We conduct

supervision campaigns and assessments and take decisive action where we detect serious and systemic non-compliance or criminal activity.

“Remittance businesses provide a critical service to the community, and the vast majority operate legitimately. However, the nature of the business means remitters are at a higher risk of exposure to money laundering, terrorism financing and other serious crimes. The onus is squarely on remittance businesses to understand and comply with their anti-money laundering and counter-terrorism financing obligations.

“The successful result today leveraged our long-standing engagement with financial industry partners, which injected vital real-time support to the investigation. Today’s outcome reflects the combined impact of AUSTRAC’s financial intelligence expertise, regulatory powers, and the effectiveness of our multi-lateral engagement with industry partners and law enforcement.”

Acting ABF Assistant Commissioner Clinton Sims acknowledged the inter-agency collaboration resulting in this massive outcome and said foreign criminals have no place within our community.

“The integrity of Australia’s visa and migration programs is critical to our economic prosperity. This operation highlights the emphasis the ABF and our partner agencies put in to ensuring criminals can’t exploit our visa system, “Acting Assistant Commissioner Sims said.

“Foreign nationals who partake in serious criminal activity will have their visa status assessed, be considered for cancellation and be liable for removal from Australia”.

“The ABFs capabilities stretch far beyond stopping drugs at our shores, and we are proud to have provided critical resourcing in order to bring down this criminal syndicate and stop their illegal activities in one of the biggest ever money laundering operations.”

ASIC Deputy Chair Sarah Court said ASIC was pleased to have been able to contribute towards a fair, strong and efficient financial system for all Australians by working with partner agencies and providing high-quality intelligence support to this operation.

“The AFP-led investigation demonstrates the value of multi-agency intelligence sharing and operational activity in tackling complex serious financial crime and its impact on Australia’s financial sector.”

ATO Deputy Commissioner John Ford said money laundering was a serious offence, enabling criminals an entryway to other offences, including tax fraud.

“These outcomes should send a clear message to those who think that they can hide illicitly sourced money, that they will be caught.”

ACIC Executive Director Intelligence Operations Jennifer Hurst said the operation was an excellent result by Australian law enforcement working to combat the threat of money laundering, which was a key enabler for transnational serious organised crime.

“Taskforce Avarus exemplifies what can be achieved through multi-agency collaboration and cooperation. By tirelessly targeting key players, we will continue to dismantle these alleged criminal networks and focus on keeping Australian communities safe.”

HSI Regional Attaché Ernest Verina said: “The outcome of this investigation exemplifies the exceptional coordination and collaboration between Australian and US law enforcement agencies.

“We remain committed to our partnership in disrupting the flow of illicit proceeds and safeguarding the integrity of our financial systems.”

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MEDIA RELEASE (23-352MR)

ASIC suspends Prospero Markets' AFS licence and accepts undertaking

Published **22 December 2023**

ASIC has suspended the Australian financial services (AFS) licence of over-the-counter (OTC) derivatives issuer, Prospero Markets Pty Ltd (Prospero). Prospero has also provided an undertaking to ASIC that it will not deal in client funds without ASIC's agreement.

Prospero's licence suspension means it cannot provide financial services during the suspension period from 20 December 2023 until 28 February 2024.

Following an administrative hearing, ASIC found that Prospero failed to lodge its annual financial statement and audit report for the financial year ending 30 June 2023 within the prescribed timeframe and in compliance with its AFS licence conditions.

If Prospero fails to lodge its annual financial statement and audit report for the financial year ending 30 June 2023 during the suspension period, ASIC will consider whether the licence should be suspended for a further period or cancelled.

On 16 November 2023, ASIC commenced an investigation of suspected contraventions of the *Corporations Act 2001* by Prospero, in the period from 1 March 2021.

On 19 December 2023, Prospero agreed to ASIC's request that Prospero provide an undertaking to ASIC that it will not deal in client funds without ASIC's permission. The undertaking will remain until at least 8 February 2024 to allow ASIC time to investigate its concerns.

Prospero is assisting ASIC with its investigation.

Prospero may apply to the Administrative Appeals Tribunal for a review of ASIC's decision to suspend its AFS licence.

Background

Prospero holds AFS licence, number 423034, which authorised it to provide the following services to retail and wholesale clients:

- issue and make a market in derivates and foreign exchange contracts;
- deal in derivatives and foreign exchange contracts on behalf of clients; and
- provide financial product advice in relation to derivatives and foreign exchange contracts.

Editor's note 1:

On 8 February 2024, Prospero agreed to extend the undertaking, in its current form, to 28 February 2024.

Editor's note 2:

On 27 February 2024, Prospero agreed to extend the undertaking, in its current form, to 1 March 2024.

Editor's note 3:

Following a further hearing on 23 February 2024, the suspension of Prospero's AFS licence has been extended to 28 March 2024.

Editor's note 4:

On 29 February 2024, ASIC issued proceedings in the Federal Court to wind up Prospero. Prospero has agreed to extend the current undertaking until final order in that proceeding. More information is available at 23-034MR (https://asic.gov.au/about-asic/news-centre/find-a-media-release/2024-releases/24-034mr-asic-seeks-orders-to-wind-up-prospero-markets-pty-ltd/?utm_medium=email&utm_campaign=ASIC%20seeks%20orders%20to%20wind%20up%20Prospero%20Markets%20Pty%20Ltd&utm_content=ASIC%20seeks%20orders%20to%20wind%20up%20Prospero%20Markets%20Pty%20Ltd+CID_8a6870acb8276bbf0e6e927d4230ab93&utm_source=CampaignMonitor&utm_term=View%20the%20full%20media%20release) .

Editor's note 5:

On 28 March 2024 the suspension of Prospero's AFS licence was extended to 26 September 2024.

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MEDIA RELEASE (24-034MR)

ASIC seeks orders to wind up Prospero Markets Pty Ltd

Published **1 March 2024**

ASIC has applied to the Federal Court to wind up retail OTC derivative issuer Prospero Markets Pty Ltd (Prospero) on just and equitable grounds.

ASIC commenced its investigation into Prospero following the Australian Federal Police's Operation Avarus-Nightwolf (https://www.afp.gov.au/news-centre/media-release/seven-syndicate-members-charged-allegedly-laundering-almost-229-million) which resulted in former officers and responsible managers of Prospero being charged with money-laundering offences in October 2023 relating to the Changjiang Currency Exchange money remitting chain.

ASIC holds a broad range of concerns regarding the management of Prospero's business, including in relation to compliance with its Australian Financial Services (AFS) Licence conditions and obligations as an OTC derivatives issuer under the Corporations Act.

Prospero's AFS Licence was suspended in December 2023 (23-352MR), after Prospero failed to lodge its 2023 audited financial accounts.

ASIC understands that Prospero holds substantial client funds and is concerned to see these returned to clients as a priority. ASIC considers that the best way to secure the efficient return of funds to clients is the appointment of liquidators.

ASIC has applied for the Court to appoint Andrew Cummins, Jonathon Keenan and Peter Krejci, of BRI Ferrier, as joint and several liquidators of Prospero.

The matter is listed for a hearing in the Federal Court on 20 March 2024.

Background

Prospero holds AFS Licence, number 423034, which authorised it to provide the following services to retail and wholesale clients:

- issue and make a market in derivatives and foreign exchange contracts,
- deal in derivatives and foreign exchange contracts on behalf of clients, and
- provide financial product advice in relation to derivatives and foreign exchange contracts.

ASIC has received enquiries from clients who are concerned about return of their funds. If liquidators are appointed, ASIC will be seeking to make available to them the information obtained by ASIC during the course of its investigation, including in relation to funds held in client money accounts, to facilitate to the extent possible the expeditious return of client funds.

Editor's Note:

At the hearing on 20 March 2024, the matter was adjourned to 10 April 2024.

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MEDIA RELEASE (24-070MR)

Federal Court winds up retail OTC derivative issuer Prospero Markets Pty Ltd

Published **11 April 2024**

The Federal Court has ordered that Prospero Markets Pty Ltd (Prospero) be wound up on just and equitable grounds and that liquidators be appointed following an application by ASIC.

ASIC applied for these orders because it holds a broad range of concerns regarding the management of Prospero's business, including in relation to compliance with its Australian financial services (AFS) licence conditions and obligations as an OTC derivatives issuer under the Corporations Act (24-034MR).

ASIC has received enquiries from clients who are concerned about the return of their funds. In bringing the application, ASIC considered that the appointment of liquidators was the best way to ensure the efficient return of client funds.

In making his decision to wind up the company Registrar Luxton stressed the importance for licensees to comply with the statutory obligations of an Australian Financial Services licence, such as the need to:

- appoint and maintain an auditor
- lodge audited financial accounts with ASIC
- lodge monthly derivative client money reconciliations with ASIC
- lodge annual derivative client money declarations with ASIC
- provide derivative transaction reporting data to ASIC.

The appointed liquidators are Andrew Cummins, Jonathon Keenan and Peter Krejci of BRI Ferrier.

Clients or creditors of Prospero can contact the liquidators using the following details:

Email: prosperomarkets@brifnsw.com.au

Phone: 1300 291 012 (toll free) or +61 2 8044 0530 (international)

Background

Prospero holds AFS Licence, number 423034, which authorised it to provide the following services to retail and wholesale clients:

- issue and make a market in derivatives and foreign exchange contracts
- deal in derivatives and foreign exchange contracts on behalf of clients
- provide financial product advice in relation to derivatives and foreign exchange contracts.

Prospero's AFS Licence was suspended in December 2023, after Prospero failed to lodge its 2023 audited financial accounts. The suspension is currently in place until 26 September 2024 (23-352MR).

ASIC commenced its investigation into Prospero following the Australian Federal Police's Operation Avarus-Nightwolf (https://www.afp.gov.au/news-centre/media-release/seven-syndicate-members-charged-allegedly-laundering-almost-229-million) which resulted in former officers and responsible managers of Prospero being charged with money-laundering offences in October 2023 relating to the Changjiang Currency Exchange money remitting chain.

ASIC media releases are point-in-time statements. Please note the date of issue and use the internal search function on the site to check for other media releases on the same or related matters.

IN THE SUPREME COURT OF VICTORIA
AT MELBOURNE
CONFISCATION AND PROCEEDS OF CRIME LIST

S ECI 2023 04939

IN THE MATTER of the *Proceeds of Crime Act* 2002 of the Commonwealth

-and-

IN THE MATTER of property suspected of being proceeds of an indictable offence and/or an instrument of serious offences

-and-

IN THE MATTER of the suspect, DING WANG

-and-

IN THE MATTER of an Application by the COMMISSIONER OF THE AUSTRALIAN FEDERAL POLICE

Applicant

RESTRAINING ORDER

JUDGE:	The Honourable Justice Forbes
DATE MADE:	24 October 2023
ORIGINATING PROCESS:	Five applications for restraining orders under sections 18 and 19 of the Proceeds of Crime Act 2002 (Cth) (the **Act**) filed by the Applicant on 23 October 2023
HOW OBTAINED:	Ex parte hearing of the Applicant's application filed 23 October 2023
ATTENDANCE:	Mr Robert Craig KC with Mr Shaun Ginsbourg and Ms Katherine Farrell, counsel for the Applicant
OTHER MATTERS:	(A) The Applicant, by his Counsel and on behalf of the Commonwealth, undertakes to abide by any order of the Court as to damages sustained by any relevant person who has an interest in the property the subject of this order and who is not in any way involved in the alleged offending, if the Court should determine that the said damages have been sustained by reason of this order and which the Commonwealth ought to pay.
	(B) The Court is satisfied that it is appropriate to consider the application without notice to any person affected.

SUPREME COURT OF VICTORIA
Associate of a Judge of the Court

pursuant to section 26(4) of the *Proceeds of Crime Act 2002* (Cth).

(C) The Court is satisfied that [redacted], an authorised officer under the Act, holds the suspicions contained in his affidavit sworn 24 October 2023 on reasonable grounds, for the purpose of sections 18 and 19 of the *Proceeds of Crime Act 2002* (Cth).

THE COURT ORDERS THAT:

1. Pursuant to section 319A of the Act, the Application be heard in closed Court.

2. Pursuant to section 26(4) of the Act, the Application be heard and determined ex parte.

3. Pursuant to section 18 of the Act, the property specified in the Schedule to this order not be disposed of or otherwise dealt with by any person until further order.

4. Pursuant to section 18 of the Act, all other property legally or beneficially owned by Ding Wang (including cash currency of whatever denomination or country of issue), save for personal effects such as toiletries, basic household items and unfixed kitchen and laundry appliances and clothing valued at less than $500 per item, not be disposed of or otherwise dealt with by any person until further order.

5. Any item of property restrained by order 4 and identified after the making of this order is to be the subject of an application by the Commissioner to vary the Schedule to this order for the purpose of identifying that particular property as restrained property.

6. Pursuant to section 19 of the Act, the property specified in the Schedule to this order not be disposed of or otherwise dealt with by any person, until further order.

7. Pursuant to section 33(3)(b) of the Act, notice of the affidavit of [redacted] sworn 24 October 2023 and its exhibits on relevant persons may be delayed until 14 days after Ding Wang has been charged.

8. Pursuant to section 39(1)(ca) of the Act, that Ding Wang provide [redacted] with a sworn statement setting out all of his interests in assets held in Australia and overseas and all of her liabilities, within 14 days of being served with the affidavit referred to in order 7 above;

SUPREME COURT OF VICTORIA
Associate of a Judge of the Court

9. Pursuant to section 39(1) of the Act, upon the written request of a member or special member of the AFP, a representative of any bank or other financial institution in respect of which a bank or financial account is restrained pursuant to these orders provide the AFP member or special member with details of the credit balances in any of the restrained bank accounts, as specified in the request.

10. Pursuant to section 38 of the Act, such property as specified in Part B of the Schedule be taken into custody and placed under the control of the Official Trustee, including all rental income derived from restrained real property and any dividends payable pursuant to any shares held in any company.

11. Without limiting any other powers or duties of the Official Trustee, pursuant to section 39(1) of the Act the Official Trustee is permitted, to the extent reasonably necessary, to do any or all of the following with respect to any of the property specified in Part B of the Schedule:

    (a) apply any Income derived from a property to meet any costs or expenses relating to the said property, including management fees and commissions incurred in the ordinary course of business, occupants' security deposit refunds, valuations, maintenance, costs, insurances, rates, land tax, municipal or statutory charges, mortgage repayments due in respect of mortgages secured against the said property, and arrears of any aforementioned costs or expenses.

12. The proceeding be listed for further directions on 15 November 2023.

DATE: 24 October 2023

The Honourable Justice Forbes

SUPREME COURT OF VICTORIA
Associate of a Judge of the Court

SCHEDULE

Part A

[redacted]

Part B

1. [redacted]
2.
3.
4.
5.
6.
7. Any right, title and interest of Ding Wang (including in any dividend, distribution or return to shareholders) in shares in the following companies:

    a. [redacted]
    b. [redacted]
    c. [redacted]
    d. [redacted]

SUPREME COURT OF VICTORIA
Associate of a Judge of the Court

e. [redacted]

f. [redacted]

g. all issued shares in Prospero Markets Pty Ltd ACN 145 048 577, and are presently held in the name of Sheng Yin Wang, born on 27 May 1951; and

h. [redacted]

SUPREME COURT OF VICTORIA
Associate of a Judge of the Court

IN THE SUPREME COURT OF VICTORIA
AT MELBOURNE
CONFISCATION AND PROCEEDS OF CRIME LIST

S ECI 2023 04939

IN THE MATTER of the *Proceeds of Crime Act* 2002 of the Commonwealth

-and-

IN THE MATTER of property suspected of being proceeds of an indictable offence and/or an instrument of serious offences

-and-

IN THE MATTER of the suspect, DING WANG

-and-

IN THE MATTER of an Application by the COMMISSIONER OF THE AUSTRALIAN FEDERAL POLICE

Applicant

RESTRAINING ORDER

JUDGE:	The Honourable Justice Forbes
DATE MADE:	24 October 2023
ORIGINATING PROCESS:	Five applications for restraining orders under sections 18 and 19 of the Proceeds of Crime Act 2002 (Cth) (the **Act**) filed by the Applicant on 23 October 2023
HOW OBTAINED:	On the papers, on the Court's own motion and pursuant to r 36.07 of the *Supreme Court (General Civil Procedure) Rules 2015* (Vic) ('the Rules')
ATTENDANCE:	Nil
OTHER MATTERS:	This order corrects an error in the order of the Honourable Justice Forbes made in the above proceeding on 24 October 2023.

THE COURT ORDERS THAT:

1. The orders of the Honourable Justice Forbes dated 24 October 2023 are amended so that the date of the affidavit of [redacted] referred to in Other Matters (C) and Order 7 is varied to read '20 October 2023'.

SUPREME COURT OF VICTORIA
Associate of a Judge of the Court

DATED: 24 October 2023

The Honourable Justice Forbes

SUPREME COURT OF VICTORIA
Associate of a Judge of the Court

IN THE SUPREME COURT OF VICTORIA
AT MELBOURNE
CONFISCATION AND PROCEEDS OF CRIME LIST

S ECI 2023 04939

IN THE MATTER *of the Proceeds of Crime Act 2002* of the Commonwealth

-and-

IN THE MATTER of property suspected of being proceeds of an indictable offence and/or an instrument of serious offence

-and-

IN THE MATTER of the suspect, YE QU

-and-

IN THE MATTER of an application by the COMMISSIONER OF THE AUSTRALIAN FEDERAL POLICE

Applicant

ORDER

JUDGE:	The Honourable Justice Forbes
DATE MADE:	24 October 2023
ORIGINATING PROCESS:	Five applications for restraining orders under sections 18 and 19 of the *Proceeds of Crime Act 2002* (Cth) (the **Act**) filed by the Applicant on 23 October 2023
HOW OBTAINED:	Ex parte hearing of the Applicant's application filed 23 October 2023
ATTENDANCE:	Mr Robert Craig KC with Mr Shaun Ginsbourg and Ms Katherine Farrell, counsel for the Applicant
OTHER MATTERS:	(A) The Applicant, by his Counsel and on behalf of the Commonwealth, undertook to abide by any order of the Court as to damages sustained by any relevant person who has an interest in the property the subject of this order and who is not in any way involved in the alleged offending, if the Court should determine that the said damages have been sustained by reason of this order and which the Commonwealth ought to pay.

SUPREME COURT OF VICTORIA
Associate of a Judge of the Court

(B) The Court is satisfied that it is appropriate to consider the application without notice to any person affected, pursuant to section 26(4) of the *Proceeds of Crime Act* 2002 (Cth).

(C) The Court is satisfied that [redacted], an Authorised Officer under the Act, holds on reasonable grounds stated in the affidavit, suspicion that the property the subject of this order is proceeds of offences and/or an instrument of offences under sections 400.9(1), 135.1(3), 134.2 of the *Criminal Code Act* 1995 (Cth), or is subject to the effective control of the suspect.

THE COURT ORDERS THAT:

1. Pursuant to section 319A of the Act, the Application be heard in closed Court.

2. Pursuant to section 26(4) of the Act, the Application be heard and determined ex parte.

3. Pursuant to section 18 of the Act, a restraining order in relation to the property specified in the Schedule to these orders not be disposed of or otherwise dealt with by any person without the prior written consent of the Applicant or until further order.

4. Pursuant to section 18 of the Act, all other property legally or beneficially owned by of Ye Qu (including cash currency of whatever denomination or country of issue), save for personal effects such as toiletries, basic household items and unfixed kitchen and laundry appliances and clothing valued at less than $500 per item not be disposed of or otherwise dealt with by any person until further order.

5. Any item restrained by order 4 and identified after the making of this order is to be the subject an application by the Commissioner to vary the Schedule to this order for the purpose of identifying that particular property as restrained property.

6. Pursuant to section 19 of the Act, a restraining order in relation to the property specified in the Schedule to these orders not be disposed of or otherwise dealt with by any person until further order.

7. Pursuant to section 33 (3)(b) of the Act, notice of the affidavits of [redacted] sworn 20 October 2023 and 24 October 2023, and its exhibits on relevant persons may be delayed until 14 days after Ye Qu has been charged.

SUPREME COURT OF VICTORIA
Associate of a Judge of the Court

8. Pursuant to section 39(1)(ca) of the Act, that Qu provide member of the AFP, [redacted], with a sworn statement setting out all of his interests in assets held in Australia and overseas and all of his liabilities, within 14 days of being served with the affidavit referred to in order 7 above.

9. Pursuant to section 39(1) of the Act, upon the written request of a member or special member of the AFP, a representative of any bank or other financial institution in respect of which a bank or financial account is restrained pursuant to these orders provide the AFP member or special member with details of the credit balances in any of the restrained bank accounts, as specified in the request.

10. Pursuant to section 38 of the Act, such property as specified in the Schedule be taken into custody and placed under the control of the Official Trustee, including all rental income derived from restrained real property and any dividends payable pursuant to any shares held in any company.

11. Without limiting any other powers or duties of the Official Trustee, pursuant to section 39(1) of the Act the Official Trustee is permitted, to the extent reasonably necessary, to do any or all of the following with respect to any of the property specified in the Schedule:

    a) apply any Income derived from a property to meet any costs or expenses relating to the said property, including management fees and commissions incurred in the ordinary course of business, occupants' security deposit refunds, valuations, maintenance, costs, insurances, rates, land tax, municipal or statutory charges, mortgage repayments due in respect of mortgages secured against the said property, and arrears of any aforementioned costs or expenses.

12. The proceeding be listed for further directions on 15 November 2023.

DATE AUTHENTICATED: 24 October 2023

THE HONOURABLE JUSTICE FORBES

SUPREME COURT OF VICTORIA
Associate of a Judge of the Court

SCHEDULE

1) [redacted]

2) [redacted]

3) [redacted]

4) [redacted]

5) [redacted]

6) [redacted]

7) [redacted]

8) [redacted]

9) [redacted]

10) [redacted]

11) [redacted]

12) [redacted]

SUPREME COURT OF VICTORIA
Associate of a Judge of the Court

13) [redacted]

14)

15)

16)

17)

18)

19)

20)

21)

22) All right, title and interest (including in any dividend, distribution or return to shareholders) in all shares in the following companies:

i. Prospero Markets Pty Ltd ACN 145 048 577;

ii. [redacted]

iii. [redacted]

iv. [redacted]

v. [redacted]

vi. [redacted]

SUPREME COURT OF VICTORIA
Associate of a Judge of the Court

vii. [redacted]

viii. [redacted]

ix. [redacted]

x. [redacted]

SUPREME COURT OF VICTORIA
Associate of a Judge of the Court

prospero

PRODUCT DISCLOSURE STATEMENT

Margin FX Contracts and Contracts for Difference

Issuer:
Prospero Markets Pty Ltd
ABN 11 145 048 577
Australian Financial Services Licence No. 423034
Date: 5 October 2021

Table of Contents

1. INTRODUCTION 1
2. ASIC REGULATORY GUIDE 227 DISCLOSURE BENCHMARKS 3
3. PRODUCT INTERVENTION ORDER – CONTRACTS FOR DIFFERENCE 5
4. SUMMARY OF KEY INFORMATION – QUESTIONS & ANSWERS 6
5. KEY INFORMATION ABOUT OUR PRODUCTS 16
6. HOW TO TRADE? 28
7. MARGINS AND MARGIN CALLS 33
8. BECOMING A CLIENT – BENCHMARK 1 CLIENT QUALIFICATION 37
9. CLIENT MONEY – BENCHMARK 5 CLIENT MONEY 39
10. FEES, COSTS AND CHARGES 41
11. TRADING EXAMPLES 45
12. TAXATION IMPLICATIONS 47
13. GENERAL INFORMATION 50
14. INTERPRETATION AND GLOSSARY 54

1. INTRODUCTION

1.1 IMPORTANT INFORMATION

This Product Disclosure Statement (**PDS**) has been prepared and issued by Prospero Markets Pty Ltd (ABN 11 145 048 577) (**Prospero Markets**, **we, us** or **our**). We hold Australian Financial Services Licence No. 423034 (**AFSL**).

This PDS provides you with key information about our financial products being over the counter derivatives, being margin foreign exchange contracts (**Margin FX Contracts**) and contracts for difference (**CFDs**) (together, the **Products**).

Prospero Markets is regulated by the Australian Securities & Investments Commission (**ASIC**). While ASIC is a robust regulator, ASIC does not endorse specific financial products. ASIC's regulation of Prospero Markets applies in respect of the services provided under our AFSL.

This PDS, the Terms and Conditions (**T&C**), Financial Services Guide (**FSG**) and our Target Market Determination are important documents. You should read this PDS, the T&Cs, the FSG and our Target Market Determination in their entirety before making any decision to enter into a Contract with us. A copy of this PDS, the T&Cs and the FSG can be downloaded from our Website at www.prosperomarkets.com.

The information in this PDS is current as of 5 October 2021. We may issue a supplementary or replacement PDS as a result of certain changes.

1.2 GENERAL ADVICE ONLY

Prospero Markets does not and will not provide personal advice in any circumstances. The information contained in this PDS, our Website, Trading Platform, via email, at any training, events or otherwise is generic in nature and does not constitute any recommendation, advice or opinion that any of our Products are appropriate for you and does not take into account your objectives, financial situation or needs. The information in this PDS is general only. You should consider our financial products and the information in this PDS having regard to your objectives, financial situation and needs, and should consult with professional advisers, before entering into the financial products. We cannot guarantee specific results from trading in Products.

1.3 TARGET MARKET FOR OUR PRODUCTS

Prospero Markets publishes and maintains a Target Market Determination on its Website which sets out the class of consumers that comprises the target market for the Products issued under this PDS and matters relevant to the Products' distribution and review. Prior to signing up for an Account with us, you should read this document to assist your understanding of whether our Products are suitable to you.

We may ask for your personal information to assess whether you are reasonably likely to fall within the target market of our Products, but we are not obliged to assess the suitability of our Products for the circumstances of individual consumers. Any collection of information for the purpose of assessing whether you are reasonably likely to fall within the target market of our Products should not be deemed as personal advice or any other advice to you. You must not rely on our assessment of whether you are reasonably likely to fall within the target market since it is based on the information you provide and the assessment is only for our purposes of deciding whether to open an Account for you. You may not later claim you are not responsible for your losses merely because we have opened an Account for you. You remain solely responsible for your own assessments of the features and risks and seeking your own

advice on whether our Products are suitable for you. Please refer to Section 8 for our Client Qualification Policy.

Please also note that if you are an existing client of ours, we may still ask for your personal information to assess whether you are likely to continue falling within the target market of our Products.

1.4 CURRENCY OF PDS

The information in this PDS is up to date at the time it was prepared and issued but is subject to change at any time. Any updates will be posted on our Website.

If the new information is information which is materially adverse to you, we will issue either a new PDS or a supplementary PDS containing the new information. If the new information is not materially adverse to you, you will be able to find updated information on our Website or by calling us using the contact details given in this PDS.

If you received this PDS electronically, we can provide a paper copy free of charge upon request.

1.5 OUR CONTACT DETAILS

You may contact our office by any of the means listed below:

Writing to us at:	Prospero Markets, Level 4, 990 Whitehorse Road, Box Hill, Victoria 3128, Australia
Calling us:	1300 768 888
Sending an email to:	info@prosperomarkets.com
Visiting our website:	www.prosperomarkets.com

1.6 OTHER JURISDICTIONS

This PDS does not constitute an offer or invitation in any place outside Australia where or to any person to whom it would be unlawful to make such an offer or invitation. The distribution of this PDS (electronically or otherwise) in any jurisdiction outside of Australia may be subject to legal restrictions. Any person who resides outside of Australia who gains access to this PDS should comply with any such restrictions. A failure to do so may constitute a violation of financial services laws. The offer to which this PDS relates is not available to investors in the United States of America or Japan.

1.7 WARNING

The Products offered by us in this PDS are derivatives and foreign exchange contracts as defined in the Corporations Act. Derivatives and foreign exchange contracts are complex and high-risk financial products. You should not engage in transactions or enter into Contracts unless you properly understand the nature of these Products and are comfortable with the attendant risks. You should obtain independent financial, legal, taxation and other professional advice prior to entering into a Contract to ensure this is appropriate for your objectives, financial situation and needs and in relation to the impact of any gains or losses on your particular financial situation.

You may incur losses to the extent of your total exposure to and deposits with us. It is important that you also understand that when you enter into a Product you are not trading in (and do not own or have any rights to) the Underlying Instrument.

This initial warning cannot set out and duplicate all of the important information in this PDS. You should read all of this PDS and the T&Cs before making a decision to invest in the financial products covered by this PDS. We recommend that you contact us if you have any questions arising from this PDS or the T&Cs prior to entering into any transactions with us.

Please read Section 5 of this PDS carefully for more information regarding risks associated with the Products.

2. ASIC REGULATORY GUIDE 227 DISCLOSURE BENCHMARKS

ASIC Regulatory Guide 227 requires OTC derivative issuers to publish certain information addressing a range of disclosure benchmarks. These benchmarks are required to be addressed on an 'if not, why not' basis, and are intended to assist retail investors to properly understand the complexity and risks of trading in OTC derivative products.

There are seven (7) disclosure benchmarks required to be addressed. The table below sets out the benchmarks and the information which describes how we deal with the benchmarks.

Benchmark Description	Benchmark met?	How do we meet this benchmark?
Benchmark 1: Client Qualification Addresses the issuer's policy on investor's qualification for trading.	Yes	Prospero Markets maintains and applies a written Client Qualification Policy which sets out the minimum qualification criteria that prospective retail investors will need to demonstrate before opening an Account. Further information can be found in Section 8.
Benchmark 2: Opening Collateral Addresses the issuer's policy on the types of assets accepted from investors as opening collateral.	No	To the extent that this benchmark requires that a limit of AUD 1,000.00 be accepted for opening payments made by credit cards, we accept credit card payments for more than AUD 1,000.00 as initial funding in order to provide flexible payment options to clients. Further information can be found in Section 6.4.
Benchmark 3: Counterparty risk – hedging Addresses the issuer's practices in hedging its risk from client positions and the quality of this hedging.	Yes	Prospero Markets maintains a written policy to manage our exposure to market risks from client Positions. Further information can be found in Section 5.4 and up to date Hedging Counterparties Policy on our Website.
Benchmark 4: Counterparty risk – financial resources	Yes	Prospero Markets maintains and applies a written policy to ensure that we meet all

Addresses whether the issuer holds sufficient liquid funds to withstand significant adverse market movements.		our financial obligations under the conditions of our AFSL, have adequate financial resources on an ongoing basis and conduct stress testing on a regular basis. Our external independent auditor conducts an audit at the conclusion of every financial year, a copy of which can be provided to you upon written request. Further information can be found in Section 5.4.
Benchmark 5: Client Money Addresses the issuer's policy on its use of client money.	Yes	Prospero Markets maintains and applies a written Client Money Policy regarding the use of client money. These moneys are held and used in accordance with the Australian Client Money Rules. Further information can be found in Section 9.
Benchmark 6: Suspended or halted underlying assets Addresses the issuer's practices in relation to investor trading when trading in the underlying asset is suspended or halted.	Yes	With the exception of Margin FX Contracts where there is no suspension or halting of the Underlying Market, we do not allow new Positions to be opened when the Underlying Market is halted or suspended. Further information can be found in Section 6.9.
Benchmark 7: Margin calls Addresses the issuer's practices in the event of client accounts entering into margin call.	Yes	Prospero Markets maintains and applies a clear written policy detailing our Margin practices (please refer to Section 7). This policy details how we monitor clients' Accounts to ensure you receive as much notice as possible regarding Margin Calls, our rights regarding the levying of Margin Calls and closing out of Positions when such calls are not met in a timely manner, and what factors we consider when exercising such close-out rights. Please note that all margin calls will be communicated to you via the Trading Platform. All open Positions are monitored on a real-time basis intraday, to ensure changing margin requirements are identified in a timely manner. Further information can be found in Section 7.

3. PRODUCT INTERVENTION ORDER – CONTRACTS FOR DIFFERENCE

In October 2020, the ASIC Corporations (Product Intervention Order – Contracts for Difference) Instrument 2020/986 ("**Product Intervention Instrument**") was issued under subsection 1023D(3) of the Corporations Act. The Product Intervention Instrument imposes certain conditions on specified dealings in OTC CFDs in relation to retail clients, prohibits giving or offering specified benefits to retail clients or prospective retail clients in specified circumstances, and requires CFD issuers to take reasonable steps to notify its retail clients of the terms of the Product Intervention Instrument.

The purpose of the Product Intervention Instrument is to reduce the risk of significant detriment to retail clients result from CFDs from the four aspects summarised in the table below. Please note that the Products offered by Prospero Markets under this PDS are OTC CFDs to which the Product Intervention Instrument applies.

Under the Product Intervention Instrument, the following measures are mandatory on and from 29 March 2021. Prospero Markets will implement the following measures on and from 17 February 2021, meaning that from 17 February 2021, all your dealings with us under this PDS are subject to the following measures.

Summary of the Product Intervention Instrument	**References**
Leverage Ratio Limits The Product Intervention Instrument imposes specified leverage restrictions on the Initial Margins for all of our Products, including: • 30:1 for a Product referencing an exchange rate for a Major Currency Pair; • 20:1 for a Product referencing an exchange rate for a Minor Currency Pair, gold or a Major Stock Market Index; • 10:1 for a Product referencing a commodity (other than gold) or a Minor Stock Market Index; • 2:1 for a Product referencing crypto-assets; and • 5:1 for a Product referencing shares or other assets.	Sections 4.8, 4.9, 4.11
Aggregate Margin Close-out Protection If anytime your Net Equity drops below the Aggregate Close-Out Protection Amount, one or more open Positions will be closed by us automatically, as soon as the market condition allows, until your Net Equity returns to the Aggregate Close-Out Protection Amount. The Aggregate Close-Out Projection Amount is 50% of the higher of: • The aggregate Initial Margin requirements for your open	Section 7

Positions; or • The aggregate Margin Requirements for your open Positions at the relevant time.	
Negative Balance Protection We offer Negative Balance Protection under this PDS for all Products. Under this protection, you will not lose more than the money you have in your Account.	Section 5.5
No Inducements We are prohibited from giving or offering certain inducements to retail clients and/or prospective retail clients, such as volume-based credits or rebates.	Section 8.6

4. SUMMARY OF KEY INFORMATION – QUESTIONS & ANSWERS

4.1 WHAT DO THE TERMS IN THIS PDS MEAN AND HOW DO YOU INTERPRET IT?

A full list of defined terms is available in Section 14.

4.2 WHAT FINANCIAL PRODUCTS DOES PROSPERO MARKETS PROVIDE?

Our Products are OTC derivatives, being Margin FX Contracts and CFDs. You can find further details in section 4.6 and section 4.7 below. All our Products are considered as CFDs under the Product Intervention Instrument.

Prospero Markets publishes and maintains a Target Market Determination on its Website which sets out the class of consumers that comprises the target market for the Products issued under this PDS and matters relevant to the Products' distribution and review. Prior to signing up an Account with us, we encourage you to read this document to assist your own understanding and your own assessment on whether our Products are suitable to you.

4.3 WHO IS THE ISSUER OF THIS PDS AND THE PRODUCTS?

Prospero Markets is the issuer of this PDS and the Products.

4.4 WHAT TYPE OF ACCOUNT CAN YOU OPEN?

You may trade with Prospero Markets in both live and demo environments. Aside from our Demo Account, Prospero Markets offers other types of Accounts in a live environment.

We may change the features of certain types of Accounts from time to time by publishing these changes on our Website as well as adding or removing any types of Account. Please refer to our Website for details on the types of Accounts that you may open with us.

If you are unsure about how the Products work, we strongly recommend that you apply for a Demo Account and trial our Trading Platform prior to opening a live Account. Our Demo Accounts simulate our live trading environment and provide you with a virtual balance to trade with. This enables you to become familiar with the Trading Platform features and helps you to assess whether or not you feel that the Products are suitable for you.

4.5 WHAT TYPE OF TRADING SOFTWARE DO WE OFFER?

You can trade in the Products through the trading platform known as the MT4 Trading Platform. We recommend that prior to engaging in live trading you open a Demo Account and conduct simulated trading. This will enable you to become familiar with the attributes of the Trading Platform. We hold a MetaQuotes licence for the Trading Platform, and we also rely upon MetaQuotes to ensure the Trading Platform, along with relevant systems and procedures are regularly updated and maintained.

The legal terms governing your Account and your dealing in the Products are set out in the T&Cs. You must read, understand and agree to the T&Cs prior to trading with us.

We will use our best efforts to make the Trading Platform available when you access it. However, we cannot give an absolute assurance or guarantee that the Trading Platform will be available on a continuous basis due to systems maintenance, system failures and other related technological or external factors. We have no liability to you for any loss, damage or cost which you may suffer as a result of transmission errors, technical faults, malfunctions, illegal intervention in network equipment, network overloads, malicious blocking of access by third parties, internet malfunctions, interruptions or other deficiencies on the part of internet service providers or other system errors.

We do not accept any liability in respect of any delays, inaccuracies, errors or omissions in any data provided to you in connection with the Trading Platform. We have no liability to you in the event that any viruses, worms, software bombs or similar items are introduced via the Trading Platform or any software provided by us to you in order to enable you to use the Trading Platform, so long as we have taken reasonable steps to prevent any such introduction.

You must carefully read and follow any operational rules or instructions for or on the Trading Platform. The Trading Platform from time to time may impose special operating rules (available on the Trading Platform) including but not limited to:

- posting Margin (such as when payment is required and when the payment is effective);
- how Margins are calculated (such as automatic adjustments outside of trading hours, including at the weekend); and
- how Orders are managed.

4.6 WHAT IS A MARGIN FX CONTRACT?

A Margin FX Contract is an OTC derivative contract which enables traders to leverage a small Margin deposit for a much greater market effect in relation to currencies.

A foreign exchange contract involves the exchange of one currency for another. Margin FX Contracts differ from spot and forward foreign exchange trading in that they are legally classified as derivatives rather than foreign exchange contracts, and are cash settled (i.e., no physical delivery is available). You do not own or have any interest or right to that Underlying Instrument or have the ability to trade it on an exchange by entering into a Margin FX Contract. Margin FX Contracts allow the investor an opportunity to trade foreign exchange on a margined basis as opposed to paying for the full value of the currency.

In every exchange rate quotation, there are two currencies. The exchange rate is the price of one currency (the “base” currency) in terms of another currency (the “terms” currency) such as the price of AUD in terms of USD. For example, if the current exchange rate for AUD as against USD is AUD/USD 0.70000, this means that AUD 1.00 is equal to, or can be

exchanged for USD 0.70.

The price of our Margin FX Contracts is based on the price of one currency relative to another. Margin FX Contracts do not have an Expiry Date and will remain open until closed in accordance with the Agreements. Terminating a Margin FX Contact involves clicking and selecting “Close Order” on the Trading Platform, which generates a realised profit or loss on the transaction, which is then settled between you and us.

The amount of any gain or loss made on a Margin FX Contract will be the net of:

- the difference between the price of the Contract when it is opened and the price of the Contract when it is closed;
- any Swap Charges or Swap Benefits relating to the Contract; and
- any Commissions (if applicable).

Please refer to Section 11 of this PDS which contains worked examples for Margin FX Contracts.

4.7 WHAT IS THE PURPOSE OF TRADING MARGIN FX CONTRACTS?

People who trade in Margin FX Contracts may do so for a variety of reasons.

Some trade for speculation, that is, with a view to profiting from fluctuations in the price or value of the Underlying Instrument. For example, some traders may be short-term investors who are looking to profit from intra-day and overnight market movements in the underlying currency pair. These traders may have no need to sell or purchase the underlying currency themselves but may instead be looking to profit from market movements in the currency concerned.

Other traders may trade to hedge their exposures to the underlying currency pair. Foreign exchange exposures may arise from several different activities. Companies or individuals that are dependent on overseas trade are exposed to currency risk. This can be to purchase (or sell) physical goods and services (such as machinery) or even financial products (such as investing in securities listed on an international stock exchange).

Examples include:

- An exporter who sells its product priced in foreign currency has the risk that if the value of that foreign currency falls then the revenues in the exporter's home currency will be lower;
- An importer who buys goods priced in foreign currency has the risk that the foreign currency will appreciate thereby making the cost, in local currency terms, greater than expected;
- A person going on a holiday to another country has the risk that if that country's currency appreciates against their own, their trip will be more expensive.

In each of the above examples, the person or the company is exposed to currency risk.

Currency risk is the risk that arises from international business which may be adversely affected by fluctuations in exchange rates. Prospero Markets offers our clients the facility to buy or sell Margin FX Contracts to manage this risk, enabling clients to protect themselves against adverse currency swings, yet secure enhanced exchange rates when offered, thereby protecting the potential profit margin made by the corporate during the business transaction relating to the foreign currency trade or protecting the cost of the client’s international holiday in the case of the traveler.

4.8 WHAT IS A MAJOR CURRENCY PAIR AND WHAT IS A MINOR CURRENCY PAIR?

A Major Currency Pair means a pair of currencies that consists of any two of Australian dollar, British pound, Canadian dollar, euro, Japanese yen, Swiss franc and US dollar. A Minor Currency Pair means a pair of currencies that is not a major currency pair.

Under the Product Intervention Instrument, the maximum leverage we can offer for Margin FX Contracts referencing Major Currency Pairs is 30:1 and for Margin FX Contracts referencing Minor Currency Pairs is 20:1.

Prospero Markets provides Margin FX Contracts for a wide range of currency pairs with different leverages. Please refer to the Product Schedule for up-to-date information regarding which currency pairs are currently available and the applicable leverage/Margin information.

4.9 WHAT IS A CFD?

A CFD is an OTC derivative contract which allows you to make a profit or loss from fluctuations in the price of an Underlying Instrument. You do not own or have any interest or right in the Underlying Instrument or have the ability to trade it on an exchange by entering into a CFD.

The amount of any gain or loss made on a CFD will be the net of:

- the difference between the price of the CFD when it is opened and the price of the CFD when it is closed;
- any Swap Charges or Swap Benefits relating to the CFD;
- any Rollover Charges or Rollover Benefits relating to the CFD;
- any Commissions charged relating to the CFD (if applicable); and
- any Corporate Action charges or benefits relating to the CFD (if applicable).

  Please refer to Section 11 of this PDS which contains worked examples for CFDs.

We offer the following types of CFDs (the availability of which may change from time to time):

- Commodity CFDs;
- Equity CFDs, i.e., shares or other securities; and
- Index CFDs.

Specification details of each type of CFDs we offer are provided in the Product Schedule. We recommend that you view these prior to deciding which type of CFDs you wish to deal in.

Commodity CFDs

We offer a range of CFDs in respect of Commodities. Commodity CFDs allow you to speculate on the price of a Commodity, or hedge an exposure, indirectly in Commodity markets without physically owning it.

Under the Product Intervention Instrument, the maximum leverage we can offer for a CFD referencing a Commodity (other than Gold) is 10:1, and a CFD referencing gold is 20:1.

Index CFDs

We offer CFDs in respect of a range of Indices, thereby allowing you to take positions in relation to the overall direction of a market without taking a view on a particular underlying

stock or future. A short Position can be used as a rough hedge to protect a diversified share portfolio in the event of a market fall.

Our Index CFDs are valued based on the number of units per index point of the underlying index. For example, if the underlying index is 4600 then trading 10 Index CFDs with us for that underlying index would mean the face value of the Contracts is $46,000.

Please refer to Section 4.11 for further details about Major Stock Market Index and Minor Stock Market Index.

Equity CFDs

We offer CFDs in respect of a range of single stocks. Equity CFDs allow you to speculate on the price of a single stock, or hedge an exposure, without physically owning the stock.

Under the Product Intervention Instrument, the maximum leverage we can offer for an Equity CFD is 5:1.

4.10 WHAT IS THE PURPOSE OF TRADING CFDS?

People who trade in CFDs may do so for a variety of reasons. Some trade for speculation, that is, with a view to profiting from fluctuations in the price or value of the Underlying Instrument. For example, some traders may be short-term investors who are looking to profit from intra-day and overnight market movements in the Underlying Instrument. These traders may have no need to sell or purchase the underlying instrument themselves but may instead be looking to profit from market movements in the instrument concerned. Other traders trade CFDs to hedge their exposures to the Underlying Instruments.

4.11 WHAT IS MAJOR STOCK MARKET INDEX AND WHAT IS MINOR STOCK MARKET INDEX?

A Major Stock Market Index means any index of

- CAC40;
- DAX;
- Dow Jones Industrial Average;
- EURO STOXX 50 Index;
- FTSE 100;
- NASDAQ-100 Index;
- NASDAQ Composite Index;
- Nikkei Stock Average;
- S&P 500; and
- S&P/ASX 200.

A Minor Stock Market Index means a stock market index that is not a Major Stock Market Index.

Please note that we offer different leverage for Index CDFs referencing Major Stock Market Indices and Minor Stock Market Indices. Under the Product Intervention Instrument, the maximum leverage we can offer a CFD referencing a Major Stock Market Index is 20:1 and a CFD referencing a Minor Stock Market Index is 10:1.

Please refer to our Product Schedule for detailed leverage/Margin information.

4.12 WHAT IS A PRODUCT ISSUED "OVER THE COUNTER"?

"Over the counter" or "OTC" means that you do not trade in financial products on an exchange or a regulated market. Rather, it is a bilateral transaction between you and us. This means you can only enter into Contracts with us. You do not have the protections normally associated with trading on a regulated market. It is not possible to close a Product by giving instructions to another provider, broker or Australian financial services licensee.

Further, unlike direct investments made by trading in an exchange, OTC derivatives are not standardised. You must read this PDS, the T&Cs and the specifications of each Contract prior to entering into any transaction with us.

4.13 WHAT CHARGES ARE PAYABLE WHEN DEALING IN OUR PRODUCTS?

The common fees and charges are set out in Section 10.

4.14 WHERE CAN YOU FIND INFORMATION ABOUT OPENING HOURS?

The opening hours of our Trading Platform are set out on the Website and Trading Platform. You can view live prices and place live Orders during the opening hours. You may still access the Trading Platform and view your Account, market information, research and our other services outside of these opening hours. However, there will not be any live prices or trading. We will provide services to you outside of these hours at our sole discretion. Opening hours of our Products may vary within these times, please check our Trading Platform for further information on opening hours for each Contract.

Opening hours of the Products may vary within the opening hours of our Trading Platform. Please note that quotes for a Product can only be given, and Contracts carried out, during the open market hours of the relevant Underlying Markets or exchanges, and the opening hours of the Trading Platform. Please refer to our Website and Trading Platform for further information. If you have any questions, please contact us.

4.15 WHAT ORDER TYPES DOES PROSPERO MARKETS OFFER?

Prospero Markets offers different types of Orders through the Trading Platform. You will be able to find information about Orders that apply to you on the Trading Platform when you log in. You should note that the Stop Loss Orders and Limit Orders are non-guaranteed Orders.

The price at which we accept an Order to trade will generally be based on filling the full volume of the Order in one Contract where possible. Partially filled Orders will be filled as soon as the opportunity arises. The type of Orders and how they may be filled, if at all, will depend on the rules of the exchange where the Underlying Instruments are being traded and the pricing model you have selected. For some Contracts that you choose to trade, there may be a minimum trade value or other restrictions (e.g., pricing) that relate to a particular market.

Prospero Markets has complete discretion on whether to accept and execute any Order requested.

If an Events of Default specified in the T&Cs occurs, we may impose a limit on the number of open pending Orders of each Account to prevent the degradation of the Trading Platform performance of all other clients. The limit is currently set at 500 Orders, but we reserve the right to change this limit.

You should discuss the operation of these Order types with one of our representatives, try them via the Demo Accounts, and read the user guide available on the Trading Platform. You should also refer to our T&Cs with respect to the operation of these order types.

Below is a high-level summary of the key categories of Orders we provide:

Market Orders
A Market Order is an Order to buy or sell at the current market price as soon as possible, i.e. if the market is closed, the Order may not be entered into until the Underlying Market re-opens.
Stop Loss Orders
A Stop Loss Order is an Order placed to limit the loss on an open Position and allows you to specify a price at which you wish to close out or open a Contract. Stop Loss Orders must be placed a minimum distance from our current bid and offer prices. The minimum distance for each Stop Loss Order will be available on the file titled “Contract Specification/Stop Level” on the Trading Platform. A Stop Loss Order can be seen as a “resting” Market Order. The Order will become active when the price specified as the strike price in the Stop Loss Order is reached in the market, and the Stop Loss Order will then be converted into a Market Order when the strike price is equal to last traded price in the Underlying Market. Prospero Markets will execute a Stop Loss Order once the following conditions are met: • The offer price has reached the strike price in the case of a buy Order or the Bid Price has reached the strike price in the case of a sell Order; and • The relevant Underlying Market has traded at or through the level at which the Order is placed, in sufficient size that Prospero Markets could have replicated the Order. We note that Stop Loss Orders are not guaranteed, and the execution of such Orders will depend on market volatility and liquidity. You cannot assume that you will always be able to have a Stop Loss Order and Prospero Markets has absolute discretion in determining whether to accept a Stop Loss Order. A Stop Loss Order is triggered automatically when the stop loss price is reached. Once the stop loss price is reached, the Stop Loss Order becomes a Market Order to buy or sell (depending on your instructions). Due to market volatility and liquidity, if it is not possible to fill your Stop Loss Order at the price you requested, Prospero Markets will fill the Stop Loss Order at the nearest available price. The Stop Loss Order could be activated by a short-term fluctuation in the markets, or in a fast-moving market, the price at which the trade is executed could be much different from the Stop Loss Order price. This is known as “gapping” and is due to market movements during the time it takes to open or close Contracts. As the markets are constantly moving, you can place a Stop Loss Order on all open Positions. Whilst this allows you to control potential losses should the market move against you, in most circumstances, Stop Loss Orders may not always limit your losses the way you anticipate. There are no guarantees in relation to Stop Loss Orders, and due to the speed at which prices can move, they may be executed at a different price (known as slippage) or not at all. There are no additional fees or charges associated with the placement of Stop Loss Orders

(only the disclosed commission regarding the executed transaction if the order is triggered).

You acknowledge and agree that under the T&Cs we may impose a Stop Loss Order on one or more of your Contracts.

Example of a Stop Loss Order

Adam believes the EURO will strengthen against the USD. He therefore buys one lot (goes long), of EUR/USD at the price of 1.3000. Adam places a Stop Loss Order at price of 1.2970. If EURO had weakened against the USD instead of strengthening, Adam would have made a loss on his Position. EUR/USD drops to the price of 1.2950.

Loss when the Stop Loss Order is triggered at 1.2970	= USD(100,000 x (1.3000-1.2970)) = USD300.00
Loss if Adam did not put a Stop Loss Order	= USD(100,000 x (1.3000-1.2950) = USD500.00
Loss if the Stop Loss Order is triggered and the Position is closed at 1.2960 due to market gap	= USD(100,000 x (1.3000-1.2960) = USD400.00

Limit Orders

A Limit Order may be used by you to either open or close a Contract at a predetermined price that is more favourable to you than the current market price. We will execute your Limit Order when:

- for a buy-limit order: the Ask Price has reached the Order price; or
- for a sell-limit order: the Bid Price has reached the Order price.

Once the Limit Order price is reached, the Limit Order becomes a Market Order. Similar to Stop Loss Orders, Limit Orders are not guaranteed, and the execution of such Orders will depend on market volatility and liquidity.

Example of a Limit Order

If you want to speculate that the price of gold will decrease after hitting three-month peak price, instead of waiting for the market to reach this price, you place a sell Limit Order at USD 1,300.00. This Order will trigger a sell trade once the market price reaches USD 1,300.00 or higher, e.g. Where the price of gold changes from USD 1,299.50 to USD 1,300.50 (without hitting USD1,300.00 in between), the sell trade will be triggered due to the price movement and you will receive a fill price of USD 1,300.50 instead of USD 1,300.00.

4.16 WHAT IS THE MINIMUM TRADING SIZE, THE MAXIMUM TRADING SIZE AND THE MINIMUM BALANCE TO OPEN AN ACCOUNT?

The size of your Contract must exceed or equal to the relevant Minimum Trading Size and must not exceed the relevant Maximum Trading Size, each as specified on the Product Schedule on our Website and on the Trading Platform and may be changed from time to time.

The minimum balance to open an Account is set out on our Website and may be varied at our discretion.

When trading in Products, you may deposit an amount of fund that suits you and which is in

line with the amount you are willing to risk, noting that the risk on trading the Products is not limited to the capital you provide to us.

4.17 HOW DO YOU DEAL IN PRODUCTS WITH US?

Prospero Markets only accepts dealing instructions via:

- the Trading Platform;
- phone calls; and
- any other means if we expressly agree with you in advance.

The preferred method of giving us dealing instructions is via the Trading Platform. We do not accept dealing instructions through any other means, such as emails or on-line messenger, unless we have previously agreed with you to do so in advance.

Regardless of whether you give us dealing instructions over the phone or via the Trading Platform, you are required to access the Trading Platform on a regular basis to confirm that your instructions have in fact been received by us, reconfirm all Orders that you place with us, review any confirmation we provide, to ensure its or their accuracy and monitor your Margin obligations. Any discrepancies identified must be reported to us immediately.

It is possible for a third party to place Orders on your behalf provided that a written and executed Power of Attorney or Authorised Person authority has been received and accepted by us.

4.18 WHAT IS MARGIN?

To place a trade that creates an open Position/Contract you are required to pay us, or have in your Account, the Margin for that trade as calculated by us (**Initial Margin**). In addition to the Initial Margin, you have a continuing obligation in relation to Margin in respect of all open Positions on your Account, known as the **Variation Margin**.

Margin Requirements will fluctuate with the value of the Underlying Instrument on which the Contract is based. Further, where you deal in a Contract that is denominated in a currency other than the Base Currency of your Account, your Margin Requirements may also be affected by fluctuations in the relevant foreign exchange rate.

For detailed information please refer to Section 7.

4.19 WHAT IS A MARGIN CALL?

A Margin Call is a call on you to top up the amount of money you have in your Account as Margin. You can monitor your Margin Requirements using the Trading Platform or otherwise by contacting us. If you do not meet a Margin Call in a timely manner or within the time frame specified in the Margin Call, some or all of your open Contracts will be reduced or closed out by us without further reference to you in accordance with the T&Cs. A Margin Call will not be considered to have been met unless and until cleared funds have been received in the nominated account and we have updated the Trading Platform.

4.20 DO YOU RECEIVE INTEREST ON MONEYS HELD IN YOUR ACCOUNT OR PAY INTEREST ON MONEYS YOU OWE TO US?

We do not pay or charge interest on credit balances or debit balance on your Account. We

offer Negative Balance Protection to our clients. Please refer to Section 5.5 for more information about Negative Balance Protection.

4.21 WHAT HAPPENS IF YOU HOLD A POSITION OVERNIGHT?

When you hold a Position or Positions overnight in a Product (other than an Excepted Contract) they will be rolled to the next Trading Day, resulting in you paying a Swap Charge or receiving a Swap Benefit.

No Swap Charge is paid, or Swap Benefit is received in the case of Excepted Contracts, but there will be a Rollover Charge or Rollover Benefit.

For further information, please refer to Section 10.

4.22 WHAT ARE THE RISKS OF MARGIN FX CONTRACTS AND CFDS?

Our Products are OTC derivative products that are complex, highly leveraged and carry significantly greater risk than non-geared investments.

You may lose substantially and may incur losses to the extent of your total exposure to and all funds deposited with us. Please refer to Section 5 for a detailed description of the key risks involved in trading our Products. You should obtain your own independent financial, legal, taxation and other professional advice as to whether our Products are an appropriate investment for you.

4.23 WHAT ARE THE TAXATION IMPLICATIONS OF INVESTING OUR PRODUCTS?

The taxation consequences of dealing in our Products depend on your personal circumstances. Some general taxation consequences are set out in Section 11.

The taxation consequences can be complex and will differ for each individual's financial circumstances. We recommend that you obtain independent taxation and accounting advice in relation to the impact of Margin FX Contract and CFD transactions and products on your particular financial situation.

4.24 WHAT IF YOU DEFAULT IN YOUR OBLIGATIONS?

Prospero Markets has extensive powers under the T&Cs to take action in response to a range of default events. We may suspend and/or terminate your Account, and close out all or any of your Positions, including cancelling any outstanding Orders.

4.25 HOW DO YOU LEARN TO USE THE TRADING PLATFORM?

Our Trading Platform contains an extensive user guide which is accessible from the "Help" menu. We also provide free practice accounts also known as Demo Accounts.

4.26 WHAT IF YOU NEED FURTHER INFORMATION?

You can contact us by our contact details listed out in Section 1.5 for further information.

5. KEY INFORMATION ABOUT OUR PRODUCTS

5.1 KEY FEATURES OF THE PRODUCTS

You must understand that:

- the Products are sophisticated, high-risk, OTC derivatives issued by Prospero Markets. They are not exchange-traded;
- the Products are for investing indirectly in the price movement of a range of instruments without having to own and pay full value for the Underlying Instrument;
- your Account must be funded before Contracts are issued to you. You do this by paying at least the Initial Margin;
- you remain liable to pay later Variation Margins and to maintain compliance with the Total Margin Requirements. If you fail to do so, your Contracts can be closed out;
- Unlike exchange-traded products, the Products are not standardised. The terms of a Contract may, at our discretion, be individually tailored to the requirements of the parties to the Contract – you and us; and
- You have no right or obligation to acquire the Underlying Instrument itself.

5.2 KEY BENEFITS OF THE PRODUCTS

The Products can provide an important risk management tool for those who manage foreign currency or exposures in the Underlying Instrument of a CFD. The significant benefits of using the Products as a risk management tool are to protect your exchange rate or movements in the Underlying Instrument of the CFD and provide cash flow certainty. Other benefits of using the Products apply equally for a client as a risk management tool or for the client who is a trader or speculator, and these are described below.

Benefit	Explanation	Margin FX Contracts	CFDs
Protect from market movement	The Trading Platform provided by Prospero Markets enables you to trade in the Products over the internet. The Trading Platform allows you to buy and sell various financial products to protect yourself against adverse market swings. Prospero Markets also offers different types of Orders that enable you to manage volatility. You may manage downside risk by the use of Stop Loss Orders if the market rate reaches a particular level.	✓	✓

	In addition, you may use Limit Orders which allow you the opportunity to benefit from favourable upside market movements.		
Trade in small amounts	Prospero Markets allows you to make transactions in small amounts. You can start using our services even with an opening balance as little as AUD 1,000. When trading our Products, you may deposit the sum that suits you, or the amount which is in line with the amount you are willing to risk.	✓	✓
Access to the Underlying Markets at any time when they are open	The Products enable you to take a Position with an exposure to a particular Underlying Instrument without needing to buy or sell the actual full value of the Underlying Instrument. Prospero Markets provides you with access to an advanced and multi-levelled system that gives you an opportunity to react quickly to breaking news that is affecting the Underlying Markets. It should be noted however, that trading in various markets is restricted to hours where Underlying Markets and the Trading Platform are both open.	✓	✓
Profit potential in falling markets	Since the market is constantly moving, there are always trading opportunities. For example, when you trade currencies, they literally work against each other. If the AUDUSD declines, for example, it is because the USD gets stronger against the AUD and vice versa. So, if you think the AUDUSD will decline (that is, that the AUD will weaken versus USD), you would sell AUD now and then later you buy AUD back at a lower price and take your profits. The opposite trading scenario would occur if the AUDUSD appreciates. Traditional securities and other financial investment products only deliver benefits in rising or stable markets. Our Products provide a simple and effective means to take advantage of falling markets.	✓	✓
Speculation	You can also use the Products for speculation, with a view to possibly deriving gains from fluctuations with respect to the Underlying Instruments. Speculation may result in losses rather than gains.	✓	✓
Hedging	Our Products can be used to hedge investments, and reduce existing market risk. Clients can hedge directly, on a portfolio basis, or to cover specific risks of investments.	✓	✓

Leverage	Our Products are leveraged trading instruments. While leverage can magnify losses, it can also magnify profits. Leverage allows you to take larger exposures, to more markets, than cash investors using the same capital base. Leverage also means that you can employ more investment and trading strategies than 'long only' investors. These include trading 'pairs', trading across asset classes, going short and taking exposures around short term events.	✓	✓
Superior foreign exchange liquidity	The foreign exchange market is usually very liquid as there are typically a large number of buyers and sellers trading at any one time. The liquidity of this market, particularly with respect to that of the major currencies, helps ensure price stability and low Spreads. We do note that during events liquidity can vary.	✓	N/A
Real time streaming quotes	The Trading Platform uses the latest highly sophisticated technologies in order to offer you up-to-the-minute quotes. You may check your Account and Positions in real time and you may do so 24 hours a day (in most circumstances) on any global market which is open for trading and make a trade based on real-time information. We believe it is highly important for you to be able to control your funds whenever you wish and base your deals on real-time information.	✓	✓

5.3 KEY RISKS OF THE PRODUCTS

Trading in the Products carries a high level of risk. Some of the key risks that apply to both Margin FX Contracts and CFDs, include, but are not limited to, the following:

Derivative risk generally	• you could sustain a total loss of the amount that you deposit with Prospero Markets held in your Account. You should not risk capital more than you can afford to lose; • under certain market conditions, it could become difficult or impossible for you to manage the risk of any open Contracts by entering into opposite Contracts or closing out existing Contracts; • under certain market conditions, the prices of Contracts may not maintain their usual relationship with the market of the Underlying Instruments; • a high degree of leverage is obtainable in trading the Products despite the leverage restrictions under the Product Intervention Instrument. The use of leverage can work against you as well as in favour of you;

	• as a result of high volatility, low liquidity or gapping in the underlying market, you may receive re-quotes, slippage or Hanging Orders. Hanging Orders are often already executed, but sitting in the terminal window until they can be confirmed; • there is no clearing house for the Products, and the performance of a Contract is not 'guaranteed' by an Exchange or clearing house.
Macro-economic risk	The general state of the Australian and international economies as well as changes in taxation policy, monetary policy, interest rates and statutory requirements are some of the factors which may influence the progress of currency markets.
Market risk	This is the risk that the markets move in a direction not anticipated. External market forces can cause markets and prices to change quickly, such forces include changing supply and demand relationships, governmental, agricultural, commercial and trade programs and policies, national and international political and economic events and the prevailing psychological characteristics of the marketplace. As the price of your Position is based on an Underlying Instrument, these factors may affect your Position and our ability to execute, settle or close out Positions on your behalf. There is no guarantee or assurance that you will make profits, or not make losses, or that unrealised profits or losses will remain unchanged. You can reduce your risk by understanding the market relevant to the Products, monitoring your Positions carefully and closing your open Positions before unacceptable losses arise.
Loss from Leverage	The Products are highly leveraged financial products with low Margin Requirements. This means that a slight price fluctuation in the Underlying Instrument to which a Product is referrable can result in proportionately much larger movements in the value of your investment leading to significant losses as well as gains. Price fluctuations may be as a result of uncontrollable events or changes in a variety of conditions as described below in Counterparty Risk. You must be aware that the high degree of leverage can work against you as well as for you, and the potential losses may be far greater than the money you deposit into your Account. You could be required to provide further funds to sustain your open Contracts. The prices of the Products may be volatile and fluctuate rapidly over wide ranges. The leveraged nature of the Products means that your Margin Requirements may change rapidly. You must monitor your open Contracts regularly. Below is a hypothetical example of how leverage (gearing) magnifies losses/profits (without taking into account of any fees or charges):

	Trading directly in Commodities	Trading Commodity CFDs
Initial outlay	$10,000	$10,000 (Initial Margin)

	Reference to commodities purchased	1,000	10,000
	Initial price	$10.00	$10.00
	Value	$10,000.00	$100,000.00
	Leverage	None.	10:1
	When the commodity price falls to $8.75	Commodities now worth $8,750.00 Loss of $1,250.00 or -12.5%	Commodity CFD now worth $87,500.00 Loss of $12,500.00 or -125% on original outlay of $10,000
	When commodity price rises to $11.00	Commodities now worth $11,000.00 Profit of $1,000.00 or + 10%	Commodity CFD now worth $110,000.00 Profit of $10,000.00 or + 100%

Margin	You must maintain sufficient funds in your Account to satisfy the Total Margin Requirements. You should be aware there is a high risk of Margin Requirements changing, and at times very rapidly. Failure to meet those Margin Requirements may result in: • some or all of your open Contracts being closed or liquidated by us with little or no notice to you; and • you being prevented from opening new Contracts or extending existing Contracts. Further, any additional funds must become cleared before they will be taken as satisfying your Margin Requirements. Your Position may be liquidated before you have an opportunity increase your funds in the Account. Please refer to section 7 for further details on our rights to close out your open Contracts.
Client moneys may be withdrawn to pay Prospero Markets	The money which you pay into our Client Moneys trust account may be withdrawn to pay us moneys to which we are entitled. This includes amounts for any realised and unrealised losses as well as for any fees, charges and costs. Those moneys withdrawn to pay us are our moneys (and are not held for you), reducing the amount of moneys held in our Client Money trust account held beneficially for you.
Foreign exchange risk	Foreign currency conversions required for your Account can expose you to foreign exchange risks between the time the Contract is entered into and the time the relevant conversion of currencies occurs. Foreign exchange markets can change rapidly. This exposes you to potentially adverse changes in the value of your Account, which can be

	large (depending on foreign exchange rates) and volatile. This will directly affect the value of a Contract.
Gapping risk	The term 'gapping' refers to a situation where a Contract opens at a much higher or lower price than the previous close. In currency trading 'gapping' typically occurs when the currency re-opens for trading after a weekend. When 'gapping' occurs, you may not be able to exit an existing Contract at the price you have specified. Instead, your Order may be filled at the next best price that may be better or worse. Our ability to close out a Contract depends on the market for the Underlying Instrument. Stop Loss Orders (and other Order types) might not always be filled and, even if placed, might not limit your losses to the amount specified in the Order, since they are not guaranteeing that there will be no loss. You should consider placing Stop Loss Orders or other Orders that might limit your losses, if such Orders exist at the time you opened your Position, but also closely monitor your Account and the relevant market in case the Stop Loss Order is not fully filled or not filled at all and you need to take further action to limit your losses.
Execution risk (Slippage)	We aim to provide the best possible execution from our systems and fill Orders at the requested rate. However, there may be times where, due to an increase in volatility or volume or other market conditions, some price 'slippage' may occur. This generally occurs during significant news events or 'gapping'. Execution is also subject to available liquidity in the Underlying Instrument. Your Orders may not be filled due to the Underlying Instrument price moving significantly or liquidity exhausted, in which case your Order will be filled at the next available price. For the benefit of our clients, we treat slippage in the same way that they would be treated in the exchange-traded products in that we slip our clients to a better price if the interbank market from which we obtain prices has moved in your favour, and similarly a worse price if the market has moved against you. When executing our clients' transactions, our execution will reflect both positive and negative price movements in the Underlying Instrument.
Execution risk (Delays)	Execution delays may occur for a number of reasons such as technical issues with your internet connection to our servers. Connection strength may vary depending on the kind of device used. Interruptions may cause a delay in the transmission of data between our servers to the Trading Platform.
Adjustment Risk	Where an adjustment event occurs, we reserve the right to adjust the terms of your Contract, or not make the adjustment to the relevant Contract if it is not reasonably practicable. We may also elect to close your Contract in the event of the Underlying Instruments being subject of a take-over offer, prior to the closing date of the offer.
Execution risk (Hanging	During periods of high volume, Hanging Orders may occur. This is where an Order sits in the "orders" window after it has been executed. Generally,

Orders)	the Order has been executed, but it is simply taking a few moments for it to be confirmed. During periods of heavy trading volume, it is possible that a queue of Orders will form. That increase in incoming Orders may sometimes create conditions where there is a delay in confirming certain Orders.
Liquidity	Liquidity risk typically occurs in volatile markets or in circumstances where there is a major news announcement. When there is a lack of liquidity in the Underlying Instrument, you may not be able to enter or exit a Contract at your requested price or have the whole of your Position filled at all or at the requested price.
Market Information Risk	We may make available to you through one or more of our services, a broad range of financial information that is generated internally or obtained from agents, vendors or partners (third party providers). This includes, but is not limited to, financial market data, quotes, news, analyst opinions and research reports, graphs or data (**Market Information**). Market Information provided by us by email or through our Website is of a general nature and does not take into account your personal objectives, circumstances and situation. We and our third-party providers do not guarantee the accuracy, timeliness, completeness or correct sequencing of the Market Information or warrant any results from your use or reliance on the Market Information. Market Information may quickly become unreliable for various reasons including, for example, changes in market conditions or economic circumstances. Neither Prospero Markets nor the third-party providers are obligated to update any information or opinions contained in any Market Information and we may discontinue offering Market Information at any time without notice.
Market disruptions	A market disruption may lead to you being unable to deal in the Products when you wish, and you may suffer a loss because of that. This is because the market disruption events which affect the Underlying Instrument will also affect the Contracts on the same or very similar basis. Examples of disruptions include the “crash” of a computer-based trading system, a fire or other exchange emergency, or an exchange or government regulatory body declaring an undesirable situation has developed in relation to series of Products or any Underlying Instruments, and suspends trading in those products or currencies or cancels that trade. You can attempt to minimise the effect of market disruptions by obtaining information released by the market relevant to the Position and acting after the event as appropriate (if any) to the position held, such as closing out because the values have significantly changed since before the event.
Operational Risk	Operational risk is inherent when trading online. Disruptions in operational processes such as communications, computer networks or external events may lead to trade execution problems. We rely on a number of technology solutions to provide you with efficient services – we have partly outsourced the operation of this Trading

	Platform to a third party and in doing so we rely upon this third party to ensure the systems are updated and maintained. A disruption to the Trading Platform may mean you are unable to trade in a Product when desired and you may suffer a loss as a result. An example of disruption includes the "crash" of the Trading Platform.
Trading Platform Risk	You shall be responsible for providing and maintaining the means by which to access the electronic Trading Platform, which may include without limitation a personal computer, modem and phone or other access line. While the internet and the World Wide Web are generally reliable, technical problems or other conditions may delay or prevent access thereto. If you are unable to access the internet and thus, the Trading Platform, it will mean you may be unable to trade in a Product when desired and you may suffer a loss as a result. Should the Trading Platform be unavailable, clients may place their orders via phone with a representative of Prospero Markets. Furthermore, in unforeseen and extreme market situations, such as an event causing market disruption or a global catastrophe, we reserve the right to suspend the operation of the Trading Platform or any part or sections of it. In such an event, we may, at our sole discretion (with or without notice), close out your open Positions at prices we consider fair and reasonable at such a time. We may impose volume limits on client accounts, at our sole discretion. Please note that such measures would only be implemented in extreme market conditions, and such discretion only reasonably exercised in the best interests of the client.
Auto liquidation	Prospero Markets may without prior notice to you liquidate some or all your open Positions if your Account balance reaches or falls below the Stop Out Level applicable to your Account and in circumstances where the Aggregate Margin Close-Out Protection is triggered. This can generate fees and realised losses in your Account. Prospero Markets does not assure you that we will act on this right, at any time or in respect of all or any of your open Positions. You should not rely on this right to manage your risk and your obligation to maintain funds to meet your Margin Requirement. The more basic risks to you are that you fail to manage your own Account by maintaining adequate Margin Requirement, you fail to monitor your open Positions, you (wrongly) rely on us liquidating your open Contracts or you fail to manage your open Positions before the Account balance reaches or falls below the Stop Out Level applicable to your Account. You can manage the risk of us liquidating some or all your open Positions, or the risk of you wrongly relying on Prospero Markets to do this, by carefully monitoring your open Positions, placing and maintaining prudent Orders (including Stop Loss Orders), if such exist at the time you opened your Position and managing your open Positions before the Account balance reaches or falls below the Stop Out Level applicable to your Account.
Error and pricing	Prospero Markets may void from the outset any Contract containing or based on any manifest error or a price, or series of prices, which are

	subsequently determined to be unrepresentative of the actual market valuation of the Underlying Instrument. This is exercised in our discretion, so you have risk of a Contract later being cancelled, whether or not you were aware that there was an error in the pricing which we later decide has occurred. In the absence of our fraud or wilful default, we will not be liable to you for any loss, cost, claim, demand or expense following any such cancelation. We consider this to be a low risk, since it does not occur often, but it can occur. You can manage this risk by monitoring the available prices and your Account.
Conflicts	Trading with us carries an automatic risk of actual conflicts of interest because Prospero Markets is acting as principal in the Products you acquire and Prospero Markets sets the price of each Contract and also because it might be transacting with other persons, at different prices or rates, or Prospero Markets might be dealing with market participants in relation to its exposure to you or to any aspect of all of its clients' Accounts. You can monitor the pricing of any Products against other issuers of financial products which have comparable terms, and against the Underlying Markets.
Valuation	Prospero Markets decides the values of the Products issued to you. Typically, this is by some reference to (but not automatically solely derived from) the market value (or, if relevant, index level) of the relevant Underlying Instrument on the relevant Underlying Market which in turn affects the price quoted by any relevant hedging counterparty to us. Prospero Markets does not commit to providing prices directly from a market. If the market fails to provide that information (for example, due to a failure in trading systems or data information service) or trading in the Underlying Instrument is halted or suspended, Prospero Markets determines its value based only on its own information (not market pricing). Due to the nature of our Products, our discretion is unfettered and so has no condition or qualification. While there are no specific limits on our discretions, Prospero Markets must comply with our obligations as a financial services licensee to act efficiently, honestly and fairly. You therefore have the risk of relying on whatever value is determined by us in the circumstances permitted by the T&Cs.
Not a regulated market	Our Products are OTC derivatives and are not covered by the rules for exchange-traded products. For example, trading on the ASX is governed by rules applicable to brokers and generally has the benefit of a guarantee system known as the National Guarantee Fund which provides protection from fraud or misconduct by brokers in connection with certain ASX trades. The ASX rules and the National Guarantee Fund do not apply to trading in the Products. OTC derivatives by their nature may not at times be liquid investments in themselves. If you want to exit a position, you rely on our ability to close

	out at the time you wish, which might not match the liquidity or market price of the Underlying Instrument. You can reduce your risk by carefully reading this PDS, the T&Cs and taking independent advice on the legal and financial aspects relevant to you.
Regulatory bodies and changes	Changes in taxation and other laws, government fiscal, monetary and regulatory policies may have a material adverse effect in your dealings with us. Further, you may incur losses that are caused by matters outside the control of us. For example, actions taken by a regulatory authority exercising its powers during a market emergency may ultimately result in losses to you because of the effect of those actions on the Underlying Instrument and so, will affect the terms of your Contracts and/or Accounts (with or without any decision by us). A regulatory authority can, in extreme situations, suspend trading or alter the price at which a position is settled, which might lead to changes to the pricing for the Underlying Instrument for your Contracts.
Our power on default, indemnities and limitations on liability	If you fail to pay amounts due to us or fail to perform any obligation under your Contracts, Prospero Markets has extensive powers under the T&Cs to take steps to protect its position. For example, Prospero Markets has the power to close out Positions, to decide whether to accept Orders or to execute them and to determine the rates of interest we charge. Additionally, under the T&Cs, you agree to indemnify us for our losses and liabilities, including, for example, in default scenarios. Although these powers, limits on the liability of Prospero Markets and the indemnities you give to Prospero Markets are extensive and potentially expose you to significant risks, Prospero Markets must comply with our obligations as a financial services licensee to act efficiently, honestly and fairly. You should read the T&Cs carefully to understand these matters.
No cooling-off	There are no cooling-off arrangements for our Products. This means that when we execute your Order, you do not have the right to return the Product, nor request a refund of the money paid to acquire the Product.
Investment Decisions	You are solely responsible for the selection of the Underlying Instruments for any Orders you place with us, and as such, the performance of any investment in the Products using your Account will depend mainly on your own investment decisions.

5.4 KEY RISK – COUNTERPARTY RISK

Trading in the Products involves counterparty risk. First, there is a risk to you that Prospero Markets, as issuer of the Products, and therefore, your counterparty to the Products, may default on our obligations to you under the Products.

The obligations of us to make payments in respect of the Contracts are unsecured obligations of Prospero Markets, which means that you are subject to our credit risk. If we were to become insolvent, we may be unable to meet our obligations to you.

There is also a risk that parties, such as our hedging counterparties may not be able to meet their contractual obligations to Prospero Markets. This means that Prospero Markets could be exposed to the insolvency of its hedging counterparties or other defaults by our hedging counterparties.

Benchmark 3 – Hedging

Credit risk refers to the risk that the hedging counterparty to us fails to perform its obligations which results in financial loss. We have put in place a risk management framework which is intended to manage the credit risk and market risk and to protect us and our clients from sudden changes in the liquidity, credit quality or solvency of our hedging counterparties.

You will be dealing in the Products with Prospero Markets as counterparty to every Contract. You will have an exposure to us in relation to each Contract. You will be reliant on our ability to meet our counterparty obligations to you to settle the relevant Contract. If we default on our obligations, you may become an unsecured creditor in an administration or liquidation and will not have recourse to any Underlying Instruments in the event of our insolvency.

We enter into OTC derivative transactions as principal with other counterparties to hedge the market risk arising from our transactions with you (and our other clients). We do not use monies received from you for Margin Calls and settlements to such providers.

We are also exposed to the financial risks of the financial institutions with which we hold Client Money (e.g. Margin) and with which we enter into hedging or offsetting transactions to manage our exposure to you. Accordingly, you are indirectly exposed to the financial risks of our counterparties as well as the financial institutions with which we hold Client Money. If the financial condition of us or assets of our counterparties or the parties with which we hold Client Money deteriorate, then you could suffer loss because the return of the Client Money could become difficult.

Within our risk management framework, we have assessed the market risk and counterparty risks arising from entering into transactions with you (and our other clients) and hedging counterparties and applied controls to mitigate those risks. Those controls include:

- the enforcement of leverage limits based on your Account and types of Products you trade;
- the enforcement of market risk limits on our net exposure and daily loss limits; and
- the selection and maintenance of one or more hedging counterparty relationships.

Our selection of hedging counterparties is based on the following factors:

- the counterparty's reputation;
- the regulatory status of the counterparty;
- the services provided; and

- the strength of operational controls and systems.

Our current Hedging Counterparties Policy, which notes our current approved hedging counterparties, is available on our Website.

Benchmark 4 – Financial resources

As an issuer of OTC derivative products with regards to the Products, Prospero Markets must comply with the financial requirements imposed under our AFSL as set out in ASIC Regulatory Guide 166 and other regulatory financial obligations. The goal of these requirements is to ensure that we meet the minimum level of financial resources required by law to conduct business and meet any liabilities as and when they may arise.

Prospero Markets monitors our exposure on a daily basis using real-time software tools and prepare detailed financial reports on a monthly basis to ensure applicable financial requirements are met. We also:

- perform daily reconciliation of Client Monies as required by section 2.2.1 of the ASIC Client Money Reporting Rules 2017;
- perform monthly reconciliation of Client Monies and report to ASIC as required by section 2.2.2 of the ASIC Client Money Reporting Rules 2017;
- perform a daily net tangible assets (NTA) calculation, ensuring that we meet the minimum NTA requirement set by ASIC; and
- perform regular stress testing ensuring that in the event of significant adverse market movements, we would have sufficient liquid resources to meet our obligations to you and our other clients without needing to have recourse to Client Money to do so.

The latest results of our financial audit are available upon request.

5.5 NEGATIVE BALANCE PROTECTION

Prospero Markets provides Negative Balance Protection for your Accounts. This means that at all times, your maximum potential loss would be limited to the balance on your Accounts. The terms on which we offer Negative Balance Protection are set out in the T&Cs in detail.

If you choose to deposit funds with us, including additional funds in response to a Margin Call or otherwise, then these amounts will be included as part of your Account balance, and the risk of potential loss will be all your Account balance at the time including these additional amounts. On the other hand, if you receive a Margin Call and choose not to deposit additional funds to satisfy the Margin Call, then your Account balance will not include the amount you would have needed to deposit with us to satisfy your Margin Requirements. However, in such instances, we may exercise our rights to close any or all of your open Contracts.

Please note that our Negative Balance Protection is offered on a net Accounts basis, meaning that if you have several Accounts (or sub-Accounts) with us, then the Negative Balance Protection will be netted across all of your Accounts. In other words, despite that one or more of your Accounts may go into negative, the Negative Account Protection will not be triggered until and unless your overall Net Equity across all Accounts drops to zero.

6. HOW TO TRADE?

6.1 YOUR ACCOUNT

Before you begin dealing in the Products, you should read the contents of this PDS, our Target Market Determination, the T&Cs and the FSG, as well as other documents and information on our Website, and decide whether the Products are appropriate for you.

To establish an Account, you will need to complete an online Application Form which accompanies the online access to our T&Cs. You may also request a hard copy of the Application Form by contacting us directly. By submitting the completed Application Form, you agree to the T&Cs. We may reject your Account application in our sole discretion.

We will ask you questions that help us assess whether to accept your Account application. If we decide that you do not satisfy our Client Qualification Policy, we may recommend that you open a Demo Account prior to opening a live Account. Please refer to Section 8 for our Client Qualification Policy.

This PDS summarises many important elements of the T&Cs. However, it is not a comprehensive description of the T&Cs and you must read the T&Cs in its entirety. You should also consider seeking legal advice before entering into any transaction, as the T&Cs contains important legal provisions that affect your dealings with us.

If Prospero Markets accepts your application, your Account will be established. Your Account covers all of the Products which you apply for in your Application Form and which Prospero Markets agrees to provide to you.

6.2 OPENING A DEMO ACCOUNT

If you are unsure about how the Products work, we strongly encourage that you apply for a Demo Account and trial our Trading Platform prior to opening a live Account.

Our Demo Accounts mirror our live Trading Platform and provide you with a virtual balance to trade with. This enables you to become familiar with the Trading Platform features and whether or not you feel that the Products are suitable for you.

6.3 BASE CURRENCY

We can apply a Base Currency of your Account in the major currencies - Australian dollar (AUD), United States dollar (USD) and other currencies as allowed by us from time to time.

Moneys received by us from you in a different currency to that of your chosen Base Currency will be converted back to the Base Currency at the exchange rate set by us.

All the financial information within your Account is displayed in the Base Currency.

When you deal in a Product that is denominated in a currency other than your Base Currency, all financing adjustments are made by us in that currency and then converted to your Base Currency at our current exchange rate.

6.4 FUNDING OF YOUR ACCOUNT

To make a payment into your Account, you may make an electronic or telegraphic transfer, a credit card payment or otherwise through any other means agreed by us. Please contact Prospero Markets if you would like to receive information on our full list of payment options.

When transferring funds to Prospero Markets you must ensure that the funds are appropriately referenced with your Account number to enable us to easily identify your funds and apply them to your Account promptly. All payments made to Prospero Markets must be free of any withholding tax or deduction.

We will use all reasonable efforts to process your withdrawal using the same payment option you have used to fund your Account. Where this is not possible for any reason, we will pay you through electronic transfer.

Prospero Markets does not accept funds transferred from third parties, so it is your obligation to ensure that all funds transferred to us are from a bank account in a name which matches your Application Form. We may, in our absolute discretion, without creating an obligation to do so, return any funds transfer or cheque received from a third party back to the bank account from which it was transferred.

Prospero Markets will not accept any liability or responsibility for any losses that you may suffer as a result of, or arising out of, or in connection with, us returning any transfer of moneys or cheque from a third party, including any losses incurred by you because you are subsequently in default of your obligations under the T&Cs.

Benchmark 2 – Opening Collateral

We only accept cash or cash equivalent as opening collateral or funding of your Account. Prospero Markets does not accept cash in hand or physical cash deposits into any of our bank accounts, due to risks associated with money laundering.

We do not encourage the use of borrowed funds to purchase the Products. We attempt to limit the use of credit cards to fund an Account but note that with the advent of Visa and Mastercard Debit Cards it is not possible for us to distinguish between a debit and credit card. For this reason, we have not adopted the Opening Collateral Benchmark suggested by ASIC in Regulatory Guide 227 as it would impede your ability to use debit cards to fund your Account.

Please refer to our Website for available funding methods.

6.5 OPENING AND CLOSING OF A CONTRACT

The particular terms of each Contract are agreed between you and Prospero Markets before entering into a Contract.

Prior to you entering into a Contract with us, Prospero Markets will require you to have sufficient funds in your Account to satisfy the Initial Margin requirements for the relevant number of Contracts. The payments you make to us are either held for Margin or withdrawn to pay the amounts for realised /unrealised losses or any fees and charges which you may owe.

A Contract is opened by either buying (going long) or selling (going short) a Contract:

- You go “long” when you buy a Contract in the expectation that the price of the Underlying Instrument to which the Contract relates will increase. This would

have the effect that the value of the Contract would increase; and

- You go “short” when you sell a Contract in the expectation that the price of the Underlying Instrument to which the Contract relates will decrease. This would have the effect that the value of the Contract would decline.

A Contract is open until it is closed, and the amount of profit or loss to you can then be calculated.

In order to close a Position, you need to click the “close” button on the Trading Platform. The closure of a Contract will generally result in a profit or loss being realised in your Account. If you close a Position, any related Orders you have placed against that Position will be cancelled. However, please note that we may not be able to allow you to close a Contract at a particular time and/or at the particular price, for example, without limitation, due to gapping or illiquidity.

In this PDS, Excepted Contracts means a CFD where the Underlying Instrument is a Commodity future or other futures product which will be automatically rolled over to a new Contract upon the Expiry Date. For Excepted Contracts, once a Contract hits its Expiry Date, it will be automatically “rolled” over to a new Contract. Before the applicable Expiry Dates, you may give instructions to request to close, or we can exercise our rights to close as set out in the T&Cs.

CFDs where the Underlying Instrument is a Commodity future or other futures product which will NOT be subject to automatic rollover, are not considered as Excepted Contracts. For this type of CFDs, you are required to manually roll them over upon Expiry Date. NOTE: If you do not manually roll over the Contract prior to or upon the Expiry Date, the Contract will be automatically closed by us upon its expiry. Further, this type of Contract will incur Swap Benefits and Swap Charges, instead of Rollover Benefits or Rollover Charges.

It is your responsibility to review the Product Schedule and Product specifications to determine whether certain Contracts are subject to automatic or manually rollover as well as the applicable Expiry Dates.

6.6 DEALING IN THE PRODUCTS

Quotes for prices for dealing in Products are indicative only and so are subject to the actual available price at the time of execution of your Order.

A quote given to you by us is not an offer to contract. Your clicking ‘buy’ or ‘sell’ on the Trading Platform will send a message to us indicating that you wish to trade on the terms and conditions indicated. This message will constitute an offer by you to buy or sell at the price and trade size chosen. If we accept your offer, the information about your offer to trade will appear on the Trading Platform. Your Order will not have been placed and no Contract will come into existence until this information is available on the Trading Platform. If the information about your offer to trade does not appear on the Trading Platform within two (2) minutes, you must notify us immediately. If you do not notify us, you will be deemed to have agreed only the transactions recorded by us. Similarly, if you dispute the contents of any transaction information sent by us to you, you must notify us immediately upon receipt by phone or email. If you do not, the transaction recorded by us will be deemed to have been agreed by you.

While Prospero Markets may endeavor to execute your Order, there is no assurance that the Order will be able to be executed at the price of your Order.

Quotes will be given and Contracts made during the open market hours of the Underlying Markets. The open hours of the Underlying Markets may be available on our Trading Platform and Website. Such hours may change according to the relevant Underlying Market's changes or in our discretion and the information on our Trading Platform or our Website may not be up-to-date.

You should be aware that the market prices and other market data that you view through our Trading Platform, our Website or other facilities that you arrange yourself may not be current or may not exactly correspond with the prices for the products offered by us.

If you access your Account and our Trading Platform outside of the hours when Orders may be accepted, you should be aware that the Orders might be processed later when the Underlying Instrument is open for trading. The market prices (and currency exchange values) might have changed significantly by the time the Order is executed.

You should note that Prospero Markets is not obliged to accept your Orders. Typically, this would occur should you exceed the limits imposed on your Account by us, or where there are insufficient funds in your Account to meet your Margin obligations.

6.7 PRICING AND SPREAD

Prospero Markets quotes a lower price and a higher price at which you can place your Order. This is referred to as the Spread. The higher quoted price is the indication of the price you can buy a Contract. The lower quoted price is the indication of the price at which you can "sell" a Contract (that is, close out an Open Contract). Spread means the difference between the Bid Price and the Ask Price.

The calculation of the price for a Contract, at the time the Contract is opened or closed, will be based on market prices available at the time and the expected level of interest rates, implied volatilities and other market conditions during the life of the Contract and is based on a complex arithmetic calculation.

Prospero Markets sets the Bid/Ask Prices so these prices may not be the same as those quoted in the relevant Underlying Market. The Spread is incorporated into the price of the Contract quoted to you and is not an additional fee or charge payable by you. The Spreads we quote are generally wider than the spreads available in the Underlying Market or quoted by our liquidity providers. The additional Spread represents our mark up.

When your Order is executed, for you to break even or before you can realise a profit, putting aside for the sake of simple illustration any fees or charges, the price at which you exit your position needs to have moved in your favour to at least equal to the original bid or Ask Price that you started the position (depending on whether you went long or short).

In addition, the available pricing may be limited by tick sizes, minimum steps, depending on the general market rules for trading the Underlying Instrument or Prospero Markets' hedging counterparties, so, depending on the Product you choose, your Order to exit your Contract might have to be in minimum increments of pricing before it can be accepted and executed. That could affect your net profit or loss.

6.8 PRICING MODEL

Prospero Markets offers prices for the Products based on its market making pricing model.

Although the prices of the Products on the Trading Platform are competitive, you should be aware that Prospero Markets is acting as principal to you and so is responsible for setting the prices of opening and closing Contracts and Prospero Markets does not act as your agent to find you the best prices.

6.9 CONFIRMATIONS OF CONTRACTS

If you transact in the Products, the confirmation of the Contract may be obtained only by accessing the daily statement online, which you can print for records. It is your obligation to review the confirmation of Contracts immediately to ensure its accuracy and to report any discrepancies within twenty (24) hours.

6.10 BENCHMARK 6 – SUSPENDED OR HALTED UNDERLYING INSTRUMENTS

Prospero Markets may at any time in its discretion and without prior notice impose limits on particular Products. Ordinarily we would only do this if the market for the particular Underlying Instrument has become illiquid or its trading status has been suspended or there is some significant disruption to the markets including trading facilities.

We will halt trading in Contracts when there is a trading halt in the Underlying Instrument.

If an Underlying Instrument to which a Contract relates is suspended or has been halted from trading, we will suspend trading in the Product, and we may choose to increase the Margin Requirements to support that open Position at our reasonable discretion. If the Underlying Instrument remains suspended for a period that we deem unacceptable to us in our sole discretion, we may close the open Position at fair value as determined by us. If an Underlying Instrument to a Product has been de-listed or ceases to be priced, we reserve the right to close all affected open Positions at the last available price.

7. MARGINS AND MARGIN CALLS

7.1 KEY FEATURES OF MARGINING

Prospero Markets applies the following main principles in relation to our Margin practices:

- You must provide Initial Margin before issuance of any Products and you are liable to meet all Margin Calls;
- When you have open Contracts, you are obliged to maintain at all times the Total Margin Requirements for all of your open Contracts;
- The Margin Call obligation is in addition to your obligation to maintain the Total Margin Requirements for your Account. There is no limit as to when you need to meet your Margin calls, how often or the amount of the Margin Calls;
- The timing and amount of each Margin Call will depend on movements in the market price of the open Contracts and the changes to your Net Equity and funds available for Margin;
- You have an obligation to meet the Margin Call even if we cannot successfully contact you. We are not obliged to notify you about your obligation under Margin Calls, though we may do so by email, phone call or otherwise, as a courtesy; and
- If you do not maintain the required Margin at all times or you do not pay the required Margin Call by the required time, we may in our reasonable discretion reduce your exposure by closing out one or more or all of your open Contracts with us without notice to you and you remain liable to pay us any remaining shortfall.

7.2 INITIAL MARGIN

Upon placing a trade that creates an open Contract you are required to pay us, and have in your Account, the Margin for that trade as calculated by us. This is known as the Initial Margin, and is calculated as follows:

Initial Margin requirement = (Quantity of Contract Units x Contract Price) x Margin Percentage

If there are not sufficient funds in your Account for a Contract to be opened (due to its Initial Margin requirement) then your Order will not be executed.

Once a Contract is opened, your Account will be adjusted, often continuously and quickly, for the applicable Total Margin Requirements according to market movements. Please refer to Section 7.3 below for Variation Margin.

Margin Requirements (and the associated Margin Percentage) vary with each Product within the leverage restrictions imposed under the Product Intervention Instrument, and a list of the requirements is set out on the Trading Platform. These may change regularly.

7.3 VARIATION MARGIN

Owing to the volatility of the market, the amount of required Margin may change after a Contract has been opened, requiring a further payment for Margin known as the Variation Margin. Margin amounts are calculated by us to cover potential movement in the market at any time but will change when the market changes (and might be insufficient coverage). If you have Contracts denominated in a currency other than the Base Currency, any fluctuations in

the exchange rate adverse to your Contract can lead to automatic adjustments to your required Margin, so you need to monitor your Contracts very carefully.

7.4 NET EQUITY AND TOTAL MARGIN REQUIREMENT

Your Net Equity and Total Margin Requirement are constantly calculated in line with movements in prices for the Products, during the opening hours of our Trading Platform, and these amounts are displayed on the Trading Platform. It is your responsibility to monitor and manage your open Contracts and exposures and ensure that your Account is sufficiently funded at all times for Margin. This may include:

- closing or reducing one or more of your open Contract(s) in order to reduce your Total Margin Requirements; and/or
- depositing additional funds into your Account in order to satisfy the Total Margin Requirement.

If you choose to deposit additional funds into your Account, these additional funds must be cleared funds before they will be treated as having satisfied your obligations.

Please refer to the Product Schedule on our Website and the Trading Platform for the Margin Requirement for each Product.

7.5 BENCHMARK 7 – MARGIN CALLS

In normal circumstances we will endeavour to notify you of a Margin Call via alert within the Trading Platform. This serves as notice that your Contracts are at risk of being closed out. While we will do our best to get in touch with you when your Account is approaching or has reached a Margin Call, we cannot guarantee that this will happen in every case. Market movements may be too great, and your Account may have reached a Stop Out Level (or certain Contracts have already reached any applicable product-specific close-out levels) before the Margin Call is made.

You are responsible for meeting all Margin Calls and monitoring your open Contracts. You are required to log-in to the system regularly when you have open Contracts to ensure you receive notification of any such Margin Calls. Please note that if you do not check the Trading Platform for Margin Call notifications, and hence do not meet them in a timely manner, Contracts will be closed out by us without further reference to you, in accordance with the Agreements. In rare circumstances, the markets could move against your Contracts giving us no time to make a Margin Call on you to request additional funds to protect your open Contracts.

Margin Calls are made on a net account basis i.e. if you have several open Contracts, then Margin Calls are netted across the group of open Contracts. In other words, the unrealised profits of one Contract will be used or applied towards the Margin Requirement for another Contract.

A Margin Call will not be considered to have been met by cash UNLESS AND UNTIL sufficient funds have been received by us in the nominated account AND we have updated the Trading Platform. It is your responsibility to pay your Margin on time and in cleared funds, so please keep in mind the possibility of delays in the banking and payments systems. If your payment is not credited by us by the time you are required to have the necessary Margin, you could automatically, and quickly, lose some or all your Contracts (and suffer further losses because of having to meet a shortfall). You should maintain a prudent level of funds in your Account and make payments in sufficient time to be credited to your Account.

Any losses resulting from us closing your Contracts will be debited to your Account and may

require you to provide additional funds to Prospero Markets.

Margin Level and Margin Call Level

Margin Level is calculated as the percentage of Net Equity to Total Margin Requirements.

Margin Call Level is a specific Margin Level at which Prospero Markets will issue a Margin Call to you. For example, if the applicable Margin Call Level is 100%, it means that a Margin Call will be triggered once the Margin Level falls below 100%, i.e., when your Net Equity to Total Margin Requirements is less than 100%.

You may find out the applicable Margin Call Level through the client portal on our Website or by contacting us via phone. Prospero Markets has the right to change the applicable Margin Call Levels at any time.

7.6 STOP OUT LEVEL, AGGREGATE MARGIN CLOSE-OUT PROTECTION AND OUR RIGHT

Stop Out Level

Stop Out Level is a specific Margin Level at which Prospero Markets is entitled to close all or some of the open Contracts without notice to you. For example, if the applicable Stop Out Level is 100%, it means that Prospero Markets is entitled to close all or some of your Contracts without notice when the Margin Level (i.e., Net Equity to Total Margin Requirement ratio) falls below 100%.

You should note that the default and minimum Stop Out Level is 50% as set out in the Aggregate Margin Close-Out Protection provisions below. However, Prospero Markets is entitled to impose a higher Stop Out Level at its sole discretion and the applicable Stop Out Level will appear on the Trading Platform and/or the Website.

Aggregate Margin Close-Out Protection

The default and minimum Stop Out Level is the Aggregate Close-Out Protection Amount which is defined as the greater of:

- 50% of the aggregate Initial Margin required for all open Contracts; and
- 50% of the aggregate current Margin requirements for all open Contracts.

If at any time your Net Equity is less than the Aggregate Close-Out Protection Amount, we will and are required to, as soon as market conditions allow, terminate one or more of your open Contracts until your Net Equity is restored to or above the Aggregate Close-Out Protection Amount or all your open Contracts have been terminated.

Our Rights

We may exercise our rights (or obligations) to close out your open Contracts at our sole discretion with little or no notice to you. Any losses resulting from closing out your open Contracts will be debited to your Account. We will not be responsible for any losses you may suffer or incur in connection with any such closing of your open Positions or any lack of closing thereof.

You may find out the applicable Stop Out Level on the Website or by contacting us via phone. Prospero Markets has the right to change the applicable Stop Out Levels above the Aggregate Close-Out Protection Amount at any time.

7.7 CHANGING MARGIN PERCENTAGE, MARGIN CALL LEVEL AND STOP OUT LEVEL

We may vary the Margin Percentage, Margin Call Level and Stop Out Level at any time at our discretion. Without limitation, we may vary the Margin Percentage, Margin Call Level and Stop Out Level in response to or in anticipation of the following:

- changing volatility and/or liquidity in the Underlying Instrument or in the financial markets generally;
- economic news;
- changes in your dealing pattern with us;
- your credit circumstances change; or
- your exposure to us being concentrated in a particular Underlying Instrument.

You should note that there may be other circumstances which may give rise to us changing your Margin Percentage, Margin Call Level and Stop Out Level.

When the Margin Percentage, Margin Call Level or Stop Out Level is changed, you will need to close and open the Trading Platform in order to have relevant Margin updated.

7.8 YOU MUST MONITOR MARGIN

Through the Trading Platform, you have access to your Account and sufficient information to enable you to calculate the amount of any Margin Requirements and the total amount of Margin due from you in the Base Currency using our current exchange rate. It is your responsibility to ensure that you obtain all relevant information in respect of your Account, including all information in respect of your current open Positions. We will not be responsible for any losses you may suffer or incur as a result of you not obtaining or requesting any such information.

It is your responsibility to monitor at all times (including by checking on the Trading Platform) the amount of Margin deposited with us from time to time against the amount of any Margin currently required and any additional Margin that may be necessary or desirable, having regard to such matters as:

- your open Positions;
- the volatility of any relevant Underlying Instrument;
- the volatility of the relevant market;
- the volatility of the markets generally;
- any applicable exchange rate risk; and
- the time it will take for you to remit sufficient cleared funds to us.

8. BECOMING A CLIENT – BENCHMARK 1 CLIENT QUALIFICATION

8.1 QUALIFICATION POLICY

Trading in our Products is not suitable for everyone because of the significant risks involved. This section sets out how our Client Qualification Policy operates in practice.

8.2 MINIMUM QUALIFICATION CRITERIA

We assess your application against a list of qualifying criteria that addresses your understanding and experience with the Products. You must be aware of the features of the Products and the associated risks before investing in them. We do not accept retail investors unless you meet the minimum qualification criteria.

In accordance with RG 227, the factors that we take into account in assessing your understanding of and experience in the Products include:

- Previous trading experience in trading financial products;
- Understanding of leverage, margins and volatility;
- Understanding of the key features of the Products;
- Understanding the trading process and relevant technology;
- Ability to monitor and manage the risks of trading;
- Understanding that only risk capital should be traded.

Our assessment of your understanding of and experience in the Products is based on the information you provide. You warrant that the information you provide to us is true and accurate in all aspects. You understand that we will rely upon the information you provide in making a judgment about whether to accept you as a client.

Our assessment of your understanding and experience in trading the Products and any limits we set for your Account (or later change to those limits) should not be taken as personal advice to you nor does it imply that we are responsible for any of your losses from trading in the Products.

To the extent permitted by law, we do not accept liability for your choice to invest in any Products so you should read all of this PDS carefully, consider your own needs and objectives for investing in these Products and take independent advice as you see fit.

Even if we allow you to trade the Products, this does not mean we have assessed you as suitable for the Products. We urge you to use our Demo Accounts for a period of time to ensure you are familiar with the terminology of the Products and how they work. If in our sole judgment we consider that you have qualified, we will not be liable in any way to you, or have any dealings or transactions between us set aside, modified or varied, if your experience, knowledge and understanding are found to be insufficient or that we were in error in making our judgment.

8.3 CLIENT QUALIFICATION TEST

During the Account opening process with us, you will be required to take a Client Qualification Test which consists of a series of questions designed to assess your knowledge, experience, and understanding of Margin FX Contracts and CFDs, which may include but not limited to:

- leverage, Margins and volatility;

- key features of Margin FX Contracts and CFDs;
- the trading process and relevant technology; and
- the ability to manage and monitor trading risks.

If you do not pass the Client Qualification Test, one of our representatives may contact you to discuss how to improve your knowledge, experience and understanding of Margin FX Contracts and CFDs.

Other options to demonstrate your understanding and experience in the Products

Prospero Markets allows you to open an Account with us without completing the Client Qualification Test when you provide us with any of the following:

- a copy of previous trading statement demonstrating that you traded at minimum ten (10) lots with another licensed broker in the last twelve (12) months; or
- a completion certificate which shows your completion of an approved training course for trading.

We have sole discretion in assessing and determining whether any documents you provide are sufficient to demonstrate your understanding of and experience in the Products.

8.4 TARGET MARKET ASSESSMENT

During the Account opening process with us, we may choose to ask one or more questions which are designed to determine whether you are reasonably likely to fall within our stated target market (as outlined in our Target Market Determination).

Where you are not reasonably likely to fall within our target market, we may, but are not obliged to, decline to open an Account for you.

8.5 CLIENT ON-BOARDING PROCESS

We check minimum qualification criteria as part of our client on-boarding process through the Prospero Markets Application Form and our Client Qualification Test. If you do not meet our minimum qualification criteria, one of our sales representatives will contact you to discuss potential solutions to improve your understanding and knowledge of Margin FX Contracts and CFDs.

8.6 WRITTEN RECORDS

We document our assessment process and retain this information as records.

8.7 PROHIBITION ON PROVIDING INDUCEMENTS

We are prohibited from giving or offering a gift, discount, rebate, trading credit or reward to a retail client or a prospective retail client as an inducement to open or fund an Account to trade our Products.

This requirement will also apply to any persons or entities that assist you to open an Account or trade with us if they are captured under sections 5(2), 5(3) and 5(4) of the Product Intervention Instrument. The offering or provision of prohibited inducements by these persons or entities are without knowledge and agreement by us and we ask any retail clients or prospective retail clients to report these instances to us immediately.

9. CLIENT MONEY – BENCHMARK 5 CLIENT MONEY

9.1 TRUST ACCOUNT

We handle all Client Money we receive in accordance with and subject to the T&Cs and the following applicable laws (Australian Client Money Rules):

- Part 7.8 of Division 2 of the Corporations Act;
- the relevant regulations in the Corporations Regulations 2001;
- *ASIC Regulatory Guide 212: Client money relating to dealing in OTC derivatives;* and
- *ASIC Client Money Reporting Rules 2017.*

Client Money will be paid into a trust account maintained by us with an authorised deposit-taking institution (**ADI**). We will not be liable for the insolvency or any act or omission of any ADI holding the trust account. Your moneys may be co-mingled into one or more pooled trust accounts with other clients' moneys.

We do not use Client Money for the purpose of meeting obligations incurred by us when hedging with our counterparties. Any obligations incurred by us in connection with such transactions are funded by us from our own money.

We may invest any of your money held in any segregated trust account in the kinds of investments as permitted by the Australian Client Money Rules and you irrevocably and unconditionally authorise us to undertake any such investment.

We are solely entitled to any interest or earnings derived from your moneys being deposited in a segregated trust account or invested by us in accordance with the Australian Client Money Rules with such interest or earnings being payable to us from the relevant segregated trust account or investment account, as the case requires as and when we determine.

9.2 PROTECTION AFFORDED BY THE AUSTRALIAN CLIENT MONEY RULES

Under the Australian Client Money Rules, we must hold your moneys on trust.

Furthermore, the Australian Client Money Rules provide that in the event that we cease to be licensed (including because our AFSL has been suspended or cancelled), become insolvent or cease to carry on some or all of the activities authorised by our AFSL, Client Money held by us or an investment of Client Money, will be dealt with as follows:

- money in the trust account is held in trust for the persons entitled to it, and is paid in the order set out below in the third bullet point below;
- if money in the trust account is invested, the investment is likewise held in trust for each person entitled to money in the account;
- the money in the account is to be paid in the following order:
    - the first payment is of money that has been paid into the account in error;
    - the next payment is payment to each person who is entitled to be paid money from the account;
    - if the money in the account is not sufficient to be paid in accordance with the above paragraphs, the money in the account must be paid in proportion to the amount of each

person's entitlement; and

- if there is any money remaining in the account after payments made in accordance with the above paragraphs, the remaining money is payable to us.

These rules override anything to the contrary in the Australian Bankruptcy Act 1966, in the Corporations Act or other law, or in the T&Cs.

9.3 WARNING ABOUT TRUST ACCOUNTS

It is important to note that our holding of your moneys in one or more pooled trust accounts may not afford you absolute protection. The purpose of trust accounts is to segregate the Client Money, including your moneys, from our own funds. However, an individual's Client Money is co-mingled into one or more trust accounts. Furthermore, trust accounts may not protect your moneys from a deficit in the trust accounts.

Should there be a deficit in the trust accounts and in the event that we become insolvent before the topping up of the trust accounts in deficit, you will be an unsecured creditor in relation to the balance of the moneys owing to you.

9.4 WHAT IS AN UNSECURED CREDITOR?

In the event that you become an unsecured creditor of us, you will need to lodge a proof of debt with the liquidator for the amount of moneys that are owing to you as evidenced by your account statements. The liquidator then assesses all proofs of debts to determine which creditors are able to share in the assets of the company, and to what extent depending on the amounts owing to them and any priority they may have to be paid.

10. FEES, COSTS AND CHARGES

10.1 GENERAL

Whilst we endeavour to include all fees and charges in the Spread quoted, in some circumstances you may incur additional fees and charges.

The fees and charges when dealing in our Product may incorporate any or all of the following:

- Swap Charges;
- Rollover Charges;
- Conversion Fees;
- Commissions;
- Corporate Action charges; and
- Administration charges.

The fees and charges may change from time to time and will be reflected in this PDS or on our Website as required.

10.2 COMMISSIONS

There may be Commissions payable on trades executed in some of our Products. Such Commissions for both opening and closing will be charged upon opening of the Contract. The details of any Commissions payable are available on the Trading Platform, and you should check those details before entering into a Contract with us.

10.3 SWAP CHARGES AND SWAP BENEFITS

When you hold a Position or Positions overnight in a Margin FX Contract or CFD (other than an Excepted Contract) they will be rolled to the next Trading Day, which will result in you paying a Swap Charge or receiving a Swap Benefit. The amount is determined by us and depends on factors including our Swap Rate, being the rates at which you receive or pay interest on Positions that remain open overnight.

Swap Rates for our Products are determined using the tom-next (tomorrow to next day) rate and plus a markup in the Underlying Market for the Underlying Instruments. Swap Rates are subject to change and for certain Products, Swap Rates applicable for a particular Trading Day may be zero. Swaps are charged or credited to each individual Positions, even if you have opposing Positions in the same Product.

Most liquidity providers around the world (including global banks, financial institutions, prime brokers, and other market participants) are closed for trading on Saturdays and Sundays. Therefore, the overnight interest of foreign exchange transactions is not calculated on these two (2) days however, most liquidity providers still calculate the holding cost for these two days. For this reason, the foreign exchange market will calculate the 3-day swap for the position overnight on a particular weekday (such as Wednesdays or Fridays), so the interest for holding the Position overnight on that weekday is generally three times that of the overnight position on other weekdays. If you hold a Margin FX Contracts or Index, Equity or Commodity CFDs at the close of the Trading Day on a Wednesday, the Swap Charge or Swap Benefit is multiplied by three (3) times.

We may need to vary the Trading Day in which a 3-day Swap is charged or credited in

accordance with any changes to settlement terms, public holidays or market closures. Swap is also charged or credited on public holidays in advance. Generally speaking, when a national holiday is encountered, swap fees will be calculated in advance. Please refer to our Website for detailed information on applicable Swap Rates for specific Products.

No Swap Charges or Swap Benefits is paid or received if you open and close a Position in the same trading day. No Swap Charge or Swap Benefit will be paid or received in the case of Excepted Contracts.

Swap Charges and Swap Benefits due will be accrued in the swap value field of the open trade Position. We may in our absolute discretion adjust the Swap Rate applicable to your Positions depending on your trading volume, Account balance and market conditions. We reserve the right to change the Swap Rate applicable. In the event thereof, you will receive proper notification of such change, and a revised PDS if required.

Examples:

Long Margin FX Contracts

If you are long on a Margin FX Contract where the bought currency interest rates are higher than the sold currency interest rates you will receive interest at the Swap Rate if you hold the Position overnight and do not close it before the settlement time. This is because you are holding the higher yielding currency. On the other hand, if you are long on a Margin FX Contract where the bought currency interest rates are lower than the sold currency interest rates then you will pay interest at the Swap Rate if you hold the Position overnight and do not close it before the settlement time. This is because you are holding the lower yielding currency.

Short Margin FX Contracts

If you are short on a Margin FX Contract where the sold currency interest rates are higher than the bought currency interest rates you will pay interest at the Swap Rate if you hold the Position overnight and do not close it before the settlement time. This is because you are holding the lower yielding currency. On the other hand, if you are short on a Margin FX Contract where the sold currency interest rates are lower than the bought currency interest rates then you will receive interest at the Swap Rate if you hold the Position overnight and do not close it before the settlement time. This is because you are holding the higher yielding currency.

10.4 ROLLOVER CHARGE OR ROLLOVER BENEFIT

A rollover will arise in an Excepted Contract when the underlying front month futures Contract is approaching the Expiry Date and we change our pricing feed. When the new price feed takes effect, you will immediately create a gain or loss in your open trade equity. This profit or loss will depend on your Contract size and direction and the price differential of the expiring contract and the new Contract on which the price will be now based. You will be credited or debited with a Rollover Charge or Rollover Benefit that will fully offset the effect of the abovementioned profit or loss. For example, if you have made a profit on the change to the new Contract Price feed you will receive a Rollover Charge, which will offset the gain.

Rollover Charges and Rollover Benefits due will be incurred at the time when the rollover occurs and you will immediately receive a gain or loss in the relevant Contract. In order to minimise the bid/offer Spread we will typically switch from using the front month to the next serial contract one (1) to four (4) trading days prior to the Underlying Instrument's last trading day when liquidity can be limited.

Please note that CFDs where the Underlying Instrument is a Commodity future or other futures product which will NOT be subject to automatic rollover, are NOT Excepted Contracts

and will not be subject to Rollover Charges or Rollover Benefits. This type of CFD will be subject to Swap Charges and Swap Benefits.

10.5 CORPORATE ACTION CHARGES, AND CORPORATE ACTION BENEFITS

Equity and Index CFD Corporate Actions

When a Corporate Action or an Insolvency Event occurs in relation to any Underlying Instrument and/or its issuer we may, acting in a commercially reasonable manner, make adjustments to your open Positions, Stop Loss Orders and Limit Orders to reflect those actions and to put you in a position as close as possible to that of a direct holder of the Underlying Instrument noting that you may not get all the benefits such as tax benefits, credits or deferrals. We are entitled not to provide you with the full benefit of a Corporate Action where we do not receive the benefit of a Corporate Action from our hedging counterparty and we have sole discretion to calculate the amount of adjustments.

Corporate Action charges and Corporate Action benefits will be accrued in the swap value field of the open Contract.

The actions we may take include, but are not limited to:

- changing Margin Requirement including Margin Percentage both in relation to open Contracts and new Contracts;
- making a reasonable and fair retrospective adjustment to the opening price of an open Position, to reflect the impact of the relevant action or event;
- opening and/or closing one or more open Positions on your Account;
- cancelling any Stop Loss Orders and Limit Orders;
- suspending or modifying the application of any part of this PDS;
- crediting or debiting sums to your Account as appropriate; and
- taking all such other action as we reasonably consider appropriate to reflect the effect of the relevant action or event.

10.7 CONVERSION FEES

Profits or losses accumulated in your Account in currencies other than the Base Currency nominated by you will be converted to the nominated Base Currency, but at Spreads that may be wider than those shown on the Trading Platform.

10.8 ADMINISTRATION CHARGES

We reserve the right to charge the following additional fees:

All charges are inclusive of GST (where applicable):

Administration services	**Fee**
Receipt	
Electronic Funds Transfer /	AUD0

Telegraphic Transfer	
Other funding methods	Refer to the Website
Withdrawals	
Domestic Electronic Funds Transfer / Telegraphic Transfer	AUD5 for amount less than AUD100; AUD0 for amount at or above AUD100.00. Note that the corresponding bank may charge you a fee for the transfer.
International Electronic Funds Transfer / Telegraphic Transfer	USD20. Note that the corresponding bank may charge you a fee for the transfer.
Other	
Duplicated statements by post	AUD5.00 per statement
Returned cheque fee	Upon application
Inactivity Fee	AUD$10.00 per month. This fee will be triggered on a monthly basis following when an Account has no trading activity for six (6) months or more from the later of your last trade or opening of the Account. Trading activity includes the opening and/or closing of a Position or maintaining an open Position during that period. This fee is subject to the Negative Balance Protection.

10.9 INTEREST IN CLIENT MONEY ACCOUNTS

We are solely entitled to any interest or earnings derived from your moneys being deposited in a segregated trust account or invested by us in accordance with the Australian Client Money Rules with such interest or earnings being payable to us from the relevant segregated trust account or investment account, as the case requires as and when we determine.

11. TRADING EXAMPLES

11.1 MARGIN FX CONTRACTS

Example 1 – Making a Profit

Adam believes the EURO will strengthen against the USD. He therefore buys one (1) lot (goes long), of EUR/USD at the price of 1.3000.

The lot size for the currencies is 100,000 of the Base Currency, meaning that Adam has bought EURO 100,000 of EUR/USD.

During that time EUR/USD has increased to 1.3150, meaning that when he closes the Position at that higher price, Adam will make a gross profit of:

Calculation Method	Calculation	Gross Profits
Contract Size multiplied by the difference between the price when Adam entered into the Position and the price when he existed the Position	USD100,000 x (1.3150 – 1.3000)	USD1,500.00

Example 2 – Making a Loss

Following from the example above, if the EURO had weakened against the USD instead of strengthening, Adam would have made a loss on his Position. For example, if he had made the same trade (buying EUR 100,000 of EUR/USD at 1.3000), but the EURO drops against the USD and the Position is closed at EUR/USD 1.2950, he would have made a gross loss of:

Calculation Method	Calculation	Gross Loss
Contract Size multiplied by the difference between the price when Adam entered into the Position and the price when he existed the Position	USD100,000 x (1.3000 – 1.2950)	USD500.00

11.2 CFDs

Example 1 – Making a Profit

Adam believes the price of Australia 200 stock index will rise. He therefore buys one (1) lot (goes long), of AUSSIE200 at the price of 5,780.

Each index point of AUSSIE200 (lot size) is worth AUD 1, meaning that he has bought one (1) contract of AUSSIE200 with value of AUD 5780 (AUD 1 x price = 1 x 5,780).

During that time AUSSIE200 has increased to 5,800. This means that when Adam closes the Position at that higher price, he will make a gross profit of:

Calculation Method	Calculation	Gross Profits
Contract Size multiplied by the difference between the price when Adam existed the Position and the price when he entered the Position	AUD 1 x 1 x (5,800 – 5,780)	AUD 20

Example 2 – Making a Loss

Following from the example above, if Australia 200 stock index had dropped instead of risen, Adam would have made a loss on his Position. For example, if he had made the same trade (buy one lot of AUSSIE200 at the price of 5,780) but the AUSSIE200 drops and the position is closed at 5770, he would have made a gross loss of:

Calculation Method	Calculation	Gross Loss
Contract Size multiplied by the difference between the price when Adam exited the Position and the price when he entered the Position	AUD 1 x 1 x (5,770– 5,780)	AUD 10

12. TAXATION IMPLICATIONS

This section contains general information about the Australian taxation implications for Australian residents dealing in the Products and is based on Australian taxation laws as at the date of the PDS. It is general information only, and does not take into account your objectives, financial situation or needs.

Australian residents and non-Australian residents should seek professional taxation advice that is based on their individual circumstances and in the case of non-residents the taxation laws of both Australia and their country of taxation before trading in the Products.

12.1 TAXATION RULING: CONTRACTS FOR DIFFERENCE

The approach of the Commissioner of Taxation to the income tax and capital gains tax consequences of dealing in financial contracts for difference, such as CFDs (including Margin FX Contract), is reflected in Taxation Ruling 2005/15. We set out a summary of that ruling below.

A copy of Taxation Ruling 2005/15 is available at www.ato.gov.au.

It is the Commissioner's view that any gain a taxpayer makes from dealing in a CFD (or a Margin FX Contract) will be assessable income under section 6-5 of the Income Tax Assessment Act 1997 (ITAA 1997), while any loss it makes from dealing in CFDs (or Margin FX Contracts) will be an allowable deduction under section 8-1 of ITAA 1997 provided that:

- the CFD (or a Margin FX Contract) transaction is entered into as an ordinary part of carrying on a business; or
- the profit is made, or the loss is incurred, as a consequence of a business operation or commercial transaction entered into for the purpose of profit-making.

A gain from dealing in a CFD (or a Margin FX Contract) will also be assessable income under section 15--15 of ITAA 1997 where a taxpayer is carrying on, or has carried out, a profit-making undertaking or scheme, and the gain from it is not assessable under 6-5 of ITAA 1997. Correspondingly, a loss from dealing in a CFD (or a Margin FX Contract) where the gain would have been assessable under section 15-15 of ITAA 1997 is an allowable deduction under section 25-40 of ITAA 1997.

A gain or a loss from a CFD (or a Margin FX Contract) entered into for the purposes of recreation by gambling will not be assessable under either section 6-5 or 15-15 of ITAA 1997, or deductible under section 8-1 or 25-40 of that Act.

The Commissioner is also of the view that a capital gain or a capital loss from a CFD (or a Margin FX Contract) entered into for the purpose of recreation by gambling will be disregarded under paragraph 118-37 (1)(c) of ITAA 1997.

12.2 ADDITIONAL MATTERS NOT COVERED BY RULING

The following matters are also relevant when dealing in CFDs (or Margin FX Contracts).

CAPITAL GAINS TAX

CFDs (including Margin FX Contracts) may constitute CGT assets under section 108-5 of ITAA 1997. On the maturity or closing-out of a CFD (or a Margin FX Contract), CGT Event C2 happens (section 104-25 of 1997). However, to the extent that a gain from dealing in a CFD (or a Margin FX Contract) as a result of a CGT Event is assessable under section 6-5 or 15-15 of ITAA 1997, a capital gain arising from the event is reduced (section 118-20 of ITAA 1997). To the extent that a loss made from dealing in a CFD (or a Margin FX Contract) is deductible under sections 8-1 or 25-40 of ITAA 1997, the reduced cost base of the asset is reduced, thereby reducing the amount of the capital loss (subsection 110-55(4) of ITAA 1997).

Finally, in calculating any capital gain or loss, a taxpayer is entitled to take into account the cost of acquiring, holding and disposing of the CFD (or a Margin FX Contract).

INTEREST

Any interest received in relation to a CFD (or a Margin FX Contract) is assessable income.

INTEREST ON DEBIT BALANCES

Any interest on the debit balance of an investor's account is deductible.

INTEREST PAID OR RECEIVED DUE TO HOLDING A CFD (OR A MARGIN FX CONTRACT)

Interest that is paid or received due to holding a CFD (or a Margin FX Contract) forms part of any net gain or loss that a taxpayer makes when dealing in CFDs.

12.3 TAXATION OF FINANCIAL ARRANGEMENTS

The Tax Laws Amendment (Taxation of Financial Arrangements) Act (the Legislation). This Legislation provides a framework for the taxation of gains and losses from certain financial arrangements. Gains from the financial arrangements are assessable and losses are deductible.

The Legislation generally applies to all "financial arrangements" as defined in subdivision 230-A or included by the additional operation of subdivision 230-J. However, certain financial arrangements, as detailed below are effectively subject to an exemption under subdivision 230-H.

Division 230 of the Legislation provides a range of elective methods for determining gains and losses; namely the fair value method, the retranslation method, the hedging method and the financial reports method. Where these selective methods are not, or cannot be made, the appropriate treatment is either the accruals or realisation method.

Relevantly, the Legislation does not apply to:

- financial arrangements of individuals;
- financial arrangements of superannuation funds (regulated and self-managed), approved deposit funds, pooled superannuation funds or managed investment schemes for the purposes of the Corporations Act where the value of the entity's assets is less than AUD 1 million;
- financial arrangements of ADIs, securitisation vehicles and financial sector entities with an aggregated annual turnover of less than AUD 20 million per year; or
- financial arrangements of other entities:
    - with an aggregated annual turnover of less than AUD 100 million – where the value of the entity's financial assets is less than AUD 100 million; and
    - where the value of the entity's assets is less than AUD 300 million;

  except where the taxpayer elects to have division 30 of the Legislation apply to all of its financial arrangements.

It will be appreciated that the Legislation will have limited application to investors in CFDs (including Margin FX Contracts). However, there may be special circumstances where it may be beneficial for you to elect to apply division 30 to your financial arrangements.

You should, therefore, seek independent tax advice on how the Legislation will apply to you.

GOODS AND SERVICES TAX (GST)

The Commissioner has also released a determination relating to the GST implications of trading in CFDs (including Margin FX Contracts): GST Determination GSTD 2005/3.

The Commissioner has stated that the costs incurred in having a CFD (or a Margin FX Contract) Position open, such as commissions (on both opening and closing), dividend and corporate event adjustments, Daily Funding Charges and Margins are all considered financial supplies under the A New Tax System (Goods and Services Tax) Act 1999 (the GST Act). Consequently, they are input taxed and no GST is payable on their supply. GST may apply to certain fees and costs charged to you and you should obtain your own advice as to whether an input tax credit is available to you for such fees and charges as it will depend on your personal circumstances.

13. GENERAL INFORMATION

13.1 OUR DISCRETIONS

Prospero Markets has discretions under the T&Cs which can affect your Account and Contracts. You do not have any power to direct how we exercise our discretions.

When exercising our discretions, we will comply with our legal obligations as the holder of our AFSL. We will have regard to our policies and to managing all risks (including but not limited to financial, credit and legal risks) for ourselves and all our clients, our obligations to our counterparties, market conditions and our reputation.

We will try to act reasonably in exercising our discretions, but we are not obliged to act in your best interests or to avoid or minimise a loss in your Account, or avoid causing you fees on Contracts.

Our significant discretions are:

- whether to accept your Order (including to Close out a Position) or to amend it;
- any risk limits or other limits or filters we impose on your Account or your trading;
- determining Margin Requirements, especially the amount of Initial Margin, and any grace time to meet any changed Margin Requirement;
- determining values of Underlying Instruments (for opening and closing Positions and for determining Variation Margin);
- setting Bid Prices and Ask Prices; and
- Closing your Positions and setting the price for closing.

You should consider the significant risks that arise from Prospero Markets exercising its discretions.

Our other discretions include:

- setting our fees and interest rates;
- adjusting your Positions for adjustments made in the market to the Underlying Instrument;
- adjusting, closing out or cancelling Contracts or Orders due to applying our compliance or operational policies;
- setting foreign currency exchange conversion rates;
- opening and closing your Account; and
- interpretation, variation and application of our policies.

Please note that while we have discretions, the trading conditions typically are set or applied for automatic outcomes, such as closing out all of your open Positions once a Stop Out Level is reached.

13.2 ANTI-MONEY LAUNDERING LEGISLATION

We are subject to the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) and Anti-Money Laundering and Counter-Terrorism Financing Rules Instrument 2007 (No.1) (**AML/CTF Laws**), which can affect our Contracts with you. In order to establish your Account,

we need to collect personal information from you or from businesses or government agencies that you authorise.

Once your Account is opened, we may disclose your personal information or stop transactions on your Account if required under the AML/CTF Laws, or under our AML/CTF procedures, without liability to you for any loss that arises due to that occurring.

13.3 CHANGING YOUR MIND – COOLING OFF PROVISIONS

There are no cooling-off arrangements for our Products. This means that you do not have the right to return the Product, nor request a refund of the money paid to acquire the Product. You are bound by the terms when you enter into a Contract.

13.4 ETHICAL CONSIDERATIONS

The Products do not have a managed investment component. Labour standards or environmental, social or ethical considerations are not taken into account by us when making, holding, varying or closing out our Contracts.

13.5 OUR INSURANCE

Prospero Markets has a comprehensive insurance policy in place to cover a variety of different scenarios, some which may assist in the repayment of deficits arising from dealing in hedge counterparties or if there is fraudulent activity by one of our employees, directors or authorised representatives that results in your money being used in fraudulent activities.

If the insurance policy is insufficient or the insurer fails to perform its obligations, Prospero Markets may not be able to make the payments it owes to you.

13.6 SUPERANNUATION FUNDS

Complying superannuation funds are subject to numerous guidelines and restrictions in relation to their investment activities. These are contained in the Superannuation Industry Supervision Act 1993, the regulations made under that Act, and circulars issued by past and present regulators of superannuation funds, namely the Insurance and Superannuation Commission, the Australian Prudential Regulation Authority and the Australian Taxation Office.

Some of the issues that should be considered by a trustee of a complying superannuation fund before entering into our financial products include:

- prohibitions on borrowing and charging assets and whether dealing in financial products would breach those borrowing and charging prohibitions;
- the dealing in financial products in the context of a complying superannuation fund's investment strategy, together with the fiduciary duties and other obligations owed by trustees of those funds;
- the necessity for trustees of a complying superannuation fund to be familiar with the risk involved in dealing in financial products and the need to have in place adequate risk management procedures to manage the risks associated in dealing in those products; and
- the consequences of including adverse taxation consequences if a superannuation fund fails to meet the requirements for it to continue to have complying status.

13.7 COMPLAINTS AND DISPUTE RESOLUTION

We have a dispute resolution process in place to resolve any complaints or concerns you may have, quickly and fairly. We are committed to providing a high standard of service to clients. If you have a query about the quality or level of service, or if we have failed to meet your expectations, we would like the opportunity to investigate this for you.

You can make a complaint verbally by calling us or write to us via email or post, through the details below:

Customer Services Team – Prospero Markets Pty Ltd

Address: Level 4, 990 Whitehorse Road, Box Hill, Victoria 3128, Australia

Email: support@prosperomarkets.com

Phone: 1300 768 888

If your complaint is not resolved to your satisfaction within thirty (30) days, you have the right to lodge a complaint with:

Australian Financial Complaints Authority (AFCA)

In writing to: Australian Financial Complaints Authority

GPO Box 3, Melbourne VIC 3001

Phone: Free call 1800 931 678

Website: www.afca.org.au

Email: info@afca.org.au

AFCA is a free service. AFCA will facilitate discussions and negotiations between the parties. At this stage the issues that are in dispute will be identified. If the dispute cannot be resolved through discussion, AFCA may facilitate conciliation between the parties. The conciliator will attempt to assist the parties to settle the dispute and agree on the terms of such settlement. If conciliation does not facilitate settlement of the dispute, AFCA will appoint an independent AFCA Decision Maker to make a decision taking into account relevant law, fairness and reasonableness. As a member of AFCA, any decision by the adjudicator is binding on Prospero if accepted by the client.

If you have any questions or would like to receive more information about our dispute resolution procedures, please refer to our Complaints Management Policy or reach out to us.

13.8 PRIVACY POLICY

Depending on the type of service being sought, we may ask you to provide certain personal information, either in writing or verbally. As a financial service provider, we have an obligation under the AML/CTF Act to verify your identity and the source of any funds. This means that we will ask you to present identification documents such as a passport and driver licence, and we will retain copies of this information. This information will be kept strictly confidential and is used for the primary purpose of providing our services to you.

Your privacy is important to us and we are committed to compliance with the Privacy Act 1988

(Cth) and the Australian Privacy Principles. We will not share your information with a third party unless you provide us with written permission to do so, or unless required to do so in accordance with the law.

You can obtain a copy of our Privacy Policy from our Website. You have the right to obtain a copy of any personal information that we hold about you and update or correct such information.

14. INTERPRETATION AND GLOSSARY

14.1 INTERPRETATION

- The defined terms used in the PDS are capitalised and set out in this section.
- If there is any conflict between the terms of the PDS and any Applicable Law, the Applicable Law (to the extent it cannot be excluded or modified by this PDS or the T&Cs) will prevail.
- In the PDS any reference to a person includes bodies corporate, unincorporated associations, partnerships and individuals.
- In the PDS, all references to times of the day are to the time in Sydney, New South Wales, Australia, unless otherwise specified.
- Headings and examples in the PDS are for reference only and do not affect the construction of the PDS.
- In the PDS any reference to any enactment includes references to any statutory modification or re-enactment of such enactment or to any regulation or order made under such enactment (or under such a modification or re-enactment).

14.2 DEFINITIONS

In the PDS the following terms and expressions have, unless the context otherwise requires, the following meanings:

ACCOUNT	means the account you have with us.
ADI	means an Authorised Deposit-Taking Institution.
AFSL	means the Australian Financial Service Licence held by Prospero Markets Pty Ltd (AFSL No: 423034).
AGREEMENTS	means this PDS, the T&Cs, the Application Form, the Financial Service Guide, and any information on our Website or Trading Platform, as amended, varied, or replaced from time to time, which together govern our relationship with you.
AGGREGATE CLOSE-OUT PROTECTION AMOUNT	has the meaning given to it in section 7.6.
AML/CTF LAWS	means the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (Cth) and all regulations, rules and instruments made under that Act.
APPLICATION FORM	means the application form and account opening documentation, including documentation required to be returned for the purposes of complying with the AML/CTF Laws, completed by you and submitted to us.
ASIC	means the Australian Securities and Investments Commission.

ASK PRICE	The current market price is made up of a level at which you can sell and a level at which you can buy. The level at which you can buy is always the higher of the two prices and is called the Ask Price.
ASSOCIATE	means: a) a person who is an officer, employee, agent, representative or associate of a party; b) a Related Body Corporate of a party; and c) a person who is an officer, employee, agent, representative or associate of a Related Body Corporate of a party.
AUD or $	means Australian dollars.
AUSTRALIAN CLIENT MONEY RULES	means the provisions, as modified by ASIC from time to time, in Part 7.8 of the Corporations Act and the Corporations Regulations made under those provisions that specify the manner in which financial services licensees are to deal with Client Moneys and property, and any other laws and regulations listed in section 9.1 of this PDS;
AUTHORISED PERSON	means you and/or any person authorised by you to give instructions to us under the T&Cs.
BASE CURRENCY	means the currency as agreed under the T&Cs.
BID PRICE	the current market price is made up of a level at which you can sell and a level at which you can buy. The level at which you can sell is always the lower of the two prices and is called the Bid Price.
BUSINESS DAY	means any day other than a Saturday, Sunday or public holiday on which banks are open for business in Sydney, New South Wales, Australia.
CFD	means a contract for difference that we offer to our clients from time to time under this PDS and the terms of the T&Cs.
CGT	means capital gain tax.
COMMISSION	means the fee paid to us for initiating a Contract.
COMMODITY	means oil, gas or such other commodities as published though our Trading Platform.
CLIENT MONEY	means the moneys our clients have deposited with us and held by us under the Australian Client Money Rules.
COMPLAINT MANAGEMENT POLICY	means our dispute resolution policy published on our website at https://www.prosperomarkets.com/public/pdf/Complaints_Management_Policy.pdf .
CONFIRMATION	means a message available on the Trading Platform to confirm the

	execution of your Order.
CONTRACT	means any contract, whether oral or written, including any derivative, option, future, contract for difference or other transaction relating to such financial products entered into by us with you. Contract is also referred to as Position in the Agreements.
CONTRACT PRICE	means the price we offer you to trade in our Products from time to time and which is calculated by us according to the T&Cs.
CONTRACT QUANTITY	means in relation to a Contract, the number of Contract Units as the case may be, traded by you as stated in the Confirmation.
CONTRACT UNIT	means relevant unit for the type of Position you wish to trade with us in accordance with the terms of the T&Cs.
CONTRACT VALUE	means the total value of the Position as calculated by us in accordance with the terms of the T&Cs.
CORPORATE ACTION	means the occurrence of any of the following in relation to the issuer of any relevant Underlying Instrument: • any rights, scrip, bonus, capitalisation or other issue or offer of shares/equities of whatsoever nature or the issue of any warrants, options or the like giving the rights to subscribe for shares/equity; • any acquisition or cancellation of own shares/equities by the issuer; • any reduction, subdivision, consolidation or reclassification of share/equity capital; • any distribution of cash or shares, including any payment of dividend; • a take-over or merger offer; • any amalgamation or reconstruction affecting the shares/equities concerned; and/or • any other event which has a diluting or concentrating effect on the market value of the share/equity which is an Underlying Instrument.
CORPORATIONS ACT	means the *Corporations Act 2001* (Cth).
EXCEPTED CONTRACTS	means a CFD where the Underlying Instrument is a Commodity future or other future product which will be automatically rolled over to a new Contract upon the Expiry Date. For the avoidance of doubt, CFDs where the Underlying Instrument is Commodity future or other future product which will NOT be subject to automatic rollover, are not Excepted Contracts.
EXPIRY DATE	means the day on which the Contract expires.
FSG	means our relevant Financial Services Guide, including any supplementary and replacement financial services guide.

GMT	means Greenwich Mean Time.
HANGING ORDER	has the meaning referred to in Section 5.3 under the section titled “Execution Risk”.
INDEX	means the market index on which a CFD is based.
INITIAL MARGIN	has the meaning referred to in Section 7.2.
LIMIT ORDER	has the meaning referred to in Section 4.15.
MAJOR CURRENCY PAIR	has the meaning referred to in Section 4.8.
MAJOR STOCK MARKET INDEX	has the meaning referred to in Section 4.11.
MARGIN	means the amount that you must pay to us and have in your Account to enter into or maintain a Position with us in accordance with the T&Cs.
MARGIN CALL	means a call on you normally made via the Trading Platform, requesting you to top up the amount of money you have in your Account as Margin.
MARGIN CALL LEVEL	means a particular Margin Level at or below which the Trading Platform will trigger a Margin Call automatically. Please refer to Section 7.5 for further information.
MARGIN LEVEL	means the percentage of Net Equity to Total Margin Requirements.
MARGIN PERCENTAGE	means such percentage as specified by us, and as amended by us in accordance with clause 10.4 in the T&Cs from time to time.
MARGIN REQUIREMENT	means the amount of money you are required to pay to us and deposit with us for entering into a trade and/or maintaining an open Position.
MARKET ORDER	means an order placed to buy or sell a Contract at the current price on our Trading Platform or as advised to you.
MAXIMUM TRADING SIZE	means such maximum Contract Quantity or Contract Value as we may specify through our Trading Platform from time to time for any type of Product.
MINIMUM TRADING SIZE	means such minimum Contract Quantity or Contract Value as we may specify on our Website from time to time for any type of Product.
MINOR CURRENCY PAIR	has the meaning referred to in Section 4.8.

MINOR STOCK MARKET INDEX	has the meaning referred to in Section 4.11.
NET EQUITY	means the aggregate of the current cash balance in your Account, adding all your realised and unrealised profits and losses, and deducting applicable charges and fees payable to us. The term Net Equity under this PDS has the same meaning as given to it in the Product Intervention Instrument.
ORDER	means an offer made by you under the Agreements.
OTC	means Over the Counter.
PDS	means this Product Disclosure Statement, including any supplementary and replacement Product Disclosure Statement.
POSITION	means the long or short Position you have taken with us. Position has the same meaning as Contract in this PDS.
PRODUCTS	means any of the Margin FX Contracts and CFDs we offer at any given time;
PRODUCT SCHEDULE	means the list of available Products offered by us and the associated details, which is available on our Website at www.prosperomarkets.com.
RELATED BODY CORPORATE	has the meaning given in the Corporations Act, with any necessary modifications for companies incorporated outside Australia.
ROLLOVER BENEFIT	means a benefit you may receive on Excepted Contractss held overnight and which is described in the T&Cs.
ROLLOVER CHARGE	means a charge you may have to pay where you have a Futures Based CFD held overnight and which is described in the T&Cs.
SPREAD	means the difference in the bid and offer prices of a Product quoted from time to time by us and, where appropriate, expressed as a percentage of the relevant price.
STOP LOSS ORDER	has the meaning referred to in Section 4.15.
STOP OUT LEVEL	Means the Margin Level at which Prospero Markets has the ability to close all or some of your existing Contracts.
SWAP BENEFIT	means a benefit you may receive on a Position held overnight in a Position (other than an Excepted Contract) and which is described in the T&Cs.
SWAP CHARGE	means a charge you may have to pay on a Position held overnight in a Product (other than an Excepted Contract) and which is described in the T&Cs.
SWAP RATE	means the rate determined by us from time to time having regard to, among things, market rates and financing rates.

TOTAL MARGIN REQUIREMENT	means the sum of your Margin Requirements for all of your open Positions.
TRADING DAY	means Monday to Friday (Trading Platform Time) including public holidays during which our Trading Platform is open for trading. A Trading Day starts at 00:00 and ends at 24:00 of the Trading Platform Time.
TRADING PLATFORM	means the trading platform we make available to you by which you may trade with us online in our Products. This includes any electronic service provided by us, for example an internet trading service offering clients access to information and trading facilities, via an internet service, a WAP service and/or an electronic order routing system and relevant software provided by us to enable you to use an electronic trading service.
TRADING PLATFORM TIME	means the time zone our Trading Platform is set in. This may change from time to time and is generally GMT+2 or GMT+3. Please refer to our Website for the time zone of our Trading Platform Time.
UNDERLYING INSTRUMENT	means the instrument which we list as being available to underlie an Order or Contract. An Underlying Instrument could be currency, an index, Commodity, futures contract, or other instrument or asset or factor the reference to which the value of a Product is determined.
UNDERLYING MARKET	means the market in which the Underlying Instrument is traded.
USD	means the lawful currency of the United States of America.
VARIATION MARGIN	has the meaning referred to in Section 7.3.
WE/ US/ OUR	means Prospero Markets Pty Ltd (ABN 11 145 048 577).
WEBSITE	means any page hosted by the web domain name www.prosperomarkets.com and includes the client portal.

ASIC Australian Securities & Investments Commission

Australian financial services licensees

PROSPERO MARKETS PTY LTD
Licence number 423034

Information displayed is current as of 12:03PM AEDT 06 March 2026.

Licensee summary

Name:	PROSPERO MARKETS PTY LTD
Licence number:	423034
Status:	Ceased
ABN:	11 145 048 577
ACN:	145 048 577
Commenced:	19/12/2012
Ceased:	25/09/2024

Roles

Role:	AFS licensee's auditor
Name:	CHARTERHOUSE & CO AUDITORS PTY LTD
Commenced:	23/02/2024

External dispute resolution

Scheme:	Australian Financial Complaints Authority
Membership number:	28755
Commenced:	01/05/2018

Licence/Registration conditions

Conditions as at: 22/03/2018

Details: 1. This licence authorises the licensee to carry on a financial services business to:
(a) provide general financial product advice for the following classes of financial products:
(i) derivatives; and
(ii) foreign exchange contracts;
(b) deal in a financial product by:
(i) issuing, applying for, acquiring, varying or disposing of a financial product in respect of the following classes of financial products:
(A) derivatives; and
(B) foreign exchange contracts; and
(ii) applying for, acquiring, varying or disposing of a financial product on behalf of another person in respect of the following classes of products:
(A) derivatives; and
(B) foreign exchange contracts; and
(c) make a market for the following financial products:
(i) foreign exchange contracts; and
(ii) derivatives;
to retail and wholesale clients.

Conditions as at: 19/12/2012

Details: 1. This licence authorises the licensee to carry on a financial services business to:
(a) provide general financial product advice for the following classes of financial products:
(i) derivatives; and
(ii) foreign exchange contracts;
(b) deal in a financial product by:

PROSPERO MARKETS PTY LTD
Licence number 423034

(i) arranging for another person to issue, apply for, acquire, vary or dispose of a financial product in respect of the following classes of financial products:
(A) derivatives; and
(B) foreign exchange contracts; and
(c) make a market for the following financial products:
(i) foreign exchange contracts; and
(ii) derivatives;
to retail and wholesale clients.

Further information relating to this license may be purchased from ASIC

Search

Email Re: FS70-71 lodge…

Re: FS70-71 lodgement

David <david@prosperomarkets.com> 2023-11-28 15:28

Send to Compliance, Wendy, [redacted], Violet Wang, Jenny Muld… Details

Sent Recall Email

Hi Victor:

Please confirm these 2020, 2021 and 2022 FS70 and FS71 statements are visible and confirmed as lodge

Kind Regards,

Wei Hong

Prospero Markets Pty Ltd | Head of institutional Partnerships | Sales Department

E David@prosperomarkets.com

T 1300 768 888

Level 4, 990 Whitehorse Rd, Box Hill 3128 VIC



Prospero Markets Pty Ltd (ACN 145 048 577) trading as Prospero Markets is registered at Level 4, 990 Whitehorse Road, Box Hill, Victoria 3128, and holds an Australian Financial Services Licence (Number 423034) issued by the Australian Securities and Investments Commission (ASIC) to carry on a financial services business in Australia. The information on this email and the products and services offered are not intended for distribution to any person in any country or jurisdiction where such distribution or use would be contrary to local law or regulation.

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InfoTrack

Australian Securities & Investments Commission

Personal Name Extract
Extract Type: Current
ASIC Data Extracted 06/03/2026 at 13:04

DING WANG

Birth Details: Place Unknown

Document No.

- Roles Held -

- Shares Held -

Current

- Holding -

Class:	ORD	**Number Held:**	100	029446021
Beneficially Owned:	Yes	**Fully Paid:**	Yes	

- Members -

Name:	WONGS DEVELOPMENT PTY LTD
ACN:	168 813 581
Address:	9 DENMARK ROAD KEYSBOROUGH VIC 3173
Joint Holding:	No

- Holding -

Class:	ORD	**Number Held:**	165	0EDP91191
Beneficially Owned:	Yes	**Fully Paid:**	Yes	

- Members -

Name:	CHANGJIANG FINANCIAL SERVICES PTY LTD
ACN:	628 026 960
Address:	1-2 LOMBARD COURT NARRE WARREN NORTH VIC 3804
Joint Holding:	No

- Holding -

Class:	ORD	**Number Held:**	100	0EYA27142
Beneficially Owned:	Yes	**Fully Paid:**	Yes	

- Members -

Name:	PARTY HOME PTY LTD
ACN:	637 515 112
Address:	UNIT 1 122 HAUGHTON ROAD OAKLEIGH VIC 3166
Joint Holding:	No
Abn:	93 637 515 112

- Holding -

Class:	ORD	**Number Held:**	100	7EBQ89791
Beneficially Owned:	Yes	**Fully Paid:**	Yes	

- Members -

Name:	CHJFE AUSTRALIA PTY LTD
ACN:	652 946 015
Address:	1-2 LOMBARD COURT NARRE WARREN NORTH VIC 3804
Joint Holding:	No
Abn:	83 652 946 015

- Holding -

Class:	ORD	**Number Held:**	100	6EIUS7420
Beneficially Owned:	Yes	**Fully Paid:**	Yes	

- Members -

Name:	GEMSTONE SOLID SURFACE PTY LTD
ACN:	684 640 364
Address:	'2' UNIT 6 6-8 CHURCH STREET RANDWICK NSW 2031
Joint Holding:	No
Abn:	48 684 640 364

*** End of Document ***

International Company Report on

PROSPERO MARKETS COMPANY LIMITED

COMPANY NUMBER: 9429041297940



New Zealand

Date prepared: Friday, 6 March 2026 1:26 pm

Contents

- Company profile
- Address and contact information
- Directors and shareholders
- *Capital (no data)*
- Activity information
- Legal form
- About KYC & AML

COMPANY PROFILE: PROSPERO MARKETS COMPANY LIMITED

Country	New Zealand 
Company name	**PROSPERO MARKETS COMPANY LIMITED**
Company number	9429041297940
Registration date	2/7/2014
Foundation/incorporation date	12/7/2023
Legal form	NZ Limited Company
Company status	Removed
Data retrieval date	3/6/2026

ADDRESS AND CONTACT INFORMATION

Address	Type	Email
104 Lincoln Road, Henderson, Auckland, NZ	POSTAL	
104 Lincoln Road, Henderson, Auckland, NZ	OFFICE	
104 Lincoln Road, Henderson, Auckland, NZ	DELIVERY	
Suite 911 Sapphire Apartments, 76 Wakefield Street, Auckland Central, Auckland, NZ	REGISTERED	
Suite 911 Sapphire Apartments, 76 Wakefield Street, Auckland Central, Auckland, NZ	SERVICE	
	Email	grant.23579@gmail.com

DIRECTORS AND SHAREHOLDERS

Directors

No	Name	Title	Director number	Address
1	Shengyin WANG	Director	105922194	

Persons of significant control

No data found.

Shareholders

Name	Type	Percentage	Share count
WANG, Shengyin	Person	100.00	10,000,000

CAPITAL

No data found.

ACTIVITY INFORMATION

Activities

Code	Description
K641110	Commodity futures broking or dealing
K641120	Financial asset broking service

LEGAL FORM

Label	Value
Legal form	NZ Limited Company
Legal form declaration	NZ Limited Company

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End of report.

NEW ZEALAND COMPANIES OFFICE | COMPANIES REGISTER

Company Extract

PROSPERO MARKETS COMPANY LIMITED
5339161
NZBN: 9429041297940

Entity Type:	NZ Limited Company
Incorporated:	03 Jul 2014
Current Status:	Removed
Constitution Filed:	No
Ultimate holding company:	No

Company Addresses

Registered Office
Suite 911 Sapphire Apartments, 76 Wakefield Street, Auckland Central, Auckland, 1010, NZ

Address for Service
Suite 911 Sapphire Apartments, 76 Wakefield Street, Auckland Central, Auckland, 1010, NZ

Directors

WANG, Shengyin
1-2 Lombard Ct, Narre Warren North, Vic, 3804, AU

Australian company directorship

Director of an Australian company: Yes

Australian company details

ACN:	145048577
Company name:	PROSPERO MARKETS PTY LTD
Registered office address:	Level 4, 990 Whitehorse Road, Box Hill, Box Hill, Vic, 3128, AU

Shareholdings

Total Number of Shares: 10,000,000

Extensive Shareholdings: No

10,000,000 WANG, Shengyin
1 Lombard Ct, Narre Warren North, Vic, 3804, AU

NEW ZEALAND COMPANIES OFFICE COMPANIES REGISTER

Company Extract

PROSPERO MARKETS COMPANY LIMITED

5339161

NZBN: 9429041297940

For further details relating to this company, check https://app.companiesoffice.govt.nz/co/5339161

Extract generated 09 March 2026 03:25 AM NZDT

PROSPERO MARKETS COMPANY LIMITED *(5339161) Removed*

To maintain this company log on here

View previous names

Last updated on 26 Jun 2025

Company Summary | Addresses | Directors (1) | Shareholdings (1) | Documents (58) | PPSR Search

Company number:	5339161
NZBN:	9429041297940
Incorporation Date:	03 Jul 2014
Company Status:	Removed View Previous Status
Entity type:	NZ Limited Company
Constitution filed:	No
FRA Reporting Month:	March
Ultimate holding company	No
Company addresses:	**Registered Office** Suite 911 Sapphire Apartments, 76 Wakefield Street, Auckland Central, Auckland, 1010 , New Zealand **Address for service** Suite 911 Sapphire Apartments, 76 Wakefield Street, Auckland Central, Auckland, 1010 , New Zealand View all addresses
Directors	Showing 1 of 1 directors Shengyin WANG 1-2 Lombard Ct, Narre Warren North, Vic, 3804 , Australia
Company record link:	https://app.companiesoffice.govt.nz/co/5339161

Additional NZBN Information

Trading Name(s):	PROSPERO MARKETS
Phone Number(s):	
Email Address(es):	grant.23579@gmail.com
Website(s):	No website
Industry Classification(s):	K641110 Commodity futures broking or dealing View more

View all NZBN details

Generated on Monday, 09 March 2026 03:24:36 NZDT

From: David hong
Sent: 29 April 2024 23:19:39
To: Pauline Yeow;julia@prosperomarkets.com
Cc: [redacted];John Keenan;Savio Monis;Mankirth Mandair;Katherine La
Subject: Re: Prospero Markets Pty Ltd (In Liquidation)

Hi Pauline :
I went to the office today and wanted to look for the NAS ,but it seems that the NAS have been recovered by your team already .
therefore according to Julia 14.200.203.62 this IP for the NAS previously we used to obtain client information onboarding documents etc.
Now since it have been removed from the premises we cannot login to obtain the data. All the back up of contracts should be in there as well , I will look in the email for the CIMB contracts.
Kind Regards
David

On Fri, Apr 26, 2024 at 5:30 PM David hong <[redacted]> wrote:

1.will send in a separate email
[redacted]=%2Fimages%2Ffavicon-prospero.ico&logo=%2Fimages%2Flogo_null.png
stores all generate data including ID
[redacted]
This is the general data base , **please note as HK yoling data have large amount of unpaid invoice they would like the payments to be cleared before handing over credentials for the weblink**.
3. CRM doesn not provide wallet facility.
4. As the off-shore entity started operations before the ASIC licence ,but the first MT4 license was obtained first using the AU entity but used for offshore business initially, later on when the ASIC business started operating in 2021 , we initially used 1 server to handle client for both offshore and offshore, few months into the business we bought over another company (NZ company） which had another MT4 lisence which we used purely for asic clients, months later we did a server migrate moving all au client position and information to the new server (NZ) . therefore now the NZ lisence hold all the ASIC information. Which means it is critical that we maintain this server.
5. We determine AU or offshore by the region of application supplied in the application , if client selects australia and provides all kyc material (POR, license ,passport ETC,) they are determined as ASIC client , any clients within australia apply for offshore will be rejected and all client who resides out of australia will be rejected if attempting to open under ASIC entity.
6. I will send through in seperate email
7. The general withdrawal process would be in the process below:

1. Client submits withdrawal using the client portal(CRM)- providing withdrawal details.
2. Detail review by operations team :
   - check method of deposit
   - Bpay and bank transfer,TT which have been active (definition see AML program) can with withdrawal to any bank account in the account holders name , clients who is not active will need to return the funds back to source (if proof of deposit not on file request for a proof of deposit with full detail of the account) minimum information on proof , account number ,account holder name , transaction details and bank logo.
   -Credit card deposits if within 30 days need to return to card in a last in first out sequence, only a maximum amount of the funded amount can be returned to the same card, if funds exceed deposit then withdraw using bank transfer.
3. Process withdawal using cc vendor or bank transfer.

Client information stord in database provided above.

On Wed, Apr 24, 2024 at 7:19 PM Pauline Yeow <pyeow@brifnsw.com.au> wrote:

Dear David and Hal,

Could you give us further information regarding the following:

1. Provide us copies of all liquidity provider contracts.

2. Where is your general database server? Julia has advised that it on Alibaba cloud, but the credentials provided only gives access to the email server. Can you please provided the weblink and credentials to access the database server urgently.

3. Advise if the CRM provides a wallet facility to clients. If so, who was the wallet provider.

4. @David hong could you clarify what you mean by the NZ company license. Are they the holder of the Metaquotes license and the AU company whitelabels the NZ Company license? Can you give me a copy of the email you mentioned?

5. How do you determine if a client is an AU client, NZ client or a overseas client? We have received claims from parties who are residing overseas and don't appear on the trading data you submitted to ASIC.

6. Provide a copy of the Metaquotes agreement.

7. Can you explain what the process would have been for withdrawals. Both who a client would instruct the company and what was the process to arrange a withdrawal (including how the Company would comply with AML rules etc.) Where are the client's information is stored including their bank accounts and ID data?

Regards,

Pauline Yeow

Senior Manager

BRI Ferrier

We have moved, please note our new address below.

A Level 26, 25 Bligh Street, Sydney NSW 2000

P GPO Box 7079, Sydney NSW 2001

T 1300 291 012 (toll free) or + 61 2 8044 0530 (international)

E prosperomarkets@brifnsw.com.au | **W** www.briferrier.com.au

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VCID:d329614e-276d-457d-9968-20f87922e53f.

FINANCIAL SERVICES AUTHORITY

St Vincent & The Grenadines

ENTITY NAME SEARCH

Welcome to the Financial Services Authority's Entity Name Search. You may enter any information from any column to search for a specific entity (i.e. company name, registration number, business type or registered agent). You can also sort any column based on preferences.

This information is updated periodically.

For any additional information or enquiries, you can visit our Contact page.

Last Updated: 06-May-24

Name	RegistrationNo	BusinessType	Status	DateOfIncorporation	Agent
Prospero Markets LLC	533	LLC-Limited Liability Company	Active	2020-08-10 13:03:11	International Business Services Ltd.

Showing 1 to 1 of 1 entries (filtered from 4,388 total entries) Previous Next

BACK TO TOP

Financial News

Goldman Sachs slants research to help Democrats, top White House adviser says October 2, 2018

Land O'Lakes CEO Beth Ford, from the cornfield to the C-suite October 1, 2018

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The next big test for Elon Musk arrives this week September 30, 2018

CEOs are cashing in on the market boom September 26, 2018

General Electric is in a sharp decline September 26, 2018

Links

SVG International Financial Services

Caribbean Financial Action Task Force (CFATF)

Government of St. Vincent & the Grenadines (SVG)

OECD

SVG Maritime Administration

SVG High Commission UK

SVG Consulate General New York

SVG Embassy Washington

SVG FIU

UN Sanctions

Invest SVG

Recent Posts

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WARNING NOTICE-GOLDEN TRUST Company April 4, 2024

WARNING NOTICE – HiTech Digital Business Ltd March 20, 2024

Calliaqua Friendly Society Statement by the FSA February 17, 2024

ACCOUNT OFFICER VACANCY January 16, 2024

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ASIC EXTRACT SNAPSHOT

Date Extracted	06/03/2026
Extract Order Date	06/03/2026
ACN	628 026 960
ABN	-
Current Name	CHANGJIANG FINANCIAL SERVICES PTY LTD
Registered In	Victoria
Registration Date	08/08/2018
Review Date	08/08/2026
Company Type	ACN (Australian Company Number)
Current Directors	DING WANG
Current Secretaries	DING WANG

CURRENT ORGANISATION DETAILS

Start Date	05/03/2026
Name	CHANGJIANG FINANCIAL SERVICES PTY LTD
Name Start Date	08/08/2018
Status	Strike-Off Action In Progress
Type	Australian Proprietary Company
Class	Limited By Shares
Sub Class	Proprietary Company
Disclosing Entity	No

Share Structure (Displaying Top 4 Only)

Go to full ASIC Results

Class	Class Type	Shares Issued	Amount Paid
ORD	ORDINARY SHARES	1000	$1,000.00

(creditor)watch - Credit Score (0)

Go to full Credit Report



Risk Data Summary

Court Judgments	0	Payment Defaults	0	Insolvency Notices	0	Mercantile Enquiries	0	Credit Enquiries	31

DOW JONES - PEPs, Sanctions & Adverse media

No search results from authority for this organisation.

InfoTrack
www.infotrack.com.au
1800 738 524

ASIC
Current & Historical Organisation Extract

ASIC Data Extracted 06/03/2026 at 13:09

This extract contains information derived from the AustralianSecurities and Investment Commission's (ASIC) database undersection 1274A of the Corporations Act 2001.Please advise ASIC of any error or omission which you may identify.

- 628 026 960 CHANGJIANG FINANCIAL SERVICES PTY LTD -

ACN (Australian Company Number):	628 026 960	**Document No.**
ABN:		
Current Name:	CHANGJIANG FINANCIAL SERVICES PTY LTD	
Registered in:	Victoria	
Registration Date:	08/08/2018	
Review Date:	08/08/2026	
Company Bounded By:		

- Current Organisation Details -

Name:	CHANGJIANG FINANCIAL SERVICES PTY LTD	0D1077082
Name Start Date:	08/08/2018	
Status:	Strike-Off Action In Progress	
Type:	Australian Proprietary Company	
Class:	Limited By Shares	
Sub Class:	Proprietary Company	

- Former Organisation Details from 08/08/2018 to 04/03/2026 -

Name:	CHANGJIANG FINANCIAL SERVICES PTY LTD
Name Start Date:	08/08/2018
Status:	Registered
Type:	Australian Proprietary Company
Class:	Limited By Shares
Sub Class:	Proprietary Company

- Company Addresses -

- Registered Office 032334515

Address: C/- MNY GROUP SUITE 2 LEVEL 9 'INFO RECEIVED ADDRESS MAY BE INVALID 13/01/25' 3 **BOWEN CRESCENT MELBOURNE VIC 3004

Start Date:

- Previous Registered Office 5EDH60317

Address: SUITE 2 LEVEL 6 160 QUEEN STREET MELBOURNE VIC 3000

Start Date: 31/03/2021
Cease Date: 18/09/2023

- Previous Registered Office 5EAA60626
Address: 1 APOLLO COURT BLACKBURN VIC 3130
Start Date: 08/08/2018
Cease Date: 30/03/2021

- Previous Registered Office 5EIE81088
Address: C/- MNY GROUP '02' SUITE 9 3 BOWEN CRESCENT MELBOURNE VIC 3004
Start Date: 19/09/2023
Cease Date:

- Principal Place of Business 032334515
Address: C/- MNY GROUP SUITE 2 LEVEL 9 'INFO RECEIVED ADDRESS MAY BE INVALID 13/01/25' 3 **BOWEN CRESCENT MELBOURNE VIC 3004
Start Date:

- Previous Principal Place of Business 5EDH60317
Address: SUITE 2 LEVEL 6 160 QUEEN STREET MELBOURNE VIC 3000
Start Date: 09/03/2021
Cease Date: 29/08/2023

- Previous Principal Place of Business 5EAA60626
Address: 1 APOLLO COURT BLACKBURN VIC 3130
Start Date: 08/08/2018
Cease Date: 08/03/2021

- Previous Principal Place of Business 5EIE81088
Address: C/- MNY GROUP '02' SUITE 9 3 BOWEN CRESCENT MELBOURNE VIC 3004
Start Date: 30/08/2023
Cease Date:

- Company Officers -

Note:
A date or address shown as UNKNOWN has not been updated since ASIC took over the records in 1991. For details, order the appropriate historical state or territory documents, available in microfiche or paper format.
* Check documents listed under ASIC Documents Received for recent changes.

Director

Name: DING WANG 5ECU13777
Address: 1-2 LOMBARD COURT NARRE WARREN NORTH VIC 3804
Birth Details: 04/05/1983 BEIJING CHINA
Appointment Date: 20/01/2021
Cease Date:

Previous Director

Name:	FEI DUAN	5EAA60626
Address:	15 GERTRUDE STREET TEMPLESTOWE LOWER VIC 3107	
Birth Details:	13/10/1986 BEIJING CHINA	
Appointment Date:	08/08/2018	
Cease Date:	20/01/2021	

Secretary

Name:	DING WANG	5ECU13777
Address:	1-2 LOMBARD COURT NARRE WARREN NORTH VIC 3804	
Birth Details:	04/05/1983 BEIJING CHINA	
Appointment Date:	20/01/2021	
Cease Date:		

Previous Secretary

Name:	FEI DUAN	5EAA60626
Address:	15 GERTRUDE STREET TEMPLESTOWE LOWER VIC 3107	
Birth Details:	13/10/1986 BEIJING CHINA	
Appointment Date:	08/08/2018	
Cease Date:	20/01/2021	

- Share Structure -

Current

Class:	ORDINARY SHARES	5EED41926
Number of Shares Issued:	1000	
Total Amount Paid / Taken to be Paid:	$1,000.00	
Total Amount Due and Payable:	$0.00	

Note:
For each class of shares issued by a company, ASIC records the details of the twenty members of the class (based on shareholdings). The details of any other members holding the same number of shares as the twentieth ranked member will also be recorded by ASIC on the database. Where available, historical records show that a member has ceased to be ranked amongst the twenty members. This may, but does not necessarily mean, that they have ceased to be a member of the company.

- Share/Interest Holding -

Current

- Holding -

Class:	ORD	**Number Held:**	165	0EDP91191
Beneficially Owned:	Yes	**Fully Paid:**	Yes	

- Members -

Name: DING WANG
Address: 1-2 LOMBARD COURT NARRE WARREN NORTH VIC 3804
Joint Holding: No

- Holding -

Class:	ORD	**Number Held:**	835	5EED41926
Beneficially Owned:	No	**Fully Paid:**	Yes	

- Members -

Name: JU FAMILY PTY LTD
ACN: 623 785 259
Address: 60 BELFORD ROAD KEW EAST VIC 3102
Joint Holding: No

Ceased/Former

- Holding -

Class:	ORD	**Number Held:**	83	0EHC63832
Beneficially Owned:	No	**Fully Paid:**	Yes	

- Members -

Name: QUANTUM FUND INVESTMENT PTY LTD
ACN: 630 628 858
Address: 70 ELMSWOOD BOULEVARD KEYSBOROUGH VIC 3173
Joint Holding: No

- Holding -

Class:	ORD	**Number Held:**	662	0EWW06708
Beneficially Owned:	No	**Fully Paid:**	Yes	

- Members -

Name: ZHUO FAMILY PTY. LTD.
ACN: 604 388 605
Address: UNIT 3 1126 BURKE ROAD BALWYN NORTH VIC 3104
Joint Holding: No

- Holding -

Class:	ORD	**Number Held:**	302	0EHC63832
Beneficially Owned:	Yes	**Fully Paid:**	Yes	

- Members -

Name: FEI DUAN
Address: 15 GERTRUDE STREET TEMPLESTOWE LOWER VIC 3107
Joint Holding: No

- External Administration Documents -

There are no external administration documents held for this organisation.

- Charges -

There are no charges held for this organisation.

Notes:
On 30 January 2012, the Personal Property Securities Register (PPS Register) commenced.
At that time ASIC transferred all details of current charges to the PPS Registrar.
ASIC can only provide details of satisfied charges prior to that date.
Details of current charges, or charge satisfied since 30 January 2012 can be found on the PPS Register, www.ppsr.gov.au.
InfoTrack may cap documents for on-file searches to 250.

- Document List -

Notes:
* Documents already listed under Registered Charges are not repeated here.
* Data from Documents with no Date Processed are not included in this Extract.
* Documents with '0' pages have not yet been imaged and are not available via DOCIMAGE. Imaging takes approximately 2 weeks from date of lodgement.
* The document list for a current/historical extract will be limited unless you requested ALL documents for this extract.
* In certain circumstances documents may be capped at 250.

Form Type	Date Received	Date Processed	No. Pages	Effective Date	Document No.
484	12/09/2023	12/09/2023	2	30/08/2023	5EIE81088
484	Change to Company Details				
484B	Change of Registered Address				
484C	Change of Principal Place of Business (Address)				
484	27/07/2021	27/07/2021	3	23/07/2021	5EED41926
484	Change to Company Details				
484O	Changes to Share Structure				
484N	Changes to (Members) Share Holdings				
484	24/03/2021	24/03/2021	2	09/03/2021	5EDH60317
484	Change to Company Details				
484B	Change of Registered Address				
484C	Change of Principal Place of Business (Address)				
484	21/01/2021	21/01/2021	2	20/01/2021	5ECU13777
484E	Change to Company Details Appointment or Cessation of A Company Officeholder				
484	01/11/2019	01/11/2019	3	23/10/2019	0EWW06708
484	Change to Company Details				
484O	Changes to Share Structure				
484N	Changes to (Members) Share Holdings				

484	06/03/2019	06/03/2019	2	06/03/2019	0EHQ95021
484	Change to Company Details				
484O	Changes to Share Structure				
484N	Changes to (Members) Share Holdings				
484	06/02/2019	06/02/2019	3	10/01/2019	0EHC63832
484	Change to Company Details				
484O	Changes to Share Structure				
484N	Changes to (Members) Share Holdings				
484	11/10/2018	11/10/2018	3	24/09/2018	0EDP91191
484	Change to Company Details				
484O	Changes to Share Structure				
484N	Changes to (Members) Share Holdings				
484	11/10/2018	11/10/2018	2	24/09/2018	0EDP91067
484	Change to Company Details				
484O	Changes to Share Structure				
484N	Changes to (Members) Share Holdings				
201	08/08/2018	08/08/2018	3	08/08/2018	5EAA60626
201C	Application For Registration as a Proprietary Company				

- Company Contact Addresses -

- <u>Previous Contact Address for ASIC use only</u>

Address: 'STE 9 02' 3 BOWEN CRESCENT MELBOURNE VIC 3004
Start Date: 24/09/2018
Cease Date: 21/03/2024

*** End of Document ***

(creditor)watch

Credit Report

Name	CHANGJIANG FINANCIAL SERVICES PTY LTD
ACN	628026960
Document Type	Credit Report
Report Generated	06-03-2026 at 13:09
ASIC Extract	Not Included
ASIC Extract Status	Not Included

Credit Report	✔ Included
RiskScore	✔ Included
Payment Rating	✘ Not Included
CW Bankruptcy Check (PIRS)	✘ Not Included
ASIC Data (On File)	✘ Not Included
ASIC Current Extract	✘ Not Included
ASIC Current & Historical	✘ Not Included
PPSR ACN	✘ Not Included
PPSR Business Name	✘ Not Included
Append Docs Lodged	✔ Included
Append Business Names	✔ Included
Append Credit Enquiries	✔ Included

Summary



F / 0
Default Risk

31 Credit Enquiries



ACN Status:
Strike-Off Action In Progress

No ATO Tax Default

No Payment Defaults

No Court Actions

No Mercantile Enquiries

ASIC Data
- No Published Notices
- No Critical Documents

Important Cross Directorships Not Available

Adverse

Risk Category	Risk Level	Risk Overview

No Adverse Information Found

ASIC Data

Name	CHANGJIANG FINANCIAL SERVICES PTY LTD
Registered Office Address	'INFO RECEIVED ADDRESS MAY BE INVALID 13/01/25' 3 BOWEN CRES MELBOURNE 3004
ACN	628 026 960
Registered Date	08-08-2018
Next Review Date	08-08-2026
Status	Strike-Off Action In Progress
Company Type	Australian Proprietary Company
Class	Limited By Shares
Subclass	Proprietary Company
Locality	MELBOURNE VIC 3004
Regulator	Australian Securities & Investments Commission

RiskScore



F

RiskScore	0 / 850
Risk level	Default

RiskScore summary

Entity has a **100% chance of default** within the next 12 months.

Entity has become insolvent or does not have the ability to trade

Key contributing factors

There are no contributing factors for this entity

0

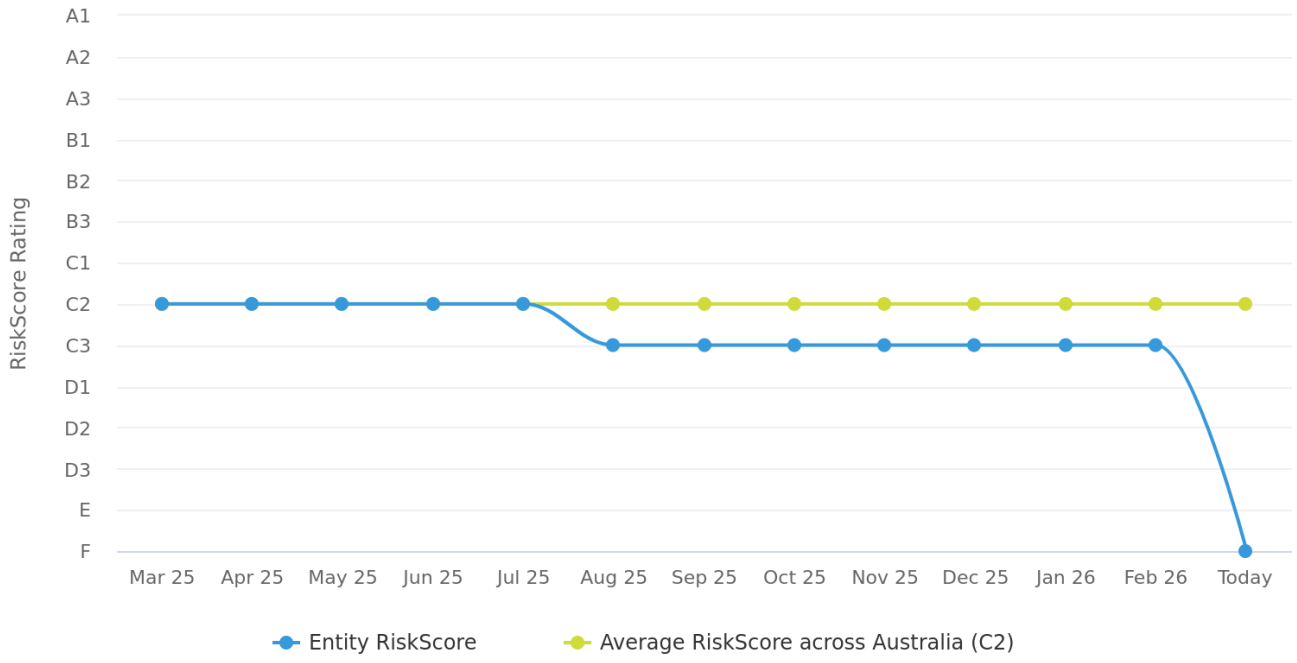
Average for similar entities

Higher risk

Lower risk

RiskScore Historical Information

Within the last 12 Months



Did you know?

- The Industry Score is based on the average score of entities within the same ANZSIC Division.
- The average RiskScore across Australia has historically been around **C2** (average default risk over the past 5 years).
- The dotted line shows a **rating band**, not a single score. Your numeric score can change within this band without moving the line.

The CreditorWatch RiskScore is the most advanced algorithm in the market and is designed to ensure you make the right decision. The RiskScore has been developed using the latest machine learning techniques in combination with CreditorWatch's extensive data. The CreditorWatch RiskScore should be used in partnership with your internal credit procedures and policies.

What is "probability of default"?
This is the likelihood that an entity will NOT be able to meet their financial commitments in the next 12 months eg: pay an invoice.

Score Recommendations

RiskScore Rating	Risk Level	Recommendation
A1, A2, A3	Very Low	Very strong credit quality based on behavioural and business demographics. Likelihood of default or insolvency is considered very low. Extend terms within consideration.
B1, B2	Low	Strong credit quality based on behavioural and business demographics. Likelihood of default or insolvency is considered very low. Extend terms within consideration.
B3, C1	Neutral	Lower than average default risk for an Australian business. Business demographics and behaviours indicative of low likelihood of default or insolvency in the short to medium term. Extend terms and monitor ongoing payment behaviour.
C2	Acceptable	Average default risk for an Australian business. Standard underwriting criteria and due diligence recommended prior to extending credit. Extend terms, closely monitor ongoing payment behaviour.
C3	Potential Risk	Behaviours and business demographics may indicate increased risk for some businesses in this group. Assessment of the entity's financial position and cashflow is recommended prior to extending material unsecured credit.
D1, D2, D3	High	Risk of default or insolvency is significantly higher than the average for Australian businesses. COD trading highly recommended.
E	Impaired	Entity is highly vulnerable to default or insolvency in the short term.
F	Defaulted	One or more creditors has initiated legal proceedings or other significant actions in response to unpaid debt obligations, or the entity is entering or has entered insolvency.

Please note that the rating and recommendation should be used in partnership with your company's internal credit procedures and policies. The rating should not be used as the sole reason in making decision about the entity.

What are contributing factors?

How it works

A contributing factor is a datapoint that determines the risk profile of a company. It could indicate a negative or positive impact on a business's ability to continue trading.

↑ The contributing factor drove the entity's RiskScore in a positive direction
↓ The contributing factor drove the entity's RiskScore in a negative direction

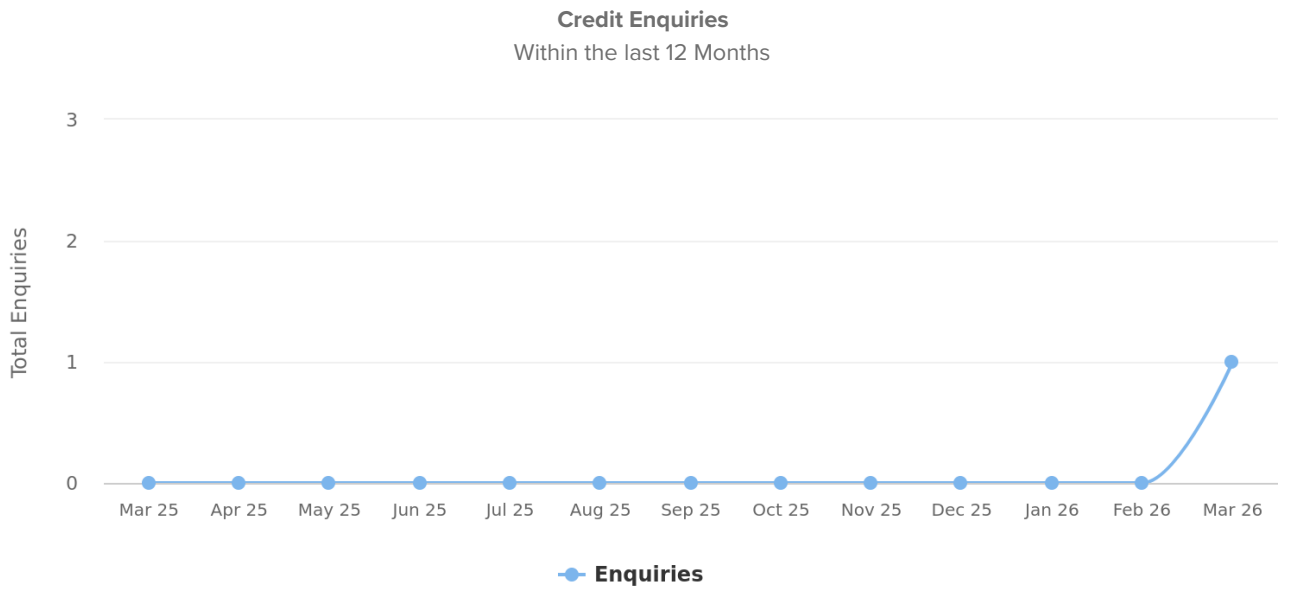
Contributing factors that could affect RiskScores

- Data on the registration or location of the business
  Businesses that have been established for a longer period of time, or have operated in the same location longer, tend to be less risky
- Data from invoices or aged trial balances
  Businesses that pay their invoices on time tend to be less risky
- Data relating to the size of the business
  Larger businesses tend to be less risky
- Data relating to important cross directorships
  Businesses without important director behaviour tend to be less risky
- Data relating to adverse risk factors
  Businesses without traditional credit risk drivers such as ASIC published notices or court judgments tend to be less risky
- Data relating to industry and type of the business
  Some industries or business types are more risky than others

Credit Enquiries

31
Last 5 Years

1
Last 12 Months



Enquiries Ordered by Industry

Industry (ANZSIC Division)	No of Enquiries
Information Media and Telecommunications (J)	1
Total Enquiries (within the last 12 months)	**1**

Enquiries Ordered by Date

Industry (ANZSIC Division)	Date
Information Media and Telecommunications (J)	06-03-2026

Credit enquiries provide an indication of the number of times an entity's credit file has been accessed. For credit enquiries performed in the last 12 months, the date of the enquiry and the industry of the business, sole trader or individual performing the credit enquiry is detailed in the graph and table.

Risk Data

Court Actions

Court Details	Plaintiff	Action	Nature of the Claim	Amount

No Court Actions

CreditorWatch aggregate data from courts around Australia to provide a summary of court actions against an entity. When available, details of the action include location, case number, state, plaintiff, nature of the claim, action type and dollar amount.

Payment Defaults

Added	Invoice Due	Submitted By	Amount	Status

No Payment Defaults Lodged

A default indicates that the debtor has failed to make a payment for goods or services. Payment Defaults are unique to CreditorWatch and can have one of three statuses: outstanding, partial payment or settled.

Tax Defaults

Date Added	Date Updated	Submitted By	Status	Amount

No Tax Defaults Lodged

A tax default indicates that a business has overdue tax payments and has failed to respond to a notice of disclosure by The Australian Taxation Office (ATO). Tax defaults are only lodged on debts that are over 90 days overdue and are over a value of $100,000.

Mercantile Enquiries

Enquiry Date	Mercantile Agent

No Mercantile Enquiries Lodged

A Mercantile enquiry is an indication that a mercantile agency (or debt collection agency) has conducted an enquiry on this entity for the purpose of debt collection.

Status Changes

ASIC Entity Status Changes

Change Date	ASIC Status
05-03-2026	Strike-Off Action In Progress (Current status)
08-08-2018	Registered

The most common ASIC entity statuses are: registered, deregistered, external administration and strike-off action in progress. This section identifies if there have any been changes to the status of the entity's ACN, and the date the changes have occurred.

Business Names

Registered Business Index

Business Name	Status	Registered Number	Address
There are no business name extracts registered to this company			

Registered Business Names

Name	Business Name Type	Source
There are no names registered for this company		

Business names are derived from two data sources, one of which is basic information provided by ABR. The other comes from the business names extract index which, when available, includes the owner of the business name and registered business address.

Appendix

Disclaimer

CreditorWatch is committed to ensuring that the information provided is accurate and comprehensive however due to data being received from sources not controlled by CreditorWatch we cannot guarantee that it is complete, verified or free of errors. To the extent permitted by law, CreditorWatch will not be held responsible for any errors or omissions therein concerning the information sourced and published in its publications, websites, API or emails.

SEARCH RESULT SUMMARY REPORT
Report created: Friday, 6 March 2026 1:09 pm
Matter reference: 242423

Search Result Summary

Search criteria

Organisation Name	**CHANGJIANG FINANCIAL SERVICES PTY LTD**
Search precision	**Precise**
Monitoring	**No**

Content sets

Watchlist

PEP	Include ADSR	Special Interest Categories	Sanction Lists	Other Official Lists	Other Exclusion Lists
All	Yes	All	All	All	All

Adverse Media

Adverse Media	ID Type
Include	All

Search result

No search results found for this organisation.

SEARCH PRECISION DEFINITION

Precision Type	Definition
Precise	It looks for exact and very close matches to the search criteria. It does not look for linguistic matches and does not tolerate typos/transposed characters.
Near	It looks for exact and close matches to the search criteria. It looks for linguistic matches such as phonetic and transcription variations, matches long and short forms of names and tolerates some typos.
Broad	It looks for the same as in Precise and Near matches, plus less common linguistic variations, typos in shorter name elements and transposed characters.

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POWERED BY DOW JONES

David de Mestre

From: [redacted]
Sent: Tuesday, 4 June 2024 11:30 AM
To: Prospero Markets
Subject: 转发：关于清算About the timing of the liquidation

Follow Up Flag: Follow up
Flag Status: Completed

Categories: Frane
In Virtual Cabinet: -1

----- 原始邮件 -----
发件人：[redacted]
收件人：Notice<notice@email.prosperoglobal.com>
主题：关于清算
日期：2024年06月03日 16:42:27

Hi, it's been more than a month since Prospero closed its trading account. I hope the clearing can be completed as soon as possible, account no. [redacted], amount: $53085.29(USD)
[redacted]

----- 原始邮件 -----
发件人：Notice< notice@email.prosperoglobal.com>
收件人：[redacted]>
主题：批量邮件发送提醒
日期：2024年04月17日 20:01:51

尊敬的客户，

我们很遗憾地通知您，Prospero Markets LLC公司的企业资金，包括但不限于其客户资金，目前正在Changjiang Currency Exchange案件中受到牵连。我们正在与Hamilton Murphy Pty Ltd（Changjiang Currency Exchange的清算人）联系，以追回这些资金。我们正在尽快解决这个问题。

除上述情况外，我们的一些流动性提供商和其他服务提供商已通知我们决定停止提供流动性和定价。因此，自2024年4月20日星期四澳大利亚东部夏令时间17:30:00起，我们已无法为部分产品提供定价报价。我们预计我们的流动性提供商将在不久的将来停止为更多（可能是全部）产品提供定价和流动性。这意味着Prospero Markets将很快失去为其所有产品提供价格报价的能力。

服务终止根据Prospero Markets LLC与您之间的《条款和条件》第15.1条的规定，我们有权终止《条款和条件》，通过向您提前5天通知来关闭您的账户。我们在此通知您，我们决定于2024年4月20日澳大利亚东部夏令时间下午5点之前终止《条款和条件》。

此外，我们对部分产品的报价能力已被终止，我们很可能在没有任何通知的情况下随时失去为剩余产品报价的能力。因此，在《条款和条件》第15.1条的规定下，发生了违约事件，并且我们认为很可能很快会发生更多的违约事件。

根据《条款和条件》第15.1条的规定，Prospero Markets LLC有权在发生违约事件时采取一系列行动。因此，以下事项可能会在未经进一步通知的情况下发生：

- 在2024年4月20日澳大利亚东部夏令时间上午8:00市场开盘之前，您的交易账户将立即设定为“仅平仓”。从这时起，您将无法在Prospero Markets开立任何新仓位；

- 由于失去定价，您所有以下产品的未平仓头寸将以交易平台上最后提供的报价价格关闭：在2024年4月20日澳大利亚东部夏令时间下午5点之前：以下产品的未平仓头寸将立即关闭：指数 - HK50，JP225。上述产品包括以后缀-ECN，-和无后缀的形式列出在客户端终端中的产品。

- 所有其他未平仓头寸将在我们仍能够为这些产品提供价格报价时保持未平仓状态。在我们无法再提供价格报价时，该产品将以交易平台上最后提供的报价价格关闭；

- 所有剩余未平仓头寸将在2024年4月20日澳大利亚东部夏令时间下午5点以我们根据市场惯例确定的价格关闭；

- 您的交易账户将在2024年4月20日澳大利亚东部夏令时间下午5点关闭；以及

- 《条款和条件》将在2024年4月20日澳大利亚东部夏令时间下午5点终止。我们强烈建议您尽快查看您的交易账户，并关闭任何未平仓头寸。请记住，在接下来的7天内，任何产品的报价都可能随时停止。为了防止潜在信息的丢失待所有仓位平掉后，您将收到来自浦华证券的邮件确认最终账户的余额度。

我如何知道某产品的报价已经停止？

如果您注意到平台上列出的产品显示为灰色，其价格在过去**10分**钟内没有变动或更新，并且在产品的常规交易时间内无法交易，这表明该特定产品的报价已停止。我们将努力定期通过电子邮件向您发送我们已停止提供定价报**价的**产品列表。

存款和取款

我们感谢您耐心等待我们解决银行账户问题的时间。我们已经与清算人联系，寻求客户资金的返还。我们非常感谢您的支持和耐心。如果您有任何疑问，请随时通过support@prosperoglobal.com**与我**们联系。

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click to unsubscribe

VCID:b50a3f43-3e25-4301-887b-63944b8a87c2.

Machine Translated by Google

From: [redacted]
To: Prospero Markets
Subject: Forward: About the timing of the liquidation
Date: Tuesday, 4 June 2024 6:07:42 PM

----- Original Email -----
From:[redacted]> To:
Notice<notice@email.prosperoglobal.com> Subject: About Liquidation

Date: 2024-06-03 16:42:27

Hi, it's been more than a month since Prospero closed its trading account. I hope
the clearing can be completed as soon as possible, [redacted]
[redacted]
Hello, it has been more than a month since I received the message from Prospero that my trading account has been closed. Can I ask if it is suitable for liquidation to be completed as soon as possible?
Completed the liquidation and fund return work,[redacted] amount:[redacted])

----- Original Email -----
From: Notice< notice@email.prosperoglobal.com> Recipient: [redacted]
[redacted] Subject: Bulk email sending reminder

Date: 2024-04-17 20:01:51

Dear Customer,

We regret to inform you that Prospero Markets LLC's corporate funds, including but not limited to its clients
Funds, currently implicated in the Changjiang Currency Exchange case We are working with Hamilton
Murphy Pty Ltd (liquidator of Changjiang Currency Exchange) to recover these funds.
We are working on resolving this issue as quickly as possible.

In addition to the above, some of our liquidity providers and other service providers have informed us of their decision to stop providing
Liquidity and pricing Therefore, from Thursday 20 April 2024 Australian Eastern Daylight Time
From 17:30:00 onwards, we are unable to provide pricing quotes for some products. We expect our liquidity providers to
This means that we will stop providing pricing and liquidity for more (possibly all) products in the near future.
Prospero Markets will soon lose the ability to provide price quotes for all its products

Termination of Service Pursuant to clause 15.1 of the Terms and Conditions between Prospero Markets LLC and you, we
reserves the right to terminate the terms and conditions and close your account by giving you 5 days' prior notice. We hereby inform you
You, we decide to terminate the Terms and Conditions before 5pm AEDT on 20 April 2024
Item

In addition, our ability to quote prices for some products has been terminated and we may not be able to do so without any notice.
Loss of the ability to quote for the remaining Products at any time therefore occurs under clause 15.1 of the Terms and Conditions
We believe that more defaults are likely to occur soon.

Pursuant to clause 15.1 of the Terms and Conditions, Prospero Markets LLC reserves the right to take
As a result, the following may occur without further notice:

- Before the market opens at 8:00am AEDT on 20 April 2024, your trading account

  Your account will immediately be set to "Close Only" and from this point on you will not be able to open any new positions with Prospero Markets;

Machine Translated by Google

- Due to the loss of pricing, all your open positions in the following products will be closed at the last quoted price provided on the trading platform: Before 5pm AEDT on 20 April 2024: Open positions in the following products will be closed immediately: Index - HK50, JP225 The above products include those with the suffix -
  Products listed in the client terminal in the form of ECN, - and without suffix All
- other open positions will remain open while we are still able to provide price quotes for these products When we can no longer provide price quotes, the product will be closed at the last quoted price provided on the trading platform; All remaining
- open positions will be closed at 5pm Australian Eastern Daylight Time on April 20, 2024 at a price determined by us based on market practice; Your trading account will be
- closed at 5pm Australian Eastern Daylight Time on April 20, 2024; and the Terms and Conditions will terminate at 5pm
- Australian Eastern Daylight Time on April 20, 2024 We strongly recommend that you review your trading account as soon as possible and close any open positions Please remember that quotes for any product may cease at any time within the next 7 days In order to prevent potential loss of information, after all positions are closed, you will receive an email from Puhua Securities confirming the final account balance

How do I know that a product has been discontinued?

If you notice that a product listed on the platform is greyed out, its price has not moved or updated in the last 10 minutes, and it is unavailable for trading during the product's regular trading hours, this indicates that pricing for that particular product has ceased. We will endeavour to regularly email you a list of products for which we have ceased to provide pricing quotes.

Deposits and Withdrawals

We appreciate your patience as we wait for the bank account issues to be resolved. We have already contacted the liquidator to seek the return of client funds. We greatly appreciate your support and patience. If you have any questions, please feel free to contact us at support@prosperoglobal.com

click to unsubscribe

VCID:b50a3f43-3e25-4301-887b-63944b8a87c2.

From: Octavian Mazureac
Sent: Tuesday, 7 May 2024 6:22:36 PM
To: John Keenan
Cc: Peter Krejci;Pauline Yeow;Katherine La
Subject: RE: Chang Jiang Financial Pty Ltd (In Liquidation)

Dear John,

Thank you for your time on the phone last week and I apologise for the delayed response.

We advise that we received a copy of the Proof of Debt form from the offshore Prospero entity, along with supporting documentation. We were advised by an employee of Prospero Markets (Offshore Entity) ("Prospero") that Chang Jiang Financial Pty Ltd (In Liquidation) ("Chang Jiang") also functioned as a cryptocurrency exchange for Prospero. According to information provided by Prospero, each time traders (customers) at Prospero purchased crypto through their trading platform using RMB currency, the corresponding funds were transferred to Chang Jiang. Subsequently, Chang Jiang converted these RMB funds into USDT (Tether Token) within its crypto wallets, before transferring them to Prospero's crypto wallet. Following the October 2023 raids, the AFP seized all of Chang Jiang's crypto wallets, resulting in the freezing of some of Prospero's customer funds. Consequently, Prospero has submitted a Proof of Debt form, claiming an unremitted USDT amount frozen in Chang Jiang's wallets. It's important to note that this information was conveyed verbally to us during a call and has not yet undergone thorough verification or auditing on our end. This is due to the ongoing withholding of records by the AFP, who have agreed to provide us with further details in due course. Additionally, we currently possess only the records pertaining to Prospero's Proof of Debt and do not have access to any other Prospero-related documentation. We are currently getting access to Chang Jiang's proprietary internal systems, which may potentially contain some information into this matter.

Additionally, please see below the crypto wallet address that we know represents the asset of Prospero (we cannot confirm whether it is wallet is the property of the Australian entity or Offshore one):

[redacted]

The Prospero crypto wallet address is [redacted] and we are aware that AFP raided 990 Whitehorse Road, Box Hill, Victoria, which was possibly a shared Head Quarter office of Chang Jiang and Prospero (Australian Entity) management staff. Based on the crypto transaction history between Prospero and the AFP, it appears that while AFP raided Chang Jiang's office, they may have accidentally seized Prospero's physical wallet along with the Chang Jiang's crypto wallets. As you can see in the above table, AFP transferred the balance of the Prospero's crypto back to Prospero on 6 December 2023. We suspect that it was done on the basis that Prospero's assets are not in the interest of AFP's investigations and are not covered by the Court's restraining orders.

As noted earlier we have received a Proof of Debt and supporting documentation from Prospero in relation to their claim, however, at this stage we are not in a position to release these documents on the basis that your appointment does not extend to the offshore entity and we do not have any instructions or authority to release their documentation to you. We may be willing to provide you with the documentation subject to you establishing your authority to deal with the affairs of the offshore entity.

I confirm that we are happy to have a teleconference meeting with you, on 9 May 2023 at 03:30 PM. Kindly advise if you are available to meet on this date.

Best regards,

Hamilton Murphy+

Insolvency & Business Recovery

Octavian Mazurea c
Accountant

03 8866 7600
03 8866 7628
octavian@hamiltonmurphy.com.au
www.hamiltonmurphy.com.au

Options *with* respect

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We expressly deny any liability for unauthorised use and for emails sent by our staff for private purposes.
Liability limited by a scheme approved under Professional Standards Legislation
Security Warning: We take cyber security risks seriously. Please confirm any bank transfer details by phone directly with us before making a payment.

From: John Keenan <jkeenan@brifnsw.com.au>
Sent: Thursday, May 2, 2024 5:56 PM
To: Octavian Mazureac <octavian@hamiltonmurphy.com.au>
Cc: Peter Krejci <pkrejci@brifnsw.com.au>; Pauline Yeow <pyeow@brifnsw.com.au>; Katherine La <kla@brifnsw.com.au>
Subject: FW: Chang Jiang Financial Pty Ltd (In Liquidation)

Dear Octavian

Thanks for your time just now.

I confirm that on 10 April 2024, we, Jonathon Keenan, Andrew Cummins and Peter Krejci of BRI Ferrier, were appointed Joint & Several Liquidators of Prospero Markets Pty Ltd ("the Company") by order of the Federal Court of Australia. Attached is a copy of the court orders. We note that ASIC was the applicant for the winding up.

We are undertaking our preliminary investigations, currently focussed on securing the Company's records, preserving assets and identifying liabilities, including client trust claims. We would appreciate if you could provide us with any proofs of debt filed by the Company, or the offshore entities Prospero Markets Global LLC and Prospero Markets Company Limited, which our Company likely has claims against.

Please also share with us any information you may hold regarding assets (including cryptocurrency), liabilities and key persons of those entities.

It may be useful to set up a call next week, to discuss in more detail the respective Liquidations, and any areas where they may intersect. My details are below.

Kind regards

John Keenan
Principal

BRI Ferrier
We have moved, please note our new address below.

A Level 26, 25 Bligh Street, Sydney NSW 2000 Australia
P GPO Box 7079, Sydney NSW 2001
T 02 8263 2333 | **D** 02 8263 2376 | **M** 0407 422 082
E jkeenan@brifnsw.com.au | **W** www.briferrier.com.au

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precautions to minimise the risk of transmitting software viruses, but we advise that you carry out your own virus checks on any attachments to this message. This communication and any attachment may have been modified or otherwise interfered with in the course of transmission.

From: Peter Krejci <pkrejci@brifnsw.com.au>
Sent: Friday, April 26, 2024 5:30 PM
To: John Keenan <jkeenan@brifnsw.com.au>; Andrew Cummins <acummins@brifnsw.com.au>
Cc: Pauline Yeow <pyeow@brifnsw.com.au>
Subject: FW: Chang Jiang Financial Pty Ltd (In Liquidation)

Kind regards,

Peter Krejci
Principal

BRI Ferrier

We have moved, please note our new address below.

A Level 26, 25 Bligh Street, Sydney NSW 2000
P GPO Box 7079, Sydney NSW 2001
T +612 8263 2300 **| D** +612 8263 2303 **| M** +61 400 817 148
E Pkrejci@brifnsw.com.au **| W** www.briferrier.com.au

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From: Octavian Mazureac <octavian@hamiltonmurphy.com.au>
Sent: Friday, April 26, 2024 5:25 PM
To: Peter Krejci <pkrejci@brifnsw.com.au>
Subject: Chang Jiang Financial Pty Ltd (In Liquidation)

Dear Peter,

I trust this email finds you well.

Please find attached the Statutory Report to Creditors to your attention.

Best regards,

Hamilton Murphy+

Insolvency & Business Recovery

Octavian Mazurea c
Accountant

03 8866 7600
03 8866 7628
octavian@hamiltonmurphy.com.au
www.hamiltonmurphy.com.au

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When replying please quote
Our Ref:SD: 3CHANGJI2: OM
Contact: Octavian Mazureac
Phone: (03) 8866 7600
Email: octavian@hamiltonmurphy.com.au

26 April 2024

TO THE CREDITOR AS ADDRESSED

Dear Sir/Madam

CHANG JIANG FINANCIAL PTY LTD (IN LIQUIDATION)
ACN 624 164 067 ("the Company")

Geoffrey Hancock and I were appointed Joint and Several Administrators of the Company on 29 November 2023 pursuant to Section 436A of the Corporations Act 2001 ("the Act"). At the Second Meeting of Creditors held on 29 January 2024, creditors in attendance resolved to place the Company into Liquidation and appointed Geoffrey Hancock and myself as Joint and Several Liquidators.

Pursuant to Rule 70-40 of the Insolvency Practice Rules (Corporations) 2016, we are required to provide creditors with an update on the progress of the liquidation by way of a Statutory Report to Creditors.

The Statutory Report to Creditors can be accessed via the Hamilton Murphy creditors' portal using the credentials below:

[redacted]

The documents available on the website include the following:

1. Statutory Report to Creditors; and
2. Formal Proof of Debt form **(enclosed)**.

If you experience any difficulty in accessing the notices and documents made available to you via the creditors' portal with the above login details or do not have access to the internet and require a hard copy to be sent to you, please contact this office.

Should you have any queries in relation to this matter, please contact Mr Octavian Mazureac of my office by telephone on (03) 8866 7600 or via email to octavian@hamiltonmurphy.com.au.

Yours faithfully

Stephen Dixon
Joint and Several Liquidator

Encl.

Chang Jiang Financial Pty Ltd
(In Liquidation)
ACN 624 164 067 ("the Company")

Statutory Report to Creditors
Pursuant to Rule 70-40
Insolvency Practice Rules (Corporation) 2016

26 April 2024

Stephen Dixon and Geoffrey Hancock
Joint and Several Liquidators

Table of Contents

1 Appointment 3
2 Purpose of this report 3
3 Books and records 3
4 Estimated assets and liabilities 5
5 What happened to the Company 10
6 Actions undertaken to date 11
7 Remaining inquiries to be undertaken in the liquidation 11
8 Likelihood of a dividend 12
9 Potential recovery actions to be considered 13
10 Receipts and payments 15
11 Estimated completion time 15
12 Further information 15

1 Appointment

Geoffrey Hancock and I were appointed Joint and Several Administrators of the Company on 29 November 2023 pursuant to Section 436A of the Corporations Act 2001 ("the Act"). At a Second Meeting of Creditors held on 29 January 2024, it was resolved that the Company be placed into liquidation and Mr Hancock and I were appointed Joint and Several Liquidators.

2 Purpose of this report

Pursuant to Rule 70-40 of the *Insolvency Practice Rules (Corporations)* 2016 and Section 70-50 of the *Insolvency Practice Schedule (Corporations)*, we are required to provide creditors with a statutory report within three (3) months of our appointment as Joint and Several Liquidators ("Report").

The purpose of this Report is to advise you of the following:

a. The estimated value of the assets and liabilities of the Company;
b. The progress of the liquidation, including:
    i. Inquiries that have been undertaken to date;
    ii. Possible further inquiries;
c. Our opinion as to what happened to the business of the Company;
d. The likelihood of a dividend being paid in the liquidation; and
e. Possible recovery actions (if any).

In preparing this Report, we have relied on information provided from various sources, including:

- Discussions with former staff and creditors of the Company;
- Discussions with the Australian Federal Police ("AFP") and Criminal Assets Confiscation Taskforce ("CACT");
- Information sourced from indexes of the records and assets confiscated by the AFP and CACT;
- Information sourced from records recovered from the Company's former trading premises;
- Information available with respect to cryptocurrency blockchain online explorers such as Tronscan;
- Copies of bank statements in relation to the Company's bank accounts as maintained with the Australia & New Zealand Banking Group ("ANZ"), Bendigo and Adelaide Bank ("Bendigo Bank") and Macquarie Bank;
- Information sourced from the Company's MYOB management accounting system and the externally prepared financial statements; and
- Information available from public sources, such as, the Australian Securities and Investments Commission ("ASIC"), Australian Taxation Office ("ATO") and the Personal Property and Securities Register ("PPSR").

Whilst we have no reason to doubt the accuracy of any information relied upon, we have not performed an audit and reserve the right to alter our conclusions should the underlying data prove to be inaccurate or change materially from the date of this Report.

3 Books and records

As at the date of compiling this Report, we have been provided with the following books and records relating to the Company's affairs:

- The Company's MYOB management accounting system from the date of inception of the Company to 28 August 2023;
- Bank statements for the seven (7) bank accounts held with the ANZ, Bendigo Bank and Macquarie Bank for the period from 29 November 2022 to the date of our appointment as Joint and Several Administrators.

Pursuant to Section 286 of the Corporations Act 2001 ("the Act"), a Company must keep written financial records that:

a) Correctly record and explain its transactions, financial position and performance; and
b) Would enable true and fair financial statements to be prepared and audited.

We advise that the Company's MYOB account has not been backed up since August 2023 and the Company's remaining books and records are currently unavailable as they are in the possession of the AFP due to an ongoing money laundering investigation. As a result, we have been unable to form an opinion regarding the Company's compliance with Section 286 of the Act.

To address this issue, we issued a notice pursuant to Section 530B of the Act to the AFP, requesting the AFP provides us with details of all seized books and records pertaining to the Company. In response to our notice, the AFP provided an index disclosing what books and records they seized as part of their investigation. Further correspondence has been issued by my office to the AFP seeking copies of various books and records identified on the indexes as pertaining to the Company. The AFP has agreed to provide us with the necessary records, however, they have requested additional time to process the information due to the substantial volume of data involved.

4 Estimated assets and liabilities

We received a Report on Company Activities and Property ("ROCAP") from the Director on 31 January 2024. The ROCAP was subsequently lodged with the ASIC on 1 February 2024.

The Report on Company Affairs and Property (ROCAP) plays an important role for Administrators and Liquidators as it helps identify potential realisable assets of the Company, discloses and quantifies the Company's creditors, and provides essential information about the Company's general affairs.

The ROCAP received from the Director did not include any useful information as the Director did not have access to any of the Company's books and records as a point of reference. The absence of such information, which would ordinarily be available in the ROCAP, has significantly impeded the Liquidation process, causing delays in the Liquidators' investigations and slowing the recovery of the Company's assets.

A summary of the Company's assets and liabilities, based on the ROCAP, discussions with the Director and our investigations to date, are detailed in the following table:

Description	Notes	Director's ERV ($)	Identified by the Liquidators
Assets			
Cash at Bank	1	Unknown	2,938,836
Cash on Hand	2	Unknown	462,587
Cryptocurrency assets	3	Unknown	20,378,723
Motor Vehicle	4	Unknown	51,000
Plant and Equipment	5	Nil	Nil
Suburban Rail Loop Compensation	6	Nil	12,066
Total Assets		**Unknown**	**23,843,212**
Liabilities			
Secured Creditors	7	Unknown	Nil
Priority Employee Creditors	8	Unknown	274,105
Unsecured Creditors	9	Unknown	23,114,809
Total Liabilities		**Unknown**	**23,388,914**
Estimated Surplus / (Deficiency)		**Unknown**	**454,289**

Notes

1. Cash at Bank

The Director did not disclose any cash at bank in her ROCAP.

Immediately following our appointment, we wrote to all major Australian banking institutions requesting that they conduct a search for any bank accounts held in the name of the Company. This request also required that the financial institutions identify any overdrafts, leases, securities, and safety deposit boxes owned or held by the Company along with transferring any funds held in the bank account as at the date of our appointment.

We make the following comments in relation to the responses received from the various financial institutions who have notified our office of accounts they hold on behalf of the Company:

ANZ Bank

We received a response from the ANZ Bank confirming that the Company holds three (3) accounts as summarised below:

Account type	Amount ($)
Term Deposit Account	94,112
Indemnity Guarantee Account	39,519
Indemnity Guarantee Account	3,660

We have recovered the Indemnity Guarantee amounting to $3,660 and have subsequently instructed the ANZ Bank to release the proceeds from the term deposit. Upon inquiry, we were informed by the ANZ Bank that the term deposit is associated with an active Indemnity Guarantee, which serves as security for a bond tied to one of the several leased premises previously operated by the Company. The ANZ Bank has further notified us that the Indemnity Guarantee account, holding a balance of $39,519, has been closed, and the Indemnity Guarantee has been fully called up. We are presently making further inquiries with respect to the Term Deposit account and the proceeds held within that account. We are advised by the ANZ Bank that the release of those funds would require the surrender of the original bank guarantee. We are making enquiries to identify the holder of the bank guarantee and whether they have a potential claim against the Company which they will seek to recover from the bank guarantee.

Bendigo Bank

We received a response from the Bendigo Bank confirming that the Company holds three (3) accounts as summarised below:

Account type	Amount ($)
Term Deposit Account	76,151
Business Basic Unsecured Loan	(983)
Indemnity Guarantee Account	Nil

We have instructed Bendigo Bank to release the proceeds from the term deposit. The bank has subsequently released a total of $77,746.29, comprising of the original deposit amount, plus accumulated interest and adjusted for the overdrawn amount from the loan account.

Macquarie Bank

We received a response from the Macquarie Bank confirming that the Company holds seven (7) accounts as summarised below:

Account type	Amount ($)
Cash Management Account	111,222
Security Deposit	81,476
Express Guarantee (MEG)	(81,476)
Security Deposit	171,325
Express Guarantee (MEG)	(172,325)
Security Deposit	115,500
Express Guarantee (MEG)	(115,500)

We have issued instructions to Macquarie Bank requesting the release of the Cash Management Account proceeds. The Security Deposit accounts, and corresponding Express Guarantees relate to leased premises formerly operated by the Company. The release of these funds will be subject to the guarantee held by the landlord being surrendered to the bank. It is likely the bank guarantees will be called upon by the landlords due to rental arrears and make good obligations. Our enquiries are ongoing with respect to the bank guarantees.

As of the date of this report, the proceeds from the Cash Management account have not been transferred to our liquidation account. The delay is due to the bank seeking legal advice concerning existing restraining orders held against individuals associated with the Company. Should the bank not release these funds within the next week, we have instructed our legal representatives to escalate the matter and issue a formal letter of demand. It is our position that the Cash Management funds constitute an asset of the Company and do not full within the scope of the existing restraining orders. Accordingly, the funds should be released.

Zai Australia Pty Ltd ("Zai Australia")

Zai Australia functions as a payment management platform utilised by the Company for facilitating financial transactions with customers across Australia.

Upon a review of the records retrieved from the Company's premises and information provided by the Company's customers, we have identified financial engagements between the Company and Zai Australia. In response to our correspondence, Zai Australia has confirmed that the Company had an account with their institution containing an amount of $2,746,208, the majority of which has since been transferred to our designated liquidation bank account. An amount of $12,075.53 has been retained by Zai Australia for outstanding invoices predating our appointment.

In response to this withdrawal, we have notified Zai Australia that this transaction, undertaken during the Administration period, cannot be offset against the pre-appointment liabilities due to the preferential nature of the transaction. Consequently, we have formally demanded the remittance of $12,075.53 to our liquidation bank account and informed them that their pre-appointment claim will constitute an unsecured claim in the liquidation.

Additionally, we have repeatedly requested the provision of account statements, transaction listings, and ledgers from Zai Australia. As of the date of this report, our requests remain unfulfilled. We intend to issue a notice pursuant to Section 530B of the Act seeking the production of the requested records. Should they fail to comply with the notice, the matter will be referred to our legal representatives and the ASIC for further action.

Other Bank Accounts

In addition to the aforementioned financial institutions, we have corresponded with all Chinese banks represented in Australia. Based on the responses received thus far, we can confirm that the Company did not maintain bank accounts with any of these Chinese banks in Australia.

Through documentation provided by customers of the Company, we have observed that certain customers were directed to transfer funds to bank accounts held by related entities within the Group of Companies. Specifically, we have identified several bank accounts controlled by the related entity Long River Australia Pty Ltd ("Long River Australia"), containing approximately $3,079,399. We are aware that at least $367,720 of these funds represents the funds deposited by customers of the Company. Our investigations into the origins and ownership of these funds are ongoing.

Furthermore, based on customer's documentation and our forensic investigations, we have identified in excess of thirty (30) Chinese bank accounts held by various individuals in China, which were nominated by the Company to customers seeking to transfer or convert funds into foreign currency. Our investigations indicate that approximately $9,177,833 was deposited into these accounts by Chinese nationals. It is important to note that the current status of these funds, including whether they have been converted into cryptocurrency or deposited into Australian bank accounts, remains unknown as our forensic inquiries continue.

2. *Cash on Hand*

The Director's ROCAP did not disclose any cash on hand, however, we were notified by the Company's Former Director that the Company held physical cash in various currencies at its various trading locations across Victoria and New South Wales. Following our appointment, we immediately initiated the recovery of cash from each location.

The breakdown of cash collected from each premises is summarised below and is represented in Australian dollars:

Store Location	Amount Recovered ($)
Box Hill, Victoria	75,869
Melbourne, Victoria	141,172
Glen Waverley, Victoria	70,784
Hurstville, New South Wales	44,843
Burwood, New South Wales	38,592
Chatswood, New South Wales	68,594
Sydney, New South Wales	22,733
Total	**462,587**

We confirm that our staff members visited all of the listed locations, where they collected cash assets and relevant records. Subsequently, we contacted the landlords of these leased premises to inform them of the termination of their respective leases held with the Company and issued them with Notices of Intention Not to Exercise Property Rights.

The cash funds are currently being stored in safety deposit boxes with a third-party provider. The funds are secured in a vault and are adequately insured. We are presently making arrangement to have these funds deposited into the liquidation account held on behalf of the Company. The financial institution which is the intended recipient of the deposited funds is seeking approval from AUSTRAC and the AFP before accepting such a large denomination of cash funds. We expect to have this matter resolved shortly.

3. Cryptocurrency Assets

The Director's ROCAP did not disclose any cryptocurrency wallets in the name of the Company.

Upon investigating the seized property indexes that were provided to us by the AFP, we discovered a significant amount of cryptocurrency assets, specifically Tether Token, seized by the AFP and CACT. Utilising the Tronscan blockchain explorer, we gained full visibility into the Company's and the AFP's various cryptocurrency wallets. Our analysis indicates that the AFP currently holds approximately $20,378,723 worth of Tether Token that originally belonged to the Company.

It is important to note that the total cryptocurrency assets seized by the AFP and CACT exceeds the customer claims identified to date. We are presently collating evidence to support our claim to the cryptocurrency assets and have engaged a cryptocurrency expert team and a legal team to assist us in recovering the cryptocurrency assets identified.

4. Motor Vehicles

The Director's ROCAP did not disclose any motor vehicles registered in the name of the Company.

Immediately following our appointment, we conducted a search of the VicRoads database to confirm the Director's advice and to identify whether there are any motor vehicles registered in the name of the Company. This search identified a Black 2021 Toyota Wagon registered to the Company. Subsequent investigations into the Company's management accounts confirmed that the vehicle model is a 2021 Toyota Alphard. Our initial inquiries with the Former Director of the Company indicated that this motor vehicle was seized by the AFP. Our review of the AFP's indexes of the seized property concluded that the 2021 Toyota Alphard was not seized by the AFP or CACT.

As of the date of this report, we have successfully located and secured the vehicle. We are currently in the process of preparing the asset for auction to realize its value. I have engaged an independent valuer to assess the vehicle's value, and they estimated its anticipated auction value at approximately $51,000.

5. Plant and Equipment

The Director's ROCAP did not disclose any plant and equipment of the Company.

During our inspection of the Company's former business premises, we located and gathered numerous computers and cash counting machines. Additionally, we identified various pieces of office furniture, however, due to the expenses associated with removing and the limited resale value, we decided not to collect the furniture onsite. Given the age and condition of the Company's computers and cash counting machines, it is unlikely that they hold any considerable value.

6. Suburban Rail Loop Compensation

The Director did not disclose any offers or amounts owed by the Department of Transport and Planning ("DTP") in her ROCAP.

During the course of our investigations, we have identified a letter from the DTP addressed to the Director of the Company, offering compensation of $12,000 for legal and accounting costs relating to the acquisition of the Box Hill store. Upon contacting the DTP, we successfully recovered a total amount of $12,066.

7. *Secured Creditors*

The Director did not disclose any funds being owed to the secured creditors of the Company in her ROCAP.

We conducted a search of the PPSR to identify any security interests registered against the Company. This search identified two (2) security interests registered against the Company as follows:

Registration Number	Secured Party	Collateral	Amount Owing ($)
202006150024782	Meandros Services Pty Ltd	All PAP	Unknown
202008240042987	Trend Well Investments Limited	All PAP	Nil

Following our appointment, we wrote to the above secured parties requesting that they provide documentation in relation to their security interests.

We have received confirmation from Trend Well Investments Limited that their security interest has been discharged and there is no amount outstanding.

To date, we have not received any response or supporting documentation from Meandros Services Pty Ltd in relation to their security interest and claim, despite our numerous letters. Our investigations are ongoing in relation to any outstanding amounts owed to them.

8. *Priority Creditors*

The Director did not disclose any employees with outstanding employee entitlements in her ROCAP.

During the period of the Administration and Liquidation, we have received claims from fourteen (14) employees of the Company. A summary of the claims received is provided as follows:

Entitlement	Director's ROCAP ($)	Liquidators' ERV ($)
Wages	Unknown	66,281
Superannuation	Unknown	37,357
Annual Leave	Unknown	60,912
Long Service Leave	Unknown	Nil
Payment in Lieu of Notice	Unknown	53,326
Redundancy	Unknown	56,229
Total	**Unknown**	**274,105**

We note that the Company did not back up its MYOB management account, and the data accessible to us is limited to the date of 28 August 2023. Based on the records from the management accounts, the Company had a total of thirty-eight (38) employees. It is anticipated that the unpaid employee entitlements will likely increase as more employees submit their claims during the liquidation process.

Creditors should note that employees are afforded a statutory priority pursuant to Section 556 of the Act. Further, pursuant to Section 556(1A) of the Act, excluded employees such as the Director are afforded a priority claim totalling $2,000 for unpaid wages and superannuation and $1,500 for unused annual leave, with the remaining outstanding superannuation, wages or unused annual leave being classified as an unsecured claim.

We have contacted the former employees of the Company and advised them to lodge their claims with the Department of Employment and Workplace Relations ("DEWR") pursuant to the Fair Entitlement Guarantee ("FEG") scheme, a government initiative which enables eligible employees to submit a claim for payment of their outstanding employee entitlements (excluding unpaid superannuation).

At this stage, we are aware of several claims submitted by former employees of the Company with DEWR. We are currently in process of verifying these claims with DEWR.

9. Unsecured Creditors

The Director did not disclose any unsecured creditors in her ROCAP.

To date, my investigations have identified forty-eight (48) unsecured creditors totalling $23,114,809. A summary of these claims is provided in the below table:

Creditor	ROCAP ($)	Projected Creditor Claims ($)
Statutory Creditors	Unknown	291
Customer Claims	Unknown	21,028,936
Other Creditors	Unknown	2,085,582
Total	**Unknown**	**23,114,809**

Statutory Creditors

The statutory creditors comprise of a claim submitted by the ATO in the amount of $291 with respect to unremitted Fringe Benefits Tax.

Customer Claims

The amount attributed to customer claims represents unsettled foreign exchange transactions between the Company and customers from Australia and overseas. Due to the absence of books and records, we are currently unable to determine if these claims constitute all unsettled customer claims or if additional claims may be received as the Liquidation progresses.

In most instances the documentation provided by customers in support of their claims is in a foreign language, which is currently being translated to enable the claims to be adjudicated. Having reviewed the available supporting documentation, it is evident that customers have paid funds into bank accounts held with the Company and also related entities within the Group.

Other Creditors

The amount attributed to other creditors represents a claim from Allianz Australia Insurance Limited with respect to unpaid Workcover contributions of $5,021 and $2,080,561 with respect to arrears and future rent and outgoings payable to one of the landlords pursuant to its lease agreement with the Company. There is an obligation on the landlord to mitigate its exposure.

5 What happened to the Company

The Company was incorporated in Victoria on 1 February 2018 and previously provided foreign exchange services to corporate and individual customers, both domestically and abroad. The Company ceased to trade on or around 25 October 2023 as a result of an AFP-led investigation into the Company and associated staff in connection with allegations of the Company's involvement in a money laundering operation. In response to the criminal allegations raised against the Company its accreditation as an Independent Remittance Dealer on the Remittance Sector Register was suspended by the regulatory authority, AUSTRAC.

As a result of these factors, the Company was not in a position to legally resume trading and to fulfill its outstanding customer transactions. As a result of the outstanding financial obligations associated with the Company's customers and employees, the Director made the decision to place the Company into Voluntary Administration.

6 Actions undertaken to date

A summary of actions and dealings in the liquidation to date have been:

- Written to various banking institutions requesting that they conduct a search for any bank accounts held in the name of the Company;
- Notified creditors of our appointment as Joint and Several Liquidators;
- Attended the Company's former trading premises to recovery cash assets and available plant and equipment, and available onsite records;
- Conducted searches of the ASIC, PPSR and VicRoads databases;
- Conducted investigations into the related entities within the Company's group;
- Issued payment demand letters to the directors of the related entities who may be holding funds of the Company's customers;
- Liaised with landlords and issued notices of disclaimer;
- Held meetings with the AFP and served them with a Section 530B Notice requesting them to provide us with access to the seized records of the Company;
- Reviewed the indexes of records and assets seized by the AFP and CACT;
- Investigated, reviewed and undertook a preliminary reconciliation of the cryptocurrency accounts of the Company;
- Traced the transfer of cryptocurrency assets;
- Engaged and liaised with lawyers and prepared briefs on matters requiring their involvement;
- Attended Court hearings involving individuals associated with the Company that are subject to restraining orders;
- Liaised with employees and reviewed employee claims;
- Liaised with DEWR and have assisted with the FEG Scheme process;
- Issued correspondence to key personnel associated with the Company advising them of our intention to initiate public examinations;
- Conducted investigations to determine the location of the Company's motor vehicle;
- Located and collected the motor vehicle and liaised with our valuer concerning the realisation of the motor vehicle;
- Undertaken preliminary investigations into potential voidable transactions pursuant to Part 5.7B of the Act based on the Company's books and records which includes unfair preference payment claims and potential uncommercial transactions and/or unreasonable director-related transactions;
- Undertook a preliminary analysis to determine if the Company may have traded whilst insolvent and whether there is evidence of a trading whilst insolvent claim against the Director and former Directors;
- Examined the Company's available books and records to determine if there are any undisclosed assets of the Company;
- Reviewed the bank statements of all bank accounts of the Company;
- Issued correspondence to the Former Directors with respect to queries concerning the Company's affairs and its assets and liabilities; and
- An initial examination of the Company's affairs to determine if the Director has complied with her fiduciary obligations.

7 Remaining inquiries to be undertaken in the liquidation

A summary of actions that are required to be completed are:

- Obtain and review the books and records seized by the CACT and the AFP;
- Recover and reconcile the cryptocurrency assets;
- Recover the residual cash at bank proceeds held by the ANZ Bank, Macquarie Bank and Zai Australia;
- Assess the recoverability of bank guarantees held by various landlords in relation to former leased premises;
- Convert and deposit foreign currency cash assets recovered from former trading premises into the Company's liquidation bank account;
- Realise the motor vehicle;
- Hold Public Examinations with respect to key personnel involved in the operations of the Company;

- Conduct further investigations and recoveries of the Company's customer funds that were deposited in the bank accounts held with related entities;
- Adjudicate creditor claims and distribute a dividend to priority and unsecured creditors of the Company, including customers;
- Organise and hold recurring informal creditor meetings to provide an update on the progress of the liquidation;
- Complete and lodge a report with the ASIC pursuant to Section 533 of the Act; and
- Attend to ongoing statutory matters.

Section 533 Report

In accordance with Section 533 of the Act, we are required to report to the ASIC the results of the investigations undertaken into the affairs of the Company, including details of any contraventions of the Act committed by a company's director. A report pursuant to Section 533(1) of the Act must also be lodged if a dividend of less than fifty (50) cents in the dollar is to be paid to unsecured creditors of a company.

Once our investigations into the Company's affairs have been completed, we will finalise and lodge our report pursuant to Section 533 of the Act with the ASIC. The progress of our investigations has been hampered by the unavailability of the Company's books and records held by the AFP.

8 Likelihood of a dividend

In accordance with Section 556 of the Act, any unpaid outstanding employee entitlements including superannuation rank as a priority claim in the liquidation of the Company. At this stage, we anticipate that there will be sufficient assets realised in the liquidation to enable a dividend to be paid to creditors of the Company. Creditors will be notified in writing prior to any proposed dividend distribution to creditors.

We advise that creditors have previously approved our remuneration as follows:

- Remuneration for the period from 29 November 2023 to 14 January 2024 in the amount of $96,623 (plus GST);
- Remuneration for the period from 15 January 2024 to the 29 January 2024 in the amount of $14,000 (plus GST); and
- Remuneration for the liquidation period of 29 January 2024 onwards in the amount of $150,000 (plus GST).

9 Potential recovery actions to be considered

Part 5.7B of the Act provides for liquidators to deem that certain transactions are voidable and are able to be recovered for the benefit of creditors as a whole.

In addition, liquidators may seek a compensation Court Order against a director if it can be proven that he or she improperly used their position to gain an advantage for themselves or someone else, or, caused detriment to the Company.

Provided below are details with respect to our preliminary investigations undertaken to date.

Insolvent Trading

Section 588M of the Act provides that director(s) who fail to prevent a company from incurring a debt when the director(s) is aware or should have suspected that the company was insolvent or would become insolvent because of incurring that debt, is liable for an amount equal to the loss or damage suffered by the Company.

For a liquidator to recover funds through the voiding of certain transactions or through other legal actions, such as seeking compensation from a director(s) for insolvent trading, the company's insolvency must be established at the relevant time. There are two (2) primary tests used in determining a company's solvency, at a date, namely:

- Balance sheet test; and
- Cash flow or commercial test.

From our preliminary investigations of the managements accounts it is apparent that the Company does not appear to be insolvent from a Balance Sheet perspective. However, pursuant to the commercial test, insolvency is determined by the inability to pay debts as they become due and payable. The Company's insolvency can be attributed to its inability to utilise available liquid assets for debt repayment, a situation exacerbated by the AFP-led criminal investigation and the suspension of the Company's AUSTRAC accreditation. These actions resulted in the arrest of key staff members, the freezing and seizure of the Company's assets and financial records, and consequently, hindered the Company's ability to continue trading and to discharge its existing financial obligations.

Taking into account that the date the Company ceased trading is the same day when the Company's AUSTRAC accreditation was suspended, our preliminary conclusion is that the Company did not trade whilst insolvent. However, it is important to note that we are still awaiting the financial records from the AFP and our final conclusion in relation to the Company's solvency is contingent upon further investigations that we will conduct as soon as we have access to the Company's seized books and records.

Pursuing compensation from a director for an insolvent trading claim is also contingent upon a director's personal financial position. Should a director have limited or no personal assets available to satisfy a demand, it would not be commercial or beneficial to the creditors for the Liquidators to pursue a director as the likelihood of a return would be doubtful and nominal after taking into consideration the legal costs, which can be significant, for pursuing an insolvent trading claim.

Our preliminary searches undertaken on the current and former directors utilising public databases have identified that the current and former directors own several properties in their names. What potential equity and encumbrances are associated with these properties is yet to be ascertained at this time and will be subject to further investigation.

In our experience, the costs likely to be incurred in pursuing recovery of an insolvent trading claim are estimated to be between $80,000 and $100,000. On this basis, it may not be commercial to initiate a recovery action against the Director(s) as the total amount recovered would likely be exceeded by the costs incurred to recover this amount and therefore provide no benefit or likely return to creditors. Our investigations into the commerciality of pursuing a trading whilst insolvent claim are ongoing.

Notwithstanding our ongoing investigations into the trading whilst insolvent claim, we would entertain offers from interested parties to fund us or purchase our right of action against the current and former directors pursuant to Section 100-5(1) of the Insolvency Practice Schedule (Corporations) (Schedule 2 of the Act) should an insolvent trading claim be established.

Unfair Preferences

Pursuant to Section 588FA of the Act, Liquidators are able to recover from a creditor of the Company a payment or payments made by the Company that are preferential and provide a benefit to them ahead of other creditors. The relevant period for such recoveries is the six (6) month period prior to the relation back date, being in this case the date of our appointment as Joint and Several Administrators of the Company.

Based on our initial assessment that the Company was not insolvent, we advise that there are no preferential transactions eligible for recovery by the Liquidators. However, we note that should our assessment of the Company's solvency change, we will conduct further investigations into transactions exhibiting characteristics of being unfair preferences.

Uncommercial Transactions

Pursuant to Section 588FB of the Act, Liquidators are able to recover payments made to parties if the Liquidators can evidence that the transaction was of an uncommercial nature. The relevant period for such recoveries is the two (2) year period prior to the relation back date.

A review of the Company's bank statements in the six (6) months prior to our appointment identified several transfers of funds made by the Company that appear uncommercial in nature. Further investigations are required to determine whether these transactions are indeed uncommercial transactions. It should also be noted that uncommercial transactions can only be pursued if they occurred at a time when the Company was insolvent, which does not appear to be the case in this instance.

Creditors should note that the Liquidators would be required to seek and obtain an Order from the Court declaring any suspected payments are voidable pursuant to Section 588FF of the Act. Associated costs of obtaining an Order would be considered with respect to the overall benefit to creditors.

Unreasonable Director-Related Transactions

Pursuant to Section 588FDA of the Act, the Liquidators are able to recover payments made from the Company to a director or close associate of the Company if it may be expected that a reasonable person in the company's circumstances would not have entered into the transaction. The relevant period for such recoveries is the four (4) year period prior to the relation back date.

A review of the Company's bank statements in the six (6) months prior to appointment has not identified any transfers by the Company that could be classified as unreasonable director related transactions. Further investigations into the records seized by the AFP are required.

Creditor defeating disposition

The Treasury Laws Amendment (Combating Illegal Phoenixing) Act 2020 has introduced a new offence to prohibit creditor-defeating dispositions of a company's property, to penalise those who engage in or facilitate such dispositions and allow Liquidators and the ASIC to recover such property. This new law came into effect on 18 February 2020.

Pursuant to Section 588FDB of the Act, Liquidators are able to recover property of a company if the consideration payable for the disposition of that property was less than the market value (or best price reasonably obtained) and that the transaction has prevented, hindered or significantly delayed the process of making the transferred property available for the benefit of creditors of a company. The relevant period for such recoveries is the twelve (12) month period prior to the relation back date.

Our investigations to date have not identified any creditor defeating dispositions.

10 Receipts and payments

A summary of the receipts and payments for the Company from the date of our appointment as Joint and Several Liquidators, being 29 January 2024 to 17 April 2024 (inclusive of GST) is presented below:

	Amount ($)
Cash balance as at 29 January 2024[1]	3,175,222
Receipts	
Cash at Bank	77,746
Cash on Hand	22,733
Suburban Rail Loop Compensation	12,066
Interest Received	3,252
GST Refund	219
Total Receipts	**116,016**
Payments	
Administrators' Remuneration	(121,685)
Administrators' Disbursements	(7,649)
Commercial Rent Paid	(34,220)
Legal Costs	(55,968)
Safety Deposit Box Rental	(1,703)
Storage Costs	(52)
Translation Service Costs	(66)
Liquidators' Remuneration	(53,048)
Liquidators' Disbursements	(3,005)
Total Payments	**(277,396)**
Closing balance as at 17 April 2024	**3,013,842**

11 Estimated completion time

We estimate the liquidation will be finalised within twelve to eighteen (12 to 18) months from the date of this Report, pending the completion of the outstanding tasks identified in Section 7 of this Report.

12 Further information

The Australian Restructuring Insolvency and Turnaround Association (ARITA) provides information to assist creditors with understanding liquidations and insolvency. This information, including details of your rights as a creditor, is available from ARITA's website at www.arita.com.au.

The ASIC also provides information sheets on a range of insolvency topics. These information sheets can be accessed on the ASIC's website at www.asic.gov.au.

Should you have any queries in the relation to the above, please do not hesitate to contact Mr Octavian Mazureac of this office by telephone on (03) 8866 7600 or via email to octavian@hamiltonmurphy.com.au.

Dated this 26th day of April 2024



Stephen Dixon
Joint and Several Liquidator

[1] The opening and closing cash balance includes physical Cash on Hand in various foreign currencies recovered from the Company's former trading premises. The conversion rate applied is based on the date of recovery, however these funds are pending conversion, and the amount may be subject to change having regard to fluctuating exchange rates.

FORM 535

ACN 624 164 067

Subregulation 5.6.49(2)

FORMAL PROOF OF DEBT OR CLAIM (GENERAL FORM)

To the Liquidator of **Chang Jiang Financial Pty Ltd ("the Company")**

1. This is to state that the Company was, on 29 November 2023 (1) and still is, justly and truly indebted to(2) (full name):

.....
('Creditor')

.....
of (full address)

for $ ..... dollars and..... cents.

Particulars of the debt are:

Date	Consideration(3) state how the debt arose	Amount $	GST included $	Remarks(4) include details of voucher substantiating payment

2. To my knowledge or belief the creditor has not, nor has any person by the creditor's order, had or received any manner of satisfaction or security for the sum or any part of it except for the following: .....

Insert particulars of all securities held. Where the securities are on the property of the company, assess the value of those securities. If any bills or other negotiable securities are held, specify them in a schedule in the following form:

Date	Drawer	Acceptor	Amount $ c	Due Date

☐ I am **not** a related creditor of the Company (5)

☐ I am a related creditor of the Company (5)
relationship:_____

3A.(6)* I am employed by the creditor and authorised in writing by the creditor to make this statement. I know that the debt was incurred for the consideration stated and that the debt, to the best of my knowledge and belief, still remains unpaid and unsatisfied.

3B.(6)* I am the creditor's agent authorised to make this statement in writing. I know that the debt was incurred and for the consideration stated and that the debt, to the best of my knowledge and belief, still remains unpaid and unsatisfied.

Dated this day of 2024

Signature of Signatory.....

NAME IN BLOCK LETTERS .....

Occupation .....

Address .....

See Directions overleaf for the completion of this form

OFFICE USE ONLY

POD No:		ADMIT (**Voting / Dividend**) - Ordinary	$
Date Received:	/ /	ADMIT (**Voting / Dividend**) – Preferential	$
Entered into CORE IPS:		Reject (**Voting / Dividend**)	$
Amount per CRA/RATA	$	Object or H/Over for Consideration	$
Reason for Admitting / Rejection			
PREP BY/AUTHORISED		**TOTAL PROOF**	$
DATE AUTHORISED / /			

Proof of Debt Form Directions

* Strike out whichever is inapplicable.

(1) Insert date of Court Order in winding up by the Court, or date of resolution to wind up, if a voluntary winding up.

(2) Insert full name and address (including ABN) of the creditor and, if applicable, the creditor's partners. If prepared by an employee or agent of the creditor, also insert a description of the occupation of the creditor.

(3) Under "Consideration" state how the debt arose, for example "goods sold and delivered to the company between the dates of .....", "moneys advanced in respect of the Bill of Exchange".

(4) Under "Remarks" include details of vouchers substantiating payment.

(5) Related Party / Entity: Director, relative of Director, related company, beneficiary of a related trust.

(6) If the Creditor is a natural person and this proof is made by the Creditor personally. In other cases, if, for example, you are the director of a corporate Creditor or the solicitor or accountant of the Creditor, you sign this form as the Creditor's authorised agent (delete item 3A). If you are an authorised employee of the Creditor (credit manager etc), delete item 3B.

Annexures

A. If space provided for a particular purpose in a form is insufficient to contain all the required information in relation to a particular item, the information must be set out in an annexure.

B. An annexure to a form must:

(a) have an identifying mark;

(b) and be endorsed with the words:

i) "This is the annexure of *(insert number of pages)* pages marked *(insert an identifying mark)* referred to in the *(insert description of form)* signed by me/us and dated *(insert date of signing)*; and

(c) be signed by each person signing the form to which the document is annexed.

C. The pages in an annexure must be numbered consecutively.

D. If a form has a document annexed the following particulars of the annexure must be written on the form:

(a) the identifying mark; and

(b) the number of pages.

E. A reference to an annexure includes a document that is with a form.

Issued: 17 April 2024

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 aspects of 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 remains suspended at this time.

All Company and client funds held with Australian banks have been frozen for a number of months.

3. What happened to the business?

Following the suspension of its AFSL, the Company is no longer trading or issuing financial products.

Novabrif Pty Ltd Trading as BRI Ferrier ABN 61 643 013 610
Chartered Accountants
Level 26, 25 Bligh Street NSW 2000 GPO Box 7079, Sydney NSW 2001
T 02 8263 2333 **E** info@brifnsw.com.au **W** www.briferrier.com.au

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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 redemptions appear to have been suspended.

4. What are the Liquidators doing?

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

The Liquidators are immediately seeking 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.

Once the financial position is known, the Liquidators will write to the respective stakeholders (clients, employees, creditors and shareholders) to outline the anticipated returns and timing.

5. When will the liquidators next correspond with us?

We are required to issue an initial report to creditors by 9 May 2024. That report will provide additional detail on our appointment and the known circumstances of the Company.

We will issue further updates from time-to-time, which can be located on our website:
https://briferrier.com.au/about-us/current-matters/prospero-markets-pty-ltd

6. When will I get my money back?

It is too early to advise when funds will be distributed to clients, employees and creditors.

It is similarly too early to advise the amount that will be available. However, we are advised by the Director and management that the Company holds sufficient client funds to discharge all client claims. The Liquidators are required to make independent enquiries of the financial position, which are underway.

Consistent with the views expressed by the Court, the Liquidators are prioritising the return of client funds, where those funds are held on trust. The Liquidators have now received correspondence from the respective Australian Banks confirming the balance of funds held.

The Liquidators are also securing the available MT4 and client records to assist with our assessment of total client liabilities. We are also seeking access to the Company's primary accounting records from the Director and management. Those parties are co-operating with our requests thus far.

Reports will be issued in due course advising the timing and amount of the anticipated returns.

7. Are the Client funds safe?

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

We are advised that all Australian Banks had previously frozen the available Company and client funds in late 2023 following various orders obtained by ASIC and other regulatory bodies.

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.

Client monies 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?

We understand that clients still have access to their accounts via MT4.

We are attempting to negotiate an extension of the Company's MT4 licence, so access remains possible. Otherwise, we are seeking to back-up the client data offline.

We are currently unable to advise when clients funds will be returned.

9. What information should Clients provide to the liquidators?

Clients should complete a proof of debt form and return it to prosperomarkets@brifnsw.com.au. Please attach a copy of your latest MT4 statement so we have confirmation of your account position.

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

10. When will Employees be paid?

Preliminary enquiries indicate that there will be sufficient funds available in the Company to discharge employees claims in full. However, the timing is unknown.

The Liquidators have been provided limited information on the employee claims, which indicates that all employees ceased employment with the Company between October to December 2023. The employees appear to have been made redundant due to the AFSL suspension and resulting cessation of trading.

Employees have a statutory priority of payment over unsecured trade creditors from the Company's available operating assets (excluding client trust funds). The Director and management have provided preliminary calculations of the employee entitlements outstanding, including a calculation for redundancies. Once we have complete access to the records, we will test the calculations and determine what can be paid and when.

However, if that are insufficient funds available in the Company in the near term, employees may be entitled to seek payment from the government's Fair Entitlement Guarantee (FEG) scheme managed by the Department of Employment and Workplace Relations. 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 should complete a proof of debt form and return it to prosperomarkets@brifnsw.com.au. Please attach relevant supporting documentation such payslips, contracts and entitlement calculations.

11. What about suppliers and creditors?

The Company largely ceased to trade in October when its AFSL was cancelled. We are contacting suppliers to arrange continuation of essential services.

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). This allows the Liquidators time to investigate the Company's affairs to determine what is available to discharge creditor claims.

Creditors should complete a proof of debt form and return it to prosperomarkets@brifnsw.com.au. Please attach relevant supporting documentation such as invoices, account statements, contracts/service agreements.

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

The Proof of Debt Form is available from our website.

https://briferrier.com.au/about-us/current-matters/prospero-markets-pty-ltd

13. 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

BRI Ferrier

INITIAL REPORT TO CREDITORS

PROSPERO MARKETS PTY LTD (IN LIQUIDATION)

ACN: 145 048 577

8 May 2024

ANDREW CUMMINS, JONATHON KEENAN & PETER KREJCI
Joint and Several Liquidators

prospero

Phone 02 8263 2333
Email prosperomarkets@brifnsw.com.au
Website www.briferrier.com.au
Postal GPO Box 7079, Sydney NSW 2001
Address Level 26, 25 Bligh Street,
Sydney NSW 2000

TABLE OF CONTENTS

1	Quick Sheet	4
2	Executive Summary	5
3	Effect on Creditors	9
4	Your Rights As a Creditor	13
5	Remuneration of the Liquidators	13
6	Information for Creditors	13
7	What Happens Next?	14
8	Queries	15

TABLE OF ANNEXURES

A	Declaration of Independence, Relevant Relationships and Indemnities ("DIRRI")
B	ARITA Information Sheet – Creditors Rights in Liquidation
C	Initial Remuneration Notice

COMPANY DETAILS

Name	Prospero Markets Pty Ltd
Incorporated	6 July 2010
ACN	145 048 577
ABN	11 145 048 577
Registered Office	186 Bellair Street Kensington VIC 3031
Trading Address	186 Bellair Street Kensington VIC 3031

LIQUIDATORS

Name	Andrew Cummins Jonathon Keenan Peter Krejci
Date Appointed	10 April 2024

ADMINISTRATION CONTACT

Name	Prospero Team
Email	prosperomarkets@brifnsw.com.au
Phone	1300 291 012 (toll free) +61 2 8044 0530 (international)

GLOSSARY OF COMMON ACRONYMS & ABBREVIATIONS	
ABN	Australian Business Number
ACN	Australian Company Number
Act	Corporations Act 2001 (Cth)
AFP	Australian Federal Police
AFSA	Australian Financial Security Authority
AFSL	Australian Financial Services Licence
ARITA	Australian Restructuring Insolvency and Turnaround Association
ASIC	Australian Securities and Investments Commission
ATO	Australian Taxation Office
Bendigo Bank	Bendigo and Adelaide Bank Limited
CBA	Commonwealth Bank of Australia
Chang Jiang Currency Exchange	Chang Jiang Financial Pty Ltd (In Liquidation)
Company	Prospero Markets Pty Ltd (In Liquidation)
DCT	Deputy Commissioner of Taxation
DEWR	Department of Employment and Workplace Relations
Director	Xuehao Zhou
DIRRI	Declaration of Independence, Relevant Relationships & Indemnities
FEG	Fair Entitlements Guarantee
Firm	BRI Ferrier
FY	Financial Year
IRN	Initial Remuneration Notice
IPR	Insolvency Practice Rules (Corporations) 2016
IPS	Insolvency Practice Schedule (Corporations) 2016
LP	Liquidity Providers
NAB	National Australia Bank Limited
Petitioning Creditor	Australian Securities and Investments Commission
POCA	Proceeds of Crime Act 2002
POD	Proof of Debt
PPSR	Personal Properties Securities Register
Responsible Managers	Wei (David) Hong, Xuehao (Hal) Zhou, Fulai (Flynn) Sun, Ye (Eric) Qu
ROCAP	Report on Company Activities and Property
Shareholder	Sheng Yi Wang

1 QUICK SHEET

KEY QUESTIONS	ANSWERS
Why were Liquidators appointed?	A winding up application was filed by ASIC and Andrew Cummins, Jonathon Keenan and Peter Krejci were appointed as Joint and Several Liquidators on 10 April 2024 pursuant to an order of the Federal Court of Australia.
What happened to the business?	The Company's AFSL was suspended in December 2023 and the Company ceased trading as it was no longer able to issue financial products. The suspension followed prosecutions by AFP of certain associated parties, over allegations of money laundering and other offences.
What assets are available?	The assets are primarily funds held with Australian financial institutions and LPs. We have also secured a substantial portion of the Company's operating funds, with further recoveries being pursued.
Where are the client funds?	We have confirmed that CBA continue to hold the designated client trust funds, totalling circa AUD$19.7M. Those trust funds remain frozen while we determine the total client claims and run an orderly distribution process, subject to directions from the Courts.
What are the liabilities?	We have received a substantive level of enquiries, particularly from clients. Our investigations are continuing to determine the total client and creditor claims which will take time, and will require directions from the Courts. There may be mixing issues, where claims have been received from clients of offshore business, Prospero Markets LLC.
What should clients & creditors do?	We encourage creditors to submit their claims via the Creditor Portal with Link Market Services. Link has emailed all known creditors with login details to the Creditor Portal to lodge documents, including banking details.
What is the return for clients and the timeframe?	Preliminary investigations indicate there are sufficient funds to discharge all client claims. We are seeking judicial directions from the Court before client funds can be distributed. We anticipate a timeframe of 2-3 months, subject to the Court directions and no substantive issues in the adjudication process.
What is the return for employees?	We believe there are sufficient realisations to pay employee creditors in due course. However the timing is dependent on the outcome of investigations which will take time. As such, we encourage employees to lodge a claim with FEG as soon as possible.
What is the return for unsecured creditors?	Initial enquiries suggest that the Company may be solvent, and unsecured creditor claims may be paid in full. However, this is subject to recovery of all assets and our investigation of all claims.
What happens next?	We are conducting investigations and to determine the extent of claims and available returns. A detailed report will be issued by 10 July 2024, which will advise quantum and timing of a distribution to clients & other creditors.

2 EXECUTIVE SUMMARY

We, Andrew Cummins, Jonathon Keenan and Peter Krejci of BRI Ferrier, were appointed 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 ASIC on just and equitable grounds, following a range of concerns regarding management and compliance discussed below.

Based on our preliminary enquiries, it appears that the Company may be solvent, however this is subject to recovery of all assets and the completion of our investigations into the total client and creditor claims, which will take time.

This report has been prepared pursuant to Insolvency Practice Rule 70-30. You have received this Report because we are aware that you may have a creditor claim and/or the books and records available identified you as a creditor.

We provide a brief overview of the Company's affairs, as presently known to us, from our initial enquiries. A more detailed report will be provided to creditors by 10 July 2024.

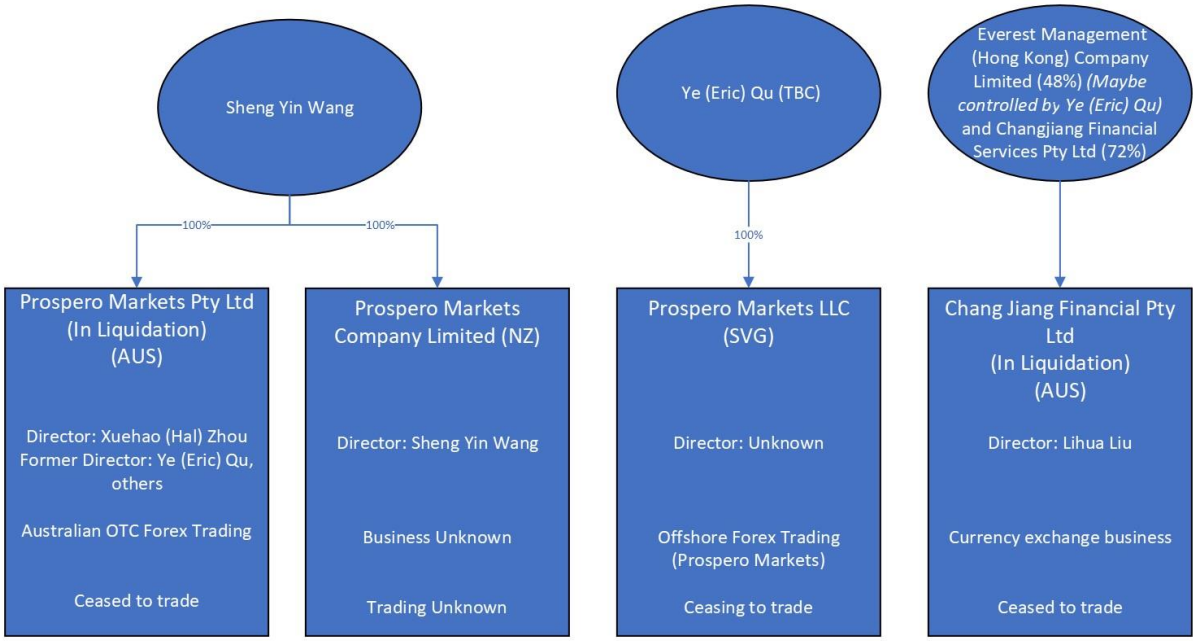
Upon our appointment, we immediately contacted the Director, Mr Xuehao (Hal) Zhou. Mr Zhou explained that he had only been appointed in October 2023 and advised that Mr Wei (David) Hong, one of the Responsible Managers under the Company's AFSL, was a key source of information pertaining to the Company's operations generally. It was understood that Mr Ye (Eric) Qu, was previously the managing director of the business, however, since October 2023, Mr Qu's involvement has been limited. Our contact with the Company's management team has therefore been primarily with Mr Hong and Mr Zhou.

We have requested the Director and each of the Responsible Managers to complete and submit a ROCAP and other information pursuant to section 475(4) of the Act. A response from the Director was due on 29 April 2024, which was not met. A failure to submit a ROCAP within the required time frame is a breach of the Act and which will be reported to ASIC. Notwithstanding, the Director has indicated that he is currently completing the ROCAP and other requested information.

2.1 GROUP STRUCTURE

It appears that the Company operated as part of a broader group of businesses, all providing financial services within Australia and offshore, which we will refer to as the "Prospero Group". Certain associated entities and persons within the Prospero Group have been pursued by regulatory bodies, such as the AFP, AFSA and ASIC, where there have been allegations of money laundering and other offences, which has resulted in various prosecutions and, ultimately, led to this liquidation.

We have prepared below a chart summarising the known structure of the Company and associated entities, which appear relevant to this Liquidation. This is based on our preliminary enquiries, and more will become known in due course.



2.2 INTRODUCTION

The business ceased trading in late 2023, around the time that the Company's AFSL was suspended by ASIC. The remaining operations were limited to the maintenance of critical infrastructure relating to the financial services business and clients' interests in same.

Our initial focus in the Liquidation has been to pursue recovery of the Company's assets (including the client trust funds), and secure relevant records in order to facilitate an efficient distribution to creditors in due course. Further details of recoveries made to date and our progress in securing Company records are detailed in Section 2.4 and 2.5 respectively.

In respect of the Company's liabilities, the majority appears to be represented by client claims, which are statutory trust claims. We have received a substantive level of enquiries from clients, specifically pertaining to the timing and withdrawal of client funds. We set out below in Section 3.1 further details on a distribution process for clients.

We are also aware that the Company owes various liabilities in respect of the business operations, particularly former employee claims and trade creditors. We have been contacted by various former employees and trade creditors in respect of outstanding debts owed by the Company. We have also identified trade supplier liabilities in the Company's management accounts, however the management accounts are not up to date given the cessation of trading some months ago. We have engaged the Company's former bookkeeper to assist with reconciling the management accounts, which we anticipate being completed in the coming weeks. There may be additional creditors identified, subject to further investigation work.

It is too early to determine if there are any claims to be pursued in the Liquidation and/or what recoveries may result from the same, particularly if the Company is solvent. In any event, we are required to investigate the Company's affairs and the conduct of its officers, and report our findings

to ASIC in due course. If any creditors have information relevant to the Liquidation, they are encouraged to contact our office without delay, such that it may assist our investigations.

2.3 HISTORY AND BACKGROUND

The Company held an AFSL and operated a financial services business in which it was authorised to deal with derivatives and foreign exchange contracts, making markets and providing general financial product advice for same to retail and wholesale clients. In October 2023, the AFP charged several individuals in relation to allegations of money laundering and other offences involved in the Chang Jiang Currency Exchange business, where some of the parties involved were in the management of the Company.

It appears that ASIC had been monitoring the Company since late 2022. Following the AFP conducting prosecutions of associated parties, ASIC commenced a formal investigation into suspected contraventions of various obligations relating to filing certain declarations, audited financial accounts and reporting as required under laws and regulations governing the AFSL. On 20 December 2023, ASIC suspended the Company's AFSL after the Company's failure to lodge audited financial accounts for FY2023. Following this suspension, the Company largely ceased trading as it was unable to issue financial products and all open client positions were apparently closed. We understand during this period, the majority of staff were terminated by way of formal redundancy.

As a result of ASIC's investigations into the Company's affairs, ASIC formed the view that there were serious concerns regarding the Company's management of the business. Accordingly, ASIC made an application to the Federal Court of Australia to wind up the Company on 'just and equitable' grounds pursuant to section 461(1)(k) of the Act and we were appointed as Joint and Several Liquidators on 10 April 2024.

2.4 ASSET RECOVERIES

Upon our appointment, we have focused primarily on securing the Company's assets (including client funds) and records held on various IT platforms.

We have received confirmation that CBA is holding various bank accounts, which the Company had determined to be designated client trust accounts holding client funds totalling circa $19.7M. Those accounts had been frozen some months prior to our appointment in accordance with orders obtained by ASIC and other regulatory bodies. We have issued instruction to CBA that the freeze is to remain over all those trust accounts while we investigate the total client liability position.

We have sought legal advice in respect of the client funds, as there are potential mixing issues and the extent of the client liabilities is yet to be determined. Having regard to that advice, we have formed the view that a Court application is required to seek judicial advice and directions as to (among other things and without limitation):

- the extent and characterisation of trust funds;

- the process for resolving client claims in respect of returning trust funds;
- the Liquidators' expenses incurred in dealing with the trust funds; and
- the appropriate course for disbursing funds to clients.

This is explained further below in Section 3.1.

In respect of other Company assets, we also wrote to a number of LPs and Australian financial institutions, identified as operational funds through the Company's books. To date, we have recovered approximately $2.02M from three LPs, $1M from Bendigo Bank and $15K cash on hand into the Liquidation bank account.

We are continuing to pursue recovery other operational funds, including amounts held with an LP, who has refused to release the Company's funds to us. We have instructed our lawyers to make a formal demand to this LP, and ultimately may need to seek orders of the Singaporean Courts.

We are also investigating approximately $1.1M funds that were withdrawn from an LP in the months prior to our appointment, however which are now missing. We are pursuing tracing of the funds from the various financial institutions and are working towards a recovery. Further work is required, and legal proceedings may be necessary if adequate responses are not forthcoming.

The Company had two offices, one in Box Hill, VIC and another in the Sydney CBD. The assets are those leased premises primarily consisting of office furniture, IT equipment, fixtures and fittings, and certain cash and sundry items. We have attended these leased premises and also engaged an independent valuer, O'Maras, to catalogue the property and provide a valuation report on the physical assets. Subject to recovering what value we can from the physical assets, we intend to disclaim the Company's interest in the leased premises and any unrealisable property that remains onsite. We note that there may be claims from third parties over certain assets, and we discuss the relevant proof process in respect of those assets in Section 3.3.

2.5 COMPANY BOOKS AND RECORDS

We have sought to secure Company books and records, in particular, MT4 client data, to determine if the level of client funds held with the CBA are sufficient to enable a return of client funds in full. We have engaged an MT4 expert to obtain access to, and secured the MT4 client data stored on two servers. We also sought to secure continued access to the MT4 platform and have liaised with Metaquotes in this regard.

Correspondence with the Director and Mr Hong indicate there are 2 groups of clients, one group domiciled in Australia considered to be clients of the Company and another group who are clients of Prospero Markets LLC, a company incorporated in St Vincent and the Grenadines. These clients appear to be located offshore, primarily in China.

Our investigations (which have been confirmed by the Director and Mr Hong) have confirmed that the offshore clients utilise our Company's MT4 license, and the Company's Australian based clients utilise

the MT4 license of another related entity known as Prospero Markets Company Limited (a company incorporated in New Zealand). This presents an issue, as our appointment is only over the Company and not any other entities in the Prospero Group, which may impact our investigations.

We are aware that MT4 access to Prospero Markets Company Limited has been restricted and now appears to have been taken offline. We have requested that this access urgently be restored, to assist with the return of client funds and we are awaiting a response. Regardless, we confirm that we have secured a backup of the MT4 data, and if required, we are likely in a position to verify client liabilities from this backup with the assistance of the MT4 expert engaged.

We have also sought to secure other Company records, including obtaining copies of the Company's email server, CRM database, and general computer systems to varying success. Our efforts are ongoing.

In addition, we have obtained access to the Company's Reckon management system and have arranged for the accounts to be brought up to date by the Company's former bookkeeper. We anticipate this work to be completed in the coming weeks.

3 EFFECT ON CREDITORS

We have engaged Link Market Services to assist with the creditor management process, including for returning client funds, via an online portal for the purposes of capturing claims, uploading documentation (including banking instructions), conducting the formal adjudication process and ultimately, distributing funds to creditors. All creditors will receive separate correspondence from Link Market Services with unique login credentials for the online portal. The online portal will require identity verification for security purposes and as such, for corporate creditors, we recommend that an authorised representative (usually the director of the entity) verifies their identity.

All creditors are requested to submit claim via the Link Creditor Portal. This includes any creditors that have already lodged documents, as the claims will re-submitted under the identification and verification process. The POD form is an electronic form in the online portal.

Creditors should be aware that they are subject to certain restrictions with respect to their claims when the Company is being wound up.

We provide a summary of the effect on creditors:

3.1 CLIENTS

As mentioned above, the Company ceased trading prior to our appointment. We understand that all open positions were closed on or around 13 November 2023. We have invited clients with available equity to lodge a claim in the Liquidation and provide supporting documentation, such as a copy of the most recent MT4 statement confirming their equity position.

We have received claims from clients of the related offshore entity, Prospero Markets LLC, and we are advised by the Director and Mr Hong that these clients do not have a valid claims against the Company. Our enquiries indicate a mixing in terms of operational aspects of the MT4 licences, and investigations are required to formally adjudicate those claims. Accordingly, we are currently registering those parties as potential client creditors to be reviewed and adjudicated prior to any distribution.

In accordance with the Company's Product Disclosure Statement, if there are sufficient client funds to meet client liabilities after costs, then monies will be returned in full. If there are insufficient client funds to meet client liabilities, after costs, then monies will be returned on a pari passu (proportionate) basis.

Link Market Services have been engaged to assist with the adjudication and distribution process, which is summarised as follows:

1. Clients must submit a POD and supporting documentation on the online portal. Clients are requested 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. Certified Bank Statement showing bank account name (matching the MT4 account holder's details).
2. Clients will be required to verify their identity (drivers licence or passport) on the online portal for security purposes.
3. Clients will be required to setup Two Factor Authentication (2FA) to login.
4. Claims and supporting documentation will be reviewed by our office, which is anticipated to require at least 4 weeks given the number of clients.
5. Funds will be distributed via EFT by Link Market Services.

We have also sought legal advice and we have formed the view that we require judicial advice and directions in respect of the characterisation and treatment of client funds and client distribution process, to ensure that we are appropriately dealing with the client funds and that the costs of the distribution process can be met from the client funds. Accordingly, we intend to file a Court application to be heard on an urgent basis. This work will be undertaken parallel with the client distribution process detailed above. However, the return of client funds will not be conducted until judicial advice is obtained, justifying the clients' rights and our proposed course of action in that regard.

Subject to the Court making judicial directions and there are no substantive issues encountered in the adjudication process, we anticipate a timeframe of 2-3 months for a distribution to clients.

3.2 TRADE SUPPLIERS

All claims against the Company in respect of goods and/or services provided to the Company prior to our appointment are effectively frozen as at the date of our appointment.

As mentioned above, the Company ceased trading prior to our appointment, and we will not accept responsibility or any liability in respect of any goods or services provided after the date of our appointment unless express written authorisation has been provided by our office.

We have been in discussions with certain key suppliers in relation to continuation of supply of critical infrastructure, including the MT4 licences and online platform.

As discussed earlier, trade suppliers are requested to submit claims via the Link Creditor Portal. This includes providing supporting documentation for debts owed by the Company.

3.3 LANDLORDS / LESSORS

Whilst the Company is in Liquidation, a moratorium is imposed on all debts outstanding as at the date of our appointment. This extends to amounts outstanding to equipment lessors and landlords of any premises leased by the Company.

The Company previously operated from leased premises at Box Hill VIC and Sydney NSW. We have engaged a valuer and intend to remove and realise the available property in those premises. Thereafter, we intend to disclaim the Company's interest in the premises leases as the Company is no longer trading. We understand the landlord for the Box Hill premises has already claimed the rental bond and our enquiries as to any recovery that may be available to the Company are continuing.

If there are any personal items or belongings that have been left at the leased premises, please provide a listing of the items and proof of title (if available) by no later than 22 May 2024. Once we can verify the claims, we will arrange access to collect personal items or belongings.

We are not aware of any equipment lease arrangements with the Company. We request that any parties with such arrangements contact our office immediately so that they may be considered.

3.4 EMPLOYEES

We are advised that the Company terminated all staff prior to our appointment. The termination was by way of formal redundancy, when the Company ceased to trade in late 2023. As such, former staff may be entitled to redundancy entitlements, such as payment in lieu of notice and severance (redundancy) pay.

Former employees of the Company have a statutory priority of payment in respect of outstanding entitlements such as wages, superannuation, annual leave, long service leave, payment in lieu of notice and redundancy. In the event that there are insufficient funds to pay a dividend to priority (employee) creditors in a winding up, employees (excluding the Directors and related parties) may lodge a claim under the FEG scheme with the Department of Employment and Workplace Relations in respect of certain entitlements that they are owed, subject to them meeting the eligibility requirements of the FEG scheme. FEG does not pay outstanding superannuation.

At this stage and based on preliminary investigations, we believe realisations may be sufficient to discharge the priority (employee) creditors, however the timing of such payment is dependent on the outcome of investigations into Company's affairs, including the trust assets and claims, which may take some time to determine. On this basis, we encourage former employees to lodge a claim with FEG as soon as possible.

We will provide further information on the employee claims and potential distributions in the upcoming statutory report to creditors.

As discussed earlier, employees are requested to submit claims via the Link Creditor Portal. This includes providing supporting documentation for entitlements owed by the Company.

3.5 SECURED CREDITORS AND SECURITY INTERESTS

A search of the Personal Property Securities Register indicates that there is one (1) security interest registered against the Company. The security interest is in favour of the Official Trustee, who administers Proceeds of Crime orders on behalf of the Commissioner of the Australian Federal Police.

We have engaged with the Official Trustee's representative at AFSA, who has confirmed their security interest pertains to court order made under the Proceeds of Crime Act 2002. AFSA have confirmed that the scope of the POCA orders in relation to the Company is limited in scope, and currently pertains only to the rights of certain shareholders to receive dividends, distributions and returns from the Company. On this basis, we do not anticipate the POCA Orders will affect the return of client funds or other unsecured creditor distributions. Notwithstanding, we will continue to liaise with the AFP and Official Trustee regarding the prospects of any returns to shareholders, which are subject to their security interest.

We encourage any creditors with unregistered security interests to contact our office urgently and provide the relevant documentation to support their claims, if they have not already done so.

3.6 CONTRACTS AND AGREEMENTS

Unless advised in writing, we do not accept adoption of any existing contracts. Customers, suppliers and any other parties with such contracts should contact our office immediately so that they may be considered.

3.7 LEGAL PROCEEDINGS

Pursuant to Section 500(2) of the Act, our appointment as Joint and Several Liquidators automatically stays any current legal proceedings against the Company. Creditors cannot commence or continue proceedings against the Company without our written consent or leave of the Court.

Other than the winding up application commenced by ASIC, we are not aware that the Company was involved in any other legal proceedings at the time of our appointment. We note that ASIC will be owed petitioning creditors costs, which carry a priority right of repayment from the Company assets.

4 YOUR RIGHTS AS A CREDITOR

Information regarding your rights as a creditor is provided in the information sheet enclosed. This includes your right to:

- Make reasonable requests for a meeting;
- Make reasonable requests for information;
- Give directions to us;
- Appoint a reviewing liquidator; and
- To replace us as Liquidator.

5 REMUNERATION OF THE LIQUIDATORS

This is a complex Liquidation and will take some time to complete. Our remuneration and costs incurred will be paid from the Company's available assets, including any right of exoneration from trust assets. If there are insufficient funds available in the liquidation, we may not get paid in full.

In our next report, we may write and ask that you approve our remuneration for the work that we do in completing the liquidation. We will provide you with detailed information so that you can understand what tasks we have undertaken and the costs of those tasks.

At this stage we will not be making a request to creditors to approve our remuneration. However, annexed as **Annexure "C"** is the IRN. The IRN provides an initial estimate of the costs to perform the Liquidation based on circumstances known to us, the method of calculating remuneration and our Firm's hourly rates.

6 INFORMATION FOR CREDITORS

We have included the following initial notices and documents in connection with our appointment for your information.

Annexure	Document	Description	Further Action Required by you
A	DIRRI	The DIRRI assists you to understand any relevant relationships that we have, and any indemnities or upfront payments that have been provided to us. None of the relationships mentioned in this document affect our independence.	No

Annexure	Document	Description	Further Action Required by you
B	Information Sheet – Creditors Rights in Liquidation	As a creditor, you have certain rights, although you no longer have the right to seek payment by the Company of your outstanding debt. This information sheet provides a detailed list of your rights.	No
C	Initial Remuneration Notice (IRN)	This document provides an estimate of the costs to perform the Liquidation, the method of calculating remuneration and our Firm's hourly rates.	No

7 WHAT HAPPENS NEXT?

We will proceed with the Liquidation, including:

- Collect and receive further books and records of the Company.
- Follow up the Director and Responsible Managers and if required, request ASIC's assistance to obtain ROCAPs.
- Recovering and selling any available property of the Company, if any.
- Pursue recovery of assets held offshore, including commencing litigation if necessary.
- Verify client liabilities and with the assistance of Link Market Services and distribution of client funds.
- Prepare and file application to Court to obtain judicial directions regarding the distribution of client funds.
- Verify outstanding employee liabilities and liaising with DEWR regarding the distribution of priority (employee) claims.
- Conduct investigations into the Company's affairs, subject to available records.
- Issue a further and more detailed report to Creditors.
- Reporting to the corporate regulator, ASIC.
- Pursue any recoveries available in the form of voidable transactions and insolvent trading claims, if Company is found to be insolvent and subject to funding being available.
- Prepare and lodge outstanding Company Tax Returns and other statutory lodgements in order to obtain a tax clearance and declare dividends.
- Pay a dividend to the ordinary unsecured creditors, if available.

We will also write to you within three (3) months of our appointment advising of the likelihood of a dividend to priority (employee creditors) and ordinary unsecured creditors. We will also update you on the progress of our investigations. We may write to you again after that with further information on the progress of the Liquidation, if necessary.

8 QUERIES

If creditors have any information which may assist us in our investigations, please contact our office as a matter of urgency.

Please note that Liquidators are not required to publish notices in the print media. ASIC maintains an online notices page for external administrators to publish notices in respect of companies. Creditors are encouraged to visit http://insolvencynotices.asic.gov.au throughout the liquidation to view any notices which may be published in respect of the Company.

ARITA provides information to assist creditors with understanding liquidations and insolvency. This information is available from ARITA's website at https://www.arita.com.au/creditors

ASIC also provides information sheets on a range of insolvency topics. These information sheets can be accessed on ASIC's website at asic.gov.au (search for "insolvency information sheets").

Should you have any further queries, please contact our office:

- Phone: 1300 291 012 (toll free) or + 61 2 8044 0530 (international)
- Email: prosperomarkets@brifnsw.com.au

Yours faithfully
PROSPERO MARKETS PTY LTD (IN LIQUIDATION)



JONATHON KEENAN
Joint and Several Liquidator

Prospero Markets Pty Ltd
(In Liquidation)

ACN 145 048 577

Annexure "A"
Declaration of Independence, Relevant Relationships and Indemnities (DIRRI)

Declaration of Independence, Relevant Relationships and Indemnities

Prospero Markets Pty Ltd
(In Liquidation)
ACN 145 048 577

8 May 2024

Peter Krejci, Andrew Cummins
& Jonathon Keenan
Joint and Several Liquidators

Novabrif Pty Ltd t/as BRI Ferrier
ABN 61 643 013 610
Level 26, 25 Bligh Street, Sydney NSW 2000
GPO Box 7079, Sydney NSW 2001
Phone: 1300 291 012 or +612 8044 0530
Email: prosperomarkets@brifnsw.com.au
Website: www.briferrier.com.au

BRI Ferrier

The purpose of this document is to assist creditors with understanding any relevant relationships that we, the Joint and Several Liquidators, have with parties who are closely connected to Prospero Markets Pty Ltd (In Liquidation) ACN 145 048 577 ("the Company") and any indemnities or upfront payments that have been provided to us. None of the relationships disclosed in this document are such that our independence is affected.

This information is provided so you have trust and confidence in our independence and, if not, you can ask for further explanation or information and can act to remove and replace us if you wish.

This declaration is made in respect by us, our partners and the BRI Ferrier network around Australia.

We are Professional Members of ARITA – Australian Restructuring Insolvency and Turnaround Association. We acknowledge that we are bound by the ARITA Code of Professional Practice.

A. INDEPENDENCE

We, Peter Krejci, Jonathon Keenan and Andrew Cummins, of BRI Ferrier have assessed our independence prior to accepting the appointment as Joint and Several Liquidators of the Company in accordance with the law and applicable professional standards and we are not aware of any reasons that would prevent us from accepting this appointment. There are no other known relevant relationships, including personal, business, and professional relationships that should be disclosed beyond those we have disclosed in this document.

B. CIRCUMSTANCES OF APPOINTMENT

I. HOW WE WERE REFERRED THIS APPOINTMENT

This appointment was referred to us by the Australian Securities and Investments Commission ("ASIC"). ASIC is the regulator of companies incorporated in Australia, including entities which offer Financial Services under an AFSL. From time to time, ASIC will petition to have companies wound up for various regulatory and public interest reasons.

As Registered Liquidators regulated by ASIC, we have been referred other matters by ASIC historically. Those matters involved us being appointed to replace existing Liquidators, whom ASIC had sought to remove for various reasons, including misconduct or regulatory issues. There is no referral arrangement with ASIC, rather they are the regulator.

We believe that this referral does not result in a conflict of interest or duty because:

- Whilst we have received referrals from ASIC from time to time, these have been on an adhoc basis.
- The giving of a consent to act does not result in any duty owed to that party that would conflict with my interests or duties under the Corporations Act.
- We have not received or paid any benefit to ASIC with respect of these referrals.

- As the Corporate Regulator, the ASIC is bound to act within the rules and regulations set out by the Corporations Act.

There is no expectation, agreement or understanding between us and ASIC regarding the conduct of the Liquidation and we are free to act independently and in accordance with the law and applicable professional standards.

We have engaged in various discussions with ASIC regarding the potential appointment, as detailed below:

- On 19 February 2024, we received an email from ASIC notifying us of their intention to pursue the winding up of the Company and requesting that we attend a meeting to consider whether we would consent to act as Liquidators. A teleconference was held later that day involving various ASIC representatives, wherein we were provided various details on the Company's background, operations, structure, compliance, financial position and dealings with certain associated parties that were targets in Australian Federal Police prosecutions.
- On 19 February 2024, we received a further email from ASIC, providing particulars of the proposed appointment and requesting we conduct checks to determine if we were free of conflicts to act (if appointed). On 21 February 2024, we exchanged emails with ASIC, confirming that we were free to act as Liquidators of the Company.
- On 23 February 2024, we exchanged emails with ASIC, providing our consent to act.
- On 1 March 2024, we received an email from ASIC advising that they had filed an application with the Federal Court of Australia to have the Company wound up, and that they had issued a media release in that regard.
- On 19 March 2024, we had telephone call with ASIC representatives, wherein we were provided an update on the winding up application and potential timing for the matter to be heard.
- On 20 March 2024, we received a telephone call from an ASIC representative, wherein we were advised the hearing of the winding up application had been adjourned.
- On 9 April 2024, we had telephone call with an ASIC representative, wherein we were provided an update on the winding up application. There were also discussions regarding operational matters and contact points for the potential appointment.
- On 10 April 2024, we received a telephone call, and later an email, from an ASIC representative, wherein we were advised that the Federal Court had made Orders placing the Company into Liquidation and appointing us as Joint and Several Liquidators.

We have provided no information or advice to the Company, the Director or advisors prior to our appointment.

II. DID WE MEET WITH THE COMPANY, THE DIRECTORS OR THEIR ADVISER BEFORE WE WERE APPOINTED?

☐ Yes ☒ No

Neither we, nor our Firm, have met with the Company, its directors or their advisor prior to our appointment.

C. DECLARATION OF RELATIONSHIPS

Within the previous two years, we, or our firm, have had a relationship with:

Name	Nature of relationship
The Company	☐ Yes ☒ No
The Director	☐ Yes ☒ No
Any associates of the Company?	☐ Yes ☒ No
A secured creditor entitled to enforce a security over the whole or substantially the whole of the Company's property?	☐ Yes ☒ No

Do we have any other relationships that we consider are relevant to creditors assessing our independence?

☒ Yes ☐ No

Australian Securities and Investments Commission

ASIC is the regulatory body that deals with the registration of all Liquidators, including ourselves. We have various reporting and statutory compliance obligations to ASIC in respect of our registrations and on all formal appointments.

We have been referred other matters by ASIC historically. Those matters involved us being appointed to replace existing Liquidators, whom ASIC had sought to remove for various reasons, including misconduct or regulatory issues. There is no referral arrangement with ASIC.

ASIC is a creditor of the Company, in respect of costs incurred seeking to have the Company wound up. These petitioning creditor costs carry priority at law in terms of repayment.

ASIC is a sophisticated statutory creditor and is administratively bound to act as a Model Litigant. In our experience, ASIC does not seek to exert improper pressure on insolvency practitioners in connection with the discharge of their duties to creditors generally.

Australian Taxation Office

The Company's records indicate that the ATO may be a creditor of the Company.

The ATO is a sophisticated statutory creditor and is administratively bound to act as a Model Litigant. In our experience the ATO does not seek to exert improper pressure on insolvency practitioners in connection with the discharge of their duties to creditors generally.

We note that Principals of BRI Ferrier routinely accept nominations and appointments as insolvency practitioners by the major trading banks, in addition to creditors such as the ATO (as discussed above). The nature of these relationships varies over time depending on the nature of the engagements. Such relationships do not impede our independence or give rise to a conflict of duties because we accept such engagements only on the basis that our independence will be maintained and the relationships are maintained on professional commercial terms.

III. NO OTHER RELEVANT RELATIONSHIPS TO DISCLOSE

There are no other known relevant relationships, including personal, business, and professional relationships, from the previous 24 months with the Company, an associate of the Company, a former insolvency practitioner appointed to the Company or any person or entity that has a valid and enforceable security interest on the whole or substantially whole of the Company's property that should be disclosed.

D. INDEMNITIES AND UP-FRONT PAYMENTS

We have not been indemnified in relation to this administration, other than any indemnities that we may be entitled to under statute, and we have not received any up-front payments in respect of our remuneration or disbursements.

This does not include any indemnities we may be entitled to under the law. We have not received any other indemnities or upfront payments.

Dated: May 2024

.....
Andrew Cummins
Joint and Several Liquidator

.....
Peter Krejci
Joint and Several Liquidator

.....
Jonathon Keenan
Joint and Several Liquidator

NOTE:

1. *The assessment of independence has been made based on an evaluation of the significance of any threats to independence and in accordance with the requirements of the relevant legislation and professional Standards.*

2. *If circumstances change, or new information is identified, we are required under the Corporations Act 2001 and ARITA's Code of Professional Practice to update this Declaration and provide a copy to creditors with my next communication as well as table a copy of any replacement declaration at the next meeting of the insolvent's creditors. For creditors' voluntary liquidations and voluntary administrations, this document and any updated versions of this document are required to be lodged with ASIC.*

Prospero Markets Pty Ltd
(In Liquidation)

ACN 145 048 577

Annexure "B"
ARITA Information Sheet -
Creditor Rights in Liquidation

As a creditor, you have rights to request meetings and information or take certain actions:



If a simplified liquidation process is adopted, these rights are effectively limited to the right to request information.

Right to request a meeting

In liquidations, no meetings of creditors are held automatically. However, creditors with claims of a certain value can request in writing that the liquidator hold a meeting of creditors. The right to request meetings, including in the circumstances described below, is not available if a simplified liquidation process is adopted.

A meeting may be requested in the first 20 business days in a creditors' voluntary liquidation by ≥ 5% of the value of the debts held by known creditors who are not a related entity of the company.

Otherwise, meetings can be requested at any other time or in a court liquidation by:

- > 10% but < 25% of the known value of creditors on the condition that those creditors provide security for the cost of holding the meeting
- ≥ 25% of the known value of creditors
- creditors by resolution, or
- a Committee of Inspection (this is a smaller group of creditors elected by, and to represent, all the creditors).

If a request complies with these requirements and is 'reasonable', the liquidator must hold a meeting of creditors as soon as reasonably practicable.

Right to request information

Liquidators will communicate important information with creditors as required in a liquidation. In addition to the initial notice, you should receive, at a minimum, a report within the first three months on the likelihood of a dividend being paid.

Additionally, creditors have the right to request information at any time. A liquidator must provide a creditor with the requested information if their request is 'reasonable', the information is relevant to the liquidation, and the provision of the information would not cause the liquidator to breach their duties.

A liquidator must provide this information to a creditor within 5 business days of receiving the request, unless a longer period is agreed. If, due to the nature of the information requested, the liquidator requires more time to comply with the request, they can extend the period by notifying the creditor in writing.

Requests must be reasonable.

They are not reasonable if:

Both meetings and information:

(a) complying with the request would prejudice the interests of one or more creditors or a third party
(b) there is not sufficient available property to comply with the request
(c) the request is vexatious

Meeting requests only:

(d) a meeting of creditors dealing with the same matters has been held, or will be held within 15 business days

Information requests only:

(e) the information requested would be privileged from production in legal proceedings
(f) disclosure would found an action for breach of confidence
(g) the information has already been provided
(h) the information is required to be provided under law within 20 business days of the request

If a request is not reasonable due to (b), (d), (g) or (h) above, the liquidator must comply with the request if the creditor meets the cost of complying with the request.

Otherwise, a liquidator must inform a creditor if their meeting or information request is not reasonable and the reason why.

Right to give directions to liquidator

Creditors, by resolution, may give a liquidator directions in relation to a liquidation. A liquidator must have regard to these directions, but is not required to comply with the directions.

If a liquidator chooses not to comply with a direction given by a resolution of the creditors, they must document their reasons. An individual creditor cannot provide a direction to a liquidator.

If a simplified liquidation process is adopted, you may not be able to give directions, because meetings cannot be held to pass a resolution.

Right to appoint a reviewing liquidator

Creditors, by resolution, may appoint a reviewing liquidator to review a liquidator's remuneration or a cost or expense incurred in a liquidation. This right is not available if a simplified liquidation process is adopted. The review is limited to:

- remuneration approved within the six months prior to the appointment of the reviewing liquidator, and
- expenses incurred in the 12 months prior to the appointment of the reviewing liquidator.

The cost of the reviewing liquidator is paid from the assets of the liquidation, in priority to creditor claims.

An individual creditor can appoint a reviewing liquidator with the liquidator's consent, however the cost of this reviewing liquidator must be met personally by the creditor making the appointment.

Right to replace liquidator

Creditors, by resolution, have the right to remove a liquidator and appoint another registered liquidator. This right is not available if a simplified liquidation process is adopted, because meetings cannot be held.

To replace a liquidator, there are certain requirements that must be complied with:

Meeting request	Information and notice	Resolution at meeting
A meeting must be reasonably requested by the required number of creditors. Creditors must inform the existing liquidator of the purpose of the request for the meeting.	Creditors must determine who they wish to act as the new liquidator (this person must be a registered liquidator) and obtain: ▪ Consent to Act, and ▪ Declaration of Independence, Relevant Relationships and Indemnities (DIRRI). The existing liquidator will send a notice of the meeting to all creditors with this information.	If creditors pass a resolution to remove a liquidator, that person ceases to be liquidator once creditors pass a resolution to appoint another registered liquidator.

For more information, go to www.arita.com.au/creditors.
Specific queries about the liquidation should be directed to the liquidator's office.

Prospero Markets Pty Ltd
(In Liquidation)

ACN 145 048 577

Annexure "C"
Initial Remuneration Notice (IRN)

INITIAL REMUNERATION NOTICE

Insolvency Practice Schedule (Corporations) 70-50
Insolvency Practice Rules (Corporations) 70-35

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

The purpose of the Initial Remuneration Notice is to provide you with information about how our remuneration for undertaking the Liquidation will be set.

A. REMUNERATION METHOD

There are four methods for calculation of remuneration that can be used to calculate the remuneration of an Insolvency Practitioner. They are:

- Time based / hourly rates or "Time Cost"

This is the most common method. It provides for remuneration to be charged at an hourly rate for each person working on the matter. The hourly rate charged will reflect the level of experience each person has.

- Fixed Fee

The total remuneration for the administration is quoted at the commencement of the appointment and is the total charge for the administration. Sometimes a practitioner will finalise an administration for a fixed fee.

- Percentage

The remuneration for the appointment is based on a percentage of a particular variable, such as the gross proceeds of asset realisations.

- Contingency

The total remuneration for the matter is structured to be contingent on a particular outcome being achieved.

B. METHOD CHOSEN

BRI Ferrier normally chooses to use a Time Cost basis, because:

- It is often difficult to estimate accurately the likely cost of undertaking an appointment, as appointments differ in unforeseeable ways as to their factual or legal complexity.
- The Time Cost method reflects the opportunity cost to BRI Ferrier of the use of staff on a particular engagement.
- The Time Cost method reflects the extent of work undertaken, reflecting in turn the nature of the appointment.
- The Time Cost method can be applied equally to all aspects of an appointment, while percentage or contingent remuneration normally only reflect parts of an appointment, such as the recovery

of assets. Our duties include activities, such as reporting to creditors and ASIC, that do not directly yield asset recovery, while contributing to the overall return to creditors.

Given the nature of this administration, we propose that our remuneration be calculated on the time based /hourly rates method. In our opinion, this is the fairest method for the following reasons:

- We will only be paid for work done, subject to sufficient realisations of the Company assets.
- It ensures creditors are only charged for work that is performed. Our time is recorded and charged in six-minute increments and staff are allocated to duties according to their relevant experience and qualifications.
- We are required to perform a number of tasks which do not relate to the realisation of assets, including responding to creditor enquiries, reporting to the ASIC, distributing funds in accordance with the provisions of the Corporations Act 2001.

We are unable to advise with certainty the total amount of fees necessary to complete all tasks required in this administration. BRI Ferrier reviews its hourly rates every twelve months. The hourly rates quoted below remain current until further notice. If hourly rates are increased, we will seek approval from creditors.

C. EXPLANATION OF HOURLY RATES

The rates applicable are set out in the table below together with a general guide to the qualifications and experience of staff engaged in the external administration and the role they undertake in the administration. The hourly rates charged encompass the total cost of providing professional services and are not comparable to an hourly wage rate.

Title	Description	Hourly Rates (ex GST) NSW	Hourly Rates (ex GST) VIC
Appointee/Principal	A Liquidator and/or Registered Trustee. A senior accountant with over 10 years' experience who brings specialist skills and experience to the appointment. Leads the team carrying out the appointment.	$730	$650
Director	An accountant with more than 10 years' experience. May be a Registered Liquidator. Fully qualified and able to control all aspects of an appointment. May have specialist industry knowledge or skills. Assists with all facets of appointment.	$640	$570
Senior Manager	An accountant with more than 7 years' experience. Qualified and answerable to the Team Leader. Self-sufficient in completing and planning all aspects of large appointments.	$590	$530
Manager	An accountant with at least 6 years' experience. Typically qualified with well-developed technical and commercial skills. Controls and plans all aspects of medium to larger appointments, reporting to the Team Leader.	$550	$500
Supervisor	An accountant with more than 4 years' experience. Typically qualified with sound knowledge of insolvency principles and developing commercial skill. Assists to plan and control specific tasks on medium to larger appointments. Often undertaking post qualification study specialising in Insolvency and Reconstruction.	$480	$400
Senior 1	An accountant with more than 2 years' experience. Typically a graduate undertaking study leading to professional qualification as a Chartered Accountant or CPA. Able to complete work on appointments with limited supervision.	$420	$350
Senior 2	An accountant with less than 2 years' experience. Typically a graduate who has commenced study leading to professional qualifications. Able to complete many tasks on medium to large appointments under	$380	$300
Intermediate 1	An accountant with less than 2 years' experience. Typically a graduate and commencing study for qualifications. Able to complete multiple tasks on smaller to medium appointments under supervision.	$330	$250
Intermediate 2	An accountant with less than 1 year's experience. A trainee undertaking degree with an accountancy major. Assists in the appointment under supervision.	$280	$220
Senior Administration	Appropriately skilled and undertakes support activities including but not limited to treasury, word processing and other administrative, clerical and secretarial tasks.	$240	$200
Junior Administration	Appropriately skilled and undertakes support activities including but not limited to treasury, word processing and other administrative, clerical and secretarial tasks.	$180	$150

D. ESTIMATED REMUNERATION

We estimate that this administration may cost $700K to $900K (excl. GST, disbursements and legal costs, as necessary) to complete.

The above estimate is based on available information, which is incomplete. We note that there are a number of factors which may have a significant effect on this estimate and that we are unable to determine until we have progressed further in the liquidation:

- Information provided to us about the Company's assets, its liabilities and its trading performance is substantially accurate;
- All relevant officers comply with their statutory duties to provide information about the Company's affairs;
- All property of the Company is surrendered to us, without the need for recovery actions either domestically or offshore;

- The records of the Company are made available in a form permitting examination and investigation;
- No appointment is made by a secured creditor;
- The Court application for judicial directions on dealing with client trust funds is not protracted or objected to be parties;
- There is minimal dispute in respect of any priority and/or unsecured creditor claims;
- Clients and creditors submit necessary claim documentation promptly and in full;
- There is no contest or mixing issues as to the assets and liabilities as between the Company and associated businesses, including offshore entity Prospero Markets LLC;
- Our investigations determine that the Company remains solvent, and there are no voidable recoveries to pursue via legal proceedings or otherwise;
- The various regulatory bodies do not seek prosecutions of the Company or its officers, that requires our involvement;
- Statutory reporting requirements can be completed promptly, without dispute or objection;
- The distribution process can proceed promptly, via Link Market Services; and
- AFSA, AFP and/or ASIC does not require us to conduct work in respect of the shareholder interests, via the Proceeds of Crime Orders in place or made later.

This estimate is based on the information available to date. We will advise creditors of the updated cost position in future reports in this matter.

E. DISBURSEMENTS

Disbursements are divided into three types:

- Externally provided professional services - these are recovered at cost. An example of an externally provided service disbursement is legal fees.
- Externally provided non-professional costs such as travel, accommodation and search fees. These are recovered at cost.
- Internal disbursements such as photocopying, printing and postage. These disbursements, if charged to the Administration, would generally charged at cost; though some expenses such as telephone calls, photocopying and printing may be charged at a rate which recoups both variable and fixed costs. The recovery of these costs must be on a reasonable commercial basis.

We are not required to seek creditor approval for disbursements paid to third parties, but must account to creditors. However, we must be satisfied that these disbursements are appropriate, justified and reasonable.

We are required to obtain creditor's consent for the payment of internal disbursements. Creditors will be asked to approve the internal disbursements prior to these disbursements being paid from the administration.

Details of the basis of recovering disbursements in this administration are provided below.

Disbursement Type	Rate (excl. GST)
Externally provided professional services	At cost
Externally provided non-professional costs	At cost
Internal disbursements	
ASIC Charges for appointments and notifiable events	At cost
Faxes and Photocopying	$0.25 per page
Postage	At cost
Staff vehicle use	In accordance with ATO mileage allowance

Dated this 8th day of May 2024.

BRI Ferrier

STATUTORY REPORT TO CREDITORS

PROSPERO MARKETS PTY LTD (IN LIQUIDATION)
ACN: 145 048 577 ("THE COMPANY")

10 July 2024

ANDREW CUMMINS, JONATHON KEENAN
& PETER KREJCI
Joint And Several Liquidators

prospero

Phone: 1300 291 012 (toll free) or +61 2 8044 0530 (international)
Email: prosperomarkets@brifnsw.com.au
Website: www.briferrier.com.au
Address: Level 26, 25 Bligh Street
Sydney NSW 2000

INTRODUCTION

We refer to our initial report to creditors dated 8 May 2024 in which our appointment as Liquidators of the Company was advised along with your rights as a creditor in the liquidation.

The purpose of this report is to provide creditors with information regarding the following:

- The estimated amount of asset and liabilities of the Company;
- An update on the progress of the Liquidation and further actions that may need to be undertaken;
- What happened to the business;
- The likelihood of creditors receiving a dividend before the affairs of the Company are fully wound up; and
- Possible recovery actions.

This report should be read in conjunction with our initial report. If you have any questions relating to the liquidation in general, or specific questions relating to your position, please do not hesitate to contact this office.

COMPANY DETAILS

Name	Prospero Markets Pty Ltd
Incorporated	6 July 2010
ACN	145 048 577
ABN	11 145 048 577
Registered Office	186 Bellair Street Kensington VIC 3031
Trading Address	186 Bellair Street Kensington VIC 3031

LIQUIDATORS

Name	Andrew Cummins
	Jonathon Keenan
	Peter Krejci
Date Appointed	10 April 2024

ADMINISTRATION CONTACT

Name	Prospero Team
Email	prosperomarkets@brifnsw.com.au
Phone	1300 291 012 (toll free) +61 2 8044 0530 (international)

GLOSSARY OF COMMON ACRONYMS & ABBREVIATIONS	
ABN	Australian Business Number
ACN	Australian Company Number
Act	Corporations Act 2001 (Cth)
AFP	Australian Federal Police
AFSA	Australian Financial Security Authority
AFSL	Australian Financial Services Licence
ARITA	Australian Restructuring Insolvency and Turnaround Association
ASIC	Australian Securities and Investments Commission
ATO	Australian Taxation Office
Bendigo Bank	Bendigo and Adelaide Bank Limited
CBA	Commonwealth Bank of Australia
Chang Jiang Currency Exchange	Chang Jiang Financial Pty Ltd (In Liquidation)
Company	Prospero Markets Pty Ltd (In Liquidation)
Court	Federal Court of Australia
DCT	Deputy Commissioner of Taxation
DEWR	Department of Employment and Workplace Relations
Director	Xuehao Zhou
DIRRI	Declaration of Independence, Relevant Relationships & Indemnities
FEG	Fair Entitlements Guarantee
Firm	BRI Ferrier
FY	Financial Year
IRN	Initial Remuneration Notice
IPR	Insolvency Practice Rules (Corporations) 2016
IPS	Insolvency Practice Schedule (Corporations) 2016
Link	Link Market Services
LP	Liquidity Providers
MT4	MetaTrader 4
NAB	National Australia Bank Limited
OTC	Over-the-counter
PDS	Product Disclosure Statement
Petitioning Creditor	Australian Securities and Investments Commission
POCA	Proceeds of Crime Act 2002
POD	Proof of Debt

GLOSSARY OF COMMON ACRONYMS & ABBREVIATIONS	
PPSR	Personal Properties Securities Register
Prospero Group	Prospero Markets LLC (registered in Saint Vincent and the Grenadines) Prospero Markets Company Limited (registered in New Zealand)
Responsible Managers	Wei (David) Hong, Xuehao (Hal) Zhou, Fulai (Flynn) Sun, Ye (Eric) Qu
ROCAP	Report on Company Activities and Property
Shareholder	Sheng Yi Wang
SVG	Saint Vincent and the Grenadines

QUICK SHEET

Why were Liquidators appointed?	A winding up application was filed by ASIC and Andrew Cummins, Jonathon Keenan and Peter Krejci were appointed as Joint and Several Liquidators on 10 April 2024 pursuant to an order of the Court.
What happened to the business?	The Company's AFSL was suspended in December 2023 and the Company ceased trading as it was no longer able to issue financial products. The suspension followed prosecutions by AFP of certain associated parties, over allegations of money laundering and other offences.
Is the Company solvent or insolvent?	Our investigations indicate that the Company was solvent on our appointment, and there may be sufficient funds to discharge all liabilities. We have not identified any voidable recovery actions to pursue, however this is subject to further requirements of the regulatory bodies involved.
Where are the client funds?	We have secured the client funds held with CBA totalling $20M. Those trust funds remain frozen while we determine the total client claims and run an orderly distribution process, subject to directions from the Court.
What should clients & creditors do?	We encourage all creditors to submit their claims via the Creditor Portal. All known creditors have been provided login details to the Creditor Portal to lodge documents, including bank account details.
What is the update on client claims?	Less than half the clients have lodged the claim documentation on the Creditor Portal to date. We are currently adjudicating the claims, and have requested further documentation where necessary.
What happens to clients who haven't lodged the claims?	Clients who have not lodged claim and bank detail documentation in the Creditor Portal, may be unable to receive a distribution from the trust assets. This will be subject to the Orders of the Court.
What is the Court Application?	We are applying to Court to obtain orders for the proposed claim adjudication and distribution process. That application may take 6-10 weeks, assuming there is limited opposition.
When will clients receive a distribution?	Clients are anticipated to be paid all amounts owed. This is subject to the final adjudication of claims and Court Orders. We anticipate distributing funds to clients within 4-8 weeks of obtaining the Court Orders. Estimated timeframe September to November 2024.
What about Prospero Markets LLC clients?	We are adjudicating the notified offshore claims. To date, our investigations indicate that they do not have valid claim against the Company or the trust assets.
What is the return for former employees?	We have been assisting FEG to verify employee entitlements and distribute funds. We encourage employees to lodge a claim with FEG ASAP. We anticipate there will be sufficient funds available to pay all priority creditor claims in full. Estimated timeframe December 2024 to January 2025.
What is the return for unsecured creditors?	Our investigation indicates that the Company may have sufficient funds to discharge all unsecured creditor claims in full. However, this is subject to recovery of all assets, adjudication of claims and the total costs incurred. Estimated timeframe March to May 2025.
When is the Creditors meeting?	A meeting of creditors will be held on 31 July 2024 at 1:00PM AEST to consider several matters. The meetings will be held using virtually technology only. To attend, creditors must complete documentation on the Creditor Portal.

EXECUTIVE SUMMARY

As you are aware, we, Andrew Cummins, Jonathon Keenan and Peter Krejci of BRI Ferrier, were appointed Joint and Several Liquidators of the Company on 10 April 2024 pursuant to an Order of the Court. The winding up application was filed by the ASIC on just and equitable grounds, following a range of concerns regarding management and compliance discussed below.

This report has been prepared pursuant to Insolvency Practice Rule 70-40 of IPR. You have received this Report because we are aware that you may have a creditor claim and/or the books and records available identified you as a creditor.

We have also convened a meeting of creditors to be held on 31 July 2024 at 1.00PM AEST. Please find attached as **Annexure "A"** the Notice of Meeting of Creditors for your information. The meeting will be held using virtual technology only. Further details can be found at section 16 of this Report.

We provide below a summary of our preliminary investigation into the Company's affairs and the potential outcomes for creditors and stakeholders.

The Company was originally incorporated in 2010, and had former names Intercapital Markets Co Pty Ltd and Rainbow Legend Group Pty Ltd. Prospero Markets in its current form appears to have commenced in around 2020 following its acquisition. The Company had an AFSL allowing it to offer financial services by way of OTC foreign exchange and derivatives trading. The main market making activities commenced during 2021, and volumes increased significantly during 2022 and 2023.

In 2022/23, an AFP operation known as "Avarus-Nightwolf" resulted in prosecutions of various parties involved in the alleged Chang Jiang Currency Exchange money laundering scheme. Key management involved in the Company, Mr Ding Wang and Mr Ye Qu, are being prosecuted by the AFP for various offences, which resulted in POCA orders. We do not make any comment herein in respect of the alleged AFP offences. Our enquiries are focused on the Company's affairs, and primarily, what returns may be available for creditors, which includes clients as trust creditors.

ASIC commenced a formal investigation of the Company in November 2023. Around that time, the Company's assets, including client funds it held on trust, were frozen with the various Australian banks, in particular with CBA. The Company ceased its market making activities and closed out client positions also during November 2023. ASIC then suspended the Company's AFSL on 20 December 2023. ASIC subsequently applied to the Court to have the Company wound up on just and equitable grounds. We note that the Company opposed the winding up, which resulted in delays in that Court process. We were appointed Joint and Several Liquidators on 10 April 2024.

On preliminary investigations into the Company's affairs indicated that the Company had surplus net assets on our appointment. That position was confirmed by the Director and management, however the records provided to us have been limited in some areas, and the level of assistance from the management has been lacking. We note that the Director has failed to provide a ROCAP and other documentation requested, which are offences that have been reported to ASIC.

We have therefore had to make our own enquiries into the financial affairs, which has been limited by the information available to us. In this regard, we secured access to the MT4 platforms and data so we could capture the underlying data in respect of the client claims. It became apparent that a related entity Prospero Markets LLC (registered in Saint Vincent and the Grenadines) operated a similar

business using the same management team. Our enquiries indicate that the Prospero Markets LLC business has ceased operations, where its funds are tied up in the Chang Jiang Currency Exchange collapse (also now in Liquidation). A number of the clients of Prospero Markets LLC have lodged claims against the Company, which we are currently adjudicating. The available records indicates that the client books for each business were separate, although there are numerous links by virtue of the IT infrastructure and common management. Our preliminary view is that Prospero Markets LLC clients do not have a valid claim against the Company.

Our focus has been to secure the Company's assets, including client funds held in trust. To date, we have secured circa $4.5M in Company assets and $20M in client trust funds. There are a further $400K of Company assets held in Singapore, which we are pursuing recovery via legal process in that jurisdiction.

We have spent considerable time and resources investigating the Company's liability position, the majority of which is represented by client trust claims. The client trust claims are estimated to be between $19.1M (based on MT4 records) and $25M (based on client proofs of debt lodged to date). We note that a number of the Australian clients have lodged larger than expected claims (excess claims of $1.6M), in addition to the Prospero Markets LLC client claims of circa $4.3M. Our enquiries indicate that the excess Australian client claims and Prospero Market LLC client claims, may not be valid, such that the total client trust claims may be around $19.4M. Subject to relevant costs being deducted, the bulk of those client claims should be capable of being discharged from the available trust assets. Any residual client claims will be entitled to participate for an unsecured creditor dividend from the Company.

The Company's other liabilities total between $2M to $3.1M. Those claims are represented by ASIC's petitioning creditors costs of $150K to $275K and priority claims from former employees of around $1.1M to $1.3M. Further, there will be various ordinary unsecured creditor claims, including claims resulting from termination of contracts and leases, in the order of $750K to $1.6M.

We note that the Company appears to be solvent, and therefore our investigations in respect of its historical affairs have been limited. We have not identified any voidable recoveries at this time. Our preliminary review of the available financial records indicates that the Company incurred around $25M in accumulated losses between FY2020 to FY2024. Those losses are substantial for a business in the OTC derivatives industry. It is unclear what was the underlying business model, where we note that ASIC changed the legislative framework in 2021, significantly reducing the leverage available to retail clients. The financial statements indicate that the losses were funded by the Company's shareholders over the years, where they contributed circa $30M to the business. Therefore, assuming that the Company can discharge all creditor claims, our preliminary view is that any further enquiries into the business model and losses incurred, are an issue for the shareholders to be explored at a later point, if necessary. We note that the AFP has obtained POCA orders requiring that any shareholder returns are paid to the Official Trustee at AFSA.

We have incurred delays in the adjudication and distribution process, as less than half the clients have lodged claims in the Liquidation to date. It appears that a significant number of clients encountered challenges completing the identification verification process and submitting documentation on the Link Creditor Portal. Some of those issues appear to relate to clients being located offshore, which is irregular given the Company's PDS and AFSL requiring clients to be Australian based. Regardless, we

have sought to modify our processes to overcome those documentation issues, moving to a manual verification process. Our objective has been to capture as many creditors' claims as possible, such that we can complete our adjudication process and form views on the overall financial position.

As previously reported, we have received advice and formed the view that we need to obtain directions from the Court as to the handling and distribution of trust funds, given the Company's circumstances. Accordingly, our lawyers are currently in the process of finalising that application and creditors will be provided notice of key dates in due course. Importantly, we will be seeking Court Orders that will allow us to adjudicate all client claims, regardless of whether some clients have lodged the necessary proof of debt documentation. We are advised that the Court process is anticipated to take around 6-10 weeks, assuming there is limited opposition, and the trust funds can then be distributed to clients within 4-8 weeks thereafter.

Based on the available information, we currently estimate that all client and creditor claims can be discharged in full from the available assets, including trust funds. We currently anticipate that funds can be distributed as follows:

- Client trust funds can be distributed by around September to November 2024.
- Petitioning and priority (employee) creditor claims by around December 2024 to January 2025.
- Unsecured creditor claims by around March to May 2025. We note that there are a number of compliance activities to complete, including obtaining clearance from statutory authorities, prior to distributing funds to ordinary unsecured creditors.
- The shareholder is entitled to any surplus that remains thereafter (if any). We note that Official Trustee at AFSA has security over any return that may be available in due course.

Overall, we anticipate that the Liquidation may take another twelve (12) months to complete. We note that that timeframe is subject to delays encountered in the abovementioned Court process, or further investigations required by the various regulatory bodies (including ASIC, AFP, AFSA and ATO).

TABLE OF CONTENTS

1	Basis of Report	11
2	Disclaimer	11
3	Declaration of Independence, Relevant Relationships and Indemnities	11
4	Corporate Information	12
5	Group Structure	13
6	Legal Proceedings	14
7	Company history and background	14
8	Reasons for Failure	17
9	Conduct of the liquidation	17
10	Historical Financial Information	19
11	Current Financial Position	21
12	Investigations and Recovery Actions	28
13	Application to Court	30
14	Receipts and Payments	31
15	Remuneration of Liquidators	32
16	Meeting of Creditors	32
17	Estimated Return to Creditors	35
18	Tasks Required in the Liquidation	36
19	Conclusion	37

TABLE OF ANNEXURES

A	Notice of Meeting
B	Link Instructions to Attend the Meeting
C	Notice Inviting Formal Proof of Debt or Claim
D	Comparative Balance Sheets
E	Comparative Profit and Loss statements
F	Summary Receipts and Payments
G	Estimated Outcome Statement
H	Remuneration Approval Report
I	Advice to Creditors About Remuneration
J	ARITA Information Sheet – Offences, Recoverable Transactions and Insolvent Trading
K	ASIC Information Sheet – Insolvency Information for Directors, Employees, Creditors and Shareholders

1 BASIS OF REPORT

This report has been prepared primarily from information received from the various regulatory bodies (ASIC, AFP and AFSA), the Company's Director, employees and advisors.

In order to complete this report and in conducting our investigations, we have also utilised information from:

- The books and records of the Company;
- Discussions with MT4 and IT experts;
- Various electronic records and data held by external IT providers; and
- Extracts from publicly available records.

2 DISCLAIMER

A preliminary investigation of the Company's affairs has been conducted and this report and the statements made herein have been prepared based upon available books and records, information provided by the Current/Former Director and their advisors, and from our own enquiries. This report contains information about potential actions/claims which are still being investigated, and may be determined to be unviable or not pursued in due course.

Whilst we have no reason to doubt the accuracy of the information provided or contained herein, we reserve the right to alter our opinions or conclusions should the underlying data prove to be inaccurate or materially change after the date of this report.

Neither we, nor any member or employee of BRI Ferrier accepts responsibility in any way whatsoever to any person in respect of any errors in this report arising from incorrect information provided to us, or necessary estimates and assessments made for the purposes of the report.

This report is not for general circulation, publication, reproduction or any use other than to assist creditors in evaluating their position as creditors of the Company and must not be disclosed without the prior approval of the Liquidators.

Creditors should consider seeking their own independent legal advice as to their rights and options available to them.

Should any creditor have material information in relation to the Company's affairs which they consider may impact on our investigations or report, please forward details in writing as soon as possible.

3 DECLARATION OF INDEPENDENCE, RELEVANT RELATIONSHIPS AND INDEMNITIES

We confirm that our DIRRI as previously circularised does not require any update.

4 CORPORATE INFORMATION

The following information has been extracted from ASIC records as at the date of my appointment:

Date of Incorporation	6 July 2010
Type of Company	Australian Proprietary Company
Class	Limited by Shares
Registered Office	186 Bellair Street, Kensington VIC 3031
Principal Place of Business	186 Bellair Street, Kensington VIC 3031

OFFICER	START DATE	CEASE DATE	POSITION(S)
Xuehao Zhou	27/10/2023	Current	Director & Secretary
Sheng Yin Wang	15/03/2021	27/10/2023	Director
Xin Sheng Chen	15/03/2021	09/06/2021	Director
Ye Qu	25/05/2020	15/03/2021	Director
Xiao Chen	16/09/2019	01/06/2020	Director & Secretary
Yunsi Zheng	30/04/2019	18/09/2019	Director & Secretary
David Calver	06/07/2010	16/09/2019	Director
Shiyuan Liu	18/09/2018	11/04/2019	Director & Secretary
Anthony Kwok Sing Wong	16/09/2016	18/09/2018	Director
Paul Suen	01/12/2012	17/09/2016	Director
Benjamin Calver	20/08/2013	25/08/2016	Director

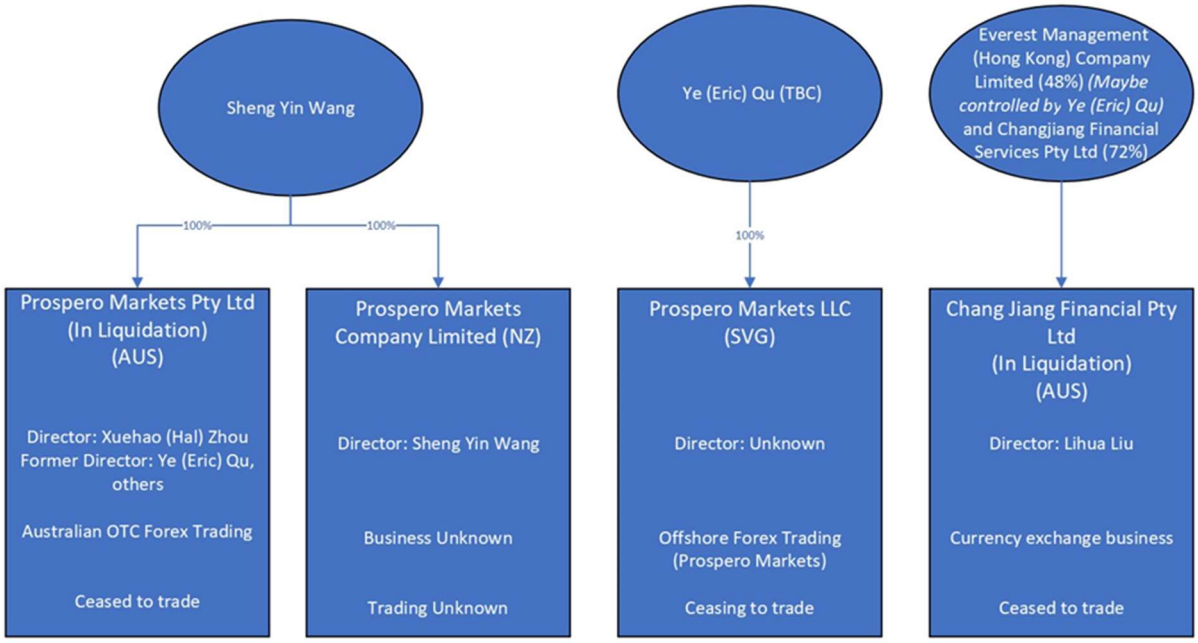
**Note: there are additional former company officers, however their roles ceased more than 10 years ago and as such, we have not reported these details.*

SHAREHOLDERS	CLASS	NO. OF SHARES	BENEFICIALLY OWNED	SHARE	STATUS
Sheng Yin Wang	Ordinary	18,003,356	Yes	100%	Current
Xin Sheng Chen	Ordinary	2,920,622	Yes	16.22%	Former
CJ Prime Financial Pty Ltd	Ordinary	2,920,622	Yes	16.22%	Former
LQY Markets Limited	Ordinary	2,920,622	Yes	16.22%	Former
Raindance Holdings Pty Ltd	Ordinary	2,340,000	Yes	13.00%	Former
Intercapital Markets Holding Limited	Ordinary	300,000	Yes	1.67%	Former
Ning Zhou	Ordinary	1	Yes	0.00%	Former

5 GROUP STRUCTURE

It appears that the Company operated as part of a broader group of businesses, all providing financial services within Australia and offshore, which we will refer to as the "Prospero Group". Certain associated entities and persons within the Prospero Group have been pursued by regulatory bodies, such as the AFP, AFSA and ASIC, where there have been allegations of money laundering and other offences, which has resulted in various prosecutions and, ultimately, led to this liquidation.

We have prepared below a chart summarising the known structure of the Company and associated entities, which appear relevant to this Liquidation.



6 LEGAL PROCEEDINGS

Pursuant to Section 500(2) of the Act, our appointment as Liquidators automatically stays any current legal proceedings against the Company.

Creditors cannot commence or continue proceedings against the Company without our written consent or without leave of the Court. Other than the ASIC proceedings to wind up the Company, we are not aware of any other legal proceedings involving the Company that are currently on foot.

7 COMPANY HISTORY AND BACKGROUND

Below is a summary of the known background of the Company, based on information made available to us and our own enquiries. We note that the Director has failed to lodge a ROCAP and other documentation with the Liquidators, and the information available to us appears to be incomplete.

- The Company was incorporated in 2010, as Intercapital Markets Co Pty Ltd. In 2013, the Company was renamed to Rainbow Legend Group Pty Ltd.
- In July 2020, the Company was again renamed to Prospero Markets Pty Ltd, being the current form of business. The Company held an AFSL allowing it to offer financial services by way of OTC foreign exchange and derivates trading. The focus of our enquiries has been in respect of the period after 2020, when the business in its current form operated.
- In respect of the Directors of the Company, there have been a number of changes over recent years:
    - Ye Qu was appointed as the sole Director in May 2020 until March 2021;
    - Sheng Yin Wang and Xin Sheng Chen were Directors from March 2021 to June 2021, where upon Sheng Yin Wang remained as the sole Director to October 2023;
    - Sheng Ying Wang was the sole Director from June 2021 to October 2023; and

- Xuehao Zhou was appointed as the sole Director on 27 October 2023, and remains to date.

- In respect of the Shareholders of the Company:
  - There were various shareholders prior to March 2021;
  - Xin Sheng Chen was the sole shareholder from March 2021 to June 2021; and
  - Sheng Yin Wang was the sole shareholder from June 2021 to date.
- The Company had 2 former Ultimate Holding Company:
  - LQY Markets Limited which appears to end in May 2019. We are advised this entity is controlled by Ye Qu.
  - CJ Prime Financial Pty Ltd which appears to end in March 2021. We are advised this entity is controlled by Sheng Yin Wang.
- Since July 2017, Mr Frank Vrachas of Rothsay Chartered Accountant was the registered auditor of the Company. We have been provided copies of the audited financial statements produced by Rothsay Chartered Accountant for FY2021 and FY2022. Mr Frank Vrachas' registration as an auditor was cancelled in February 2023. A replacement auditor from Charterhouse & Co Auditors Pty Ltd was to be appointed around February 2024, which did not proceed. It appears that the audit of the FY2023 financial statements was not completed.
- The Responsible Managers of the Company were:
  - Ye Qu and Wei Hong were appointed in March 2021; and
  - Fulai Sun was appointed in October 2021.
- The business market operations do not appear to have materially commenced until FY2022. Revenues increased from $582K in FY2021 to $4.8M in FY2022, and then significantly increased to around $28.5M in FY2023. With the prosecution and regulatory issues, the FY2024 revenues were down to $7.8M. The total revenues during July 2020 to April 2024 were in the order of $42M.
- The Company reported total costs of around $65M, largely represented by trading costs of $39M and overhead costs of $18M during that same period.
- Overall, the Company incurred substantial trading losses of around $25M during its 5 years in operation (in its recent form). Those losses were funded by shareholders, who contributed share capital of approximately $30M during that same time frame.
- The Company appears to have held client funds with CBA during its operations. CBA froze the client funds in October 2023 and we have instructed CBA to keep those funds frozen until further notice.
- The Company's assets were held with NAB and Bendigo Bank. Those funds were similarly frozen in the months leading to our appointment, and have been subsequently recovered by

us. In addition, the Company held significant funds with various Liquidity Providers (mainly offshore), the bulk of which we have recovered.

- In October 2020, Prospero Markets LLC was incorporated in SVG. It is presently unclear what formal relationship there is between the directors and shareholders of the Company and Prospero Markets LLC respectively. However, our investigations to date suggest that Prospero Markets LLC clients traded under an MT4 licence held by the Company, and the Prospero Markets LLC client funds appear to be frozen by reason of the criminal money laundering investigation referred to previously. Certain clients of Prospero Markets LLC have lodged claims in the liquidation of the Company which we are attempting to adjudicate.

- In August 2021, a New Zealand entity was renamed to Prospero Markets Company Limited. This entity appears to be involved in the operation of Prospero Markets LLC and the Company. We note that Prospero Markets Company Limited holds an MT4 licence, which the Company utilises for its clients to trade. Given the dealings between the Company, Prospero Markets Company Limited and Prospero Markets LLC (most of which are undocumented), we have had to attempt to deal with those entities and their management in administering the Company's affairs in liquidation.

- In August 2022, Taskforce Avarus, an AFP-led standing taskforce on money laundering, established Operation "Avarus-Nightwolf" to investigate the Long River money laundering organisation. The AFP Operation ran for 14 months, and involved AUSTRAC, Australian Border Force, Australian Criminal Intelligence Commission, ASIC, ATO and the United States Department of Homeland Security Investigations.

- On 25 October 2023, the AFP charged seven individuals for their roles in relation to alleged money laundering through the Chang Jiang Currency Exchange money remitting chain, as part of their Operation named "Avarus-Nightwolf". We do not make any comment herein in respect of the alleged AFP offences. Our enquiries are focused on the Company's affairs, and primarily, what returns may be available for creditors, which includes clients as trust creditors. Two of those individuals prosecuted by the AFP, were directly involved in the Company's operations:-

    - Ding Wang, the former signatory of the Company's bank accounts held with CBA. Sheng Yin Wang, the former Director and current sole shareholder, is the father of Ding Wang.

    - Ye Qu, the former Director and Responsible Manager of the Company

- From late 2022 to mid-2023, ASIC conducted surveillance of the Company's operations.

- On 16 November 2023, ASIC commenced a formal investigation under Section 13 of the ASIC Act into suspected contraventions of the Act.

- In November 2023, we understand that the Company ceased its market making activities, closing out all open client positions. The Company also gave notice terminating all staff at that time.

- On 20 December 2023, ASIC suspended the Company's AFSL until 28 February 2024. The suspension was later extended until September 2024.
- On 21 December 2023, the Official Trustee in Bankruptcy (AFSA) lodged a security interest, in respect of a POCA order over the shareholding interest following prosecution by AFP.
- ASIC subsequently applied to the Court to have the Company wound up on just and equitable grounds. We note that the Company opposed the winding up, which resulted in delays in that Court process. We were appointed Joint and Several Liquidators on 10 April 2024.
- Our preliminary enquiries indicate that the Company may be solvent, subject to our adjudication of all claims lodged against the Company in the Liquidation process.

8 REASONS FOR FAILURE

The Director has failed to lodge a ROCAP and completed questionnaire with us in respect of this Liquidation. As such, the Director has not formally advised the reasons for failure.

Our enquiries indicate that the Company has been placed into Liquidation, following compliance failures ultimately resulting in the AFSL suspension by ASIC. Without its AFSL, the Company could not continue to trade. Those compliance failures could be attributed to the Company's associations with parties that were prosecuted in the previously mentioned AFP Operation "Avarus-Nightwolf".

We note that, subject to the total claims against the Company and costs of the Liquidation process, that all creditor claims may be discharged in full.

9 CONDUCT OF THE LIQUIDATION

Below is a high-level summary of the key matters attended to by our team during the Liquidation thus far: -

- Liaised with the Company's pre-appointment bankers, CBA, to secure client funds. Obtained access to Company's banking system to review accounts and trace client funds, as necessary.
- Liaised with other pre-appointment bankers, Bendigo Bank and NAB, to secure the Company's operational funds and obtain bank statements.
- Liaised extensively with NAB regarding Liquidity Provider funds not allocated to Company's bank accounts, and ultimately recovered those missing funds.
- Liaised with Liquidity Providers to secure the Company's operational funds. Obtained access to statements and reconcile recoveries to the Reckon management accounts. Engaging with a Singaporean law firm to obtain orders recognising our appointment as Liquidators.
- Review Company records, including email backups for supplier information/contacts, bank/liquidity provider/payment processors statements and other key information.
- Engaged with the Director, Responsible Managers and management as to the Company's affairs and operations, in particular securing the assets and quantifying liabilities.

- Verifying employee entitlements and reviewing Company records to support same.
- Liaising with Payment Processors to determine any funds held. Obtained statements to assist with the tracing of funds and adjudication of creditors' claims.
- Sought legal advice on various trust and contractual issues, including preparing for the application to the Court seeking declarations.
- Established a Creditor Portal with Link Market Services to handle the large volume of claims.
- Extensive correspondence with clients, including preparation of Frequently Asked Questions, assisting with identity verification processes, submitting Proof of Debt Forms and providing relevant supporting documentation.
- Investigated the relationship and dealings between the Company, Prospero Markets Company Limited and Prospero Markets LLC.
- Interrogated the available MT4 data with the assistance of a MT4 expert, to confirm the level of client liabilities.
- Commence process of adjudication of client claims, including preparation of flowchart and other workpapers to assess client claims.
- Liaising with ASIC regarding background to the appointment, providing access to books and records and petitioning creditors costs.
- Attended the Company's physical trading premises in Sydney and Melbourne to secure Company books and records. Liaised with the respective landlords, vacated the premises and disclaimed our interest in the leases.
- Liaising with independent valuer and organise inspections of the trading premises to determine realisable value of the physical assets.
- Liaising extensively with the Company's pre-appointment IT service providers to secure Company records.
- Liaising extensively with Metaquotes to secure continued access to MT4.
- Explore the possible sale of the Company's AFSL and MT4 licenses.
- Engage with the Official Trustee in Bankruptcy and the AFP to discuss the POCA Orders and their implication on liquidation.
- Liaising with AFP regarding specific assets located in the Company's Melbourne trading premises.
- Report to ASIC the Director's failure to provide a completed ROCAP.

10 HISTORICAL FINANCIAL INFORMATION

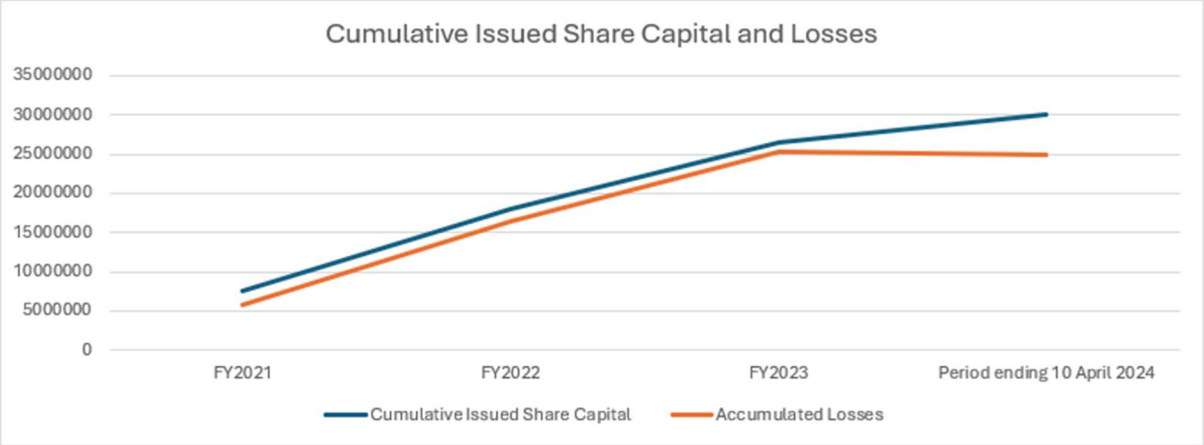
We have reviewed the Company's externally prepared audited financial reports for the financial years ended 30 June 2021 and 30 June 2022, draft unaudited financial statements for financial year ended 30 June 2023 and draft management accounts for the part year ended 10 April 2024.

10.1 BALANCE SHEETS

Attached as "**Annexure D**" is a comparative analysis of the Balance Sheets for the abovementioned periods.

We provide the following commentary with respect to the attached comparative Balance Sheets:

- The Company had minimal assets and liabilities in FY2021, as it appears to have only started trading that year. During FY2022 the operations commenced, resulting in material changes to the balance sheet.
- The Company's assets largely consisted of cash and cash equivalents, which increased from $558K in FY2021 to $21M by April 2024, which are largely represented by clients trust funds. Additionally, the Company held cash assets by way of funds held with short-term Liquidity Providers which fluctuated from $2.8M to $3.9M during that same period.
- The Company's liabilities largely consisted of client trust liabilities, which increased from $480K in FY2021 to $19M by April 2024, consistent with its OTC market operations.
- The Company reported related party loan liabilities of $1.6M in FY2021, which increased to $2.75M in FY2022. During FY2023, $2.35M was converted to equity and $400K was repaid to CJF International Pty Ltd.
- The Company reported a liability to WX Trading Pty Ltd of $2.9M at June 2023, which appears to relate to some form of cryptocurrency trading position. The management accounts indicate that the liability was discharged in July 2023, and we have not been advised of any current cryptocurrency assets available in the Liquidation.
- The Company reported an increase in the employee entitlement liabilities from $43K in FY2021 to $1.1M by April 2024. We note that a significant portion of the April 2024 balance relates to redundancy entitlements that are owed to the terminated staff.
- The Company consistently reported a net asset surplus from FY2021 to April 2024. The surplus was maintained by the continual issuing of share capital (equity), totalling $30M from FY2021 to April 2024. That equity was used in the business to offset the losses incurred, amounting to around $25M by April 2024 (refer to the graph below for equity comparison).



10.2 PROFIT AND LOSS STATEMENTS

Attached as "**Annexure E**" is a comparative analysis of the Profit and Loss Statements for the abovementioned periods.

We make the following commentary with respect to the attached comparative Profit and Loss Statements:

- As noted previously, the market operations do not appear to have materially commenced until FY2022. We note revenues increased from $582K in FY2021 to $4.8M in FY2022. However, during FY2023 the revenues increased to around $28.5M, and then retracted to $7.8M during FY2024 reflective of the regulatory issues and cessation of trading during that period. Total reported revenues during July 2020 to April 2024 were in the order of $42M.
- The major cost category was reported as "Trading costs", amounting to approximately $39M over the period July 2020 to April 2024. The supporting ledgers indicate that these costs related to the Liquidity Providers in making the markets for clients, however further enquiries may be required.
- The operating costs included staffing, technology and occupancy costs which is common for such businesses. Those costs totalled around $18M during the period July 2020 to April 2024.
- Overall, the Company reported total costs of around $65M, as compared to revenues of only $42M. The total accumulated losses of $25M (including around $3M incurred prior to June 2020) are substantial. Some of the losses could be attributed to new business start-up costs. Regardless, the underlying business case appears to be lacking, or insufficient to carry the overhead costs.
- The substantial trading losses of $25M over its 5 years in operation, were funded by contributions of share capital (equity) over that time. Therefore, whilst such large losses appear irregular for this business in the OTC industry, this is primarily an issue for the shareholders, assuming the Company remains solvent. We have not investigated this any further at this time, however this may be considered after creditor claims are discharged.

11 CURRENT FINANCIAL POSITION

Below is our analysis of the current financial position of the Company, with regard to available financial records and our enquiries to date.

Prospero Markets Pty Ltd (In Liquidation) A.C.N. 145 048 577 Summary of Director's Report on Company Activities and Property	Report Reference	Book Value as at 10/04/2024 ($)	Director's ERV (per ROCAP) ($)	Liquidator's ERV ($)
Assets				
Client Trust Funds	11.1.1	19,457,096		19,653,620
Client Trust Funds USD	11.1.1	303,521		315,580
Cash and Cash Equivalents	11.1.2	1,296,064		2,588,421
Cash and Cash Equivalents USD	11.1.2	164,434		-
Money Processors	11.1.3	53,289		-
Liquidity Providers	11.1.4	3,921,873		2,420,234
Property, Plant & Equipment	11.1.5	317,367		6,000
Prepayments	11.1.6	199,379		3,881
Tax Asset	11.1.7	130,738		130,738
Total Assets		**25,843,760.79**	ROCAP not provided by Director	**25,118,474.93**
Liabilities				
Priority Creditors	11.2.1	1,092,646.03		1,300,000.00
Secured Creditors	11.2.2	-		-
Unsecured Creditors	11.2.3			
Client Liabilities	11.2.3.1	18,909,983.12		19,065,606.64
Trade Creditors	11.2.3.2	737,473.92		1,100,000.00
Landlords	11.2.3.2	-		500,000.00
Total Liabilities		**20,740,103.07**		**21,965,606.64**
Estimated Net Asset Surplus / (Deficiency)		**5,103,658**		**3,152,868**

11.1 ASSETS

11.1.1 Client Trust Funds/Client Trust Funds USD

The Company's management accounts reported Client Trust Funds of approximately AUD$19.8M, in four (4) accounts held with CBA on our appointment. These trust accounts had been frozen since October 2023 in accordance with Court Orders and voluntary undertakings with ASIC.

CBA have confirmed the total balance of these trust accounts is approximately $20M currently. We issued instructions to CBA that the freeze is to remain over these trust accounts.

Our investigations indicate that these funds are held on trust on behalf of the clients to meet client trust claims. As discussed previously, we will be shortly filing a Court application to seek judicial advice

and directions in respect of the characterisation and treatment of client funds and the client distribution process, including costs. This is further discussed in section 13 of this report.

11.1.2 Cash and Cash Equivalents/ Cash and Cash Equivalents USD

The management accounts report the total cash equivalents held on our appointment was $1,460,498. We made enquiries with all major banks in Australia seeking details of any accounts maintained by the Company. We have identified that the Company holds the following amounts in various bank accounts which we have recovered or secured:

Bank	Realisable Amount ($)	Status
CBA	20,586.63	This account is frozen.
CBA	153,227.67	Term deposit for cash backed rental bond for Melbourne leased premises, recovered by Melbourne landlord.
CBA	120,351.00	Term deposit for cash backed rental bond for Sydney leased premises, still held in CBA.
NAB	1,278,630.52	Balance includes missing funds which had been transferred from the liquidity provider, CMC, in January 2024 totalling USD$746,262. This is discussed further below.
Bendigo Bank	1,000,198.79	Balance recovered less $500 remaining in account to cover bank fees.
Total	**$2,572,994.61**	

Based on enquiries to date, we are not aware of any other bank accounts held by the Company as at the date of our appointment.

When attending the Melbourne leased premises, we recovered cash on hand that was secured in a safe, totalling $15,426.45. AFP confirmed that they did not have any claim to those funds.

11.1.3 Money Processors

The Company's management accounts reported money processors, totalling $53K held by Checkout and Novatti at our appointment. We have written to these parties following our appointment and have been advised that there are no funds held by these parties on behalf of the Company. At this stage, it appears this is an accounting error, which is not a recoverable asset.

11.1.4 Liquidity Providers

The Company's management accounts reported Liquidity Providers with a total balance of circa $3.9M at our appointment. Our enquiries indicate that the accounts are materially incorrect, where some

funds were already disbursed and there are also facility costs and adverse market movements not accounted for against the respective balances.

We have written to the Liquidity Providers to confirm amounts held and recover funds to the Liquidation bank account. We set out below a summary of the status of the Liquidity Providers.

Liquidity Provider	Book Value ($)	Realisable Amount ($)	Status
iSAM	982,202.80	730,701.07	Recovered into Liquidation bank account. The difference in the book value relates to adverse fluctuations in the hedge positions held by the Company and trade settlement fees.
Finalto	1,412,318.87	1,140,279.32	Recovered into Liquidation bank account. The difference in the book value relates to adverse fluctuations in the hedge positions held by the Company and trade settlement fees.
Vantage	156,589.75	150,203.07	Recovered into Liquidation bank account.
CGS-CIMB	463,567.29	399,050.91	CGS have confirmed the account is frozen, however require orders from a Singapore Court (their operational jurisdiction) in order to comply with our requests. Accordingly, we have engaged lawyers in Singapore to assist with this process. We will be required to file an application in Singapore and are advised orders can be obtained in four (4) to six (6) weeks thereafter. The estimated cost is SGD15,000.
CMC	1,144,357.72	-	As mentioned above, the CMC liquidity provider funds totalling USD$746,262 (circa AUD$1.1M) were transferred to NAB in January 2024. These funds were recovered by us as cash at bank.
FXCM Funding	35,163.90	-	Demand issued, however no response to date.
Invast	44,879.09	-	The account was closed prior to our appointment on 5 December 2024 with the closing balance transferred into the

Liquidity Provider	Book Value ($)	Realisable Amount ($)	Status
			Company's account. There will be no further recovery.
LP Deposits - Other	(317,206.57)	-	This is likely to represent provisions for the adverse market movements, and no recovery is anticipated.
Total	**3,921,872.85**	**2,420,234.37**	

We note that the management attempted to transfer the CMC Liquidity Provider funds to NAB accounts in January 2024. For various reasons, including that the NAB bank accounts were frozen, the funds were effectively lost into a suspense facility with NAB. After we conducted traces and engaged in substantial correspondence with NAB, we were able to confirm they held the Company's funds, and later recovered same. We have accounted for those funds as cash at bank, as they were not held by a Liquidity Provider when we were appointed.

We note that the amounts reported as held by Liquidity Providers in the management accounts appear to be overstated by around $300K. This appears to be an accounting issue, whereby the costs of those facilities and any adverse market movement against the Company, have not been reconciled. At this stage we do not anticipate any further recovery from the Liquidity Providers with the exception of funds held in Singapore with CGS-CIMB.

11.1.5 Property, Plant & Equipment

The Company's management accounts reported PPE with a written down value of $317K consisting of various office furniture, IT equipment and leasehold fitouts located in the leased premises at Sydney and Melbourne. We engaged an independent valuer from O'Maras to assess the value of PPE located at both premises and provide a valuation report.

Following our appointment, the landlord of the Sydney premises asserted ownership over the furniture and fixtures. Our enquiries indicate there is minimal value on a forced liquidation basis and the cost to resolve the dispute with the landlord would likely exceed the recoverable value of the items located at the premises. Accordingly, we have issued a disclaimer for the Sydney premises lease and there will no recovery from these assets.

The landlord of the Melbourne premises declined to allow an auction onsite. Similarly, the cost to remove and realise the PPE located in the Melbourne premises was likely to exceed the recoverable value. Accordingly, we have issued a disclaimer for the Melbourne premises lease and there will no recovery from these assets.

In relation to IT equipment, over sixty (60) computers have been relocated to our office to secure the electronic records. Once the electronic records have been backed up to an external system, the computers will be securely wiped and sold. We anticipate a minor recovery of circa $6K from these assets.

11.1.6 Prepayments

The Company's management accounts reported prepayments totalling $199K, which mainly consists of legal deposits made to the Company's pre-appointment lawyers. We have recovered a balance of $3,881.40 held in Sophie Grace's trust account, however the majority relates to payments made to Hamilton Locke in the months prior to our appointment.

Hamilton Locke have provided a detailed trust account statement which shows $160K was received from the Company in March and April 2024. From these funds, an amount of $119K was used to pay Hamilton Locke in respect of outstanding invoices on 23 April 2024. Further, Hamilton Locke have advised there is a further outstanding invoice of circa $22K, which they have requested to be paid from the remaining balance of $40K in their trust account. We are seeking recovery of the net funds and have sought legal advice in this regard.

The other prepayments relate to sundry subscriptions and costs which are not recoverable.

11.1.7 Tax Assets

The Company's management accounts recorded this asset as TFN withholding tax totalling $130K. It appears that this asset may be recoverable in due course when the outstanding tax lodgements are completed. This will take some time.

11.2 LIABILITIES

11.2.1 Priority Creditors

As mentioned in our previous report to creditors, all employees were terminated prior to our appointment. We engaged the Company's former internal bookkeeper to assist with reconciling and updating the Company's management accounts up to the date of our appointment. This work has since been completed however we note there have been difficulties, as access to certain records has been limited.

We have reviewed the Company's records and are currently conducting verification of the outstanding employee entitlements. Below is a summary estimate of the total employee claims, which are still subject to review.

Employee Entitlements	Amount ($)
Unpaid Wages	453,205.09
Superannuation	92,893.30
Annual Leave	330,571.00
Payment in Lieu of Notice	-
Redundancy	413,972.95
Total	**1,290,642.33**

We provide our comments as follows:

- It appears that no wages were paid for staff that worked during the month of November 2023.
- All staff were provided notice of termination of their employment on 18 November 2024, and they continued to work during their notice period. Therefore, there is no payment in lieu of notice claims.
- Certain employees were purportedly re-hired by the Company after their termination to assist with administrative and compliance matters during the ongoing legal proceedings with ASIC. We are advised that these employees were not paid wages for this period which lasted several months. We are continuing to investigate this matter.
- The annual leave balances for certain employees appeared to be unusually high. We are testing those claims against the available records and may seek further information from claimants.

Former employees of the Company have a statutory priority of payment in respect of outstanding entitlements such as wages, superannuation, annual leave, long service leave, payment in lieu of notice and redundancy. In the event that there are insufficient funds to pay a dividend to priority (employee) creditors in a winding up, employees (excluding the Directors and related parties) may lodge a claim under the FEG scheme with the Department in respect of certain entitlements that they are owed, subject to them meeting the eligibility requirements of the FEG scheme. FEG does not pay outstanding superannuation.

Whilst we believe the Company will have sufficient funds to discharge all employee claims, this will not be possible for some time. As such, we encourage employees to lodge claims with FEG, if they have not already done so. We are currently completing the FEG verification of outstanding entitlements. Employees should note that the amounts to be distributed by FEG are subject to FEG's assessment and final determination.

Should you wish to obtain further information or make a claim for outstanding employee entitlements, the Department may be contacted on 1300 135 040. Alternatively, you may visit their website at: https://www.dewr.gov.au/fair-entitlements-guarantee

11.2.2 Secured Creditors

Searches of PPSR indicate there was one (1) security interest registered over the Company prior to our appointment by The Official Trustee in Bankruptcy. We have made enquiries with AFSA and our understanding is this security interest relates to POCA orders made by the Supreme Court of Victoria on 24 October 2023 which restricts the disposal of various assets owned by Ye Qu and Ding Wang, including the shares in the Company.

We have sought legal advice on this matter and have formed the view that this security interest does not prevent us from conducting an orderly winding up the Company and making distributions to clients and creditors. Should there be a surplus for shareholders in the Liquidation, we will then liaise with AFSA to determine the appropriate party to receive the surplus funds.

11.2.3 Unsecured Creditors

11.2.3.1 Client Liabilities

We have been using an online Creditor Portal hosted by Link for the purposes of capturing clients' claims and uploading documentation (including banking instructions) to assist with conducting the adjudication process and ultimately, distributing the client funds. We have also received a significant volume of enquiries from clients in respect of the Creditor Portal, in particular with the identity verification process. We have attempted to assist clients where possible, however we are aware of issues using overseas identity documents. This has necessitated a separate manual verification process for these clients which is also ongoing.

According to the Company's MT4 records, there are potentially 1,384 clients with claims, totalling approximately $19.1M. To date, approximately 650 clients have lodged their claim via the online creditor portal with claims totalling circa $17.8M. We have undertaken substantial work on the adjudication of these claims, and are in the process of reviewing the documentation submitted and reconciling with the Company's records, including confirming that funds were deposited by clients into an account held by the Company. We have reviewed over 400 claims submitted by clients, totalling circa $10M, which largely appear to match with the Company's records.

We note that of the claims lodged to date, an additional $1.6M in value is included which is greater than the Company's records. Our enquiries indicate that those excess claims may include errors or other damages style claims, which will require further review and documentation.

We have also been engaging with clients to provide further documentation to support their claims. This process is ongoing and we expect will take some time, considering the number of anticipated claims from clients. We are also working on a proposed distribution process, which is discussed further in section 13.1 of this report.

11.2.3.2 Trade Creditors

The Company's management accounts indicate that trade creditors are owed $737K by the Company, which appear to relate to various IT services, unpaid rent and other debts incurred in the ordinary course of business. We note that the Company had various contractual arrangements for several IT services and once these services are terminated, there are likely to be early termination/damages claims. In this regard, such claims could be substantial and we have estimated a value of $1.1M for reporting purposes.

To date, trade creditors have lodged claims via the Creditor Portal, totalling approximately $3.3M, of which $2.6M relates to a claim lodged by the landlord of the Melbourne premises in respect of damages for early termination of the lease. We understand the Melbourne premises will be re-leased from 1 August 2024 and the claim from the landlord will be reduced significantly. Similarly, the landlord for the Sydney premises will have a claim for early termination of the lease. At this stage, we have estimated claims from the landlords of the Sydney and Melbourne premises to be $500,000 for reporting purposes. We note that landlords also hold bank guarantees which will be accounted for against the claims.

We anticipate that there will be a dividend for unsecured creditors. As such, please see attached a Notice Inviting Formal Proof of Debt attached as **Annexure "C"**, whereby we require creditors who

have not already done so, to lodge their claim with relevant supporting documentation on the Creditor Portal by 24 July 2024.

12 INVESTIGATIONS AND RECOVERY ACTIONS

As Liquidators, we are required to review certain transactions to determine whether or not claims for statutory recoveries may be made for the benefit of creditors. Attached as "**Annexure J"** is the ARITA creditor information sheet on Offences, Recoverable Transactions and Insolvent Trading.

Whilst a potential claim may be identified having regard to the Company's records, any net recovery ultimately depends upon:

- The costs involved in pursuing a claim; and
- The capacity of the defendant to meet such a claim.

12.1 INVESTIGATIONS UNDERTAKEN

During the course of these investigations, we have:

- Reviewed management accounts maintained electronically on Reckon;
- Reviewed other Company records made available to us;
- Written to the relevant authorities requesting information required for investigations;
- Carried out ASIC and other searches available to us in relation to the Company;
- Reviewed affidavits lodged by ASIC in relation to ASIC's investigation of the Company;
- Performed a review of the bank accounts of management accounts to identify irregular and/or voidable transactions.

12.2 BOOKS AND RECORDS

Section 286 of the Act requires a company is to keep written financial records that:

- correctly record and explain its transactions, financial position and performance; and
- would enable true and fair financial statements to be prepared and audited.

The failure to maintain books and records in accordance with Section 286 of the Act may allow a Liquidator to presume the Company was insolvent throughout the period the books and records were not maintained (Section 588E of the Act).

Following a review of the Company's books and records available to us, we are of the view that the Company has kept books and records in compliance with Section 286 of the Act.

12.3 INSOLVENCY & POTENTIAL INSOLVENT TRADING

Pursuant to Section 588G of the Act, a director may be personally liable for insolvent trading by a company where:

- A person is a director at the time a company incurs a debt;
- The company is insolvent at the time of incurring the debt or becomes insolvent because of incurring the debt;

- At the time the debt was incurred, there were reasonable grounds to suspect that the company was insolvent;
- The director was aware such grounds for suspicion existed; and
- A reasonable person in a like position would have been so aware.

The Act provides that the liquidator, and in certain circumstances the creditor who suffered the loss, may recover from the director, an amount equal to the loss or damage suffered. Similar provisions exist to pursue holding companies for debts incurred by their subsidiaries.

Our assessment has been based on the information available to us from the Company's records, information provided by ASIC and on the basis of our separate investigations of the Company's affairs.

Based on our investigations conducted to date, our preliminary view is that the Company was solvent on our appointment. Therefore, there is no insolvent trading claim to pursue. Further, subject to the total creditor claims admitted and costs of the Liquidation process, all liabilities may be discharged in full, such that surplus funds may be available for the shareholder (or AFSA pursuant to the POCA orders).

Should the situation change, we will update creditors and/or shareholders in future reports (if necessary).

12.4 VOIDABLE TRANSACTIONS & POTENTIAL OFFENCES

Voidable transactions include transactions such as unfair preferences, uncommercial transactions, unfair loans, unreasonable director related transactions and circulating security interests created within six months before the relation-back day, which is the date of the appointment of the Liquidators.

These transactions usually relate to the period six (6) months prior to the date of our appointment; however, in certain circumstances, this period can be extended to four (4) years in relation to transactions with related entities and up to ten (10) years if the transactions were entered into with related parties with the intention of fraud.

As mentioned above, it appears that the Company is solvent, and therefore most of the voidable recovery actions are not available.

We note that the Company incurred around $25M in accumulated losses between FY2020 to FY2024 which is substantial. The losses were funded by the Company's shareholders over the years, where they contributed circa $30M to the business. Therefore, to the extent that there was a failure or offence by management resulting in the collapse, any loss was suffered by shareholders, rather than creditors. This includes the various compliance failures asserted by ASIC following its investigation, which could potentially be framed as breach of duty claims against the Director(s) at the relevant times. Further enquiries into the business model and losses incurred, or other potential offences, may be investigated after the creditor claims are discharged, subject to the views of the shareholder at that point (that interest now controlled by AFSA pursuant to the POCA orders).

Therefore, we have not identified any offences or recovery actions to be pursued at this time. Should that position change, we will update creditors and shareholders in due course.

13 APPLICATION TO COURT

After seeking legal advice, we formed the view that a Court application is required to seek judicial advice and directions. This is in circumstances where:

- Client claims are significant as measured against the trust funds, however the overall quantum will not be known until an adjudication process is complete;
- Claims have been submitted by clients of the related SVG entity (Prospero Markets LLC) which we presently believe (based on currently available information and subject to further investigation) do not represent entitlements to return of funds held by this Company;
- Certain clients appear to be claiming amounts relating to "credit" or "bonus" schemes, where the documentation is lacking and further consideration of the applicable 'terms and conditions' is required before forming a view as to whether those "credit" or "bonus" amounts are also payable to Company clients;
- Securing some of the Company's electronic records has been difficult and costly, held by third parties located offshore;
- There are potential mixing issues in relation to the operation of the MT4 licences used by the Company and a related New Zealand entity (Prospero Markets Company Limited); and
- There may be practical difficulties and costs in dealing with clients with small account balances.

The above is not an exhaustive list of the issues encountered to date.

Accordingly, we are applying to the Court seeking orders on the process to adjudicate client claims and distribute trust funds, and to discharge costs incurred from the available Company and trust funds. Importantly, we will seek Orders that will allow us to adjudicate all client claims, regardless of whether some clients have failed to lodge the necessary proof of debt documentation.

Our lawyers are preparing the application to the Court, including a detailed affidavit to set out the background and the work undertaken in the Liquidation to date. We are progressing to the extent possible, our adjudication of the claims lodged by clients of both the Company and Prospero Markets LLC in the meantime to maximise efficiency/accuracy and avoid delay. We note that Prospero Markets LLC appears to have interests intertwined with the Chang Jiang Currency Exchange matter, where the entity's funds are frozen. We note that our current enquiries indicate that Prospero Markets LLC claims are not valid against the Company, however if this position is incorrect, then this could lead to a deficit in client funds and is part of the basis on which we have determined that it is appropriate to obtain court approval and directions in relation to the return of client funds.

We have invited all clients to lodge claims and submit supporting documentation on the Creditor Portal hosted by Link Market Services. To date less than half the clients have completed the claim lodgement process. It appears that a portion of clients have been unable to complete the identification verification, largely due to those parties not having current Australian identity documents. This has necessitated a separate manual verification and adjudication process, which is currently ongoing and naturally takes additional time to complete.

Based on our review of claims lodged by the clients of Prospero Markets LLC, we have been unable to verify how those clients deposited funds into an account held by the Company, or placed trades on markets made by the Company. Requests have been issued to these clients for further evidence to support their claim against the Company and the adjudication of these claims are ongoing whilst we await responses.

In this regard, we expect to file the application imminently (that is, within the next seven (7) days from the date of this report) and we will request that the application is heard on an urgent basis, given the need to distribute funds to clients. Assuming there is limited opposition and no need for representative creditors to be appointed in respect of offshore clients of Prospero Markets LLC, then we are optimistic that the Court may make orders within six (6) to ten (10) weeks. Upon receiving Court directions, we anticipate distributing to clients within four (4) to eight (8) weeks thereafter. An outline of the process is detailed below.

13.1 PROPOSED DISTRIBUTION PROCESS

We set out below a brief summary of our proposed adjudication and distribution process which will be put to the Court for their consideration and Orders:-

- We complete our review of the Company's records and client claims;
- We issue a Distribution Notice to all clients to advise the proposed value of their entitlement for the purpose of a distribution;
- If a client disputes the value of their entitlement, they will have a period of fourteen (14) days to login to the Link online creditor portal to submit their revised claim and upload supporting documentation;
- We will review disputed claims lodged by clients and assess whether the dispute is valid, then issue a further notice which will either:
    a. Confirm that we agree with the revised claim for their entitlement; or
    b. Set out the reasons why we do not accept their dispute and will proceed with the original value of their entitlement and if the client still considers their dispute is valid, then they may apply to the Court for further action within fourteen (14) days;
- Within twenty-eight (28) days of issuing the Distribution Notice, we will proceed to distribution based on the value of the entitlement of each client as recorded in the Link online creditor portal.

14 RECEIPTS AND PAYMENTS

Attached as **Annexure "F"** is a summary of receipts and payments during the Liquidation period to the date of this Report.

We are required to lodge a statement of account with ASIC annually during the Liquidation. To date, our appointment has not exceeded (12) twelve months and as such, we are not required to lodged same but will do so if necessary, in accordance with the statutory timeframe.

15 REMUNERATION OF LIQUIDATORS

In compliance with the ARITA Code of Professional Practice and the requirements of the Act, we are required to provide detailed information in respect of our remuneration. We attach our Remuneration Approval Report as **Annexure "H"** which details the major tasks that have been and will be conducted in this Liquidation. Our remuneration is calculated on the time spent by staff at hourly rates used by BRI Ferrier, as detailed in our Remuneration Matrix. This document is contained within the Remuneration Report. In addition, a schedule of hourly rates is attached as **Annexure "I"**.

To date, our remuneration has been calculated on this "Time-Cost" basis, and we propose that it continue to be calculated on this basis. The Time-Cost method for calculating remuneration reflects the cost to our firm of the work undertaken, rather than a measure of the assets realised. In our view, the Time-Cost method is the preferable basis for calculating remuneration in an engagement such as this.

For Creditors' information, ASIC information sheets **(Annexure "K")** that relate to specific circumstances once an insolvency practitioner is appointed to a Company and approval of remuneration can be found at the following websites:

- http://www.asic.gov.au/insolvencyinfosheets
- https://arita.com.au/ARITA/ARITA/Insolvency_help/Insolvency_explained/Insolvency-Fact-Sheets.aspx

Please note that if our professional fees are not approved by creditors, then we may approach the Court for those approvals. We note that this will likely incur additional costs, which will be borne from the available assets.

16 MEETING OF CREDITORS

A Meeting of Creditors of the Company will be held on Wednesday, 31 July 2024 at 1:00PM (AEST). The formal Notice of Meeting is attached as **Annexure "A"** for your reference. The meeting will be held via virtual meeting technology on the Creditor Portal.

To participate as a Creditor, you should:

- Lodge a Proof of Debt detailing your claim to be a Creditor. To submit a POD, please log into the Creditor Portal: https://exad.com.au/bri/prospero/ using your Creditor ID and Passcode, and proceed with the "Register your debt" option on the Creditor Dashboard. If you have lodged your claim with supporting documentation, you are not required to submit them again.
- Creditors may attend and vote in person, by proxy or by attorney. To submit a Proxy, please login into the Creditor Portal: https://exad.com.au/bri/prospero/ using your Creditor ID and Passcode, and proceed with the "Exercise your vote" option on the Creditor Dashboard. Persons attending on behalf of a corporate entity are required to submit a proxy on behalf of that entity.
- A specific proxy can be lodged showing approval or rejection of each proposal. Creditors, in lodging specific proxies, need to be mindful that their intended voting patterns can become

academic or "contradictory" where the outcome of an earlier vote (in the order of proceedings) is determined in a way which could influence or change their intended voting. Proxy forms must be lodged by 4:00PM (AEST) one (1) business day prior to the meeting.

16.1 INSTRUCTIONS TO ATTEND MEETING

In order to attend the meeting virtually, please see below detailed instructions. Attached as **Annexure "B"** is the Link instructions with screenshots.

- Shortly prior to 1:00PM (AEST) on 31 July 2024, log into the Creditor Portal https://exad.com.au/bri/prospero/
- Click on 'Attend Meeting' under 'Upcoming Meeting of Creditors.'
- This link will direct you to a Zoom meeting facility, when the meeting is to commence. You will be placed into a waiting room until you are admitted into the meeting.
- During the meeting, voting on various resolutions will take place. You are able to vote in advance (up until 4:00PM on the day prior to the meeting) or 'live' during the meeting.
- To vote, please select on the 'Exercise your vote' option and indicate if you represent:

    1. The Creditor Personally – if you are voting in your own capacity; or
    2. A representative of the Creditor – if you are voting on someone or a Company's behalf. Your will then be required to enter the proxy and their email and select either 'Special Proxy' or 'General Proxy':
        - General Proxy holders will receive an email to exercise the votes on your behalf, once you select Submit Information.
        - If a Special Proxy is selected, you will need to indicate how you vote on each of the resolutions: 'for,' 'against' or 'abstain' against each resolution.
    3. The Chairperson – if you wish to vote but are unable to attend the meeting.

- Please indicate if you wish to vote 'for,' 'against' or 'abstain' against each resolution.
- Select 'Submit information' to record your vote. You are able to amend your vote up until 4:00PM the day prior or during the meeting, until voting is closed by the Chairperson.

16.2 APPROVAL OF ENGAGEMENTS

Pursuant to Section 477(2B) of the Act, we are required to seek approval from creditors, COI or the Court to enter agreements which have a duration of more than three (3) months. As mentioned previously, we have necessarily retained various parties where we expect these retainers will exceed a period of three (3) months and therefore, require approval by creditors.

A brief summary of these engagements are as follows:

Bartier Perry

We have engaged Bartier Perry to assist with providing legal advice on various aspects of the Liquidation, including the application to Court. The costs of the engagement are charged on a time cost basis, and include counsel fees and disbursements, which we understand are reasonable market rates.

The resolution to be considered by creditors is as follows:

"That the Liquidators be authorised to enter into an agreement with Bartier Perry as disclosed in the Statutory Report to Creditors dated 10 July 2024 pursuant to Section 477(2B) of the Corporations Act."

We estimate costs may be between $275K to $330K (incl. GST) for the legal work involved. We believe this retainer is necessary to assist with the Liquidation process for the benefit of creditors and the estimated costs are reasonable. As such, we recommend that creditors approve the engagement of Bartier Perry.

Link Market Services

We have engaged Link Market Services to provide technology support via the online creditor portal for the purposes of capturing clients' claims and uploading documentation (including banking instructions) to assist with conducting the adjudication process and ultimately, distributing the client funds. The costs of the engagement are charged on a usage basis, which we understand are reasonable market rates.

The resolution to be considered by creditors is as follows:

"That the Liquidators be authorised to enter into an agreement with Link Market Services as disclosed in the Statutory Report to Creditors dated 10 July 2024 pursuant to Section 477(2B) of the Corporations Act."

We estimate costs may be between $55K to $66K (incl. GST) for the service. We believe this retainer is necessary to assist with the Liquidation process for the benefit of creditors and the estimated costs are reasonable. As such, we recommend that creditors approve the engagement of Link Market Services.

Infini Solutions

We have engaged Infini Solutions to assist with an independent analysis of the Company's MT4 data. The costs of the engagement are charged on a time cost basis, which we understand are reasonable market rates.

The resolution to be considered by creditors is as follows:

"That the Liquidators be authorised to enter into an agreement with Infini Solutions as disclosed in the Statutory Report to Creditors dated 10 July 2024 pursuant to Section 477(2B) of the Corporations Act."

We estimate costs may be between $22K to $33K (incl. GST) for the work involved. We believe this retainer is necessary to assist with the Liquidation process for the benefit of creditors and the

estimated costs are reasonable. As such, we recommend that creditors approve the engagement of Infini Solutions.

August Law

We have engaged August Law to assist with the recovery of the Company's funds held by the Liquidity Provider, CMC, in Singapore. The costs of the engagement are charged on a time cost basis, which we understand are reasonable market rates.

The resolution to be considered by creditors is as follows:

"That the Liquidators be authorised to enter into an agreement with August Law as disclosed in the Statutory Report to Creditors dated 10 July 2024 pursuant to Section 477(2B) of the Corporations Act."

We estimate costs may be between SGD15K to SGD20K for the legal work involved. We believe this retainer is necessary to assist with the Liquidation process for the benefit of creditors and the estimated costs are reasonable. As such, we recommend that creditors approve the engagement of August Law.

Cyter

We have engaged Cyter to assist with securing the Company's electronic records and data analysis. The costs of the engagement are charged on a time cost basis, which we understand are reasonable market rates.

The resolution to be considered by creditors is as follows:

"That the Liquidators be authorised to enter into an agreement with Cyter as disclosed in the Statutory Report to Creditors dated 10 July 2024 pursuant to Section 477(2B) of the Corporations Act."

We estimate costs may be between $22K to $33K (incl. GST) for the work involved. We believe this retainer is necessary to assist with the Liquidation process for the benefit of creditors and the estimated costs are reasonable. As such, we recommend that creditors approve the engagement of Cyter.

17 ESTIMATED RETURN TO CREDITORS

Attached as **Annexure "G"** is an analysis of the estimated return to creditors and shareholders that may be available in the Liquidation.

Based on recoveries to date, we anticipate there are sufficient funds to discharge all known creditor claims from the available assets, including trust funds. The timing for return to creditors is anticipated to be as follows:

1. Client trust funds can be distributed by around September to November 2024.
2. Petitioning and priority (employee) creditor claims by around December 2024 to January 2025.

3. Unsecured creditor claims by around March to May 2025. We note that there are a number of compliance activities to complete, including obtaining clearance from statutory authorities, prior to distributing funds to unsecured creditors.

4. Shareholder are entitled to any surplus that remains thereafter (if any). We note that Official Trustee at AFSA has security over any return that may be available in due course.

However, this is subject to the Court judicial advice and directions, the available asset recoveries, the final adjudication of creditor claims and costs incurred.

As mentioned above, a Notice Inviting Formal Proof of Debt is attached as **Annexure "C"**, whereby we require creditors who have not already done so, to lodge their claim with relevant supporting documentation on the Creditor Portal by 24 July 2024.

18 TASKS REQUIRED IN THE LIQUIDATION

We anticipate that the following matters will be dealt with during the Liquidation moving forward:

- Continued adjudication of client and creditor claims.
- Complete the application to the Court seeking orders on the process to adjudicate client claims and distribute trust funds.
- Finalise any material discrepancy in the client claims and settle the final list of trust claims.
- Implement the distribution process for client funds.
- Liaising with FEG to assist with verification of outstanding employee entitlements.
- Adjudicating claims and distributing funds to petitioning creditor and priority employees.
- Complete any outstanding lodgements requirements, potentially including obtaining AFSL reporting and audit of financial statements.
- Obtain clearance from statutory authorities before dividend distribution to unsecured creditors.
- Adjudicating claims and distributing funds for unsecured creditors.
- Liaising with Official Trustee at AFSA in relation to security they hold over the Company and further investigations that they may require.
- Distributing funds to shareholder (via AFSA or otherwise) of any surplus.
- Reporting to creditors, shareholders and the Courts as needed.
- Convening meetings of creditors and/or the committee of inspection (if formed).
- Statutory lodgements and general administrative matters.
- Finalise the liquidation.

Should any creditor have any relevant information which may assist our investigations or potential asset recoveries, they should contact our office without delay.

We anticipate that the Liquidation could be completed within twelve (12) months. We note that that timeframe is subject to delays encountered in the abovementioned Court process, or further investigations required by the various regulatory bodies (including ASIC, AFP, AFSA and ATO).

19 CONCLUSION

It would be appreciated if you would consider the matters detailed in this report and please write to this office setting out full particulars if you are:

- Aware of any errors in the information contained within this report including the non-disclosure of any divisible assets; and
- Have any information that you consider is relevant for creditors' decision making or relevant information that may help assist the liquidator's investigations into the affairs of the Company.

Creditors should however, maintain their records in relation to the affairs of the Company and advise this office of any change of address.

Additional general information regarding liquidations which may be of assistance, is available from the following websites:

- ARITA at www.arita.com.au/creditors ; and
- ASIC at www.asic.gov.au (search for "insolvency information sheets"), also attached as **"Annexure K"** to this report.

Should you require assistance in completing the relevant forms or have any queries, please contact the Administration Contact shown at page 1 of this report.

Any further reports will be issued as considered appropriate.

Yours faithfully,
PROSPERO MARKETS PTY LTD (IN LIQUIDATION)



JONATHON KEENAN
Joint and Several Liquidator

BRI Ferrier

Prospero Markets Pty Ltd
(In Liquidation)
ACN 145 048 577

Annexure "A"
Notice of Meeting of Creditors

CORPORATIONS ACT 2001

Insolvency Practice Rules (Corporations)
75-10, 75-15, 75-20, 75-35, 75-75

NOTICE OF MEETING OF CREDITORS

PROSPERO MARKETS PTY LTD
(IN LIQUIDATION)
ACN 145 048 577

("THE COMPANY")

NOTICE is given that a Meeting of Creditors will be held on **Wednesday, 31 July 2024 at 1:00PM (AEST)**.

This meeting will be held utilising virtual meeting technology only.

To attend, creditors should login to the Creditor Portal via the link below utilising their unique Creditor ID and passcode:

https://exad.com.au/bri/prospero/

A G E N D A

1. To receive the Report of the Liquidators and receive questions from creditors.
2. To determine the current remuneration of the Liquidators.
3. To determine the future remuneration of the Liquidators.
4. To consider the internal disbursements of the Liquidators.
5. To consider, and if thought fit, approve the Liquidators entering to agreements with various suppliers pursuant to Section 477(2B) of the Corporations Act.
6. To consider, and if thought fit, approve the early destruction of books and records.
7. To consider the appointment of a Committee of Inspection; and
8. To consider any other business that may be lawfully brought forward.

Notes:

Attendance at this meeting is not compulsory. Creditors may attend and vote in person, by proxy or by attorney*. The appointment of a proxy must be in the approved form.

Proxy forms must be given to the Liquidators or the person named as convening the meeting. An attorney of the creditor must show the instrument by which he or she is appointed to the Chairperson of the meeting, prior to the commencement of the meeting.

The meeting is being held virtually only and all creditors wanting to attend the meeting are required to attend via the Creditor Portal. Although there is no physical place where creditors are able to attend the meeting, We are required under law to nominate a notional place for the meeting for administrative

purposes such as establishing the time of the meeting. The notional place for this meeting is: Level 26, 25 Bligh Street, Sydney NSW 2000. Please do not attend at this location.

Special Instructions for Meeting

Attendees who wish the attend the meeting will be required to login to the Creditor Portal via the link above.

You will also need to provide a Formal Proof of Debt Form (including documentation to support your claim) and proxy form, if you are a corporate creditor or wish to be represented by another person.

In accordance with IPR 75-85, creditors will not be entitled to vote at this meeting unless they have previously lodged particulars of their claim against the Company with the Liquidators and their claim has been admitted for voting purposes wholly or in part by the Liquidators.

Telephone dial-in details will also be available for the virtual meeting. Those wishing to attend via telephone will need to contact our office for instructions.

In accordance with IPR 5-5, a vote taken on a "show of hands" includes a vote taken using any electronic mechanism that indicates the intentions of a person in respect of a vote. This may include an attendee clicking a "raise a hand", or similar button, on a virtual meeting computer program, as well as verbally indicating their vote if dialling in to the meeting.

This definition is necessary to ensure that a show of hands may be used at a virtual meeting as an alternative to a poll.

DATED this 10th day of July 2024.



JONATHON KEENAN
JOINT AND SEVERAL LIQUIDATOR

BRI FERRIER
Level 26
25 Bligh Street
Sydney NSW 2000

Telephone: 1300 291 012 (toll free) or + 61 2 8044 0530 (international)

***Voting at a Meeting**

The effect of Insolvency Practice Rules (Corporations) 75-85:

Entitlement to vote at meetings of creditors

(1) A person other than a creditor (or the creditor's proxy or attorney) is not entitled to vote at a meeting of creditors.

(2) Subject to subsections (3), (4) and (5), each creditor is entitled to vote and has one vote.

(3) A person is not entitled to vote as a creditor at a meeting of creditors unless:

(a) his or her debt or claim has been admitted wholly or in part by the external administrator; or

(b) he or she has lodged, with the person presiding at the meeting, or with the person named in the notice convening the meeting as the person who may receive particulars of the debt or claim:
(i) those particulars; or
(ii) if required—a formal proof of the debt or claim.

(4) A creditor must not vote in respect of:
(a) an unliquidated debt; or
(b) a contingent debt; or
(c) an unliquidated or a contingent claim; or
(d) a debt the value of which is not established;
unless a just estimate of its value has been made.

(5) A creditor must not vote in respect of a debt or a claim on or secured by a bill of exchange, a promissory note or any other negotiable instrument or security held by the creditor unless he or she is willing to do the following:
(a) treat the liability to him or her on the instrument or security of a person covered by subsection (6) as a security in his or her hands;
(b) estimate its value;
(c) for the purposes of voting (but not for the purposes of dividend), to deduct it from his or her debt or claim.

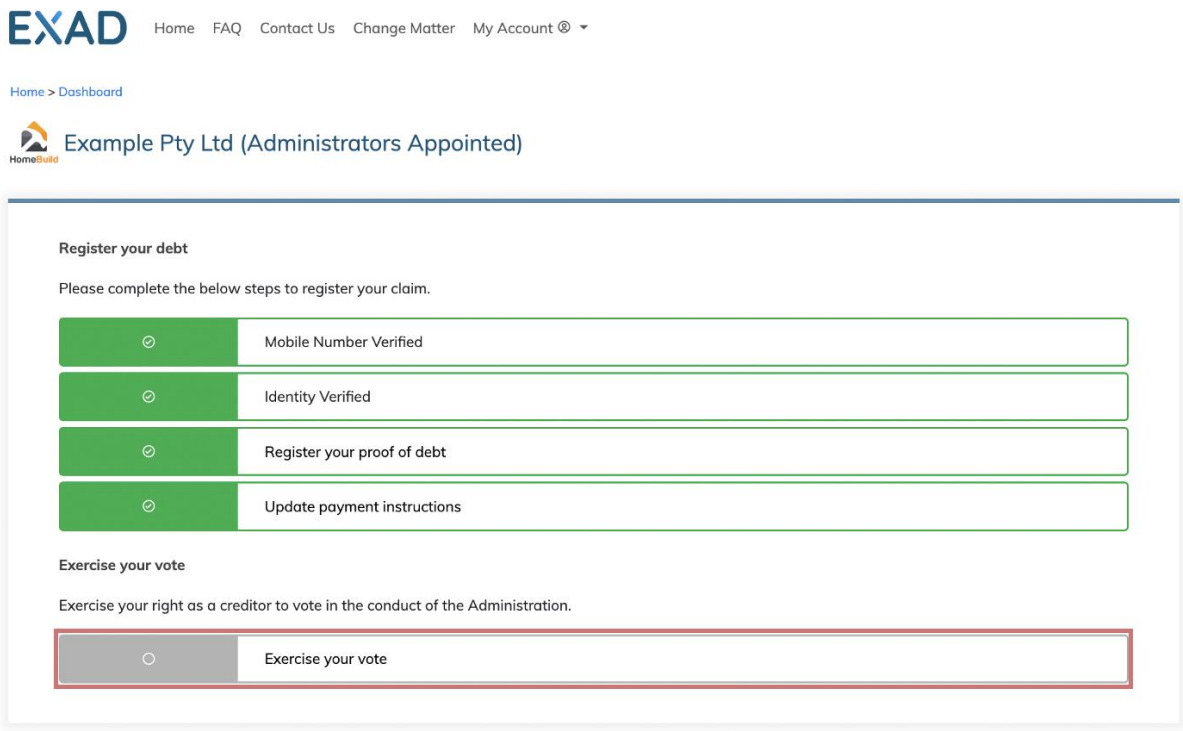
(6) A person is covered by this subsection if:
(a) the person's liability is a debt or a claim on, or secured by, a bill of exchange, a promissory note or any other negotiable instrument or security held by the creditor; and
(b) the person is either liable to the company directly, or may be liable to the company on the default of another person with respect to the liability; and
(c) the person is not an insolvent under administration or a person against whom a winding up order is in force

Prospero Markets Pty Ltd
(In Liquidation)
ACN 145 048 577

Annexure "B"
Link Instructions to Attend the Meeting

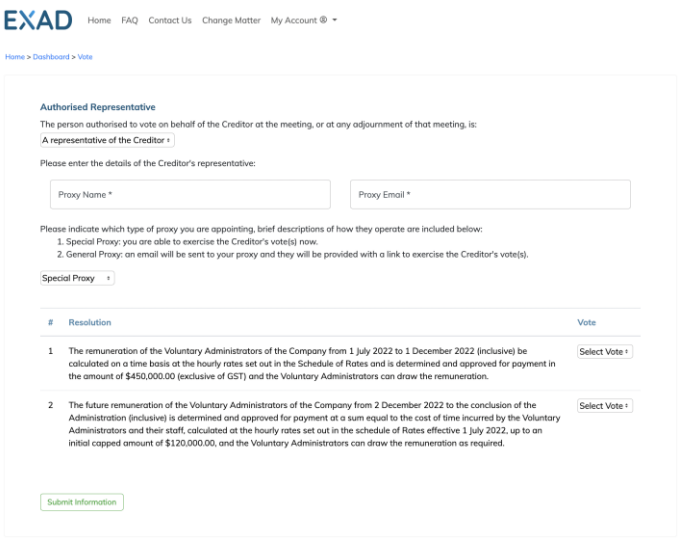
1.4. Voting

To exercise votes, the creditors need to click 'Exercise your vote' on the creditor dashboard.



On the voting screen, they will be given the option to:

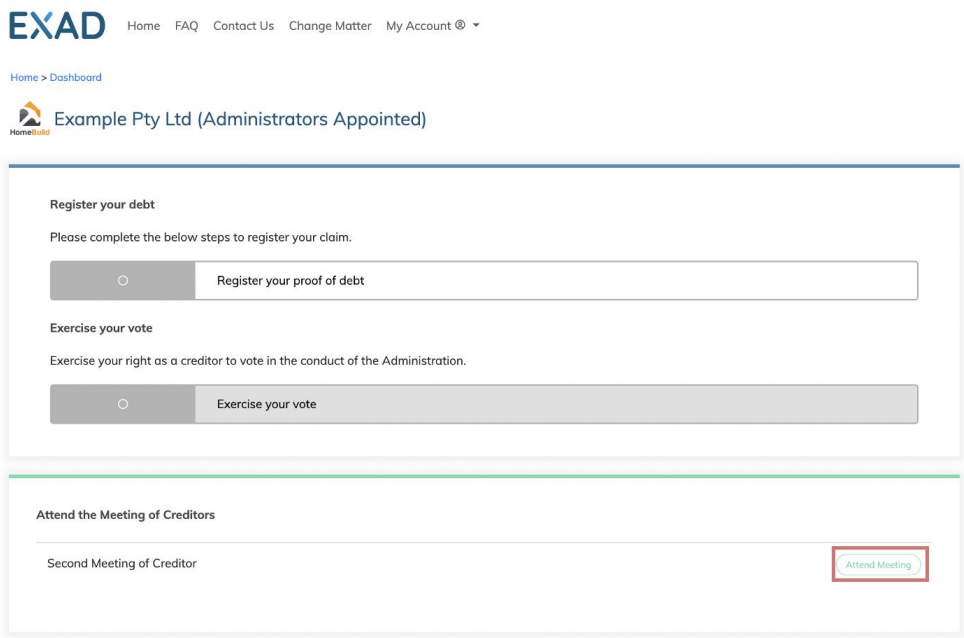
1. Vote in their own capacity (if they are an individual),
2. Nominate a Special Proxy and specify how the proxy is to exercise their votes, or
3. Nominate a General Proxy which will trigger an email to the general proxy with a link to select their votes.



1.5. Attending Meetings

1.5.1. Creditors

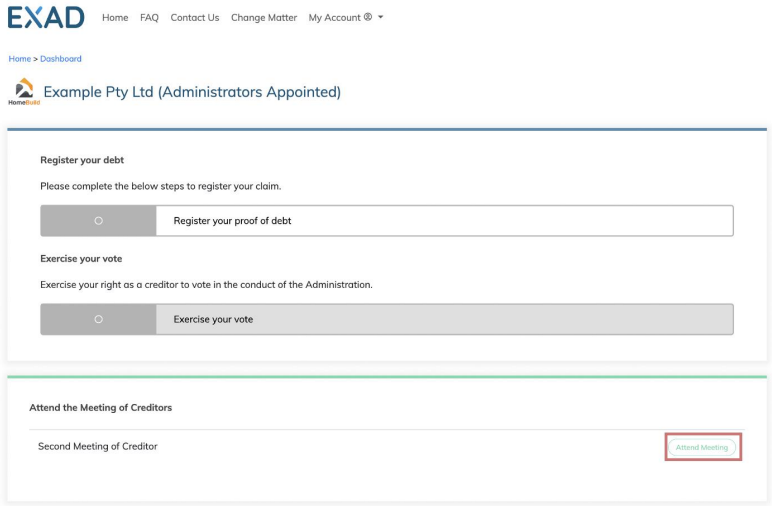
Creditors can access the meeting by using the link on the creditor dashboard.



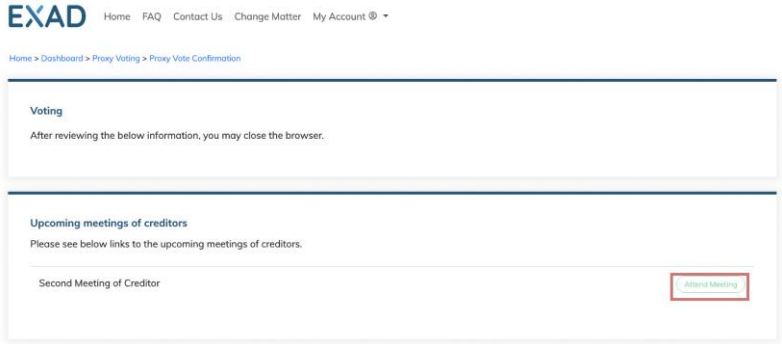
1.5.2. Proxies

There are three ways for proxies to join the meeting:

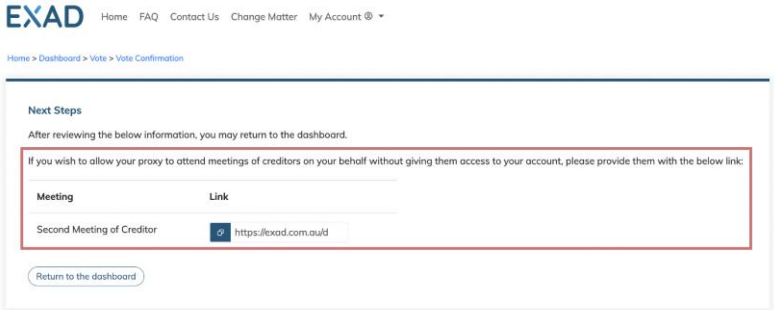
1. **Option 1:** The most common will be logging into the creditor account. For example, when *John Smith* is proxy for *John Smith Building Pty Ltd*, the proxy has access to the creditors account so they can simply login and join the meeting (i.e. see section 2.6.1).



2. **Option 2:** In the event a creditor nominates a general proxy, an email will be sent to the general proxy with a link to nominate how the creditor is to vote. After the general proxy exercises the creditors' votes they will be provided a link to join the meeting.



3. **Option 3:** In the event a creditor nominates a special proxy and does not give the proxy access to their account (e.g., an employee nominating a representative from the union), after the creditor nominates the proxy, they will be provided a link which they can pass on to the proxy.



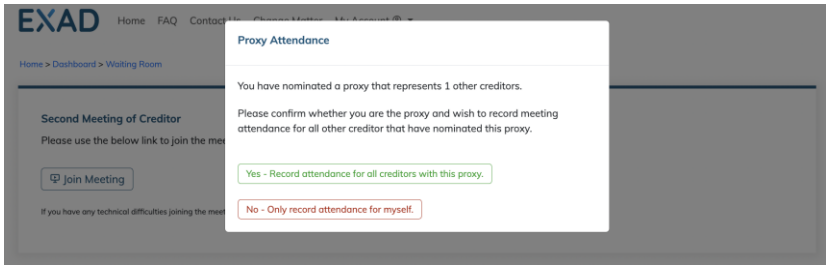
1.5.3. Representing Multiple Creditors

In some circumstances, a person may need to represent multiple creditors at a meeting of creditors. For example, *John Smith* may represent both *John Smith Co 1 Pty Ltd* and *John Smith Co 2 Pty Ltd*. This becomes particularly important if the practitioner has required attendance at the meeting in order for votes to be counted.

In order to *John Smith's* attendance to count on behalf of both *John Smith Co 1 Pty Ltd* and *John Smith Co 2 Pty Ltd*, both creditors must nominate *John Smith* as their proxy. Note, proxies are matched based on the email address.

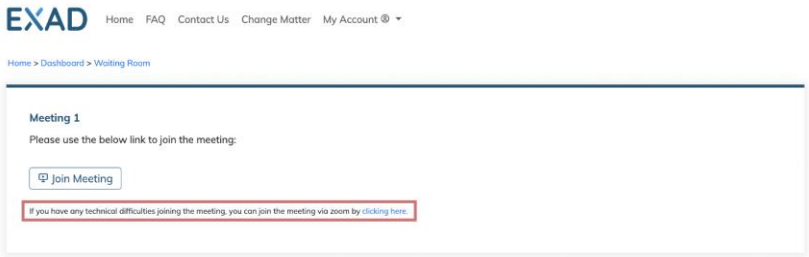
If the link in the Option 2 or Option 3 is used to join the meeting, the proxy's attendance will be recorded which covers all their represented creditors.

Alternatively, if Option 1 is used, the creditor will be asked whether they are the proxy.



1.5.4. Technical Issues

If creditors experience technical difficulty joining the meeting, they are able to click the below link to join the meeting directly via our third-party meeting host.



BRI Ferrier

Prospero Markets Pty Ltd
(In Liquidation)
ACN 145 048 577

Annexure "C"
Notice Inviting Formal Proof of Debt or Claim

CORPORATIONS ACT 2001

Subregulation 5.6.48(3)

NOTICE INVITING FORMAL PROOF OF DEBT OR CLAIM

PROSPERO MARKETS PTY LTD
(IN LIQUIDATION)
ACN 145 048 577

TAKE NOTICE that creditors of the company, whose debts or claims have not already been admitted, are required on or before 24 July 2024 to prove their debts or claims and to establish any title they may have to priority by delivering or sending through the post to us at our address, a Formal Proof of Debt or Claim in accordance with Form 535 containing their respective debts or claims. If they do not they will be excluded from:

- the benefit of any distribution made before their debts or claims are proved or their priority is established;
- and from objecting to the distribution.

Please submit creditors' claim via the Creditor Portal using your Creditor ID and passcode.

DATED this 10th day of July 2024.



JONATHON KEENAN
JOINT AND SEVERAL LIQUIDATOR

BRI FERRIER
LEVEL 26
25 BLIGH STREET
SYDNEY NSW 2000

Prospero Markets Pty Ltd
(In Liquidation)
ACN 145 048 577

Annexure "D"
Comparative Balance Sheets

Prospero Markets Pty Ltd (In Liquidation)
A.C.N. 145 048 577
Comparative Balance Sheets
For the Financial Years Ended 30 June 2021 to 30 June 2023 and Part-Year Ended 10 April 2024

	AUDITED Year Ended 30-Jun-21 ($)	AUDITED Year Ended 30-Jun-22 ($)	UNAUDITED Year Ended 30-Jun-23 ($)	MANAGEMENT ACCOUNTS Period Ended 10-Apr-24 ($)
ASSETS				
Current Assets				
Cash and cash equivalents	558,720	17,271,349	17,820,153	21,217,409
Other Deposits	-	-	57,000	57,000
LP Deposits	2,814,771	1,946,549	4,134,224	3,921,873
Novatti	-	-	404,595	(5)
Prepayment	-	-	167,808	199,379
Withholding tax paid	-	-	130,738	130,738
Prepayments	244,512	242,238	-	-
Other assets	1,000	105,321	-	-
Total Current Assets	**3,619,003**	**19,565,457**	**22,714,518**	**25,526,394**
Non-Current Assets				
Term Deposit	120,351	120,351	-	-
Plant and equipment	462,427	406,474	366,675	317,367
Total Non-Current Assets	**582,778**	**526,825**	**366,675**	**317,367**
TOTAL ASSETS	**4,201,781**	**20,092,282**	**23,081,193**	**25,843,761**
LIABILITIES				
Current Liabilities				
Trade and other payables	266,717	701,215	341,157	737,474
Client Fund	480,928	14,875,439	17,647,431	18,909,182
Employee entitlements	43,684	171,840	931,973	1,092,646
Unknown Client Fund	-	-	20,800	801
WX Trading Pty Ltd	-	-	2,898,541	-
Loan from Attvest	-	-	28,010	-
Financing Loan	31,781	31,781	-	-
Tax payable	-	-	-	-
Total Current Liabilities	**823,110**	**15,780,275**	**21,867,913**	**20,740,103**
Non-Current Liabilities				
Trade and other payables	8,574	8,574	-	-
Related party loan payables	1,600,000	2,750,000	-	-
Total Non-Current Liabilities	**1,608,574**	**2,758,574**	**-**	**-**
TOTAL LIABILITIES	**2,431,684**	**18,538,849**	**21,867,913**	**20,740,103**
NET ASSETS	**1,770,097**	**1,553,433**	**1,213,281**	**5,103,658**
EQUITY				
Issued capital	7,537,334	18,003,356	2,920,622	2,920,622
Opening Balance Equity	-	-	(1)	(1)
Owner's contribution	-	-	23,554,165	27,104,165
Retained earnings	(5,767,237)	(16,450,013)	(25,261,505)	(24,921,128)
TOTAL EQUITY	**1,770,097**	**1,553,343**	**1,213,281**	**5,103,658**

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Prospero Markets Pty Ltd
(In Liquidation)
ACN 145 048 577

Annexure "E"
Comparative Profit and Loss Statements

Prospero Markets Pty Ltd (In Liquidation)
A.C.N. 145 048 577
Comparative Profit and Loss Statements
For the Financial Years Ended 30 June 2021 to 30 June 2023 and Part Year Ended 10 April 2024

	AUDITED Year Ended 30-Jun-21 ($)	AUDITED Year Ended 30-Jun-22 ($)	UNAUDITED Year Ended 30-Jun-23 ($)	MANAGEMENT ACCOUNTS Part Period 10-Apr-24 ($)
Income				
Revenue	582,351	4,849,458	28,456,887	7,854,979
Other Income	-	5,848	-	-
Gross Profit	**582,351**	**4,855,306**	**28,456,887**	**7,854,979**
Expenses				
Advertising	235,382	983,976	1,481,205	561,412
Consulting and professional fees	777,262	1,238,227	1,611,533	173,662
Depreciation and amortisation expense	25,338	114,414	128,438	57,883
Employee benefits expense	740,951	2,355,264	3,809,508	2,188,086
Insurance	227,253	327,210	298,448	85,487
Legal and compliance costs	31,225	16,828	154,733	449,547
Other expenses	254,516	577,241	994,878	659,310
Rent expenses	58,984	317,571	660,565	540,797
Technology costs	417,082	1,078,733	1,288,626	1,040,103
Trading costs	1,804,634	8,528,618	26,820,805	1,825,494
Utility expense	-	-	23,775	11,423
Total Expenses	**4,572,627**	**15,538,082**	**37,272,513**	**7,593,205**
Profit / (Loss) Before Income Tax	(3,990,276)	(10,682,776)	(8,815,626)	261,774
Income Tax Expense	-	-	-	-
Profit / (Loss) After Income Tax	**(3,990,276)**	**(10,682,776)**	**(8,815,626)**	**261,774**

Prospero Markets Pty Ltd
(In Liquidation)
ACN 145 048 577

Annexure "F"
Summary Receipts and Payments

Summarised Receipts & Payments

Prospero Markets Pty Ltd
(In Liquidation)
Transactions From 10 April 2024 To 10 July 2024

A/C	Account	Net	GST	Gross
73	Cash on Hand	15,426.45	0.00	15,426.45
74	Cash at Bank	2,302,750.46	0.00	2,302,750.46
75	Liquidity Provider Recoveries	2,021,183.46	0.00	2,021,183.46
78	Trust Funds	19,522,370.95	0.00	19,522,370.95
79	Surplus from Bank Guarantee	2,152.67	0.00	2,152.67
80	Trust Funds (USD)	208,945.45	0.00	208,945.45
83	Bank Interest	201.41	0.00	201.41
89	Bank Interest (Trust Accounts)	192,903.53	0.00	192,903.53
Total Receipts (inc GST)		**$24,265,934.38**	**$0.00**	**$24,265,934.38**
51	Wages & Salaries	5,949.08	0.00	5,949.08
132	Bank Charges	10.60	0.00	10.60
139	Legal Fees (1)	37,047.64	3,704.76	40,752.40
142	Professional Fees	2,362.50	236.25	2,598.75
151	Software Licences	96,792.17	0.00	96,792.17
157	Superannuation	654.39	0.00	654.39
159	Transport / Courier	2,345.45	234.55	2,580.00
167	Consulting Fees	6,587.50	493.75	7,081.25
168	Valuation Fees	3,500.00	350.00	3,850.00
169	IT Expenses (GST Free)	23,432.70	0.00	23,432.70
170	Creditors' Portal Costs	20,424.09	2,042.41	22,466.50
172	IT Expense (Inc GST)	8,740.90	874.09	9,614.99
173	Retainer to Singapore Law	17,021.66	0.00	17,021.66
174	Cheque deposit dishonoured	54.53	0.00	54.53
228	Superannuation Liabilty	(654.39)	0.00	(654.39)
234 - 1	Withholding Tax (PAYG) - Total Tax Withheld - OTE	(1,027.00)	0.00	(1,027.00)
Total Payments (inc GST)		**$223,241.82**	**$7,935.81**	**$231,177.63**

Balance in Hand - By Bank Account

212	**Cheque Account**	**4,087,797.52**
215	**Cheque Account - CBA**	**20,586.63**
216	**Trust Account - CBA 1**	**17,636,929.39**
217	**Trust Account - CBA 2**	**2,080,497.76**
218	**Trust Account - CBA 3**	**208,758.46**
219	**Trust Account - CBA 4**	**186.99**
		$24,034,756.75

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Prospero Markets Pty Ltd
(In Liquidation)
ACN 145 048 577

Annexure "G"
Estimated Outcome Statement

Prospero Markets Pty Ltd (In Liquidation)
Estimated Outcome Statement

	Book Value ($)	High Scenario ($)	Low Scenario ($)
Assets			
Trust Assets			
Client Trust Funds	19,457,096	19,653,620	19,653,620
Client Trust Funds USD	303,521	315,580	315,580
Less: Liquidators' Accrued Costs in Dealing with Trust Assets	-	(130,000)	(130,000)
Less: Liquidators' Estimated Future Costs in Dealing with Trust Assets	-	(200,000)	(250,000)
Less: Liquidators' Accrued Remuneration in Dealing with Trust Assets	-	(660,000)	(660,000)
Less: Liquidators' Estimated Future Remuneration in Dealing with Trust Assets	-	(275,000)	(440,000)
Less: Accrued Legal Fees in Dealing with Trust Assets		(30,000)	(30,000)
Less: Future Legal Fees in Dealing with Trust Assets		(95,000)	(150,000)
Less: Client Liabilities	(18,909,983)	(19,065,607)	(19,365,607)
Total Trust Assets	**850,635**	**(486,407)**	**(1,056,407)**
Company Assets			
Cash and Cash Equivalents	1,296,064	2,588,421	2,588,421
Cash and Cash Equivalents USD	164,434	-	-
Money Processors	53,289	-	-
Liquidity Providers	3,921,873	2,420,234	2,420,234
Property, Plant & Equipment	317,367	6,000	3,000
Prepayments	199,379	3,881	3,881
Tax Asset	130,738	130,738	130,738
Total Company Assets	**6,083,143**	**5,149,275**	**5,146,275**
Liquidation Recoveries			
Voidable Transactions	-	-	-
Insolvent Trading Claim	-	-	-
Breach of Duty Claim	-	-	-
Total Liquidation Recoveries	**-**	**-**	**-**
Less: Estimated Costs of Liquidation (Incl. GST)			
Petitioning Creditor's Costs	-	(159,500)	(275,000)
Liquidators' Accrued Remuneration	-	(154,000)	(154,000)
Liquidators' Future Remuneration (Estimate)	-	(110,000)	(220,000)
Liquidators' Expenses (Estimate)	-	(154,000)	(220,000)
Accrued Legal Costs	-	(50,000)	(50,000)
Legal Costs (Estimate)	-	(100,000)	(155,000)
Valuation Costs	-	(3,850)	(3,850)
Accounting Fees (Estimate)	-	(22,000)	(44,000)
Litigation Funding Premium (30% of recovery)	-	-	-
Total Estimated Costs of Liquidation	**-**	**(753,350)**	**(1,121,850)**
Estimated Surplus Available to Priority Creditors	**-**	**4,395,925**	**4,024,425**
Priority Creditor Claims (Estimated)			
Wages and Superannuation	(289,633)	(300,000)	(500,000)
Annual Leave & Long Service Leave	(803,013)	(350,000)	(350,000)
PILN and Redundancy	-	(450,000)	(450,000)
Total Priority Creditor Claims	**(1,092,646)**	**(1,100,000)**	**(1,300,000)**
Estimated Surplus Available to Unsecured Creditors		**3,295,925**	**2,724,425**
Unsecured Creditors			
Trade Creditors (incl. termination costs)	(737,474)	(1,100,000)	(1,100,000)
Shortfall for Client Liabilities		(486,407)	(1,056,407)
Landlords	-	(500,000)	(500,000)
Australian Taxation Office	-	-	-
Total Unsecured Creditors	**(737,474)**	**(2,086,407)**	**(2,656,407)**
Net Surplus/(Deficiency)	**5,103,658**	**1,209,518**	**68,018**

Return to Creditors	High Scenario	Low Scenario
	Cents in the $	Cents in the $
Clients	100	100
Priority Creditors	100	100
Unsecured Creditors	100	100

Note: The above assumes that the Court grants orders that costs of dealing with the trust claims are paid from trust assets. If not, then these costs will have to be paid from the general Company assets and may affect the returns to priority and unsecured creditors.

Prospero Markets Pty Ltd
(In Liquidation)
ACN 145 048 577

Annexure "H"
Remuneration Approval Report

Remuneration Approval Report

Prospero Markets Pty Ltd
(In Liquidation)
("the Company")

ACN 145 048 577

10 July 2024

Andrew Cummins, Jonathon Keenan & Peter Krejci

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Level 26, 25 Bligh Street, Sydney NSW 2000
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BRI Ferrier

TABLE OF CONTENTS

1 EXECUTIVE SUMMARY 3

2 DECLARATION 3

3 REMUNERATION SOUGHT 3

4 DISBURSEMENT SOUGHT 4

5 LIKELY IMPACT ON DIVIDENDS 4

6 QUERIES & INFORMATION SHEET 5

7 ATTACHMENTS 5

SCHEDULE A – DETAILS OF WORK 6

SCHEDULE B – TIME SPENT BY STAFF ON MAJOR TASKS (COMPLETED WORK) 18

SCHEDULE C – RESOLUTIONS 19

SCHEDULE D – DISBURSEMENTS 20

1 EXECUTIVE SUMMARY

We are asking creditors to approve our remuneration of $1,040,610.00 (excl. GST) and internal disbursements of $2,000.00 (excl. GST).

Details of remuneration and disbursements can be found in section 3 and 4 of this report.

Creditors will be asked to pass resolutions in relation to remuneration and disbursements at the upcoming meeting of creditors.

We estimate the total cost of this Liquidation will be approximately $1,040,610.00 (excl. GST). This has increased from my previous estimates because:

- A greater level of work was undertaken dealing with the higher than anticipated volume of creditor enquiries
- Additional time incurred to assist creditors in the lodgement of their claim
- Significantly greater level of time incurred in securing and reviewing the records of the Company including but not limited to MT4 records, trading information, creditor customer relation databases, data from the Company's servers
- Calculating outstanding employee entitlements and verifications of FEG

2 DECLARATION

We have undertaken an assessment of this remuneration and disbursement claim in accordance with the law and applicable professional standards. We are satisfied that the remuneration and disbursements claimed are necessary and proper.

We have reviewed the work in progress report for the Liquidation to ensure that remuneration is only being claimed for necessary and proper work performed and no adjustment was necessary.

3 REMUNERATION SOUGHT

The remuneration we are asking creditors to approve is as follows:

For	Period	Amount $ (excl. GST)	Rates	When it will be drawn
Completed Work	10 April 2024 to 30 June 2024	740,610.00	Provided in Annexure I of this Report dated 10 July 2024	It will be drawn when funds are available
Future Work	1 July 2024 to conclusion	300,000.00	Provided in Annexure I of this Report dated 10 July 2024	It will be drawn when incurred, when funds are available
TOTAL		**$1,040,610.00 (excl. GST)**		

Details of the work already completed for the period 10 April 2024 to 30 June 2024 and future work that we intend to complete are included at Schedule A.

Schedule B includes a breakdown of time spent by staff members on each major task for completed work.

Actual resolutions to be put to the meeting are included at Schedule C and D for your information. These resolutions also appear in the proxy provided to you.

4 DISBURSEMENT SOUGHT

We are not required to seek creditor approval for costs paid to third parties or where we are recovering a cost incurred on behalf of the liquidation, but we must provide details to creditors. We have not paid any such costs to date.

We are required to obtain creditor's consent for the payment of a disbursement where we, or a related entity of ourselves, may directly or indirectly obtain a profit.

For more information about disbursements, please refer to the Schedule D of this report.

The disbursements we would like creditors to approve is as follows:

For	Period	Amount $ (excl. GST)
Disbursements to a capped amount	10 April 2024 to conclusion	$2,000.00
	TOTAL	**$2,000.00**

Details of the disbursements incurred, and future disbursements are included at Schedule D. Actual resolutions to be put to the meeting are also included at Schedule D. These resolutions also appear in the proxy form for the meeting provided to you.

5 LIKELY IMPACT ON DIVIDENDS

The Corporations Act sets the order of payment of claims against the Company, and it provides for remuneration of the Liquidator to be paid in priority to other claims. This ensures that when there are sufficient funds, the Liquidator receives payment for the work done to recover assets, investigate the Company's affairs, report to creditors and ASIC and distribute any available funds. Even if creditors approve our remuneration, this does not guarantee that we will be paid, as we are only paid if sufficient assets are recovered.

Any dividend to creditors will also be impacted by the amount of assets that we are able to recover, and the amount of creditor claims that are admitted to participate in any dividend, including any claims by priority creditors such as employees.

Based on the recoveries to date, we anticipate there are sufficient funds to discharge all known creditor claims from the available assets, including trust funds. However, this is subject to the Court judicial advice and directions, the available asset recoveries and the final adjudication of creditor claims.

6 QUERIES & INFORMATION SHEET

If you have any queries in relation to the information in this report, please contact our office.

You can also access information which may assist you on the following websites:

- ARITA at www.arita.com.au/creditors
- ASIC at http://www.asic.gov.au (search for INFO 85).

Further supporting documentation for my remuneration claim can be provided to creditors on request.

7 ATTACHMENTS

Schedule A – Details of work

Schedule B – Time spent by staff on each major task

Schedule C – Resolutions

Schedule D – Disbursements

SCHEDULE A – DETAILS OF WORK

Company	Prospero Markets Pty Ltd (In Liquidation)	**Period From**	10 April 2024	**To**	Conclusion
Practitioner	Andrew Cummins, Jonathon Keenan, and Peter Krejci	**Firm**	BRI Ferrier		
Administration Type	Court Liquidation				

	Tasks	
	Work already completed (excl. GST)	**Future work (excl. GST)**
Period	**10 April 2024 to 30 June 2024**	**1 July 2024 to Conclusion**
Amount (excl. GST)	**$740,610.00**	**$300,000.00**

Task Area	**General Description**		
Assets		**95.5 hours $55,879.00**	**$15,000.00**
	Cash at Bank	Recover and organise the deposit of the cash recovered from the Company's Premises Liaising with AFP in regard to treatment of cash recovered	N/A
	Bank Accounts	Issue Circular to Banks to determine accounts held Liaising with pre-appointment bankers regarding accounts held Liaising with CBA to obtain access to internet banking access - Commbiz Liaising with NAB regarding the transfer of funds held in the Company's account and their suspense account Liaising with Bendigo Bank regarding Bpay account managed by the bank Liaising with Bank of China in regard accounts formerly held Providing instructions regarding transfer of funds	Issue periodic correspondence to the banks requesting transfer of funds from Company's account Requesting closure of bank account

		Liaising with the Director to obtain details of bank accounts held by the Company Liaising with the Company's bookkeeper in relation to reconciliation	
	Liquidity Providers	Issue notices to liquidity providers determine accounts held Review affidavits to determine the liquidity provider accounts held Providing instructions regarding transfer of funds and statements Liaising with solicitors for recovery of the funds held Discussions with management and staff regarding information for Liquidity Providers Internal meeting to discuss the status of recovery Preparing schedule to track progress of liquidity provider correspondence and recovery	Liaising with solicitors regarding recovery of funds held Discussions with management and staff regarding access for money processors Internal meeting to discuss the status of recovery
	Money Processors	Correspondence to money processors requesting funds held in accounts Preparing schedule to track progress of money processors correspondence and recovery Discussions with management and staff regarding recovery for money processors Internal meeting to discuss the status of recovery	Further correspondence and follow up to money processors Internal meetings to discuss status of money processors recoveries
	Assets subject to specific charges	Issue appointment notification to parties registered security interests against the Company Review PPSR charge documents Consider validity of registered security interests Review and respond to correspondence from PPSR Creditors Reviewing lease agreements and bonds/bank guarantees	Attend to queries from PPSR Creditors Discuss with the Director in relation to claims from the PPSR Creditors

		Issue disclaimers in respect of leases for the Melbourne and Sydney Premises Discuss with the Director in relation to claims from the PPSR Creditors	
	Plant and Equipment	Attend to and obtain access to Sydney and Melbourne Premises Liaising with landlord and building manager Engage valuers and attend site with valuers to obtain a listing and valuation of the items of the Premises. Review valuation report and discuss with valuers on strategy of the sale of assets Organise with removalist and couriers to relocate and secure assets Liaising with the Director and employees to secure assets Liaising with AFP regarding certain assets recovered at Premises Internal meetings to discuss the progress of the recovery	Liaising with auctioneers for the sale of the assets Liaising with auctioneers to transport assets to the auction house Maintain sale register and costs involved in the sale Internal meetings to discuss the progress of the sale
	Insurance	Notifying insurance broker of the Liquidators appointment Maintaining sufficient insurance coverage Liaising with the Director regarding pre-appointment insurance policies held by the Company	Liaise with Insurance broker to place appropriate covers
	Other Assets	Review the MT4 licenses owned by the Company Liaising with Metaquotes regarding the sale Liaising with Directors and other experts in relation of the sale of the license Recovery of Company's IP such as website, client database	Continue to liaise with Metaquotes regarding the sale Liaising with Directors and other experts in relation of the sale of the license Organise advertisement and expression of interest for the sale Organise sale and transfer of the license

Creditors		974.1 hours $405,385.00	$120,000.00
	Creditor Enquiries	Dealing with significant volume of creditor enquiries by emails and telephone Setting up dedicated mail inbox and phone numbers for creditor enquiry Daily review and allocation of emails in dedicated mail inbox to various staff members Maintaining creditor enquiry register Review and prepare correspondence to creditors and their representatives by emails Updating creditors on status of administration Discussions with Directors and management staff regarding creditor queries Setup and Upload of significant creditor list into system Liaising with Link Market Services for services offered in regard to creditors Preparing FAQ for clients and uploaded to BRI Ferrier website Organising translation of documents provided by creditors Internal discussions regarding creditor queries received Liaising with creditor to assist with ID and mobile verification to access creditor portal Liaising with ATO and other statutory creditors regarding our appointment Internal meeting to discuss the progress of the creditor claims	Dealing with of creditor enquiries by emails and telephone Daily review and allocation of emails in dedicated mail inbox to various staff members Maintaining creditor enquiry register Review and prepare correspondence to creditors and their representatives by email and post Updating creditors on status of administration Discussions with Directors and management staff regarding creditor queries Internal discussions regarding creditor queries received
	Creditor Reports	Prepare and issue Initial Report to creditors Prepare necessary annexures to the Initial Report to creditors	Prepare and issue Statutory Report to Creditors Preparation of necessary

		Prepare and issue Statutory Report to Creditors Prepare necessary annexures to the Initial Report to creditors Liaise with Link Market Services to organise email blast of notices and reports Prepare and issue Circulars to Creditors on details and credentials to access creditor portal Prepare and issue Circulars to Creditors Upload of reports on Link and BRI website	Annexures for Statutory Report to Creditors Prepare further reports to creditors, if necessary Liaise with Link Market Services to organise email blast of notices and reports Upload of reports on Link and BRI website
	Dealing with proofs of debt	Receipting and reviewing significant volume of Proofs of Debts Maintaining register of Proofs of Debts received Uploading Proof of Debts into internal systems Consider Proofs and supporting documentation Issue and review manual verification forms from creditors. Provide access to creditor portal Adjudicating on certain Proof of Debts to ascertain the validity of amounts claimed Requesting further and better particulars from creditors Reviewing further documentation received from creditors in response to request for further and better particulars	Receipting and filing of Proofs of Debts Continue to adjudicate on certain Proof of Debts to ascertain the validity of amounts claimed Requesting further and better particulars from creditors Reviewing further documentation received from creditors in response to request for further and better particulars
	Meeting of Creditors	N/A	Preparation of meeting notices, proxies and advertisements Sending Notice of Meeting to all known creditors Preparation of meeting file, including agenda, attendance register, list of creditors, report to

			creditors, advertisement of meeting and draft minutes of meeting Holding meeting of creditors Preparation and lodgement of minutes of meetings with ASIC
	Secured creditor reporting	Notifying PPSR Creditors of appointment of Liquidators Correspondence with security interest holders disclosed on PPSR Search Review documents provided Australian Federal Police Liaising with Australian Federal Police regarding certain assets subject to the Proceeds of Crime Act	Correspondence with PPSR Creditor Liaising with Australian Federal Police regarding certain assets subject to the Proceeds of Crime Act
Employees		**30.5 hours** **$12,323.00**	**$20,000.00**
	Employees enquiry	Preparation and issuance of correspondence to employees regarding appointment Liaising with the Director and internal bookkeeper in relation to status of employment, termination and calculation of outstanding entitlements Correspondence with employees	Correspondence with employees
	Calculation of entitlements	Liaising with the Company's bookkeeper in relation to outstanding employee entitlements Preliminary calculations of employee entitlements Liaising with the Company's employees and contractor in relation to collating employee contracts and payroll information Reviewing employee contracts Internal discussions in relation to assessment of outstanding employee entitlements	Updating calculations of employee entitlements Reviewing employee contracts Reviewing awards Liaising with employees regarding queries to assist with calculation of outstanding employee entitlements Internal discussions in relation to assessment of outstanding employee entitlements

	FEG	Correspondence with FEG Preparing FEG quotations Preparing initial FEG questionnaire Preparing FEG verification spreadsheet Liaising with FEG regarding any discrepancies	Liaising with FEG regarding any discrepancies
	Employee dividend	N/A	Correspondence with employees regarding dividend Correspondence with ATO regarding SGC proof of debt Calculating dividend rate Preparing dividend file Advertising dividend notice Receipting and adjudicating POD Preparing distribution
	Other employee issues	Organise payment of payroll and contractor fees Prepare and authorise payment forms	N/A
Investigation		**358.4 hours** **$200,786.00**	**$80,000.00**
	Conducting Investigation	Conducting ASIC searches on Company and Directors Conducting and summarising statutory searches Collect, list and review physical records of the Company Discussions with staff regarding Company records required Obtain and secure copies of the Company's electronic records Liaising with external providers Review electronic records of the Company including email correspondence	Liaising with pre-appointment solicitors and accountants for the Company/funds to obtain background to the matter initially and subsequently in relation to specific matters Meeting with management and staff to address appointment and trading position Conducting initial investigations in relation to the Company's business and affairs

		Correspondence with Directors regarding background and financial position of the Company Liaising with Company's bookkeeper to update management accounts Preparing comparative analysis of available financial statements for the Company Preparing deficiency statement and estimated outcome statement Issuance and follow up of statutory notices to pre-appointment solicitors, accountants and other parties for the Company seeking the provision of Company records Liaising with Directors regarding queries of financial statements Consider ROCAP completed by Directors and make further resulting enquiries of Directors and pre-appointment accountant for the Company Review of specific transactions Investigating and considering potential preference claims against third parties Liaising with pre-appointment solicitors and accountants for the Company/funds to obtain background to the matter initially and subsequently in relation to specific matters Meeting with management and staff to address appointment and trading position Liaising with Company's third-party suppliers to secured the records of the Company	Review ROCAP provided by the Director Liaising with the Director to obtain further information in relation to the completion of ROCAP Correspondence with the Director in relation to Company's books and records Liaising with the Company's employee and contractor to arrange storage of the Company's records Correspondence with the Former Director requesting delivery of the Company's records Liaising with solicitors regarding issuance of correspondence to the Former Director requesting delivery of the Company's records
	ASIC Reporting	Liaising with ASIC with respect to its Australian Financial Services Licence	Continue to liaise with ASIC with respect to its Australian Financial Services Licence

		Liaising with ASIC in relation to the investigations conducted on the Company and the proceedings conducted by ASIC in the Federal Court of Australia Review of Court documents filed in ASIC proceedings	Liaising with ASIC in relation to the investigations conducted on the Company and the proceedings conducted by ASIC in the Federal Court of Australia Review of Court documents filed in ASIC proceedings Preparing statutory investigation reports
	Litigation and Recoveries	Engage and liaise with lawyer to obtain legal advice on various matters Liaising with lawyers to recover monies held by liquidity provider Liaising with lawyers and counsel in relation to the judicial application Review affidavit in relation to judicial application	Liaising with lawyer to obtain legal advice on various matters Liaising with lawyers to recover monies held by liquidity provider Liaising with lawyers and counsel in relation to the judicial application Review and finalise affidavit in relation to judicial application
	Examinations	N/A	Consider conducting examinations Preparing brief to solicitor Liaising with solicitors re-examination preparation Attendance at examinations
Dividend		**6.5 hours** **$4,619.00**	**$50,000.00**
	Processing proofs of debt	Preparation of correspondence to potential creditors inviting lodgement of POD Maintain POD register on creditor portal Adjudicating PODs Request further information from claimants regarding POD	Preparation of correspondence to potential creditors inviting lodgement of POD Maintain POD register on creditor portal Adjudicating PODs Request further information from claimants regarding POD

			Preparation of correspondence to claimant advising outcome of adjudication
	Dividend Procedures	Liaising with Link Market Services regarding for distribution to clients Seeking legal advice regarding the distribution to clients	Continue to liaise with Link Market Services regarding for distribution to clients Preparation of correspondence to creditors advising of intention to declare dividend Advertisement of intention to declare dividend Obtain clearance from ATO to allow distribution of company's assets Preparation of dividend calculation Preparation of distribution Preparation of dividend file Preparation of payment vouchers to pay dividend Preparation of correspondence to creditors enclosing payment of dividend
Administration		**142.2 hours** **$61,618.00**	**$15,000.00**
	ASIC Forms and lodgements	Preparing and lodging ASIC forms including 505 Preparing and lodging PNW advert regarding notice of appointment	Preparing and lodging ASIC forms including 507, 5601 5602, 5022, 5011 and 5603 Correspondence with ASIC regarding statutory forms Preparation of PNW Advert for meeting of creditors
	Books and records/ storage	Liaising with the Company's employee and contractors to arrange storage of the Company's records	Dealing with books and records Considering available storage options for the Company's records

		Correspondence with storage company to arrange storage of the Company's records Liaising with the Company's employee and contractors in relation to prepare books and records listing	Sending books and records to storage Prepare books and records listing
	Correspondence	Preparing and issuing notifications of appointment to banks, utilities and statutory bodies Preparing and issuing letter to Director regarding their obligations	General correspondence with stakeholders
	Document maintenance/file review/checklist	Filing of documents Updating checklists	Filing of documents File review Updating checklists
	Bank account administration	Preparing correspondence opening accounts Prepare receipts and payment vouchers	Bank account reconciliations Prepare receipts and payment vouchers Preparing correspondence closing accounts
	Insurance	Identification of potential issues requiring attention of insurance specialists Correspondence with insurance broker regarding initial and ongoing insurance requirements	Correspondence with Insurance broker regarding ongoing insurance Requirements Cancel insurance policies
	ATO and other statutory reporting	Notification of appointment	Preparing BAS and STP lodgements Requesting taxation documents
	Planning / Review	Discussion regarding status of administration Internal meetings to discuss progress of the Liquidation Teleconference with the Director and the Company's external accountant in relation to the progress of the Liquidation	Discussion regarding status of administration Internal meetings to discuss progress of the Liquidation Teleconference with the Director and the Company's external accountant in relation to the progress of the Liquidation
	Finalisation	N/A	Notifying ATO of finalisation

			Cancelling ABN/GST/PAYG registration Completing checklists Finalising WIP

SCHEDULE B – TIME SPENT BY STAFF ON MAJOR TASKS (COMPLETED WORK)

Prospero Markets Pty Ltd (In Liquidation)
ACN 145 048 577
For the period 10 April 2024 to 30 June 2024

Staff Classification	Name	Hourly Rate	Staff	Administration		Assets		Creditors		Dividend		Employees		Investigation		Total	
		$ (ex GST)	Location	Hrs	$	Hrs	$	Hrs	$	Hrs	$	Hrs	$	Hrs	$	Hrs	$
Appointee	Andrew Cummins	730	NSW	4.7	3,431.00	4.0	2,920.00	3.3	2,409.00	0.5	365.00	0.3	219.00	18.6	13,578.00	31.4	22,922.00
Appointee	Peter Krejci	730	NSW	12.1	8,833.00	1.4	1,022.00	23.1	16,863.00	-	-	-	-	28.8	21,024.00	65.4	47,742.00
Appointee	Jonathon Keenan	730	NSW	9.0	6,570.00	23.9	17,447.00	53.4	38,982.00	5.1	3,723.00	1.7	1,241.00	32.9	24,017.00	126.0	91,980.00
Principal	David Cocker	730	NSW	0.3	219.00	0.5	365.00	-	-	-	-	-	-	-	-	0.8	584.00
Senior Manager	Pauline Yeow	590	NSW	17.6	10,384.00	22.6	13,334.00	126.4	74,576.00	-	-	1.3	767.00	119.9	70,741.00	287.8	169,802.00
Senior Manager	Katherine La	590	NSW	8.1	4,779.00	1.3	767.00	119.7	70,623.00	0.9	531.00	1.6	944.00	12.3	7,257.00	143.9	84,901.00
Manager	Savio Monis	550	NSW	10.2	5,610.00	27.8	15,290.00	48.4	26,620.00	-	-	0.6	330.00	79.5	43,725.00	166.5	91,575.00
Manager	Joshua May	500	VIC	-	-	3.7	1,850.00	-	-	-	-	-	-	11.1	5,550.00	14.8	7,400.00
Senior 1	Nicole Feng	380	NSW	2.1	798.00	-	-	75.8	28,804.00	-	-	18.5	7,030.00	0.7	266.00	97.1	36,898.00
Senior 2	Blair Sanderson	300	VIC	0.2	60.00	-	-	-	-	-	-	-	-	-	-	0.2	60.00
Intermediate 1	Sushma Mandira	330	NSW	-	-	-	-	3.2	1,056.00	-	-	-	-	-	-	3.2	1,056.00
Intermediate 1	Sharon Thomas	250	VIC	0.4	100.00	-	-	-	-	-	-	-	-	1.0	250.00	1.4	350.00
Intermediate 2	Mankirth Mandair	280	NSW	42.4	11,872.00	8.3	2,324.00	163.8	45,864.00	-	-	0.7	196.00	37.3	10,444.00	252.5	70,700.00
Intermediate 2	Hugh Matthews	280	NSW	13.3	3,724.00	2.0	560.00	53.0	14,840.00	-	-	5.1	1,428.00	5.8	1,624.00	79.2	22,176.00
Intermediate 2	Frane Babic	280	NSW	0.9	252.00	-	-	118.5	33,180.00	-	-	-	-	-	-	119.4	33,432.00
Intermediate 2	Ben Dixon	280	NSW	-	-	-	-	86.7	24,276.00	-	-	-	-	-	-	86.7	24,276.00
Intermediate 2	Tiarnan Teague	280	NSW	-	-	-	-	89.5	25,060.00	-	-	-	-	-	-	89.5	25,060.00
Intermediate 2	Zachary George	280	NSW	0.5	140.00	-	-	-	-	-	-	-	-	-	-	0.5	140.00
Intermediate 2	Sophie Connell	220	VIC	2.5	550.00	-	-	-	-	-	-	-	-	10.5	2,310.00	13.0	2,860.00
Senior Administration	Ashleigh Hartigan	240	NSW	5.1	1,224.00	-	-	3.9	936.00	-	-	-	-	-	-	9.0	2,160.00
Senior Administration	Andrea Moulikova	240	NSW	0.6	144.00	-	-	2.0	480.00	-	-	-	-	-	-	2.6	624.00
Senior Administration	Sarita Gurung	240	NSW	8.6	2,064.00	-	-	3.4	816.00	-	-	0.2	48.00	-	-	12.2	2,928.00
Senior Administration	Sonia Stelmach	240	NSW	3.6	864.00	-	-	-	-	-	-	0.5	120.00	-	-	4.1	984.00
Total				**142.2**	**61,618.00**	**95.5**	**55,879.00**	**974.1**	**405,385.00**	**6.5**	**4,619.00**	**30.5**	**12,323.00**	**358.4**	**200,786.00**	**1,607.2**	**740,610.00**
																GST	74,061.00
																Total (incl GST)	**814,671.00**
Average Rate					**433.32**		**585.12**		**416.16**		**710.62**		**404.03**		**560.23**		**460.81**

SCHEDULE C – RESOLUTIONS

We will be seeking approval of the following resolutions to approve our remuneration and disbursements. Details to support these resolutions are included in section 3 and 4 and in the attached Schedules.

Resolution 1: Liquidators' Remuneration for the period 10 April 2024 to 30 June 2024

"That the remuneration of the Liquidators, their partners and staff for the period 10 April 2024 to 30 June 2024, be calculated on a time basis in accordance with the rates of charge annexed to the Liquidators' Statutory Report to Creditors dated 10 July 2024, be fixed and approved at $740,610.00 (plus GST), and that the Liquidators be authorised to draw that amount as required."

Resolution 2: Liquidators' Remuneration for the period 1 July 2024 to Conclusion

"That the remuneration of the Liquidators, their partners and staff for the period 1 July 2024 to the conclusion of the Liquidation, be calculated on a time basis in accordance with the rates of charge annexed to the Liquidators' Statutory Report to Creditors dated 10 July 2024 and approved to an interim cap of $300,000.00 (plus GST) and that the Liquidators be authorised to draw that amount as and when incurred."

Resolution 3: Liquidators' Internal Disbursements for the period 10 April 2024 to Conclusion

"That the Liquidators be allowed internal disbursements for the period 10 April 2024 to the conclusion of the Liquidation at the rates of charge annexed to the Liquidators' Statutory Report to Creditors dated 10 July 2024, up to an amount of $2,000.00 (plus GST) and that the Liquidators be authorised to draw that amount as accrued."

[This area is intentionally left blank]

SCHEDULE D – DISBURSEMENTS

Disbursements are divided into three types:

- Externally provided professional services - these are recovered at cost. An example of an externally provided service disbursement is legal fees.
- Externally provided non-professional costs such as travel, accommodation, and search fees. These are recovered at cost.
- Internal disbursements such as photocopying, printing and postage. These disbursements, if charged to the Administration, would generally charge at cost; though some expenses such as telephone calls, photocopying and printing may be charged at a rate which recoups both variable and fixed costs. The recovery of these costs must be on a reasonable commercial basis.

We advise that to date, we have not paid any disbursements incurred during this Liquidation by our Firm.

We are not obliged to seek creditor approval for disbursements paid to third parties, but must account to creditors, this includes providing details of the basis of charging for these types of disbursements to creditors as part of the Remuneration Approval Report. We have incurred the following disbursements paid to third parties:

Disbursement Type	Rate	Amount ($, excl GST)
Externally provided non-professional costs		
Statutory Searches	At cost	243.11
Travel	At cost	185.55
IT/Phone Subscriptions	At cost	800.43
Postage and Courier	At cost	264.15
	TOTAL	**1,493.36**

We are required to seek creditor approval for internal disbursements where there could be a profit or advantage. We have incurred the following internal disbursements to date:

Disbursement Type	Rate	Amount ($, excl GST)
Internal disbursements		
Staff vehicle use	$0.85/Km X 154Km	130.90
	TOTAL	**130.90**

Accordingly, we will be seeking approval from creditors for **Resolution 3**, of which details are provided in **Schedule C** of this Remuneration Approval Report.

Future disbursements provided by our Firm will be charged to the administration on the following basis:

Disbursement Type	Rate (excl. GST)
Externally provided professional services	At cost
Externally provided non-professional costs	At cost
Internal disbursements	
ASIC Charges for appointments and notifiable events	At cost
Faxes and Photocopying	$0.25 per page
Postage	At cost
Staff vehicle use	In accordance with ATO mileage allowance

BRI Ferrier

Prospero Markets Pty Ltd
(In Liquidation)
ACN 145 048 577

Annexure "I"
Advice to Creditors About Remuneration

ADVICE TO CREDITORS ABOUT REMUNERATION

Insolvency Practice Schedule (Corporations) 70-50
Insolvency Practice Rules (Corporations) 70-35

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

A REMUNERATION METHOD

There are four methods for calculation of remuneration that can be used to calculate the remuneration of an Insolvency Practitioner. They are:

- Time based / hourly rates or "Time Cost"

This is the most common method. It provides for remuneration to be charged at an hourly rate for each person working on the matter. The hourly rate charged will reflect the level of experience each person has.

- Fixed Fee

The total remuneration for the administration is quoted at commencement of the appointment and is the total charge for the administration. Sometimes a practitioner will finalise an administration for a fixed fee.

- Percentage

The remuneration for the appointment is based on a percentage of a particular variable, such as the gross proceeds of asset realisations.

- Contingency

The total remuneration for the matter is structured to be contingent on a particular outcome being achieved.

B. METHOD CHOSEN

Given the nature of this administration, we propose that our remuneration be calculated on the time based / hourly rates method. In our opinion, this is the fairest method for the following reasons:

- We will only be paid for work done, subject to sufficient realisations of the Companies' assets.
- It ensures creditors are only charged for work that is performed. Our time are recorded and charged in six-minute increments and staff are allocated to duties according to their relevant experience and qualifications.
- We are required to perform a number of tasks which do not relate to the realisation of assets, including responding to creditor enquiries, reporting to the ASIC, distributing funds in accordance with the provisions of the Corporations Act 2001.

BRI Ferrier reviews its hourly rates every twelve months. The hourly rates quoted below remain current to 30 June 2025. At this time BRI Ferrier may increase the hourly rates charged for work performed past that date. If hourly rates are increased, we will seek approval from creditors.

C. EXPLANATION OF HOURLY RATES

The rates applicable are set out in the table on the following page together with a general guide to the qualifications and experience of staff engaged in administration and the role they undertake in the administration. The hourly rates charged encompass the total cost of providing professional services and are not comparable to an hourly wage rate.

		NSW	NSW	VIC
Title	**Description**	**Hourly Rate (ex GST) 1 July 23**	**Hourly Rate (ex GST) 1 July 24**	**Hourly Rate (ex GST) 1 July 23**
Principal	Senior member of the firm. May be a Registered Liquidator and/or Registered Trustee. A senior accountant with over 10 years' experience who brings specialist skills and experience to the appointment. Leads staff carrying out appointments.	$730	$750	$650
Director	An accountant with more than 10 years' experience. May be a Liquidator. Fully qualified and able to control all aspects of an appointment. May have specialist industry knowledge or skills. Assists with all facets of appointment.	$640	$670	$570
Senior Manager	An accountant with more than 7 years' experience. Qualified and answerable to the Team Leader. Self-sufficient in completing and planning all aspects of large appointments.	$590	$620	$530
Manager	An accountant with at least 6 years' experience. Typically qualified with well-developed technical and commercial skills. Controls and plans all aspects of medium to larger appointments, reporting to the Team Leader.	$550	$580	$500
Supervisor	An accountant with more than 4 years' experience. Typically qualified with sound knowledge of insolvency principles and developing commercial skill. Assists to plan and control specific tasks on medium to larger appointments. Often undertaking post qualification study specialising in Insolvency and Reconstruction.	$480	$510	$400
Senior 1	An accountant with more than 2 years' experience. Typically a graduate undertaking study leading to professional qualification as a Chartered Accountant or CPA. Able to complete work on appointments with limited supervision.	$420	$450	$350
Senior 2	An accountant with less than 2 years' experience. Typically a graduate who has commenced study leading to professional qualifications. Able to complete many tasks on medium to large appointments under supervision.	$380	$400	$300
Intermediate 1	An accountant with less than 2 years' experience. Typically a graduate and commencing study for qualifications. Able to complete multiple tasks on smaller to medium appointments under supervision.	$330	$350	$250
Intermediate 2	An accountant with less than 1 year's experience. A trainee undertaking degree with an accountancy major. Assists in the appointment under supervision.	$280	$300	$220
Senior Administration	Appropriately skilled and undertakes support activities including but not limited to treasury, word processing and other administrative, clerical and secretarial tasks.	$240	$300	$200
Junior Administration	Appropriately skilled and undertakes support activities including but not limited to treasury, word processing and other administrative, clerical and secretarial tasks.	$180	$200	$150

D. DISBURSEMENTS

Disbursements are divided into three types:

- Externally provided professional services - these are recovered at cost. An example of an externally provided service disbursement is legal fees.

- Externally provided non-professional costs such as travel, accommodation and search fees. These are recovered at cost.
- Internal disbursements such as photocopying, printing and postage. These disbursements, if charged to the Administration, would generally be charged at cost; though some expenses such as telephone calls, photocopying and printing may be charged at a rate which recoups both variable and fixed costs. The recovery of these costs must be on a reasonable commercial basis.

We are not required to seek creditor approval for disbursements paid to third parties but must account to creditors. However, we must be satisfied that these disbursements are appropriate, justified and reasonable.

We are required to obtain creditor's consent for the payment of internal disbursements. Creditors will be asked to approve our internal disbursements prior to these disbursements being paid from the administration.

Details of the basis of recovering disbursements in this administration are provided below.

BRI Ferrier NSW Office

Disbursement Type	Rate (excl GST)
Externally provided professional services	At cost
Externally provided non-professional costs	At cost
Internal disbursements	
ASIC Charges for appointments and notifiable events	At cost
Faxes and Photocopying	$0.25 per page
Postage	At cost
Staff vehicle use	In accordance with ATO mileage allowances

BRI Ferrier VIC Office

Disbursements with a potential profit element	Rate (excl GST) ($)
ASIC Industry Funding Levy	$125 per event
Printing and Photocopying	$0.25 per page

Prospero Markets Pty Ltd
(In Liquidation)
ACN 145 048 577

Annexure "J"
ARITA Information Sheet – Offences, Recoverable Transactions and Insolvent Trading

Offences

A summary of offences under the Corporations Act that may be identified by liquidators or administrators:

180	Failure by company officers to exercise a reasonable degree of care and diligence in the exercise of their powers and the discharge of their duties.
181	Failure to act in good faith.
182	Making improper use of their position as an officer or employee, to gain, directly or indirectly, an advantage.
183	Making improper use of information acquired by virtue of the officer's position.
184	Reckless or intentional dishonesty in failing to exercise duties in good faith for a proper purpose. Use of position or information dishonestly to gain advantage or cause detriment. This can be a criminal offence.
198G	Performing or exercising a function or power as an officer while a company is under administration.
206A	Contravening a court order against taking part in the management of a corporation.
206A, B	Taking part in the management of corporation while being an insolvent, for example, while bankrupt.
206A, B	Acting as a director or promoter or taking part in the management of a company within five years after conviction or imprisonment for various offences.
209(3)	Dishonest failure to observe requirements on making loans to directors or related companies.
254T	Paying dividends except out of profits.
286	Failure to keep proper accounting records.
312	Obstruction of an auditor.
314-7	Failure to comply with requirements for the preparation of financial statements.
437D(5)	Unauthorised dealing with company's property during administration.
438B(4) / 453F 475(9)) / 497(4) / 530A – 530B	Failure by directors to assist, deliver records and provide information.
438C(5) / 477(3) / 530B	Failure to assist, deliver up books and records and provide information.
588G	Incurring liabilities while insolvent
588GAB	Officer's duty to prevent creditor-defeating disposition
588GAC	A person must not procure a company to make a creditor-defeating disposition
590	Failure to disclose property, concealed or removed property, concealed a debt due to the company, altered books of the company, fraudulently obtained credit on behalf of the company, material omission from Report as to Affairs or false representation to creditors.
596AB	Entering into an agreement or transaction to avoid employee entitlements.

Recoverable Transactions

Preferences

A preference is a transaction, such as a payment by the company to a creditor, in which the creditor receiving the payment is preferred over the general body of creditors. The relevant period for the payment commences six months before the commencement of the liquidation, or three months if a simplified liquidation process is adopted. The company must have been insolvent at the time of the transaction or become insolvent because of the transaction.

Where a creditor receives a preference*, the payment is voidable as against a liquidator and is liable to be paid back to the liquidator subject to the creditor being able to successfully maintain any of the defences available to the creditor under the Corporations Act.

**Must be greater than $30,000 for unrelated creditors in a simplified liquidation*

Creditor-defeating disposition

Creditor-defeating dispositions are the transfer of company assets for less than market value (or the best price reasonably obtainable) that prevents, hinders or significantly delay creditors' access to the company's assets in liquidation. Creditor-defeating dispositions are voidable by a liquidator.

Uncommercial Transaction

An uncommercial transaction is one that it may be expected that a reasonable person in the company's circumstances would not have entered into, having regard to the benefit or detriment to the company; the respective benefits to other parties; and any other relevant matter.

To be voidable, an uncommercial transaction must have occurred during the two years before the liquidation. However, if a related entity is a party to the transaction, the period is four years and if the intention of the transaction is to defeat creditors, the period is ten years. The company must have been insolvent at the time of the transaction, or become insolvent because of the transaction.

Unfair Loan

A loan is unfair if and only if the interest was extortionate when the loan was made or has since become extortionate. There is no time limit on unfair loans – they only must be entered into before the winding up began.

Arrangements to avoid employee entitlements

If an employee suffers loss because a person (including a director) enters into an arrangement or transaction to avoid the payment of employee entitlements, the liquidator or the employee may seek to recover compensation from that person or from members of a corporate group (Contribution Order).

Unreasonable payments to directors

Liquidators have the power to reclaim '*unreasonable payments*' made to directors by companies prior to liquidation. The provision relates to payments made to or on behalf of a director or close associate of a director. The transaction must have been unreasonable and have been entered into during the 4 years leading up to a company's liquidation, regardless of its solvency at the time the transaction occurred.

Voidable charges

Certain charges over company property are voidable by a liquidator:

- circulating security interest within six months of the liquidation, unless it secures a subsequent advance
- unregistered security interests
- security interests in favour of related parties who attempt to enforce the security within six months of its creation.

Insolvent trading

In the following circumstances, directors may be personally liable for insolvent trading by the company:

- a person is a director at the time a company incurs a debt
- the company is insolvent at the time of incurring the debt or becomes insolvent because of incurring the debt
- at the time the debt was incurred, there were reasonable grounds to suspect that the company was insolvent
- the director was aware such grounds for suspicion existed; and
- a reasonable person in a like position would have been so aware.

The law provides that the liquidator, and in certain circumstances the creditor who suffered the loss, may recover from the director, an amount equal to the loss or damage suffered. Similar provisions exist to pursue holding companies for debts incurred by their subsidiaries.

A defence is available under the law where the director can establish:

- there were reasonable grounds to expect that the company was solvent and they did so expect
- they did not take part in management for illness or some other good reason; or
- they took all reasonable steps to prevent the company incurring the debt.

The director may also be able to avail themselves of safe harbour, if they meet certain conditions.

The proceeds of any recovery for insolvent trading by a liquidator are available for distribution to the unsecured creditors before the secured creditors.

Important note: This information sheet contains a summary of basic information on the topic. It is not a substitute for legal advice. Some provisions of the law referred to may have important exceptions or qualifications. This document may not contain all of the information about the law or the exceptions and qualifications that are relevant to your circumstances.

BRI Ferrier

Prospero Markets Pty Ltd
(In Liquidation)
ACN 145 048 577

Annexure "K"
ASIC Information Sheet – Insolvency Information for Directors, Employees, Creditors and Shareholders

ASIC
Australian Securities & Investments Commission

Insolvency information for directors, employees, creditors and shareholders

This information sheet (INFO 39) lists ASIC's information sheets for directors, employees, creditors and shareholders affected by a company's insolvency.

We have produced these with endorsement from the Australian Restructuring Insolvency & Turnaround Association (ARITA).

The information sheets give a basic understanding of the three most common company insolvency procedures – liquidation, voluntary administration and receivership – as well as the independence requirements for external administrators and approving external administrator remuneration. There is also a glossary of commonly used insolvency terms.

List of information sheets

- INFO 41 Insolvency: A glossary of terms
- INFO 42 Insolvency: A guide for directors
- INFO 43 Insolvency: A guide for shareholders
- INFO 45 Liquidation: A guide for creditors
- INFO 46 Liquidation: A guide for employees
- INFO 54 Receivership: A guide for creditors
- INFO 55 Receivership: A guide for employees
- INFO 74 Voluntary administration: A guide for creditors
- INFO 75 Voluntary administration: A guide for employees
- INFO 84 Independence of external administrators: A guide for creditors
- INFO 85 Approving fees: A guide for creditors

Where can I get more information?

Further information is available from the ARITA website. The ARITA website also contains the ARITA Code of Professional Practice for Insolvency Practitioners.

This is **Information Sheet 39** (**INFO 39**) updated on 1 September 2017. Information sheets provide concise guidance on a specific process or compliance issue or an overview of detailed guidance.

Last updated: 01/09/2017 10:57

BRI Ferrier

REPORT TO CREDITORS

PROSPERO MARKETS PTY LTD (IN LIQUIDATION)
ACN: 145 048 577 ("THE COMPANY")

27 August 2025

ANDREW CUMMINS, JONATHON KEENAN
& PETER KREJCI
Joint And Several Liquidators

prospero

Phone: 1300 291 012 (toll free) or +61 2 8044 0530 (international)
Email: prosperomarkets@brifnsw.com.au
Website: www.briferrier.com.au
Address: Level 26, 25 Bligh Street
Sydney NSW 2000

INTRODUCTION

We refer to our Initial Report to Creditors dated 8 May 2024 and Statutory Report to Creditors dated 10 July 2024, which set out our investigations into the Company's affairs and the conduct of its officers. We also refer to the numerous circulars issued to clients and creditors via email during this Liquidation.

The purpose of this report is to provide creditors with information regarding the following:

- An update on the progress of the Liquidation and further actions that may need to be undertaken;
- To convene a meeting of creditors to be held on 12 September 2025 at 2.00PM (AEST). This meeting will be held via virtual technology only, please note the following instructions:

1. You must register at the following link: https://us06web.zoom.us/meeting/register/TpBEejOERGGmiu9JVUfGKg
2. Lodge a Proof of Debt detailing your claim to be a Creditor. To submit a POD, please log into the Creditor Portal: https://exad.com.au/bri/prospero/ using your Creditor ID and Passcode, and proceed with the "Register your debt" option on the Creditor Dashboard. **If you have lodged your claim with supporting documentation, you are not required to submit them again.**
3. Persons attending on behalf of a corporate entity are required to have a proxy signed on behalf of that entity, attached as **Annexure "B"**. **Proxies used for previous meetings cannot be used for the upcoming meeting and it is necessary for corporate Creditors to submit new proxies for this Meeting of Creditors. Individuals are not required to submit proxies, unless they wish to appoint another individual to attend on their behalf.**
4. Upon receipt of a valid Formal Proof of Debt Form and Proxy (if required), a different link to access the virtual meeting will be emailed to you. This link will be unique for each attendee and should not be shared with other parties.

This report should be read in conjunction with our previous reports. If you have any questions relating to the Liquidation in general, or specific questions relating to your position, please do not hesitate to contact this office.

Creditors can find copies of all previous reports and circulars on this matter on our website:

https://briferrier.com.au/about-us/current-matters/prospero-markets-pty-ltd/

1 QUICK SHEET

What was the outcome of the Court proceedings?	The Liquidators application for judicial directions was heard by Justice Moore of the Federal Court in March 2025. Court Orders were made on 2 April 2025 which set out the process for the distribution of the Client Money, including entitlements, timelines and directions that the costs be paid from the Company's general assets, not Client Money.
What is the update on Client claims?	We determined there was sufficient Client Money to discharge the valid Client claims in full. On 18 July 2025, the Client Money was distributed to the AU Clients who had provided their bank account details. We have withheld the distribution to clients who failed to provide bank account details. We request clients upload their bank account details to the Link creditor portal https://exad.com.au/bri/prospero/ by 15 October 2025, as another distribution of Client Money will be paid by November 2025.
What about Prospero Global LLC clients?	Our investigations have not identified any deposits from the Offshore Clients into the Company's bank accounts. In accordance with the Court Orders, we have determined the Offshore Clients are not entitled to a distribution from the Client Money.
What happens next in the Liquidation?	We have dealt with the majority of the Company's assets and discharged the bulk of the Clients claims. We have identified there may be a claim against Prospero Global LLC in respect of costs paid by the Company. We intend to conduct public examinations to determine the prospects of recovery. We invite creditors views at the forthcoming meeting.
What is the return for former employees?	We anticipate there will be sufficient funds available to pay all priority creditor claims (former employees) in full. We have commenced the priority dividend process which will be declared on or before 24 October 2025.
What is the return for unsecured creditors?	We anticipate there will be sufficient funds available to pay a partial dividend to unsecured creditors. The quantum of the return will be dependent on extent of unsecured creditor claims and whether there is any recovery from Prospero Global LLC (which could require litigation).
When is the creditors meeting?	A meeting of creditors will be held on 12 September 2025 at 2:00PM AEST. The meeting will be held using virtually technology only. To attend, creditors must register at the following link: https://us06web.zoom.us/meeting/register/TpBEejOERGGmiu9JVUfGKg

GLOSSARY OF COMMON ACRONYMS & ABBREVIATIONS	
ABN	Australian Business Number
ACN	Australian Company Number
Act	Corporations Act 2001 (Cth)
AFP	Australian Federal Police
AFSA	Australian Financial Security Authority
AFSL	Australian Financial Services Licence
ARITA	Australian Restructuring Insolvency and Turnaround Association
ASIC	Australian Securities and Investments Commission
ATO	Australian Taxation Office
AU Clients	Former Clients of Prospero Markets Pty Ltd
CBA	Commonwealth Bank of Australia
Client Money	Funds held in CBA client trust accounts
Company	Prospero Markets Pty Ltd (In Liquidation)
Court	Federal Court of Australia
Department	Department of Employment and Workplace Relations
Director	Xuehao Zhou
FEG	Fair Entitlements Guarantee Scheme
Firm	BRI Ferrier
FY	Financial Year
IPR	Insolvency Practice Rules (Corporations) 2016
IPS	Insolvency Practice Schedule (Corporations) 2016
Link	Link Market Services (now known as MUFG)
Liquidators	Andrew Cummins, Jonathon Keenan and Peter Krejci
MT4	MetaTrader 4
Offshore Clients	Clients of Prospero Global LLC
POCA	Proceeds of Crime Act 2002
POD	Proof of Debt
PPSR	Personal Properties Securities Register
Prospero Global LLC	Prospero Global LLC (registered in Saint Vincent and the Grenadines)
Shareholder	Sheng Yi Wang
SVG	Saint Vincent and the Grenadines

TABLE OF CONTENTS

1	Quick Sheet	3
2	Executive Summary	6
3	Disclaimer	9
4	Previous Reports	9
5	Update on the Liquidation	10
6	Current Financial Position	13
7	Receipts and Payments	19
8	Estimated Return to Creditors	19
9	Notice of Intention to Declare a Dividend to Priority (Employee) Creditors	19
10	Remuneration of Liquidators	20
11	Meeting of Creditors	21
12	Tasks Required in the Liquidation	21
13	Conclusion	22

TABLE OF ANNEXURES

A	Notice of Meeting
B	Appointment of Proxy Form
C	Summary Receipts and Payments
D	Estimated Outcome Statement
E	Notice of Intention to Declare Dividend to Priority Creditors
F	Remuneration Approval Report
G	Advice to Creditors About Remuneration
H	ASIC Information Sheet – Insolvency Information for Directors, Employees, Creditors and Shareholders

2 EXECUTIVE SUMMARY

As you are aware, we, Andrew Cummins, Jonathon Keenan and Peter Krejci of BRI Ferrier, were appointed Joint and Several Liquidators of the Company on 10 April 2024 pursuant to an Order of the Court.

We have convened a meeting of creditors to be held on 12 September 2025 at 2:00PM AEST. Please find attached as **Annexure "A"** the Notice of Meeting of Creditors for your information. The meeting will be held using virtual technology only. Further details can be found at section 12 of this Report.

We provide creditors herein with an update on the Liquidation.

Since issuing our Statutory Report, our focus has been on the Court proceedings, to resolve competing interests and enable distribution of the Client Money. To this end, we have worked closely with our lawyers and have issued various updates to clients and creditors as the Court proceedings progressed. The Court proceedings were prolonged due to the complexity and parties involved, which included the appointment of contradictor lawyers to present the Court with counter-arguments where necessary.

The application was heard during March 2025 before Justice Moore. On 2 April 2025, the Court made orders which dealt with a variety of matters, including the Clients' entitlements to the Client Money and process for the distribution. Justice Moore's reasons were handed down shortly thereafter.

We promptly commenced the process to distribute the Client Money to those clients with valid claims. It was at this time that CBA advised that they would not release the Client Money, due to their interpretation of the freezing orders that were obtained by the AFP in 2023. We engaged in substantive discussions with both CBA and AFP and were able to secure the release of the Client Money from CBA in June 2025 without the need for further court applications.

By July 2025, we completed the adjudication of client claims in accordance with the Court Orders. In total, we determined that there were $19.2M in valid client claims, and proceeded to issue notices to clients accordingly. We also issued rejection notices to those Client with invalid claims, being largely the Offshore Clients and parties who had asserted they had suffered damages from the book being closed. No clients have applied to the Court to appeal our determinations and on 18 July 2025 we distributed circa $18.1M of Client Money to clients with admitted entitlements and bank account details provided. There remains approximately $1.1M that has been withheld from clients with admitted entitlements, however these clients have failed to provide bank account details. We have written to these affected clients requesting bank account details are uploaded to the Link creditor portal https://exad.com.au/bri/prospero/ by 15 October 2025, ahead of our next distribution in November 2025. If those clients do not provide bank account details, their funds will be paid to ASIC unclaimed monies at the end of the Liquidation.

On 25 September 2024, ASIC issued a notice of their intention to cancel the Company's AFSL, subject to certain conditions. We made submissions to ASIC, initially seeking that they do not cancel the AFSL such that we could attempt to extract value from the licence structure for the benefit of creditors/stakeholders, which was declined. Thereafter, we sought to vary ongoing reporting obligations to minimise the costs to creditors, which were largely agreed to by ASIC.

In addition to asset realisations previously reported, we have completed the sale of the available IT equipment resulting in net proceeds of $16K (after costs) and have also recovered a further $43K held in solicitor trust accounts. We have also completed the recovery of the Company's funds held by Singaporean Liquidity Provider, CGS-CIMB. Creditors may recall that CGS-CIMB refused to engage with us, and we were forced to commence legal proceedings in Singapore to have our Liquidation recognised in that jurisdiction. There were also disputes with CGS-CIMB on the facility charges, and ultimately, we were able to recover $310K.

An asset yet to be recovered is a tax refund, specifically withholding tax of approximately $130K, which requires completion of outstanding tax lodgements. Based on our review of the Company's records, there may also be unreported PAYG withholding debts owed to the ATO totalling approximately $165K. Whilst currently unknown, it is possible that the ATO may seek to apply a set-off, which could negate the recovery. This will be resolved in the coming months, as regardless, a tax clearance must be obtained from the ATO before a dividend to unsecured creditors can be declared.

Our investigations have identified that the Company's business was operated in parallel with the related entity, Prospero Global LLC. In that regard, the accounting records indicate that the Company has paid certain expenses of Prospero Global LLC, including MT4 licences, IT expenses and payroll costs. Preliminary enquiries indicate those costs may total $800K or more. There is no evidence of the Company being reimbursed, and therefore this represents an outstanding debtor claim. The former management have not responded meaningfully to our enquiries, and the exact quantum of the debtor or the capacity of Prospero Global LLC to repay is currently unknown.

As such, we intend to conduct a public examination of relevant parties, which will gather evidence to quantify the claim (if any) and determine the commercial prospects of recovery. That process will also seek to obtain a clear understanding of what occurred with Prospero Global LLC's business, so that we can provide guidance to the Offshore Clients who have submitted claims against the Company. We note that various Offshore Clients have indicated that Prospero Global LLC has ceased operating, however they have not repaid their clients. Our lawyers have estimated the legal costs (including Counsel) for public examinations at $85K to $100K which will be funded from the available general assets in the liquidation. We invite creditors to provide any comments or relevant information at or prior to the forthcoming meeting.

In respect of the Company's liabilities, we have been working to settle our adjudication of priority (employee) claims and engaging with the Department to reconcile discrepancies in order for payments to be made to employees under the FEG scheme. To date, the Department has paid employees under the FEG scheme totalling $592K and the Department has lodged a claim in the Liquidation, as a subrogated creditor for these payments.

We estimate the total priority (employee) claims to be around $1.2M to $1.3M, subject to final adjudication of claims. Based on recoveries to date, we have determined there are sufficient funds to discharge priority (employee) creditor claims in full. As such, we include herein notice of our intention to declare a dividend to priority creditors by 24 October 2025. This will include reimbursement of the claims funded by the Department and the outstanding superannuation. Any priority creditors who have not already done so, are required to lodge a proof of debt by 18 September 2025, otherwise they may be excluded from the forthcoming priority dividend.

In respect of unsecured creditors, the total estimated claims have increased to $4.2M. The unsecured claims are comprised of trade creditors of $850K, ASIC levies and investigation claims of $440K, ATO net tax liabilities of $35K, landlord lease termination claims of $1.4M, former client damages claims of $1.2M and a contingency of $200K. We anticipate that there will be sufficient funds available to declare a dividend to the unsecured creditors. However, the quantum of the return will be dependent on whether there is any recovery from the potential claim identified against Prospero Global LLC and the extent of valid claims in the unsecured creditor pool. Further updates will be provided as the Liquidation progresses.

Below is a summary of the range of returns to the different stakeholder groups, based on current estimates:-

Summary of Returns by Class	Optimistic Cents/$	Pessimistic Cents/$	Dividend Timing
Clients	100	100	Already paid in July 2025, *further distribution in November 2025*
Priority Creditors	100	100	October 2025
Unsecured Creditors	100	32	*Mid 2026 – subject to public examination process
Shareholders	Yes	Nil	To be determined

**These figures are estimates and the actual results may vary materially.*

As above, the majority of client claims have been discharged already, and a dividend to the priority creditors is set to be paid in October 2025. The timing for any return to unsecured creditors (and thereafter shareholders) will be subject to the outcome of the public examinations and whether any claim is to be pursued against Prospero Global LLC (likely via litigation). If no claim is pursued, we estimate that the Liquidation could be finalised within the next six (6) to twelve (12) months. Otherwise, litigation may extend the Liquidation at least one (1) to two (2) years, noting that Prospero Global LLC is registered in the Saint Vincent and the Grenadines jurisdiction. We also note that that timeframe could also be impacted by further investigations from the various regulatory bodies (including ASIC, AFP, AFSA and ATO).

3 COMPANY INFORMATION

COMPANY DETAILS	
Name	Prospero Markets Pty Ltd
Incorporated	6 July 2010
ACN	145 048 577
ABN	11 145 048 577
Registered Office	186 Bellair Street Kensington VIC 3031
Trading Address	186 Bellair Street Kensington VIC 3031

LIQUIDATORS	
Name	Andrew Cummins
	Jonathon Keenan
	Peter Krejci
Date Appointed	10 April 2024

ADMINISTRATION CONTACT	
Name	Prospero Team
Email	prosperomarkets@brifnsw.com.au
Phone	1300 291 012 (toll free) +61 2 8044 0530 (international)

4 DISCLAIMER

This Report and the statements made herein have been prepared, based on available books and records, information provided by the Company's director and officers, and from our own enquiries.

Whilst we have no reason to doubt the accuracy of the information provided or contained herein, we reserve the right to alter our opinion or conclusions should the underlying data prove to be inaccurate or materially change after the date of this Report.

In undertaking our investigations in relation to the affairs of the Company, and the preparation of this Report to the creditors, we have made forecasts of asset realisations and are required, in the ordinary course of discharging our statutory duties, to estimate the quantum of creditor claims against the Company.

Neither we, as the Liquidators, nor any member or employee of this firm undertake or accept responsibility in any way whatsoever to any person in respect of any errors in this Report arising from incorrect information provided to this office, or necessary estimates and assessments made for the purposes of this Report.

Any creditor that has material information in relation to the Company's affairs, which they consider may affect our investigation, should forward details to this office as soon as possible.

5 PREVIOUS REPORTS

This report should be read in conjunction with our previous reports to the creditors, including:

- Initial Report to Creditors dated 8 May 2024; and

- Statutory Report to Creditors dated 10 July 2024 ("the Statutory Report").

In addition, we have issued the following circular and email updates to creditors including clients:

- Circular dated 2 August 2024;
- Circular dated 5 September 2024;
- Circular dated 10 October 2024;
- Circular dated 7 November 2024;
- Circular dated 5 March 2025
- Circular dated 24 March 2025; and
- Circular dated 3 April 2025;

Creditors can find copies of all previous reports and circulars on this matter on our website:

https://briferrier.com.au/about-us/current-matters/prospero-markets-pty-ltd/

6 UPDATE ON THE LIQUIDATION

We provide creditors with an update of the Liquidation as follows.

6.1 COURT PROCEEDINGS

At the time of our appointment, there were four distinct stakeholder groups with competing interests in the available assets held by the Company. Those groups were:

- Australian Clients who paid money to the Company to allow them to trade on the Company's platform;
- Offshore Clients who asserted that they had an entitlement to money held in trust by the Company;
- Priority and Unsecured Creditors who were owed money by the Company; and
- The AFP arising from orders made against certain shareholders of the Company.

As a result of the competing interests and the fact that monies held by the Company were likely to be held on trust, we obtained legal advice that prior to the return of Client Money, we should obtain judicial advice from the Court that we were justified in returning the Client Money and to deal with the competing claims made by the Australian Clients and the Offshore Clients.

Between June and July 2024, we worked closely with our lawyers, Bartier Perry, to prepare the application to the Federal Court of Australia. That application included the preparation of a detailed affidavit (and accompanied by a 1,237-page bundle of documents). On 31 July 2024, we commenced the Judicial Advice proceedings stressing at all times to the Court, our concern to return the Client Money as soon as possible.

Importantly, in matters of this nature, we have an ongoing obligation of disclosure to provide updated information to the Court, and any other interested party. Following the commencement of the proceedings, in conjunction with our lawyers (and as required by the Federal Court of Australia), we undertook the following:

- Prepared and served four (4) affidavits providing additional information required for the hearing of the application;

- Briefed and engaged with the lawyers appointed by the Court as contradictors, whose task was to consider and either agree or oppose the orders sought by the Liquidators; and
- Issued multiple email updates to clients and creditors as directed by the Court.

By October 2024, we were in a position have the matter determined by the Court. Unfortunately, as a result of the availability of the Court, the first available date for the Court to hear the application was April 2025. Given the delay between October 2024 and April 2025, we requested the Court to see whether the application could be heard any sooner, even if that meant travelling interstate, to try and avoid further delays in returning the Client Money.

In early 2025, the Court indicated that there was potential availability for the matter to be heard sooner (albeit in late March 2025). We welcomed that offer and the matter was set down for hearing on 26 and 27 March 2025.

The parties appeared before the Court on 26 March 2025. Given the work of our lawyers and the contradictors legal team, the hearing finished on day 1 with His Honor Justice Moore indicating to the parties that he would endeavour to make orders and publish his judgment as soon as possible.

The Court made orders on 2 April 2025 and subsequently published reasons for the decision on 24 April 2025. His Honor Justice Moore determined that *"it is appropriate for orders to be made, in substance, along the lines proposes by the Liquidators but with some modifications. That includes the endorsement of a regime for the distribution of client monies back to Prospero's clients."* In essence, the orders of the Court provided for the:

- consolidation of all Client Money into one interest bearing account with all amounts held in USD to be converted to AUD;
- setting out of a distribution process which required that we adjudicate and provide notification of each client's proposed distribution, provide them with time to dispute that proposed distribution and otherwise make payment;
- justification sought by us not to include the offshore clients and a requirement to make payment for accounts with a balance less than $100 in circumstances where the costs of doing so would exceed the amount of the proposed distribution;
- obligation on us to hold money on trust for clients whose account details were unknown until the end of the liquidation, at which time if still not distributed to the client, those monies be paid to ASIC as unclaimed monies; and
- the costs involved in dealing with the Client Money (including adjudication of client claims, dealing with client enquiries and distribution of the Client Money) would be paid from the general assets of the Company.

All Court documents in respect of these proceedings, including the Court orders and reasons for judgement, can be downloaded from our website: https://briferrier.com.au/about-us/current-matters/prospero-markets-pty-ltd/

6.2 DISTRIBUTION OF CLIENT MONEY

After obtaining the Court Orders, we immediately instructed our lawyers to write to CBA to transfer the Client Money held by it, which have been frozen since late 2023.

Unfortunately, a further dispute arose with CBA as to whether orders previously made by the Supreme Court of Victoria, precluded the CBA from releasing those funds. In essence, CBA was concerned that providing the funds to us would ultimately be a breach of the freezing orders obtained by the AFP under the POCA proceedings. CBA's initial position was that they would not release those funds unless we sought a variation of the orders in the Supreme Court of Victoria proceedings.

Rather than commencing proceedings against CBA, which would have materially delayed the distribution to clients, we instructed our lawyers to liaise with the AFP to have them confirm that they made no claim against the monies held in the CBA Client Money accounts. Importantly, whilst this was being undertaken, we continued to assess claims and proceed with the distribution process as ordered by the Court, issuing Admitted Entitlement Notices on 24 April 2025 setting out the proposed distribution amount for clients and timeline for the distribution.

In total, Admitted Entitlement Notices were issued to 2,465 clients with the proposed distribution amounts totalling $19,212,596.52. After some weeks, our lawyers were successful in obtaining confirmation from the AFP which was sufficient for CBA. The funds were ultimately released to us (together with interest accrued) in June 2025, totalling circa $20.7M.

In response to the Admitted Entitlement Notices, we received a number of Dispute Notices and after reviewing each, we determine that this did not change our position on their respective proposed distribution amounts. Accordingly, we issued Rejection Notices to each of these clients, detailing our reasons for the rejection and providing a deadline to apply to the Court to dispute our Rejection Notice. To date, no clients have filed such an application to the Court and the deadline for these clients to do so has passed.

As such, we determined that there was sufficient Client Money to discharge the proposed distribution amounts to clients in full, being a return of 100 cents in the dollar. In accordance with Order 3(b)(ii) of the Court Orders, any surplus funds in excess of the Client Money distribution are assets of the Company. To receive a distribution from the Client Money, clients were required to provide their current bank account details in the Link creditor portal.

We engaged with Link to assist with the distribution process and issue distribution notices to clients, including clients with no bank details and no distribution. On 18 July 2025, Link processed the distribution to clients, in which there were several payments that were rejected (due to incorrect bank details provided). We subsequently re-issued the distributions to clients that provided updated bank account details. Accordingly, Client Money was distributed to clients as follows:

	No. of clients	Amount
Distribute to clients with bank details	793	$18,153,885.56
Withheld distribution for clients without bank details	324	$1,058,710.96
Nil distribution	1,348	$0.00
Total Distribution	**2,465**	**$19,212,596.52**

The nil distribution notices issued included offshore clients and clients with MT4 account balances of $100 or less. We have withheld the distribution to 324 clients who failed to provide bank account details and of this number, our review indicates that over fifty (50) clients have now provided bank account details in the Link creditor portal with distribution amounts totalling circa $500K. We intend to process another distribution in November 2025 and request that the withheld clients login to the Link creditor portal to provide their bank account details by 15 October 2025.

Distribution amounts withheld for clients that fail to provide bank account details by the end of the Liquidation, will be paid to ASIC as unclaimed monies.

6.3 AUSTRALIAN FINANCIAL SERVICES LICENCE CANCELLATION

On 25 September 2024, ASIC issued a notice to the Company that it had made a decision to cancel the AFSL previously held by the Company. When deciding to cancel the AFSL, ASIC did that with certain conditions which required the Company to:

1. Maintain its membership with AFCA;
2. Continue to hold arrangements for compensating retail clients including a requirement to hold professional indemnity insurance; and
3. comply with *ASIC Client Money Reporting Rules 2017.*

We initially sought to have the cancellation reversed, in order to extract value from the licence structure for the benefit of the stakeholders, however ASIC declined. In respect of the cancellation, we were concerned that the conditions set out above could not be complied with in circumstances where the Company had no employees and was not trading, the inability to obtain professional indemnity insurance for the Company given its status. In addition, we were concerned that the costs of complying with the reporting rules, which required daily and weekly reporting to ASIC, would ultimately be borne by creditors leading to a diminished return.

As a result, we instructed our lawyers to make submissions to ASIC regarding the cancellation conditions. After numerous rounds of submissions, ASIC confirmed on 12 March 2025, that it removed the previous conditions and replaced it with one sole condition, being an obligation to provide information to ASIC, if requested. To date, no such request has been made in this regard.

7 CURRENT FINANCIAL POSITION

Below is our updated analysis of the financial position of the Company, with regard to available financial records and our enquiries to date.

Prospero Markets Pty Ltd (In Liquidation) A.C.N. 145 048 577 Summary of Director's Report on Company Activities and Property	Report Reference	Book Value as at 10/04/2024 ($)	Director's ERV (per ROCAP) ($)	Liquidator's ERV ($)
Assets				
Client Trust Funds	7.1.1	19,457,096		20,514,801
Client Trust Funds USD (converted)	7.1.1	303,521		308,908
Cash and Cash Equivalents	7.1.2	1,296,064		2,359,142
Cash and Cash Equivalents USD		164,434		-
Money Processors		53,289		-
Liquidity Providers	7.1.3	3,921,873		2,331,471
Property, Plant & Equipment	7.1.4	317,367		21,118
Prepayments		199,379		3,881
Tax Asset	7.1.5	130,738		130,738
Debtor Claim - Prospero Global LLC	7.1.6	-		-
Total Assets		**25,843,761**		**25,670,060**
			Blank ROCAP provided by Director	
Liabilities				
Priority Creditors	7.2.1	842,662		1,300,000
Secured Creditors		-		-
Unsecured Creditors	7.2.2			
Client Liabilities	7.2.2.1	18,909,983		19,212,597
Potential Damages Claims from Clients	7.2.2.2	-		1,237,112
Trade Creditors	7.2.2.3	737,474		853,854
Landlords	7.2.2.3	-		1,430,921
ASIC	7.2.2.4	-		439,066
ATO	7.2.2.4	249,984		35,000
Total Liabilities		**20,740,103**		**24,508,548**
Estimated Net Asset Surplus / (Deficiency)		**5,103,658**		**1,161,512**

7.1 ASSETS

7.1.1 Client Trust Funds/Client Trust Funds USD

Creditors will recall that the Company maintained Client Money in four (4) accounts held with CBA, which were held on trust on behalf of clients to meet client trust claims. These trust accounts had been frozen since October 2023 in accordance with Court Orders and voluntary undertakings with ASIC. During the Liquidation, these accounts have continued accrue interest.

As discussed above, we filed an application to the Court for directions on various aspects of the Liquidation, in particular, the return of Client Money to clients and the costs involved in same. When the Court made orders regarding the Client Money, CBA (eventually) released the Client Money funds, totalling circa $20.7M, which included interest accrued of circa $1M. In July 2025, $18.1M was paid to Clients with valid claims and the $1.1M has been withheld pending bank details from clients. Per the Court Orders, the excess Client Money totalling circa $1.6M, was transferred to the general funds of the Company, to be available for creditors in the ordinary course of the liquidation.

7.1.2 Cash and Cash Equivalents

We previously reported that we had secured cash held in various bank accounts at the time of our appointment, totalling $2.3M. We have since recovered a further $43K held in solicitor trust accounts.

We note that $20K is still held with CBA, subject to the freezing orders obtained by the AFP. We anticipate we will require AFP's consent to get control of those remaining Company funds held by CBA.

7.1.3 Liquidity Providers

Creditors may recall that the majority of Company funds held by Liquidity Providers had been recovered, except for CGS-CIMB which held an estimated $400K comprised of AUD, SGD and USD at the time of our appointment. CGS-CIMB required that we obtain recognition of our appointment orders in Singapore before they would release the funds. We determined there was commercial merit and engaged a local Singapore law firm to prepare the application, which was filed on 30 September 2024.

On 11 December 2024, the High Court of Singapore made orders that the Liquidation was recognised as foreign main proceeding under the Insolvency Model Law and we were foreign representatives that were empowered to take control of the Company's assets in Singapore. Subsequently, our lawyers had numerous correspondence with CGS-CIMB, in particular regarding the fees charged under the facility, which totalled approximately $90K. Based on legal advice, we determined it was not commercial to continue disputing these balances and agreed to recovery of $310K from CGS-CIMB.

7.1.4 Property, Plant & Equipment

Following our appointment, we recovered various IT equipment from the leased premises at Sydney and Melbourne, including over sixty (60) computers. This equipment was relocated to our office to secure an external backup of the electronic records stored within and then subsequently wiped for sale. In this regard, a public auction was conducted by O'Maras and the IT equipment was sold for approximately $21K, resulting in net proceeds of $16K after costs and GST.

7.1.5 Tax Assets

The Company's management accounts recorded this asset as TFN withholding tax totalling $130K. It appears that this asset may be recoverable when the outstanding tax lodgements are completed. However, it appears there is also unreported PAYG withholding debts owed to the ATO totalling circa $165K. As such, this liability may be set-off against the recovery, reducing the ATO's claim.

In the coming months we intend to engage external accountants to complete the outstanding tax lodgements, to seek recovery of the refund (if available) and to obtain tax clearance from the ATO, before a dividend to unsecured creditors can be paid.

7.1.6 Debtor Claim – Prospero Global LLC

From our enquiries and investigations to date, we understand that the Company operated its business in parallel with related entity, Prospero Global LLC. The businesses were separate due to AFSL restrictions, such that any Offshore Clients were traded with Prospero Global LLC, rather than the Company.

However, the accounting records and our enquiries with former staff indicate that the Company paid certain costs of Prospero Global LLC, including MT4 licence fees, IT infrastructure and payroll costs. There is no evidence of the Company being reimbursed for those costs paid, nor is there a debtor recorded in the Company's financial statements as being owed by Prospero Global LLC. The former management have not responded meaningfully to our enquiries on the issue.

Whilst it is difficult to quantify the full value of the debtor with the limited information to hand, our preliminary estimates (including certain assumptions) indicate there could be a debtor claim as follows:

Description	Payments ($)
MT4 licence fees	204,101
10% of IT costs	234,266
5% of Company's payroll	341,759
Total	**780,127**

We have little information regarding the affairs of Prospero Global LLC, though we are advised that Prospero Global LLC has ceased trading (likely around the same time as the Company) and the managing director was Ye (Eric) Qu. Mr Qu was also the former managing director and former Responsible Manager under the AFSL of the Company. The recovery prospects are uncertain, particularly where Prospero Global LLC is registered in the Saint Vincent and the Grenadines jurisdiction, which adds complexity to any recovery proceedings.

Given the substantial potential claim, we intend to undertake further investigations by conducting a public examination of relevant parties to gather evidence, determine the validity of the potential claim and assess the prospects of recovery. A public examination involves an application to the Court to compel parties to deliver up documents and summon individuals to Court to be asked to answer questions under oath.

Our lawyers estimate the legal costs (including Counsel) involved in conducting public examinations may be $85K to $100K. We note that consistent with the Court orders on 2 April 2025, all costs of the Liquidation are to be paid from the general assets of the Company. There are sufficient funds available in the Liquidation to run the public examinations however, we invite creditors to provide their views at the forthcoming meeting.

7.2 LIABILITIES

7.2.1 Priority Creditors

As mentioned in our previous report to creditors, all employees were terminated prior to our appointment. We have reviewed the Company's records and conducted our adjudication of the outstanding employee entitlements.

Below is a summary estimate of the total employee claims.

Employee Entitlements	Amount ($)
Unpaid Wages	520,835.61
Superannuation	108,000.00
Annual Leave	330,665.93
Payment in Lieu of Notice	-
Redundancy	260,965.14
Total	**1,225,466.68**

Several employees have lodged claims for their outstanding entitlements (except superannuation) with the Department under the FEG scheme. We engaged with the Department to confirm the adjudication of claims, including reviewing certain discrepancies in respect of entitlements claimed by employees and our review of the Company's records. In this regard, we are advised that twenty-one (21) employees have been paid under the FEG scheme and the Department has lodged a claim in the Liquidation totalling $592K, as a subrogated creditor for the entitlements paid to employees.

There are sufficient funds available to the Company to discharge the estimated priority creditor claims in full. As such, we include herein notice of our intention to declare a dividend to priority creditors by 24 October 2025. This will include reimbursement of the claims funded by the Department and the outstanding superannuation. Any priority creditors who have not already done so, are required to lodge a proof of debt by 18 September 2025, otherwise they may be excluded from the forthcoming priority dividend.

7.2.2 Unsecured Creditors

7.2.2.1 Client Liabilities

Creditors will recall that we have undertaken a substantive adjudication process of client claims, including engaging an MT4 expert to assist with our review of the Company's MT4 records. In the Link creditor portal, over 700 clients lodged PODs totalling circa $19.5M and provided supporting documentation to confirm that funds were deposited by clients into an account held by the Company. Our review showed that the claims submitted largely matched with the Company's MT4 records. Accordingly, as discussed above, pursuant to the Court orders, we determined each client's entitlement to the Client Money based on the Company's MT4 records which totalled $19.2M.

We also note that our investigations into claims received from Offshore Clients did not identify funds deposited into the Company's bank accounts and as such, we have determined there was no entitlement to a distribution from the Client Money consistent with the Court orders on 2 April 2025. Further, there does not appear to be a valid claim against the Company, rather their claims relate to Prospero Global LLC instead.

7.2.2.2 Potential Damages Claims from Clients

We note that of the claims lodged to date, an additional $1.6M is greater than the Company's MT4 records, of which $1.2M relates to damages type claims. The remaining additional $400K claims from clients relate to errors and credit bonuses which we have resolved in the Client Money distribution process. Having regard to legal advice received, our preliminary view is that damages claims relating to the forced closure of client positions is not a valid claim, as the contractual trading terms allowed the Company to do so. We will continue with engage with these clients in due course and seek further documentation to formally adjudicate claims if necessary. We have included these claims in our reporting on a pessimistic basis.

We have also received a significant volume of enquiries from clients in respect of the Link creditor portal, in particular with the identity verification process. We have attempted to assist clients where possible, however we are aware of issues using overseas identity documents. This has necessitated a separate manual verification process for these clients which is also ongoing. We note that the Company's AFSL and product offerings, were stipulated to be for Australian investors and the vast majority of clients were successful in completing the claim process.

7.2.2.3 Trade Creditors

To date, trade creditors have lodged claims via the Link creditor portal, totalling approximately $3.5M, of which $1.6M relates to an updated claim lodged by the landlord of the Melbourne premises in respect of damages for early termination of the lease. We have requested further information from the lawyers representing the Melbourne landlord and we may require legal advice to assist with adjudication of the claim. For reporting purposes, we have assumed 50% of their claim in an optimistic scenario.

Other trade creditor claims appear to relate to IT infrastructure and facilities used in the business. Those claims appear reasonable based on available information, however we have not conducted a formal adjudication.

7.2.2.4 Statutory Creditors

We note that ASIC have lodged claims in the Liquidation totalling circa $440K in respect of outstanding pre-appointment industry funding levies and investigation costs that led to the Court proceedings against the Company, and the resulting Liquidation. We also note that there are industry funding levies incurred between April and September 2024, which are costs of the Liquidation. Those post appointment ASIC industry levies are estimated to total circa $98K, of which $48K has been paid thus far and the residual levies will be assessed in early 2026.

The Company's management accounts have reported PAYG withholding liabilities totalling $250K however this includes unpaid wages which will be paid as part of the priority dividend process. As discussed above, our review indicates there is outstanding PAYG withholding owed to the ATO for circa $165K. There may be other tax liabilities and in the pessimistic estimates, we have included the ATO debts totalling $200K. However, the ATO may apply a set-off against the tax asset (discussed above) which may reduce its net claim against the Company.

8 RECEIPTS AND PAYMENTS

Attached as **Annexure "C"** is a summary of receipts and payments during the Liquidation period to the date of this Report.

We are required to lodge a statement of account with ASIC annually during the Liquidation. In this regard, we have lodged a statement of account up to 9 April 2025 with ASIC. Creditors may request a copy of the lodged accounts by contacting this office.

9 ESTIMATED RETURN TO CREDITORS

Attached as **Annexure "D"** is an analysis of the estimated return to creditors and shareholders that may be available in the Liquidation.

Below is a summary of the range of returns to the different stakeholder groups, based on current estimates:-

Summary of Returns by Class	Optimistic Cents/$	Pessimistic Cents/$	Dividend Timing
Clients	100	100	Already paid in July 2025, *further distribution in November 2025*
Priority Creditors	100	100	October 2025
Unsecured Creditors	100	32	*Mid 2026 – subject to public examination process
Shareholders	Yes	Nil	To be determined

**These figures are estimates and the actual results may vary materially.*

As above, the majority of client claims have been discharged already, and a dividend to the priority creditors is set to be paid in October 2025.

The timing for any return to unsecured creditors (and thereafter shareholders) will be subject to the outcome of the public examinations and whether any claim is to be pursued against Prospero Global LLC. As such for our estimating purposes, we note the optimistic scenario assumes that a recovery is made from Prospero Global LLC via brief litigation, whereas the pessimistic scenario assumes no recovery is pursued from Prospero Global LLC after the public examination process.

We encourage any creditors who have not already done so, to lodge their claim with relevant supporting documentation on the Link creditor portal.

10 NOTICE OF INTENTION TO DECLARE A DIVIDEND TO PRIORITY (EMPLOYEE) CREDITORS

There are sufficient funds available to the Company to discharge the estimated priority creditor claims in full.

As such, attached as **Annexure "E"** is notice of our intention to declare a dividend to Priority Creditors (Former Employees) of the Company on or before 24 October 2025. This will include reimbursement of the claims funded by the Department and the outstanding superannuation.

We advise that any priority creditors (former employees), who have not already done so, are required to lodge a Formal Proof of Debt by 18 September 2025, should they wish to participate in the distribution. To submit a Proof of Debt, please log into the Creditor Portal: https://exad.com.au/bri/prospero/ using your Creditor ID and Passcode, and proceed with the "Register your debt" option on the Creditor Dashboard.

As discussed elsewhere herein, a dividend to the unsecured creditors will occur at a later date during the Liquidation, and notice will be provided to unsecured creditors at that time.

11 REMUNERATION OF LIQUIDATORS

In compliance with the ARITA Code of Professional Practice and the requirements of the Act, we are required to provide detailed information in respect of our remuneration. We attach our Remuneration Approval Report as **Annexure "F"** which details the major tasks that have been and will be conducted in this Liquidation. Our remuneration is calculated on the time spent by staff at hourly rates used by BRI Ferrier, as detailed in our Remuneration Matrix. This document is contained within the Remuneration Report. In addition, a schedule of hourly rates is attached as **Annexure "G"**.

To date, our remuneration has been calculated on this "Time-Cost" basis, and we propose that it continue to be calculated on this basis. The Time-Cost method for calculating remuneration reflects the cost to our firm of the work undertaken, rather than a measure of the assets realised. In our view, the Time-Cost method is the preferable basis for calculating remuneration in an engagement such as this.

For Creditors' information, ASIC information sheets **(Annexure "H")** that relate to specific circumstances once an insolvency practitioner is appointed to a Company and approval of remuneration can be found at the following websites:

- http://www.asic.gov.au/insolvencyinfosheets
- https://arita.com.au/ARITA/ARITA/Insolvency_help/Insolvency_explained/Insolvency-Fact-Sheets.aspx

We note that whilst additional remuneration has been incurred conducting this complex Liquidation, we have also applied a substantial discount on our costs, to maximise the return to the unsecured creditors. Such discount is offered assuming creditors approve our remuneration at the forthcoming meeting, rather than us having to approach the Courts for approval.

Please note that if our professional fees are not approved by creditors, then we may approach the Court for those approvals. We note that this will likely incur additional costs, which will be borne from the available assets, if so ordered by the Court.

12 MEETING OF CREDITORS

A Meeting of Creditors of the Company will be held on 12 September 2025 at 2:00PM (AEST). The formal Notice of Meeting is attached as **Annexure "A"** for your reference. The meeting will be held via virtual meeting technology only on Zoom.

To participate as a Creditor, you must:

- Register to attend the meeting at the following link: https://us06web.zoom.us/meeting/register/TpBEejOERGGmiu9JVUfGKg
- Lodge a Proof of Debt detailing your claim to be a Creditor or employee Creditor. To submit a POD, please log into the Creditor Portal: https://exad.com.au/bri/prospero/ using your Creditor ID and Passcode, and proceed with the "Register your debt" option on the Creditor Dashboard. **If you have lodged your claim with supporting documentation, you are not required to submit them again.**
- Creditors may attend and vote in person, by proxy or by attorney. The appointment of a proxy, attached as **Annexure "B"**, must be in accordance with Form 532. Persons attending on behalf of a corporate entity are required to submit a proxy on behalf of that entity. **Proxies used for previous meetings cannot be used for the upcoming meeting and it is necessary for corporate Creditors to submit new proxies for this Meeting of Creditors. Individuals are not required to submit proxies, unless they wish to appoint another individual to attend on their behalf.**
- A specific proxy can be lodged showing approval or rejection of each proposal. Proxy forms must be lodged by 9:00AM (AEST) on 11 September 2025.

13 TASKS REQUIRED IN THE LIQUIDATION

We anticipate that the following matters will be dealt with during the Liquidation moving forward:

- Complete the adjudication and declare a dividend to priority (employee) creditors.
- Conduct public examinations in respect of relevant parties regarding Prospero Global LLC.
- Pursue recovery from Prospero Global LLC, if sufficient evidence and commercial prospects of recovery.
- Prepare outstanding tax lodgements and obtain clearance from statutory authorities.
- Adjudicating claims and distributing funds for unsecured creditors.
- Liaising with Official Trustee at AFSA in relation to security they hold over the Company and further investigations that they may require.
- Reporting to creditors, shareholders and the Courts as needed.
- Statutory lodgements and general administrative matters.
- Finalise the liquidation.

Should any creditor have any relevant information which may assist our investigations or potential asset recoveries, they should contact our office without delay.

If no claim is pursued against Prospero Global LLC, we estimate that the Liquidation could be finalised within the next six (6) to twelve (12) months. Otherwise, litigation may extend the Liquidation at least one (1) to two (2) years, noting that Prospero Global LLC is registered in the Saint Vincent and the Grenadines jurisdiction. We also note that that timeframe could also be impacted by further investigations from the various regulatory bodies (including ASIC, AFP, AFSA and ATO).

14 CONCLUSION

It would be appreciated if you would consider the matters detailed in this report and please write to this office setting out full particulars if you are:

- Aware of any errors in the information contained within this report including the non-disclosure of any divisible assets; and
- Have any information that you consider is relevant for creditors' decision making or relevant information that may help assist the liquidator's investigations into the affairs of the Company.

Creditors should however, maintain their records in relation to the affairs of the Company and advise this office of any change of address.

Additional general information regarding liquidations which may be of assistance, is available from the following websites:

- ARITA at www.arita.com.au/creditors ; and
- ASIC at www.asic.gov.au (search for "insolvency information sheets"), also attached as **"Annexure H"** to this report.

Should you require assistance in completing the relevant forms or have any queries, please contact our office via email prosperomarkets@brifnsw.com.au or telephone 1300 291 012 (toll free) / +61 2 8044 0530 (international).

Yours faithfully,
PROSPERO MARKETS PTY LTD (IN LIQUIDATION)



JONATHON KEENAN
Joint and Several Liquidator

BRI Ferrier

Prospero Markets Pty Ltd
(In Liquidation)
ACN 145 048 577

Annexure "A"
Notice of Meeting

CORPORATIONS ACT 2001

Insolvency Practice Rules (Corporations)
75-10, 75-15, 75-20, 75-35, 75-75

NOTICE OF MEETING OF CREDITORS

PROSPERO MARKETS PTY LTD
(IN LIQUIDATION)
ACN 145 048 577

("THE COMPANY")

NOTICE is given that a Meeting of Creditors will be held on **Friday, 12 September 2025 at 2:00PM (AEST)**. The meeting is being held virtually and all creditors wanting to attend the meeting are required to attend via Zoom.

A G E N D A

1. To receive the Report of the Liquidators and receive questions from creditors.
2. To determine the additional remuneration of the Liquidators.
3. To determine the future remuneration of the Liquidators.
4. To consider any other business that may be lawfully brought forward.

Attending and Voting at the Meeting

To attend and participate in voting at the meeting, please note the following instructions:

1. You must register at the following link:

   https://us06web.zoom.us/meeting/register/TpBEejOERGGmiu9JVUfGKg

2. Lodge a Proof of Debt detailing your claim to be a Creditor. To submit a POD, please log into the Creditor Portal: https://exad.com.au/bri/prospero/ using your Creditor ID and Passcode, and proceed with the "Register your debt" option on the Creditor Dashboard. **If you have lodged your claim with supporting documentation, you are not required to submit them again.**

3. Persons attending on behalf of a corporate entity are required to have a proxy signed on behalf of that entity, attached as **Annexure "B"**. **Proxies used for previous meetings cannot be used for the upcoming meeting and it is necessary for corporate Creditors to submit new proxies for this Meeting of Creditors. Individuals are not required to submit proxies, unless they wish to appoint another individual to attend on their behalf.**

4. Upon receipt of a valid Formal Proof of Debt Form and Proxy (if required), a different link to access the virtual meeting will be emailed to you. This link will be unique for each attendee and should not be shared with other parties.

In accordance with IPR 75-85, creditors will not be entitled to vote at this meeting unless they have previously lodged particulars of their claim against the Company with the Liquidators and their claim has been admitted for voting purposes wholly or in part by the Liquidators.

Telephone dial-in details will also be available for the virtual meeting. Those wishing to attend via telephone will need to contact our office for instructions.

In accordance with IPR 5-5, a vote taken on a "show of hands" includes a vote taken using any electronic mechanism that indicates the intentions of a person in respect of a vote. This may include an attendee clicking a "raise a hand", or similar button, on a virtual meeting computer program, as well as verbally indicating their vote if dialling in to the meeting.

This definition is necessary to ensure that a show of hands may be used at a virtual meeting as an alternative to a poll.

Notes:

Attendance at this meeting is not compulsory. Creditors may attend and vote in person, by proxy or by attorney*. The appointment of a proxy must be in the approved form.

Proxy forms must be given to the Liquidators or the person named as convening the meeting. An attorney of the creditor must show the instrument by which he or she is appointed to the Chairperson of the meeting, prior to the commencement of the meeting.

Although there is no physical place where creditors are able to attend the meeting, we are required under law to nominate a notional place for the meeting for administrative purposes such as establishing the time of the meeting. The notional place for this meeting is: Level 26, 25 Bligh Street, Sydney NSW 2000. Please do not attend at this location.

DATED this 27th day of August 2025.



JONATHON KEENAN
JOINT AND SEVERAL LIQUIDATOR

BRI FERRIER
Level 26
25 Bligh Street
Sydney NSW 2000

Telephone: 1300 291 012 (toll free) or + 61 2 8044 0530 (international)

Note:
Insolvency Practice Rules (Corporations) 75-85: Entitlement to vote at meetings of creditors

(1) A person other than a creditor (or the creditor's proxy or attorney) is not entitled to vote at a meeting of creditors.

(2) Subject to subsections (3), (4) and (5), each creditor is entitled to vote and has one vote.

(3) A person is not entitled to vote as a creditor at a meeting of creditors unless:

(a) his or her debt or claim has been admitted wholly or in part by the external administrator; or

(b) he or she has lodged, with the person presiding at the meeting, or with the person named in the notice convening the meeting as the person who may receive particulars of the debt or claim:

(i) those particulars; or

(ii) if required—a formal proof of the debt or claim.

(4) A creditor must not vote in respect of:

(a) an unliquidated debt; or

(b) a contingent debt; or

(c) an unliquidated or a contingent claim; or

(d) a debt the value of which is not established;

unless a just estimate of its value has been made.

(5) A creditor must not vote in respect of a debt or a claim on or secured by a bill of exchange, a promissory note or any other negotiable instrument or security held by the creditor unless he or she is willing to do the following:

(a) treat the liability to him or her on the instrument or security of a person covered by subsection (6) as a security in his or her hands;

(b) estimate its value;

(c) for the purposes of voting (but not for the purposes of dividend), to deduct it from his or her debt or claim.

(6) A person is covered by this subsection if:

(a) the person's liability is a debt or a claim on, or secured by, a bill of exchange, a promissory note or any other negotiable instrument or security held by the creditor; and

(b) the person is either liable to the company directly, or may be liable to the company on the default of another person with respect to the liability; and

(c) the person is not an insolvent under administration or a person against whom a winding up order is in force

BRI Ferrier

Prospero Markets Pty Ltd
(In Liquidation)
ACN 145 048 577

Annexure "B"
Appointment of Proxy Form

CORPORATIONS ACT 2001
Insolvency Practice Rules (Corporations)
75-25 & 75-150

APPOINTMENT OF PROXY
CREDITORS MEETING

PROSPERO MARKETS PTY LTD (IN LIQUIDATION)
ACN 145 048 577 ("the Company")

*I/*We[1]	
Of	
being a creditor of the Company, appoint[2] or in his or her absence	
to vote for me/us on my/our behalf at the meeting of creditors to be held on 12 September 2025 at 2:00PM (AEST), or at any adjournment of that meeting.	

Please mark any boxes with an [x]

Proxy Type: ☐ General ☐ Special

Please mark boxes with an "X"	For	Against	Abstain
Resolution 1: *"That the additional remuneration of the Liquidators, their partners and staff for the period 1 July 2024 to 22 August 2025, not previously approved, be calculated on a time basis in accordance with the rates of charge annexed to the Liquidators' Report to Creditors dated 27 August 2025, be fixed and approved at $655,491.00 (plus GST), and that the Liquidators be authorised to draw that amount as required."*	☐	☐	☐
Resolution 2: *"That the remuneration of the Liquidators, their partners and staff for the period 23 August 2025 to the conclusion of the Liquidation, be calculated on a time basis in accordance with the rates of charge annexed to the Liquidators' Report to Creditors dated 27 August 2025 and approved to an interim cap of $200,000.00 (plus GST) and that the Liquidators be authorised to draw that amount as and when incurred."*	☐	☐	☐

DATED this day of 2025

Signature

Proxies should be returned to the offices of BRI Ferrier by 9.00 AM AEST on 11 September 2025 prior to the meeting by email: prosperomarkets@brifnsw.com.au

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CERTIFICATE OF WITNESS – (This certificate is to be completed only if the person giving the proxy is blind or incapable of writing)

I, ...of.....certify that the above instrument appointing a proxy was completed by me in the presence of and at the request of the person appointing the proxy and read to him before he attached his signature or mark to the instrument.

DATED this .....day of 2025

Signature of Witness: .....

Description: .....

Place of Residence: .....

BRI Ferrier

Prospero Markets Pty Ltd
(In Liquidation)
ACN 145 048 577

Annexure "C"
Summary Receipts and Payments

Receipts and Payments Summary By Account: O241031 - Prospero Markets Pty Ltd (In

Bank, Cash and Cash Investment Accounts: All Dates (Gross Method)

Type	Account	GST	Total
TRADING PAYMENTS			
	PAYG Control (Trading): Withholding Tax (PAYG)		1,027.00
	Wages & Salaries Mig		(5,949.08)
		0.00	(4,922.08)
	Net Trading Receipts and Payments	0.00	(4,922.08)
NON-TRADING RECEIPTS			
	Bank Interest		88,533.74
	Bank Interest (Trust Accounts)		992,430.52
	Cash at Bank		2,439,143.24
	Cash on Hand		15,426.45
	Incorrect BAS Refund		86,227.00
	Liquidity Provider Recoveries		2,331,471.15
	Plant & Equipment	1,919.80	21,117.80
	Superannuation Liabilty		654.39
	Surplus from Bank Guarantee		2,152.67
	Trust Funds		19,522,370.95
	Trust Funds (USD)		315,579.90
		1,919.80	25,815,107.81
NON-TRADING PAYMENTS			
	Accounting Software Licence	(148.68)	(1,635.50)
	AFCA membership	(35.34)	(388.69)
	Agents/Valuers Fees (1)	(105.10)	(1,156.10)
	ASIC Industry Levy		(47,570.10)
	Bank Charges		(10.60)
	Cash at Bank		(90,445.50)
	Cheque deposit dishonoured		(54.53)
	Client Trust Creditors		(18,156,275.57)
	Commission Paid	(383.96)	(4,223.56)
	Consulting Fees	(2,025.00)	(23,925.00)
	Contradictors Legal Fees	(6,579.60)	(72,375.60)
	Creditors' Portal Costs	(2,042.41)	(22,466.50)
	Fees: Liquidators Remuneration	(104,061.00)	(1,144,671.00)
	FX Loss		(6,671.78)
	GST Control: GST Clearing Account		(1,027.00)
	Incorrect BAS Refund		(86,227.00)
	IT Expense (Inc GST)	(4,053.71)	(44,590.71)
	IT Expenses (GST Free)		(379,243.96)
	Legal Fees (1)	(42,162.10)	(463,783.20)
	Legal Fees (GST Free)		(8,458.00)
	Liquidators Expenses	(155.00)	(1,704.99)
	Petitioners Costs		(145,000.00)
	Professional Fees	(322.50)	(3,547.50)
	Retainer to Singapore Law		(17,021.66)
	Software Licences		(101,514.79)
	STP Charges	(1.71)	(18.87)
	Superannuation		(654.39)
	Superannuation Liabilty		(654.39)
	Transport / Courier	(234.55)	(2,580.00)
	Valuation Fees	(350.00)	(3,850.00)
		(162,660.66)	(20,831,746.49)
	Net Non-Trading Receipts and Payments	(160,740.86)	4,983,361.32
	Net Receipts (Payments)	(160,740.86)	4,978,439.24

BRI Ferrier

Prospero Markets Pty Ltd
(In Liquidation)
ACN 145 048 577

Annexure "D"
Estimated Outcome Statement

Prospero Markets Pty Ltd (In Liquidation)
Estimated Outcome Statement

	Book Value ($)	High Scenario ($)	Low Scenario ($)
Assets			
Trust Assets			
Client Trust Funds	19,457,096	19,522,371	19,522,371
Client Trust Funds USD (converted)	303,521	308,908	308,908
Accrued Interest on Client Trust Funds		992,431	992,431
Less: Client Liabilities	(18,909,983)	(19,212,597)	(19,212,597)
Total Trust Assets	**850,635**	**1,611,113**	**1,611,113**
Company Assets			
Surplus from Trust Assets	-	1,611,113	1,611,113
Cash and Cash Equivalents	1,296,064	2,359,142	2,359,142
Cash and Cash Equivalents USD	164,434	-	-
Accrued Interest on Cash	-	88,534	88,534
Money Processors	53,289	-	-
Liquidity Providers	3,921,873	2,331,471	2,331,471
Property, Plant & Equipment	317,367	21,118	21,118
Prepayments	199,379	3,881	3,881
Tax Asset	130,738	130,738	-
Debtor Claim - Prospero Global LLC	-	800,000	-
Total Company Assets	**6,083,143**	**7,345,997**	**6,415,259**
Less: Estimated Costs of Liquidation (Incl. GST)			
Petitioning Creditor's Costs (Paid)	-	(145,000)	(145,000)
Liquidators' Remuneration (Paid)	-	(1,144,671)	(1,144,671)
Liquidators' Accrued Remuneration (Unpaid)	-	(721,040)	(721,040)
Liquidators' Future Remuneration (Estimate)	-	(308,000)	(220,000)
Liquidators' Expenses (MT4, IT, etc) (Paid)	-	(598,537)	(598,537)
Liquidators' Future Expenses (Link, IT, etc) (Estimate)	-	(55,718)	(129,018)
Legal Costs (Paid)	-	(489,263)	(489,263)
Future Legal Costs (Estimate)	-	(160,000)	(110,000)
Accounting Fees (Estimate)	-	(33,000)	(44,000)
Contradictor Legal Fees (Paid)		(72,376)	(72,376)
ASIC Industry Funding Levies (Post-appointment)		(100,000)	(97,570)
Total Estimated Costs of Liquidation	**-**	**(3,827,604)**	**(3,771,474)**
Estimated Surplus Available to Priority Creditors	**-**	**3,518,393**	**2,643,785**
Priority Creditor Claims (Estimated)			
Wages and Superannuation	(539,649)	(628,836)	(650,000)
Annual Leave & Long Service Leave	(303,013)	(335,666)	(350,000)
PILN and Redundancy	-	(260,965)	(300,000)
Total Priority Creditor Claims	**(842,662)**	**(1,225,467)**	**(1,300,000)**
Estimated Surplus Available to Unsecured Creditors		**2,292,926**	**1,343,785**
Unsecured Creditors			
Trade Creditors	(737,474)	(853,854)	(853,854)
Shortfall for Client Liabilities		-	-
Landlords	-	(715,460)	(1,430,921)
ASIC Industry Funding Levies (Pre-appointment)	-	(326,354)	(326,354)
ASIC Investigation Costs	-	(112,712)	(112,712)
Australian Taxation Office	(249,984)	(165,000)	(35,000)
Potential Claims for Damages from Clients	-	-	(1,237,112)
Contingency	-	(100,000)	(200,000)
Total Unsecured Creditors	**(987,458)**	**(2,273,380)**	**(4,195,952)**
Net Surplus/(Deficiency)	**5,103,658**	**19,547**	**(2,852,167)**

Return to Creditors	High Scenario	Low Scenario
	Cents in the $	**Cents in the $**
Distribution to Clients from Trust Funds	100	100
Distribution to Clients from Company Assets (Shortfall as Unsecured Creditors)	N/A	N/A
Total Distribution to Clients	*100*	*100*
Priority Creditors	100	100
Unsecured Creditors	100	32

BRI Ferrier

Prospero Markets Pty Ltd
(In Liquidation)
ACN 145 048 577

Annexure "E"
Notice of Intention to Declare Dividend to Priority Creditors

FORM 547

CORPORATIONS ACT 2001

Subregulation 5.6.65(1)

NOTICE TO CREDITOR OR PERSON CLAIMING TO BE A PRIORITY CREDITOR
OF INTENTION TO DECLARE A DIVIDEND

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

A first dividend is to be declared to Priority Creditors of the Company pursuant to Section 556(1) of the Corporations Act 2001, on or before **24 October 2025**.

Priority Creditors who have not already done so, are required to formally prove their debt against the Company on or before **18 September 2025**.

If you do not, you may be excluded from the benefit of the dividend.

Please submit your claim via the Creditor Portal using your Creditor ID and passcode.

DATED this 27th day of August 2025.



JONATHON KEENAN
JOINT AND SEVERAL LIQUIDATOR

BRI FERRIER
Level 26
25 Bligh Street
Sydney NSW 2000

Encl.

BRI Ferrier

Prospero Markets Pty Ltd
(In Liquidation)
ACN 145 048 577

Annexure "F"
Remuneration Approval Report

Remuneration Approval Report

Prospero Markets Pty Ltd
(In Liquidation)
("the Company")

ACN 145 048 577

27 August 2025

Andrew Cummins, Jonathon Keenan & Peter Krejci

Novabrif Pty Ltd ABN 61 643 013 610
Level 26, 25 Bligh Street, Sydney NSW 2000
Phone 1300 291 012 (toll free), +61 2 8044 0530 (international)
Email: prosperomarkets@brifnsw.com.au
Website: www.briferrier.com.au

BRI Ferrier

TABLE OF CONTENTS

1 EXECUTIVE SUMMARY 3

2 DECLARATION 3

3 REMUNERATION SOUGHT 4

4 PREVIOUS REMUNERATION APPROVALS 4

5 LIKELY IMPACT ON DIVIDENDS 5

6 QUERIES & INFORMATION SHEET 5

7 ATTACHMENTS 5

SCHEDULE A – DETAILS OF WORK 6

SCHEDULE B – TIME SPENT BY STAFF ON MAJOR TASKS (COMPLETED WORK) 17

SCHEDULE C – RESOLUTIONS 18

SCHEDULE D – EXPLANATION WHERE REMUNERATION PREVIOUSLY APPROVED 19

1 EXECUTIVE SUMMARY

We are asking creditors to approve our remuneration of $855,491.00 (excl. GST).

Creditors will be asked to pass resolutions in relation to remuneration at the upcoming meeting of creditors on 12 September 2025.

Creditors have previously approved our remuneration of $1,040,610.00 (excl. GST) and disbursements of $2,000.00 (excl. GST).

We estimate the total cost of this Liquidation up to conclusion may be approximately $1.9M (excl. GST). This has increased from our initial estimate as we had to conduct further work, as follows:

- Additional work that was required in relation to the Court proceedings which became protracted and more complex with the appointment of a contradictor, leading to delays in the Court proceedings;
- Additional work required responding to the large volume of enquiries from Australian and Offshore Clients and preparation of multiple Circulars to update creditors in respect of the Court proceedings;
- Resolving disputes with AFP and CBA to secure the Client Money without breaching the freezing orders;
- Dealing with high volume of client enquiries via phone and email, particularly relating to difficulties clients encountered with the verification process;
- Conducting further investigations to resolve the adjudication of employee claims that were re-employed after termination for FEG purposes;
- Conducting further investigations into the financial affairs of Prospero Global LLC and the intended public examination of relevant persons, noting the limited information available;
- Protracted recovery of funds from Singaporean Liquidity Provider, including Court applications in that jurisdiction;
- Dealing with regulatory enquiries and AFSL cancellation matters with ASIC; and
- Drafting this report and convening this meeting of creditors.

At this stage, we are seeking approval of our costs incurred to date and estimated remuneration to conduct the public examination process and distribute funds to creditors. We may seek approval of additional remuneration if the incurred time costs exceed our approvals. These estimates do not include any work to commence recovery action via litigation, as this is subject to the outcome of the public examination process. In the event that litigation is to be pursued, we will likely report to creditors with an outline of that additional work involved and seek approval of further remuneration if required.

2 DECLARATION

We have undertaken an assessment of this remuneration and disbursement claim in accordance with the law and applicable professional standards. We are satisfied that the remuneration and disbursements claimed are necessary and proper.

We have reviewed the work in progress report for the Liquidation to ensure that remuneration is only being claimed for necessary and proper work performed. In order to maximise the return to creditors, we have applied a discount to the remuneration incurred.

3 REMUNERATION SOUGHT

The remuneration we are asking creditors to approve is as follows:

For	Period	Amount $ (excl. GST)	Rates	When it will be drawn
Work already done	1 July 2024 to 22 August 2025	$655,491.00	Provided in Advice to Creditors about Remuneration dated 27 August 2025	Immediately, subject to creditor approval
Future Work	23 August 2025 to conclusion	$200,000.00	Provided in Advice to Creditors about Remuneration dated 27 August 2025	It will be drawn when incurred, when funds are available, subject to creditor approval
TOTAL		**$855,491.00 (excl. GST)**		

Details of the work already completed for the period 1 July 2024 to 22 August 2025 and future work that we intend to complete are included at Schedule A. We note that we have incurred remuneration of approximately $1.1M (excl. GST) during this period, however in order to maximise the return to creditors, we have applied a discount of approximately $160K (excl. GST) to improve the outcomes for creditors, assuming that it is approved by creditors without needing to make a Court application.

Schedule B includes a breakdown of time spent by staff members on each major task for completed work.

Actual resolutions to be put to creditors by way of a proposal are included at Schedule C and D for your information. These resolutions also appear in the proposal without a meeting form provided to you.

4 PREVIOUS REMUNERATION APPROVALS

The following remuneration approvals have previously been approved by creditors.

Period	For	Amount Approved ($, excl. GST)	Amount Paid ($, excl. GST)
Court Liquidation			
10 April 2024 to 30 June 2024	Work completed	740,610.00	740,610.00
1 July 2024 to conclusion	Future work interim cap	300,000.00	300,000.00
TOTAL remuneration previously approved		**1,040,610.00**	**1,040,610.00**

We are now seeking approval of a further $855,491.00 (excl. GST) in remuneration which will bring the total remuneration claimed in the Liquidation to $1,896,101 (excl. GST).

5 LIKELY IMPACT ON DIVIDENDS

The Corporations Act sets the order for payment of claims against the Company and it provides for the remuneration of the Liquidators to be paid in priority to other claims. This ensures that when there are sufficient funds, the Liquidators receives payment for the work done to recover assets, investigate the Company's affairs, report to creditors and ASIC and distribute any available funds.

Based on:

- Realisations to date,
- Estimated future realisations,
- Our estimated remuneration to complete the Liquidation and
- The estimated total of creditor claims based on the Company's records and claims lodged now,

We estimate that clients will be paid in full, priority creditors will be paid in full and a dividend of approximately 32 to 100 cents in the dollar may be paid to unsecured creditors. However, this is subject to a range of variables, particularly the future realisations and creditor claims.

6 QUERIES & INFORMATION SHEET

If you have any queries in relation to the information in this report, please contact our office.

You can also access information which may assist you on the following websites:

- ARITA at www.arita.com.au/creditors
- ASIC at http://www.asic.gov.au (search for INFO 85).

Further supporting documentation for my remuneration claim can be provided to creditors on request.

7 ATTACHMENTS

Schedule A – Details of work

Schedule B – Time spent by staff on each major task

Schedule C – Resolutions

Schedule D – Explanation where Remuneration Previously Approved

SCHEDULE A – DETAILS OF WORK

Company	Prospero Markets Pty Ltd (In Liquidation)	**Period From**	1 July 2024	**To**	Conclusion
Practitioner	Andrew Cummins, Jonathon Keenan & Peter Krejci	**Firm**	BRI Ferrier		
Administration Type	Court Liquidation				

		Tasks	
		Work already completed (excl. GST)	**Future work (excl. GST)**
Period		**1 July 2024 to 22 August 2025**	**23 August 2025 to Conclusion**
Amount (excl. GST)		**$1,105,511.00** ***But reduced to $955,491.00***	**$200,000.00**
Task Area Assets	**General Description**	**35.2 hours $22,140.00**	**$7,500.00**
	Plant and Equipment	Liaised with auctioneers for the sale of the IT equipment Organised relocation of IT equipment to auctioneers Liaised with independent valuers regarding sale of the IT equipment Receipted net sale proceeds	N/A
	Cash at Bank	Recovered funds held in solicitors trust accounts	Liaise with lawyers regarding CBA release of cash at bank funds
	Other Assets	Continued to liaise with Metaquotes regarding sale Liaised with Director and other experts in relation of the sale of MT4 license Liaised with lawyers regarding Singapore Court application for CGS-CIMB recovery Reviewed Singapore Court application documents for CGS-CIMB recovery	Consider tax asset (TFN withholding tax) recovery Brief tax accountants regarding TFN withholding tax recovery

		Uploaded documents for Singapore Court application for CGS-CIMB recovery Correspondence with CGS-CIMB regarding set-off charges Liaised with lawyers regarding CBA dispute on release of Client Money and freezing orders Correspondence with AFP regarding release of Client Money and freezing orders	
Creditors		**1,538.7 hours $651,772.00**	**$40,000.00**
	Creditor Reports	Prepared and issued Statutory Report to Creditors Preparation of necessary Annexures for Statutory Report to Creditors Prepared Report to Creditors Preparation of necessary annexures for Report to Creditors Liaised with Link Market Services to organise email blast of notices and reports Prepared and issued Circulars to Creditors regarding update on Court proceedings Upload of reports on Link creditor portal and BRI website	Prepare and issue Report to Creditors Preparation of necessary annexures for Report to Creditors Prepare further Circulars to Creditors, if necessary Upload of reports on Link creditor portal and BRI website
	Dealing with proofs of debt	Receipting and filing Proof of Debts Adjudication of Proof of Debts to ascertain the validity of the amounts claimed	Adjudication of Proof of Debts to ascertain the validity of the amounts claimed Requesting further and better particulars from creditors Reviewing further documentation received

		Requesting further and better particulars from creditors Reviewing further documentation received from creditors in response to request for further and better particulars	from creditors in response to request for further and better particulars
	Meeting of Creditors	Meetings with Link Market Services to prepare for creditors meeting Correspondence with Link regarding creditor meeting logistics Substantial preparation required for meeting of creditors, particularly with attendance register Dealt with large volume of pre-polling and proxy forms for meeting of creditors Preparation of meeting notices, proxies and advertisements Sending Notice of Meeting to all known creditors Preparation of meeting file, including agenda, attendance register, list of creditors, report to creditors, advertisement of meeting and draft minutes of meeting Holding meeting of creditors Preparation and lodgement of minutes of meetings with ASIC	Preparation of meeting notices, proxies and advertisements Sending Notice of Meeting to all known creditors Preparation of meeting file, including agenda, attendance register, list of creditors, report to creditors, advertisement of meeting and draft minutes of meeting Holding meeting of creditors Preparation and lodgement of minutes of meetings with ASIC
	Creditor Enquiries	Regularly reviewed dedicated mail inbox Dealt with significant volume of creditor enquiries by email and telephone Received and followed up creditor enquiries by	Receive and respond to creditor enquiries Receive and follow up creditor enquiries by telephone Review and prepare correspondence to creditors and their representatives by email and post

		telephone Reviewed and prepared correspondence to creditors and their representatives by email and post Internal discussions regarding creditor queries received Liaised with creditors to assist with ID verification to access Link creditor portal Processing manual verification forms from creditors to access Link creditor portal Prepared updated FAQs and uploaded to BRI website and Link creditor portal Organising translation of FAQ to Simplified Chinese	Distribution of Client trust funds
	Distribution of Client Money	Completed adjudication of client claims based on MT4 records Reviewed dedicated mail inbox for correspondence from offshore clients Prepared and issued Admitted Entitlement Notices to clients Reviewed Dispute Notices received from clients Obtained legal advice on Dispute Notices Prepared and issued Rejection Notices to clients Liaised with Link regarding process for distribution of Client Money Prepared schedule for distribution of Client Money from Link Prepared notices to clients with withheld entitlements	Prepare schedule for distribution of Client Money from Link Prepare notices to clients for distribution from Client Money Liaise with Link regarding rejected payments (if any) Reissue rejected payments to clients with updated bank details (if any) Pay withheld entitlements to Client Money to ASIC Unclaimed Monies at end of Liquidation

		and nil entitlements to Client Money Liaised with Link regarding rejected payments Reissue rejected payments to clients with updated bank details	
Employees		**114.3 hours $57,798.00**	**$30,000.00**
	Employees enquiries	Received and followed up employee enquiries by telephone and email	Receive and follow up employee enquiries by telephone or email
	Calculation of entitlements	Updated calculations of employee entitlements Reviewed employee contracts Reviewed awards Liaised with employees regarding queries to assist with calculation of outstanding employee entitlements Internal discussions in relation to assessment of outstanding employee entitlements Reviewed historical superannuation records Prepared and lodged SGC statements with ATO	Updating calculations of employee entitlements Reviewing employee contracts Reviewing awards Liaising with employees regarding queries to assist with calculation of outstanding employee entitlements Internal discussions in relation to assessment of outstanding employee entitlements
	FEG	Correspondence with FEG Prepared initial FEG questionnaire Prepared FEG verification spreadsheet Reviewed Company records regarding discrepancies identified by FEG Liaised with FEG regarding discrepancies Conducted further investigations regarding employees entitlements where re-employed after termination Reviewed further information and documents provided to evidence continued work	N/A

	Employee Dividend	N/A	Correspondence with employees regarding dividend Correspondence with ATO regarding SGC proof of debt Calculating dividend rate Preparing dividend file Advertising dividend notice Receipting and adjudicating POD Declaring dividend to priority creditors
Trade On		**9.7 hours $4,094.00**	**N/A**
	Trade On Management	Reviewed ongoing IT costs for continued access to email services, MT4 data, CRM and KYC records, etc Liaised with IT and MT4 experts regarding continued IT access and data backups	
Investigation		**478.2 hours $294,496.00**	**$70,000.00**
	Conducting Investigation	Review ROCAP provided by the Director Liaising with the Director to obtain further information in relation to the completion of ROCAP Correspondence with the Director in relation to Company's books and records Liaised with the Company's employee, contractor & IT department to arrange storage of the Company's records including OneZero and MT4 files Correspondence with the Former Director requesting delivery of the Company's records	Review of Prospero Global LLC records Briefing with lawyers and Counsel regarding Prospero Global LLC claims Further investigations in relation to potential claims

		Reviewed Company's records including financial statements & Company bank accounts Updated deficiency statement Updated estimated outcome statement Review of specific transactions and liaising with Director Reviewed ongoing IT costs for continued access to email services, MT4 data, CRM and KYC records, etc Liaised with IT and MT4 experts regarding continued IT access and data backups Conducted investigations by searching email data backups Conducted investigations on Prospero Global LLC and potential recovery	
	ASIC reporting	Prepared statutory investigation reports Liaised with ASIC regarding cancellation of AFSL and ongoing conditions Correspondence with lawyers regarding submissions to ASIC on AFSL cancellation Reviewed draft submissions to ASIC on AFSL cancellation prepared by lawyers Liaised with AFCA regarding membership Prepared summary of AFCA complaints and provided to ASIC as part of AFSL cancellation conditions Provided updates to ASIC with respect to Court proceedings	Liaising with ASIC in relation to the investigations conducted on the Company

		Submitted final annual ASIC regulatory submission for industry funding levies	
	Litigation / Recoveries	Numerous meetings with lawyers and counsel in relation to the Court application Drafted, reviewed and finalised affidavits in relation to Court proceedings Prepared and collated substantial information and documents required for affidavits in relation to Court proceedings Internal discussions regarding progress of Court proceedings Drafted and issued Circulars to Creditors with respect to update of Court Proceedings as required by Court Uploaded various Court documents to BRI website and Link creditor portal Reviewed Counsel submissions with respect to Court proceedings Reviewed contradictor submissions with respect to Court proceedings Prepared for and attended Court Hearings Reviewed and liaised with lawyers with respect to Court Orders and reasons for judgement	N/A
	Examinations	N/A	Briefing with lawyers regarding Public Examinations

			Liaising with lawyers regarding Public Examinations Reviewing and settling draft submissions, affidavits, orders for production and other Court documents for Public Examinations Reviewing documents produced from orders of production issued Strategy meetings with lawyers and Counsel regarding Public Examinations Review of examination bundle for Public Examinations Prepare for and attend Public Examinations Review transcripts of Public Examinations Briefing with lawyers and Counsel regarding outcome of Public Examinations
Dividend		**N/A**	**$40,000.00**
	Processing proofs of debt (POD)	N/A	Preparation of correspondence to potential creditors inviting lodgement of POD Receipt of POD Maintain POD register Adjudicating POD Request further information from claimants regarding POD Preparation of correspondence to claimant advising outcome of adjudication
	Dividend Procedures	N/A	Preparation of correspondence to creditors advising of intention to declare dividend

			Advertisement of intention to declare dividend Obtain clearance from ATO to allow distribution of company's assets Planning creditor and employee dividend timeline Preparation of dividend calculation Preparation of distribution Preparation of dividend file Preparation of payment vouchers to pay dividend Preparation of correspondence to creditors enclosing payment of dividend
Administration		**183.5 hours $75,211.00**	**$12,500.00**
	ASIC Forms and lodgements	Preparing and lodging ASIC forms including 5601, 5602 and 507 Reviewing ROCAP A	Preparing and lodging ASIC forms including 5011 and 5603 Correspondence with ASIC regarding statutory forms
	Books and records/ storage	Dealing with books and records Considering available storage options for the Company's records Sending books and records to storage Prepare books and records listing	Arrange the storage of the Company's records
	Correspondence	General correspondence with stakeholders	General correspondence with stakeholders
	Document maintenance/file review/checklist	Filing of documents File review Updating checklists	Filing of documents File review Updating checklists
	Bank account administration	Bank account reconciliations Prepare receipts and payment vouchers Preparing correspondence closing accounts	Bank account reconciliations Prepare receipts and payment vouchers Preparing correspondence closing accounts

	ATO and other statutory reporting	Preparing BAS and STP lodgements Requesting taxation documents	Preparing BAS lodgements
	Planning / Review	Discussion regarding status of administration Internal meetings to discuss progress of the Liquidation	Discussion regarding status of administration Internal meetings to discuss progress of the Liquidation
	Finalisation	N/A	Notifying ATO of finalisation Cancelling ABN/GST/PAYG registration Completing checklists Finalising WIP

We note that we have incurred remuneration of approximately $1.1M (excl. GST) during the period 1 July 2024 to 22 August 2025, however in order to maximise the return to creditors, we have applied a discount of approximately $160K (excl. GST) on the basis that creditors approve our remuneration without having to apply to Court for approvals.

SCHEDULE B – TIME SPENT BY STAFF ON MAJOR TASKS (COMPLETED WORK)

Prospero Markets Pty Ltd (In Liquidation)
ACN 145 048 577
For the period 1 July 2024 to 22 August 2025

			Administration		Assets		Creditors		Employees		Investigation		Trade On		Total	
Staff Classification	Name	Hourly Rate	Hrs	$	Hrs	$	Hrs	$	Hrs	$	Hrs	$	Hrs	$	Hrs	$
Principal	Andrew Cummins	750.00	2.3	1,725.00			2.1	1,575.00	0.3	225.00	16.2	12,150.00			20.9	15,675.00
Principal	John Keenan	750.00	14.7	11,025.00	15.2	11,400.00	119.9	89,925.00	12.3	9,225.00	153.6	115,200.00			315.7	236,775.00
Principal	Peter Krejci	750.00	1.2	900.00			7.9	5,925.00							9.1	6,825.00
Senior Manager	Katherine La	650.00	9.2	5,980.00	0.9	585.00	44.5	28,925.00	0.7	455.00	13.3	8,645.00			68.6	44,590.00
Senior Manager	Katherine La	620.00	8.3	5,146.00	4.8	2,976.00	174.0	107,880.00	19.5	12,090.00	157.5	97,650.00			364.1	225,742.00
Senior Manager	Pauline Yeow	620.00	8.0	4,960.00	1.8	1,116.00	114.9	71,238.00	0.9	558.00	31.5	19,530.00	3.7	2,294.00	160.8	99,696.00
Manager	Savio Monis	580.00	2.7	1,566.00	8.1	4,698.00	41.2	23,896.00	1.1	638.00	21.3	12,354.00			74.4	43,152.00
Supervisor	Nicole Feng	540.00	8.7	4,698.00			12.3	6,642.00	4.1	2,214.00	2.5	1,350.00			27.6	14,904.00
Senior 1	Nicole Feng	450.00	13.8	6,210.00	0.3	135.00	34.4	15,480.00	46.1	20,745.00	8.4	3,780.00			103.0	46,350.00
Senior 2	Nicole Feng	400.00	2.1	840.00			20.4	8,160.00	28.3	11,320.00	15.5	6,200.00			66.3	26,520.00
Intermediate 1	Vijay Rajmohan	370.00	2.3	851.00			39.3	14,541.00	0.4	148.00	0.6	222.00			42.6	15,762.00
Intermediate 2	Vijay Rajmohan	300.00	5.3	1,590.00			61.9	18,570.00	0.6	180.00	21.1	6,330.00			88.9	26,670.00
Intermediate 1	Mankirth Mandair	350.00	4.0	1,400.00			26.5	9,275.00			6.1	2,135.00			36.6	12,810.00
Intermediate 2	Mankirth Mandair	300.00	14.0	4,200.00	0.3	90.00	85.6	25,680.00			16.9	5,070.00			116.8	35,040.00
Intermediate 2	Ben Dixon	300.00					224.1	67,230.00							224.1	67,230.00
Intermediate 2	Frane Babic	300.00	0.4	120.00			12.4	3,720.00			7.5	2,250.00			20.3	6,090.00
Intermediate 2	Hugh Matthews	300.00	8.6	2,580.00	3.8	1,140.00	27.4	8,220.00			2.1	630.00			41.9	12,570.00
Senior Administration	Andrea Moulikova	300.00	5.1	1,530.00											5.1	1,530.00
Senior Administration	Ashleigh Hartigan	300.00	6.4	1,920.00			3.0	900.00					6.0	1,800.00	15.4	4,620.00
Senior Administration	Sarita Gurung	300.00	40.6	12,180.00			0.4	120.00							41.0	12,300.00
Senior Administration	Sonia Stelmach	300.00	1.6	480.00											1.6	480.00
Senior Administration	Tiarnan Teague	300.00	4.7	1,410.00			465.7	139,710.00			1.8	540.00			472.2	141,660.00
Junior Administration	Roshel Mulingbayan	200.00	19.5	3,900.00			20.8	4,160.00			2.3	460.00			42.6	8,520.00
Grand Total			**183.5**	**75,211.00**	**35.2**	**22,140.00**	**1,538.7**	**651,772.00**	**114.3**	**57,798.00**	**478.2**	**294,496.00**	**9.7**	**4,094.00**	**2,359.6**	**1,105,511.00**
But reduced to				**70,239.00**		**22,140.00**		**526,710.00**		**57,798.00**		**274,510.00**		**4,094.00**		**955,491.00**
																Less: previously approved amount (300,000.00)
																Additional fee approval sought 655,491.00
Average rate per hour				***382.77***		***628.98***		***342.31***		***505.67***		***574.05***		***422.06***		***404.94***

SCHEDULE C – RESOLUTIONS

We will be seeking approval of the following resolutions to approve our remuneration. Details to support these resolutions are included in section 3 and 4 and in the attached Schedules.

Resolution 1: Liquidators' Additional Remuneration for the period 1 July 2024 to 22 August 2025

"That the additional remuneration of the Liquidators, their partners and staff for the period 1 July 2024 to 22 August 2025, not previously approved, be calculated on a time basis in accordance with the rates of charge annexed to the Liquidators' Report to Creditors dated 27 August 2025, be fixed and approved at $655,491.00 (plus GST), and that the Liquidators be authorised to draw that amount as required."

Resolution 2: Liquidators' Remuneration for the period 23 August 2025 to Conclusion

"That the remuneration of the Liquidators, their partners and staff for the period 23 August 2025 to the conclusion of the Liquidation, be calculated on a time basis in accordance with the rates of charge annexed to the Liquidators' Report to Creditors dated 27 August 2025 and approved to an interim cap of $200,000.00 (plus GST) and that the Liquidators be authorised to draw that amount as and when incurred."

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SCHEDULE D – EXPLANATION WHERE REMUNERATION PREVIOUSLY APPROVED

At the creditors meeting held on 31 July 2024, creditors approved our remuneration up to an amount of $1,040,610.00 (excl. GST). To date, we have drawn this in full.

We note that of the amounts approved, $300,000 (excl GST) was approved prospectively as an interim cap for work performed from 1 July 2024. Our remuneration incurred after 1 July 2024 has exceeded this interim cap.

As previously foreshadowed, in this report, we are now seeking approval of the additional incurred remuneration of $655,491 (excl GST) to pay for part of the work completed after 1 July 2024 to 22 August 2025, and a further interim capped amount of $200,000.00 (excl. GST) to enable us to complete the Liquidation.

To assist creditors with understanding how total remuneration has and/or will be incurred, this table shows remuneration after 1 July 2024, including the current claims, divided by task categories.

Task	Fees already approved	Approval sought for work already done	Approval sought for future work	Total per task
	($, excl GST)	($, excl GST)	($, excl GST)	($, excl GST)
Asset	15,000.00	7,140.00	7,500.00	29,640.00
Creditors	120,000.00	406,710.00	40,000.00	566,710.00
Employees	20,000.00	37,798.00	30,000.00	87,798.00
Investigation	80,000.00	194,510.00	70,000.00	344,510.00
Dividend	50,000.00	(50,000.00)	40,000.00	40,000.00
Trade On	N/A	4,094.00	N/A	4,094.00
Administration	15,000.00	55,239.00	12,500.00	82,739.00
	300,000.00	**655,491.00**	**200,000.00**	**1,155,591.00**
Total remuneration previously approved				300,000.00
Difference (see table below for further explanation)				855,591.00
Payment reconciliation:				
TOTAL (incl. amount claimed now)				**1,155,591.00**
Amount paid to date				300,000.00
Amount outstanding (incl amount claimed now)				855,191.00

In this table we compare, on a task basis, the difference between our previous remuneration report and this report, together with explanations for the difference.

Task	Fees already approved	Total per task (from previous table)	Difference	Reasons for differences
	($, excl GST)	($, excl GST)	($, excl GST)	
Assets	15,000.00	29,640.00	14,640.00	Additional time incurred in relation to the following:

Task	Fees already approved	Total per task (from previous table)	Difference	Reasons for differences
	($, excl GST)	($, excl GST)	($, excl GST)	
				- Recovery of CGS-CIMB liquidity provider funds and set-off charges - Resolving CBA release of Client Money and AFP freezing orders Additional time anticipated to be incurred in relation to tax asset
Creditors	120,000.00	566,710.00	446,710.00	Substantial additional time incurred in relation to the following: - Dealing with significant volume of creditor enquires via phone and email - Prepared and issued numerous Circulars to Creditors to update with respect to the Court Application - Organising translation of FAQs - Dealing with logistical issues from holding meeting of creditors on Link creditor portal - Substantial preparation required for meeting of creditors, particularly with attendance register - Dealing with large volume of pre-polling and proxy forms for meeting of creditors - Assisting clients with ID verification issues in Link creditor portal - Working through manual verification process for Link creditor portal access - Adjudication process for significant volume of client claims, including offshore clients - Requesting further particulars for client claims which exceed Company records - Reviewing further supporting documentation provided and seeking legal advice - Reviewing and dealing with Dispute Notices received, including seeking legal advice Additional time anticipated to be incurred in relation to the following: - Dealing with creditor enquiries via email and phone - Substantial preparation required for meeting of creditors - Holding meeting of creditors

Task	Fees already approved	Total per task (from previous table)	Difference	Reasons for differences
	($, excl GST)	($, excl GST)	($, excl GST)	
				- Preparing for next round of distribution of Client Money funds - Liaising with Link regarding next round of distribution of Client Money funds - Payment of withheld Client Money funds to ASIC Unclaimed Monies - Adjudication of Proof of Debts to ascertain the validity of the amounts claimed - Requesting further particulars from creditors - Reviewing further documentation received from creditors in response to request for further particulars - Preparing further reports/circulars to creditors if necessary
Employees	20,000.00	87,798.00	67,798.00	Substantial additional time incurred in relation to the following: - Liaising with employees regarding queries to assist with calculation of outstanding employee entitlements - Internal discussions in relation to assessment of outstanding employee entitlements - Conducted further investigations regarding employees entitlements where re-employed after termination - Reviewed further information and documents provided to evidence continued work - Receiving and following up employee enquiries by telephone or email - Reviewing employee contracts Additional time anticipated to be incurred in relation to the following: - Receiving and following up employee enquiries by telephone or email - Reviewing employee contracts - Declaring dividend to priority creditors
Trade On	0.00	4,094.00	4,094.00	Additional time incurred in relation to review of ongoing IT costs to maintain access and data backups

Task	Fees already approved	Total per task (from previous table)	Difference	Reasons for differences
	($, excl GST)	($, excl GST)	($, excl GST)	
Investigation	80,000.00	344,510.00	264,510.00	Substantial additional time incurred in relation to the following: - Reviewing ongoing IT costs for continued access to email services, MT4 data, CRM and KYC records, etc - Updating estimated outcome statement - Submissions to ASIC regarding conditions for AFSL cancellation - Liaising with AFCA regarding membership - Preparing summary of AFCA complaints and provided to ASIC as part of AFSL cancellation conditions - Preparing, reviewing and finalising further affidavits - Preparing and collating substantial information and documents required for affidavits in relation to Court proceedings - Numerous meetings with lawyers and counsel in relation to the Court proceedings - Drafting and issuing Circulars to Creditors with respect to update of Court Proceedings as required by Court - Reviewing contradictor submissions with respect to Court Proceedings - Preparing and attending Court Hearings - Liaising with ASIC with respect to Court Proceedings Additional time anticipated to be incurred in relation to the following: - Further investigations in relation to potential claims - Review of Prospero Global LLC records - Briefing with lawyers and Counsel regarding Prospero Global LLC claims - Briefing with lawyers regarding Public Examinations - Reviewing and settling draft submissions, affidavits, orders for production and other Court documents for Public Examinations - Reviewing documents produced from orders of production issued - Strategy meetings with lawyers and Counsel regarding Public Examinations

Task	Fees already approved	Total per task (from previous table)	Difference	Reasons for differences
	($, excl GST)	($, excl GST)	($, excl GST)	
				- Review of examination bundle for Public Examinations - Prepare for and attend Public Examinations
Dividend	50,000.00	40,000.00	(10,000.00)	Less work than previously anticipated in declaring dividend to unsecured creditors.
Administration	15,000.00	82,739.00	67,739.00	Additional time incurred in relation to the following: - Preparing receipts and payment vouchers - Discussions and staff briefings regarding status of administration - Internal meetings to discuss next steps of the Liquidation - Dealing with a significant volume of books and records, particularly electronic records Additional time anticipated to be incurred in relation to the following: - Statutory lodgements with ASIC and ATO - File reviews and planning/review internally - General administration maintenance
TOTAL	**300,000.00**	**1,155,491.00**	**855,491.00**	

We also make the following general comments regarding the progress of the Liquidation that have affected our previous remuneration estimate:

- Additional work that was required in relation to the Court proceedings which became protracted and more complex with the appointment of a contradictor, leading to delays in the Court proceedings;
- Additional work required responding to the large volume of enquiries from Australian and Offshore Clients and preparation of multiple Circulars to update creditors in respect of the Court proceedings;
- Resolving disputes with AFP and CBA to secure the Client Money without breaching the freezing orders;
- Dealing with high volume of client enquiries via phone and email, particularly relating to difficulties clients encountered with the verification process;

- Conducting further investigations to resolve the adjudication of employee claims that were re-employed after termination for FEG purposes;
- Conducting further investigations into the financial affairs of Prospero Global LLC and the intended public examination of relevant persons, noting the limited information available;
- Protracted recovery of funds from Singaporean Liquidity Provider, including Court applications in that jurisdiction;
- Dealing with regulatory enquiries and AFSL cancellation matters with ASIC; and
- Drafting this report and convening this meeting of creditors.

We have provided an explanation of tasks remaining to be completed, including our estimated costs to complete those tasks, to support our current remuneration approval request, in Schedule A of this remuneration report.

Prospero Markets Pty Ltd
(In Liquidation)
ACN 145 048 577

Annexure "H"
ASIC Information Sheet – Insolvency Information for Directors, Employees, Creditors and Shareholders

Insolvency information for directors, employees, creditors and shareholders

Information sheet – 39

This is **Information Sheet 39 (INFO 39)**. It lists ASIC's information sheets for directors, employees, creditors and shareholders affected by a company's insolvency.

We have produced these with endorsement from the Australian Restructuring Insolvency & Turnaround Association (ARITA).

The information sheets give a basic understanding of the three most common company insolvency procedures – liquidation, voluntary administration and receivership – as well as the independence requirements for external administrators and approving external administrator remuneration. There is also a glossary of commonly used insolvency terms.

List of information sheets

- INFO 41 *Insolvency: A glossary of terms*
- INFO 42 *Insolvency: A guide for directors*
- INFO 43 *Insolvency: A guide for shareholders*
- INFO 45 *Liquidation: A guide for creditors*
- INFO 46 *Liquidation: A guide for employees*
- INFO 54 *Receivership: A guide for creditors*
- INFO 55 *Receivership: A guide for employees*
- INFO 74 *Voluntary administration: A guide for creditors*
- INFO 75 *Voluntary administration: A guide for employees*
- INFO 84 *Independence of external administrators: A guide for creditors*
- INFO 85 *Approving fees: A guide for creditors*

Where can I get more information?

Further information is available from the ARITA website. The ARITA website also contains the ARITA Code of Professional Practice for Insolvency Practitioners.

Important notice

Please note that this information sheet is a summary giving you basic information about a particular topic. It does not cover the whole of the relevant law regarding that topic, and it is not a substitute for professional advice. We encourage you to seek your own professional advice to find out how the applicable laws apply to you, as it is your responsibility to determine your obligations.

You should also note that because this information sheet avoids legal language wherever possible, it might include some generalisations about the application of the law. Some provisions of the law referred to have exceptions or important qualifications. In most cases, your particular circumstances must be taken into account when determining how the law applies to you.

Information sheets provide concise guidance on a specific process or compliance issue or an overview of detailed guidance.

This information sheet was updated on 1 September 2017.

2 August 2024

To the Creditor, as addressed

BY EMAIL

Dear Creditor,

PROSPERO MARKETS PTY LTD (IN LIQUIDATION)
A.C.N 145 048 577 ("THE COMPANY")

We refer to our Statutory Report to Creditors dated 10 July 2024.

In that report, we confirmed that the Liquidators were preparing an application to the Federal Court of Australia to approve the intended distribution process. That application and the supporting affidavit have now been filed and the matter has been listed for first case management hearing at 9.30 am (AEST) on 8 August 2024.

We have uploaded a copy of the following documents onto the BRI Ferrier webpage (https://briferrier.com.au/about-us/current-matters/prospero-markets-pty-ltd), onto the landing page of the Link Market Services Creditor Portal (https://exad.com.au/bri/prospero/) and after you login to the Creditor Portal:

1. Sealed Originating Process (Corporations) filed on 31 July 2024;
2. Sealed Affidavit of Jonathon Keenan filed on 31 July 2024; and
3. Estimated Outcome Statement.

A version of Exhibit JSK-1 referred to in the affidavit of Jonathon Keenan with all client and confidential information redacted is being prepared and will be available in due course on our website.

Yours faithfully
PROSPERO MARKETS PTY LTD (IN LIQUIDATION)



JONATHON KEENAN
Joint & Several Liquidator

BRI Ferrier

To the Creditor
As addressed

5 September 2024

Dear Creditor,

PROSPERO MARKETS PTY LTD (IN LIQUIDATION)
A.C.N 145 048 577 ("THE COMPANY")

We refer to our previous email of 2 August 2024 regarding the application filed with the Federal Court of Australia in respect of the Company.

The Court application to approve the intended distribution process (proceeding NSD1020/2024) has been allocated to Justice Cheeseman as the docket Judge and listed for case management hearing at 9.30 am on 19 September 2024.

We have uploaded a copy of the following documents onto the BRI Ferrier webpage (https://briferrier.com.au/about-us/current-matters/prospero-markets-pty-ltd), onto the landing page of the Link Market Services Creditor Portal (https://exad.com.au/bri/prospero/) and after you login to the Creditor Portal:

1. Orders dated 8 August 2024 by the Corporations List Judge Justice Markovic;
2. Email dated 27 August 2024 from Justice Cheeseman's Associate and Bartier Perry's response dated 3 September 2024;
3. Affidavit of Adam Cutri (solicitor for the plaintiffs) and exhibit APC-1 filed on 3 September 2024;
4. Plaintiffs' counsel's note to the docket Judge regarding contradictors and representative defendants;
5. Draft Amended Originating Process (Corporations) which the plaintiffs intend to seek leave to file and serve.

As explained in the email from the plaintiffs' lawyers to the docket Judge, the plaintiffs do not anticipate making an application to join any representative defendants or contradictors to the proceeding. Additionally, the plaintiffs have informed the court of concerns regarding the cost and time required for any contradictors in the proceeding given the limited issues, the estimated outcomes and the objective of returning the trust funds as quickly as possible. Whether any representative defendant or contradictor is appointed is a decision for the Court.

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The case management hearing at 9.30 am on 19 September 2024 will take place in person at the Federal Court of Australia in Sydney. We recommend that any interested parties seeking to be heard at the case management hearing obtain independent legal advice and communicate with the Court.

Yours faithfully
PROSPERO MARKETS PTY LTD (IN LIQUIDATION)



JONATHON KEENAN
Joint & Several Liquidator

From: Prospero Markets
Sent: Thursday, 10 October 2024 3:26:44 PM
Subject: Prospero Markets Pty Ltd (In Liquidation) - Court Application Update
Attachments: Orders dated 19 September 2024 made by Justice Cheeseman.PDF, Amended Originating Process filed on 20 September 2024.PDF

Dear Creditor

Prospero Markets Pty Ltd (In Liquidation)
A.C.N. 145 048 577 ("the Company")

We refer to our recent email update issued on 5 September 2024, which provided details of our application to the Federal Court of Australia to approve the intended distribution process (proceeding NSD1020/2024). We provide below a brief update on that application.

A case management hearing for the Liquidators' application was held before the docket Judge, Justice Cheeseman on 19 September 2024. The following orders were made:

1. The Plaintiffs be granted leave to file the amended originating process substantially in the form provided to the Associate to Cheeseman J by email on 3 September 2024.
2. Ms Yuya Huang and Mr Lei Zhang be joined as defendants to the proceeding.
3. The matter be listed for a case management hearing on 17 October 2024.

In accordance with those orders, we have filed an amended originating process. We **attach** a copy of the sealed orders dated 19 September 2024 and the sealed amended originating process filed on 20 September 2024.

Further, during the case management hearing, Justice Cheeseman directed us to identify and appoint a contradictor to act in the proceedings. The contradictor's role will be to assist the Court by making counterarguments against us as Liquidators and presenting a balanced view on issues involving competing interests (such as (i) whether our remuneration and legal fees are paid out of trust funds or general liquidation funds, (ii) whether the trust funds should be converted into AUD and, if so, from what date, and (iii) our 'Proposed Distribution Process' generally. Contradictors are commonly joined to proceedings of this nature where there are no defendants.

We have identified legal representatives, W Advisers, as a suitable contradictor for these proceedings. We have instructed our legal representatives (Bartier Perry) to brief and engage with W Advisers with a view to joining them to the proceedings as contradictor and agreeing on timetable orders to advance the proceedings to final hearing.

The combined effect of the Court ordering that defendants are joined, and the requirement to appoint a contradictor, will result in delays to the distribution process and additional costs being incurred. Unfortunately, this means that we are unable to distribute the client monies by November 2024, as previously foreshadowed.

We will provide more specific information on the updated timeframe for the distribution to clients once the timetable is set with the Court.

The next case management hearing is set for 9.30 am on 17 October 2024, which will take place in person at the Federal Court of Australia in Sydney. We remain focussed on distributing the client monies as soon as possible. To that end, and whilst ultimately in the Court's hands, we intend to seek the earliest available hearing dates in 2024 (with the contradictor's agreement and availability if possible) at the next case management hearing to minimise the delays in distributing the client monies. We have instructed our legal representatives to prepare evidence in support of the request for an early hearing date to be relied on at the next case management hearing.

We recommend that any interested parties seeking to be heard at the case management hearing obtain independent legal advice and communicate with the Court.

Regards,

Jonathon Keenan, Andrew Cummins and Peter Krejci
Joint & Several Liquidators

BRI Ferrier

We have moved, please note our new address below.

A Level 26, 25 Bligh Street, Sydney NSW 2000
P GPO Box 7079, Sydney NSW 2001
T 1300 291 012 (toll free) or + 61 2 8044 0530 (international)
E prosperomarkets@brifnsw.com.au | **W** www.briferrier.com.au

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VCID:28e834bf-7773-4224-8131-4097ab06be84.

From: Prospero Markets
Subject: Prospero Markets Pty Ltd (In Liquidation) - Court Application Update 7 November 2024
Attachments: image002.png
image004.png
image005.png
Orders dated 17 October 2024 made by Justice Cheeseman.PDF

Dear Creditor

Prospero Markets Pty Ltd (In Liquidation)

A.C.N. 145 048 577 ("the Company")

Below is an update on the proceedings NSD1020/2024 in which judicial advice and directions are sought on a proposed process to distribute the 'Client Money' held in the Company's trust and general funds accounts, given the potentially competing claims and issues applicable to clients' ultimate entitlements. The proceedings were commenced to ensure that Court approval is obtained for the proposed distribution process as a means of ensuring that the most equitable outcome is obtained for the Company's clients and creditors.

A case management hearing was held before the docket Judge, Justice Cheeseman on 17 October 2024. Since the last case management date on 19 September 2024, the Court has appointed Mark Wilson from W Advisers as contradictor and Mr Wilson has agreed in-principle on the scope of issues to be addressed at final hearing of the judicial advice and remuneration approval application. Orders were jointly submitted to the Court in respect of the contradictor's appointment and scope.

Prior to the case management hearing on 17 October 2024, in recognition of enquiries received by us from clients seeking expeditious return of the 'Client Money' on grounds of financial hardship amongst others, we prepared an affidavit in support of a request for an urgent final hearing date before the close of Court term in 2024 to avoid any further delay in distributing the funds. That affidavit was filed and relied on at the case management hearing to seek the earliest available hearing dates, in response to which the Court made enquiries with the National Registrar for the earliest available hearing dates.

Despite our best efforts, the Court was unable to accommodate a date any earlier than 1 April 2025 on which the application has been listed for final hearing. Whilst we attempted to avoid further delay in seeking the earliest available hearing date, the Court's limited availability is a matter beyond our control and as Liquidators, we are dutybound to abide by, and assist, the Court.

The following orders were made on 17 October 2024 (a sealed copy of which is attached):

BY CONSENT, THE COURT ORDERS THAT:

Contradictor

1. Mark Wilson of W Advisers of Level 5, 151 Macquarie Street (solicitors) is appointed as a contradictor to assist the Court to perform its judicial function in deciding whether the proposed advice/directions sought in the Amended Originating Process should be given, having regard to the interests of the creditors of the Company, and as between those creditors, in relation to the following issues:

(a) The proposed payment of the costs of the distribution, in whole or in part, from the Client Money (and not the general funds of the Company) and the treatment of any potential shortfall claims resulting from any such payment (prayers 1 and 15 of

the Amended Originating Process);

(b) The proposed 'pooling' of the Client Money accounts (prayers 9 and 12 of the Amended Originating Process);

(c) The Proposed Distribution Process, including specifically, the proposed approach to the claims of the MT4 Offshore Database clients (prayers 10, 19 and 20 of the Amended Originating Process).

Hearing timetable

2. The matter be listed for hearing with an estimate of 2 days commencing on 1 April 2025.

3. By 18 February 2025, the plaintiffs file and serve submissions and any updating affidavit evidence.

4. By 4 March 2025, the contradictor and the defendants file and serve submissions.

5. By 18 March 2025, the plaintiffs file and serve submissions in reply.

THE COURT ORDERS THAT:

6. By 7 November 2024, the contradictor inform the parties and the Associate to Cheeseman J whether in the contradictor's opinion any additional issues should be added to order 1 of these orders.

7. Liberty to apply on 3 days' notice be granted to:

(a) the defendants and contradictor; and

(b) any person, including any creditor of the Company or the Australian Securities and Investments Commission, who can demonstrate by affidavit a sufficient interest to vary these Orders on the giving of three (3) business days' notice to the Plaintiffs, and to the Court.

Practically, this means that distribution of 'Client Money' will be unable to occur until judgment is received following the conclusion of the final hearing on 1 to 3 April 2025. The proposed distribution process envisages an additional period for any disputed claims to be resolved before 'Client Money' is distributed. This means that the revised timeline for distribution is likely to be by June 2025 assuming no creditors commence proceedings to dispute their entitlement.

Additionally, further delays may potentially arise if the Court reserves its decision and indicates a requirement to provide written reasons before approving the proposed distribution process. The length of that period cannot be determined at this stage, however, given the agreement as to scope of issues between us and the contradictor, it is anticipated that less than two or three days will be required for the final hearing and any scope for dispute requiring resolution by the Court is likely to be narrow based on the facts presently known.

We continue our efforts to distribute 'Client Money' as soon as possible, however we must discharge our duties in the best interests of all creditors regardless of the value of their respective entitlements. We will continue to progress our investigations and adjudications of claims in the meantime to avoid unnecessary delays in the liquidation generally and remain committed to providing updates to creditors as developments occur. In this regard, we note that the asset recovery legal proceedings in Singapore are well advanced.

We note that the dividend to the priority and unsecured creditors, will follow after the

Client Money is distributed and the residual general funds is known. We anticipate that this will occur during the months that follow the distribution of Client Money. However, for the reasons outlined above, we cannot advise an exact timeframe for the priority and unsecured creditors dividend at this time.

We recommend that any interested parties seeking to be heard in the proceedings obtain independent legal advice and communicate with the Court. Should you have queries regarding other matters of the Liquidation, please contact our office by email to prosperomarkets@brifnsw.com.au or by telephone 1300 291 012 (toll free) or + 61 2 8044 0530 (international).

Regards,

Jonathon Keenan, Andrew Cummins and Peter Krejci

Joint & Several Liquidators

We have moved, please note our new address below.

A Level 26, 25 Bligh Street, Sydney NSW 2000

P GPO Box 7079, Sydney NSW 2001

T 1300 291 012 (toll free) or + 61 2 8044 0530 (international)

E prosperomarkets@brifnsw.com.au | **W** www.briferrier.com.au

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VCID:2cd08be4-1092-4e82-b201-1b6d854d9f78.

To the Creditor
As addressed

5 March 2025

Dear Creditor,

PROSPERO MARKETS PTY LTD (IN LIQUIDATION)
A.C.N 145 048 577 ("THE COMPANY")

We, Jonathon Keenan, Peter Krejci and Andrew Cummins, the Joint and Several Liquidators of the Company refer to our previous correspondence regarding this matter.

Below is an update on the proceedings NSD1020/2024 in which judicial advice and directions are sought on a proposed process to distribute the 'Client Money' held in the Company's accounts given the potentially competing claims and issues applicable to clients' ultimate entitlements.

In response to enquiries by us about expediting the hearing dates to return 'Client Money' as soon as possible, the proceeding was reallocated to a new docket Judge with earlier availability. A case management hearing was scheduled before the new docket Judge, Justice Moore on 4 February 2025. Prior to the case management hearing on 4 February 2025, we, as the Liquidators, and the Contradictor Mark Wilson from W Advisers, agreed on case management orders which were submitted to the Court on 31 January 2025.

The hearing date for the application was originally listed on 1 and 2 April 2025. By consent between us and the Contradictor, the hearing date is now listed for 10:15am on 26 March 2025 with an estimated duration of two (2) days.

On 19 February 2025, the Liquidators prepared and filed an updating affidavit and outline of submissions, copies of which have been uploaded to the Liquidation 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/).

We have been informed by ASIC of feedback and certain complaints made by some clients in relation to issues they perceive have arisen during this Court application process. ASIC's correspondence to us in this regard has been included in the updating affidavit so that the Contradictor and Court are fully apprised of those issues.

The distribution of 'Client Money' will be unable to occur until judgment is received following the conclusion of the final hearing on 26 to 27 March 2025. The proposed distribution process envisages an

additional period for any disputed claims to be resolved before funds are distributed. The timeline for distribution remains unchanged, around June 2025, assuming judgment is handed down promptly and no creditors commence proceedings to dispute their Admitted Entitlement Notices.

Consistent with our previous update, please note that delays may potentially arise if the Court reserves its decision and/or indicates a requirement to provide written reasons before approving the proposed distribution process.

We again confirm our intention to distribute the 'Client Money' as soon as possible and remain conscious of our professional obligations to have regard to the interests of all creditors, regardless of the value of their respective entitlements. We will continue to progress this matter in the meantime to avoid unnecessary delays in the liquidation generally and remain committed to providing updates to creditors as developments occur.

We recommend that any interested parties seeking to be heard in the proceedings obtain independent legal advice and communicate with the Court.

Should you have queries regarding other matters of the Liquidation, please contact our office by email to prosperomarkets@brifnsw.com.au or by telephone 1300 291 012 (toll free) or + 61 2 8044 0530 (international).

Yours faithfully
PROSPERO MARKETS PTY LTD (IN LIQUIDATION)



JONATHON KEENAN
Joint & Several Liquidator

From: Prospero Markets
Subject: Prospero Markets Pty Ltd (In Liquidation) - Court Hearing Update 24 March 2025
Date: Monday, 24 March 2025 4:16:58 PM
Attachments: image002.png
image004.png
image005.png

Dear Creditor,

PROSPERO MARKETS PTY LTD (IN LIQUIDATION)
A.C.N 145 048 577 ("THE COMPANY")

We, Jonathon Keenan, Peter Krejci and Andrew Cummins, the Joint and Several Liquidators of the Company refer to our previous correspondence regarding this matter.

Below is an update on the proceedings NSD1020/2024 in which judicial advice and directions are sought on a proposed process to distribute the 'Client Money' held in the Company's accounts given the potentially competing claims and issues applicable to clients' ultimate entitlements.

Contradictor's Submissions and Plaintiffs' Reply / Fourth Affidavit of Jonathon Keenan

We have uploaded copies of the following documents which are also available to investors and creditors on the BRI Ferrier website and the Link Market Services Creditor Portal (https://exad.com.au/bri/prospero/):

(a) Contradictor's submissions filed on 11 March 2025;
(b) Liquidators' Reply Submissions filed on 21 March 2025; and
(c) Fourth Affidavit of Jonathon Keenan filed on 21 March 2025.

YouTube Live Streaming Link for Final Hearing

The hearing is listed for 10:15 am on 26 March 2025 with an estimated duration of two days. The Court has provided the following YouTube link for the live streaming of the hearing: https://www.youtube.com/watch?v=sl_4V5a-HA4. The YouTube link has been made publicly available for interested clients.

We draw your attention to the notification on the Federal Court of Australia YouTube live streaming channel, which states that *"The use of recording and transmission devices on Court premises or in Court hearings, irrespective of whether that hearing is heard in person, using remote access technology or a combination of both, is strictly prohibited, without express approval of the Court. The recording, editing or distribution of any footage of Federal Court hearings transmitted online is not permitted. Failure to comply with the Court's terms and conditions as outlined in this policy may constitute an offence, result in a liability for breach of copyright, constitute a contempt of court or result in the deletion, pursuant to a direction, of any unauthorised photographs or recordings."*

We recommend that any interested parties seeking to be heard in the proceedings obtain independent legal advice and communicate with the Court.

Should you have queries regarding other matters of the Liquidation, please contact our office by email to prosperomarkets@brifnsw.com.au or by telephone 1300 291 012 (toll free) or + 61 2 8044 0530 (international).

Regards,

Jonathon Keenan, Andrew Cummins and Peter Krejci
Joint & Several Liquidators

We have moved, please note our new address below.

A Level 26, 25 Bligh Street, Sydney NSW 2000
P GPO Box 7079, Sydney NSW 2001
T 1300 291 012 (toll free) or + 61 2 8044 0530 (international)
E prosperomarkets@brifnsw.com.au | **W** www.briferrier.com.au

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VCID:4934b03c-64c5-4d6f-933f-324fb1b17a48.

VCID:e06b0f76-5e7b-4ae0-b517-5f3eda8cf675.

VCID:9e6b9350-82e6-4450-bd95-4325310963c1.

From: Prospero Markets
Subject: Prospero Markets Pty Ltd (In Liquidation) - Court Orders Update 3 April 2025
Date: Thursday, 3 April 2025 6:20:20 PM
Attachments: image002.png
image004.png
image005.png

Dear Creditor,

PROSPERO MARKETS PTY LTD (IN LIQUIDATION)
A.C.N 145 048 577 ("THE COMPANY")

We, Jonathon Keenan, Peter Krejci and Andrew Cummins, the Joint and Several Liquidators of the Company refer to our previous correspondence regarding this matter.

Below is an update in respect of proceedings NSD1020/2024 ran in the Federal Court of Australia, in which judicial advice and directions were sought on a proposed process to distribute the 'Client Money' held in the Company's accounts given the potentially competing claims and issues applicable to clients' ultimate entitlements.

We are pleased to inform you that his Honour Justice Moore has provided his orders following the hearing of the Liquidators' proceedings NSD1020/2024 on 26 and 27 March 2025
A copy of his Honour's orders dated 2 April 2025 ("Orders"), has been uploaded to 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/).

Both the Liquidators and the Court were mindful of attempting to return Client Money as soon as possible, his Honour has delivered his orders (which will allow the distribution process to commence shortly) and will publish reasons for his decision at a later point in time. We will also upload a copy his Honour's reasons to the websites, once they are handed down.

We note that the Orders provide the following distribution process:

1. The Liquidators are to email each client a notification:
    a. providing each client with unique login credentials to access the Link Market Services Creditor Portal ("Client Portal");
    b. inform each client of its entitlement to distribution ("Admitted Entitlement Notice") from the Client Money, based on the amounts recorded in the MT4 AU Clients Database; and
    c. ask each client with a proposed distribution amount greater than zero dollars ($) to provide or update their current bank account details in the Client Portal for payment.
2. The Liquidators are to provide each client a period of twenty-eight (28) days from the date of the Admitted Entitlement Notice to dispute their proposed distribution amount, whereby the clients must provide to the Liquidators a Dispute Notice in writing with supporting evidence and reasons.
3. In the event that any Dispute Notice is received by the Liquidators:

   a. the Liquidators may issue the disputing client a revised Admitted Entitlement Notice; or
   b. if the dispute is not agreed, the Liquidators may issue the disputing client a Rejection Notice, and the disputing client will need to apply to the Court within 28 days of the Rejection Notice to press their dispute further.
4. The Liquidators are to distribute the entire Client Money by no earlier than eighty-four (84) days from the date of the Admitted Entitlement Notice being issued, on the following basis:
   a. distribute the Client Money amongst all persons listed as clients in the MT4 AU Clients Database according to their 'Equity' or 'Balance' amount (as appropriate) recorded in that database, that are greater than AUD$100; and
   b. any remaining Client Money to be treated as assets of the Company.
5. The Liquidators costs of dealing with the Client claims and the distribution of Client Money, are to be paid from the available 'general' funds, not Client Money.

We will shortly commence the preparation of the Admitted Entitlement Notices and envisage being in contact with clients shortly. In the interim, we ask that clients enter their bank details in the Client Portal, if they have not already done so (https://exad.com.au/bri/prospero/).

We note that the Court determined a range of issues in this application, and we encourage creditors to review the Orders in full. Further reporting will be issued in due course regarding the general liquidation matters, including returns to priority and unsecured creditors.

Should you have any other queries regarding the Liquidation, please contact our office by email to prosperomarkets@brifnsw.com.au or by telephone 1300 291 012 (toll free) or + 61 2 8044 0530 (international).

Regards,

Jonathon Keenan, Andrew Cummins and Peter Krejci
Joint & Several Liquidators

We have moved, please note our new address below.

A Level 26, 25 Bligh Street, Sydney NSW 2000
P GPO Box 7079, Sydney NSW 2001
T 1300 291 012 (toll free) or + 61 2 8044 0530 (international)
E prosperomarkets@brifnsw.com.au | **W** www.briferrier.com.au

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FEDERAL COURT OF AUSTRALIA

Keenan, in the matter of Prospero Markets Pty Ltd (In liq) [2025] FCA 390

File number(s):	NSD 1020 of 2024
Judgment of:	**MOORE J**
Date of judgment:	24 April 2025
Catchwords:	**CORPORATIONS** – application for directions under s 90-15 of the *Insolvency Practice Schedule (Corporations)* – application for judicial advice under s 63 of the *Trustee Act 1925* (NSW) – whether liquidators should use company's general funds or client money held on trust to pay liquidators' remuneration and costs – whether liquidators justified in pooling client money from company's four bank accounts – whether liquidators justified in converting USD denominated client funds into AUD – whether liquidators justified in treating clients who traded on an offshore platform as having nil entitlement – whether liquidators justified in treating clients with entitlements of $100 or less as having nil entitlement – approval of distribution process
Legislation:	*Corporations Act 2001* (Cth) ss 544, 554C, 600K, 981A, 981B, 981C, 981H *Insolvency Practice Schedule (Corporations),* being Sch 2 to the *Corporations Act 2001* (Cth) s 90-15 *Corporations Regulations 2001* (Cth) regs 7.8.02(7), 7.8.03(6) *Federal Court (Corporations) Rules 2000* (Cth) r 2.8 *Trustee Act 1925* (NSW) s 63
Cases cited:	*Australian Securities and Investments Commission v Caddick (No 2)* [2023] FCA 1196 *Georges (in his capacity as joint and several liquidator of Sonray Capital Markets Pty Ltd (in liq)) v Seaborn International (as trustee for the Seaborn Family Trust)* (2012) 288 ALR 240; [2012] FCA 75 *In re Berkeley Applegate (Investment Consultants) Ltd (In Liquidation)* [1989] Ch 32 *In the matter of AAA Financial Intelligence Ltd (in liquidation)* [2014] NSWSC 1004 *In the matter of Houben Marine Pty Ltd (in liq)* [2018] NSWSC 745 *Kelly, in the matter of Halifax Investment Services Pty Ltd*

(in liquidation) (No 6) [2019] FCA 2111

Kelly (as joint and several liquidators of Halifax Investment Services Pty Ltd (in liq)) v Loo (No 8) (2020) 144 ACSR 292; [2020] FCA 533

Lawrence, in the matter of Ozifin Tech Pty Ltd (in liq) v AGM Markets Pty Ltd (in liq) [2022] FCA 1478

Macedonian Orthodox Community Church St Petka Incorporated v His Eminence Petar The Diocesan Bishop of Macedonian Orthodox Diocese of Australia and New Zealand (2008) 237 CLR 66

Re Ansett Australia Ltd (No 3) (2002) 115 FCR 409

Re BBY (recs and mgrs appted) (in liq) (No 2) (2018) 363 ALR 492; [2018] NSWSC 346

Re G B Nathan and Co Pty Ltd (in liq) (1991) 24 NSWLR 674

Re Hawden Property Group Pty Ltd (in liq) (2018) 125 ACSR 355; [2018] NSWSC 481

Re Krejci (as joint and several liquidators of Union Standard International Group Pty Ltd (in liq)) (2021) 159 ACSR 590; [2021] FCA 1483

Re MF Global Australia Ltd (in liq) [2012] NSWSC 994; (2012) 267 FLR 27

Re Rosewood Research Pty Limited [2014] NSWSC 449

Re Woodhouse (in their capacities as joint and several liquidators of Forex Capital Trading Pty Ltd (in liq)) (2022) 159 ACSR 669; [2022] FCA 600

Reidy, in the matter of eChoice Limited (Administrators Appointed) [2017] FCA 1582

Sutherland Re; French Caledonia Travel Service Pty Ltd (in liq) (2003) 59 NSWLR 361

Walley, in the matter of Poles & Underground Pty Ltd (Administrators Appointed) [2017] FCA 486

Division:	General Division
Registry:	New South Wales
National Practice Area:	Commercial and Corporations
Sub-area:	Corporations and Corporate Insolvency
Number of paragraphs:	114
Date of hearing:	26 March 2025
Counsel for the Plaintiffs:	Ms H Mann and Ms L Muir

Solicitor for the Plaintiffs:	Bartier Perry Lawyers
Counsel for the Contradictor:	Ms E Beechey and Mr N Carey
Solicitor for the Contradictor:	W Advisers Pty Ltd

ORDERS

NSD 1020 of 2024

BETWEEN:	**JONATHON SHERWOOD KEENAN** First Plaintiff
	PETER PAUL KREJCI Second Plaintiff
	ANDREW JOHN CUMMINS Third Plaintiff
AND:	**YUYA HUANG** First Defendant
	LEI ZHANG Second Defendant
ORDER MADE BY:	**MOORE J**
DATE OF ORDER:	**2 APRIL 2025**

THE COURT NOTES:

In these orders the following meanings are adopted:

Admitted Entitlement Notice has the meaning given to it at Order 3(a)(i).

CBA Client Accounts means the monies held in the Commonwealth Bank of Australia accounts bearing account numbers 1336-0135, 1336-0151, 1336-9981 and 1336-0143.

Client Money has the meaning given to it at Order 1(a).

Client Portal means the web-based client and creditor management platform hosted by Link Market Services on behalf of the plaintiffs.

Company means Prospero Markets Pty Limited (in Liquidation) bearing ACN 145 048 577.

Dispute Notice has the meaning given to it at Order 3(c).

General Liquidation Account means the account opened by the plaintiffs as liquidators of the Company with the National Australia Bank bearing account number 591118659, and any other bank accounts subsequently opened by the liquidators on behalf of the Company.

Link Market Services is an external service provider of the Client Portal.

MT4 AU Clients Database means the database recording the information for clients of the Company from the MetaTrader 4 trading platform used by the Company but licensed by Prospero Markets Company Limited (New Zealand).

MT4 Offshore Database means the database recording the information from the MetaTrader 4 trading platform used by Prospero Markets LLC in St Vincent & The Grenadines but licensed by the Company.

MT4 Offshore Database Relevant Clients means persons listed in the MT4 Offshore Database who contacted the plaintiffs prior to the date of the orders.

Proposed Distribution Amount has the meaning to it at Order 3(a)(i).

Proposed Distribution Process has the meaning given to it at Order 3.

Rejection Notice has the meaning given to it at Order 3(d)(ii).

THE COURT ORDERS THAT:

Client Money and pooling

1. The Plaintiffs are justified in:
   (a) treating the money held in the CBA Client Accounts as the full extent of the funds held by the Company for its clients pursuant to s 981A of the *Corporations Act 2001* (Cth) (**Client Money**); and
   (b) pooling the Client Money for the purposes of the Proposed Distribution Process into a single, interest-bearing bank account held in the Company's name controlled by the plaintiffs.

Liquidators' remuneration

2. The plaintiffs are justified in using the general assets of the Company, including the General Liquidation Account, to pay their remuneration, and costs and expenses, relating to the dealings with the Client Money.

Distribution notice and dispute resolution

3. The plaintiffs are justified in adopting the following distribution process (**Proposed Distribution Process**) for the purposes of calculating clients' individual proportionate entitlements to distribution from the Client Money:
   (a) subject to Order 4 below, emailing to each client in the MT4 AU Clients Database and each of the MT4 Offshore Database Relevant Clients, to the

address recorded in the MT4 AU Clients Database and MT4 Offshore Database, or to an updated email address advised by the client (or, if email communication is not, in the plaintiffs' reasonable opinion, the most appropriate means of communication with any client, by posting correspondence to the client's last known address) a notification:

(i) providing the client with unique login credentials to access the Client Portal, informing the client of the value of the plaintiffs' proposed admitted amount of the client's entitlement to distribution from the Client Money (**Proposed Distribution Amount**) and outlining the matters in Orders 3(c) and 3(d) below (**Admitted Entitlement Notice**), such Proposed Distribution Amount being:

A. for the clients in the MT4 AU Clients Database, the 'Equity' or 'Balance' amount (as appropriate) recorded in relation to that client in the MT4 AU Clients Database; and

B. for the MT4 Offshore Database Relevant Clients – nil; and

(ii) asking clients with a Proposed Distribution Amount greater than zero to provide or update their current bank account details in the Client Portal for payment;

(b) subject to Orders 3(c) and 3(d) and 4 to 8 below, the plaintiffs are justified in proceeding with distribution of the entirety of the Client Money, by no earlier than eighty-four (84) days from the date of the Admitted Entitlement Notice, on the following basis:

(i) *First*, subject to Order 4 below relating to client balances under AUD$100, pari passu amongst all persons listed as clients in the MT4 AU Clients Database according to their 'Equity' or 'Balance' amount (as appropriate) recorded in that database, but not exceeding the maximum amount recorded in the Admitted Entitlement Notice or Revised Admitted Entitlement Notice (as applicable);

(ii) *Next*, treating any Client Money remaining, if any, after the distribution in 3(b)(i) above, as assets of the Company;

(c) providing clients a period of twenty-eight (28) days from the date of the Admitted Entitlement Notice to dispute their Proposed Distribution Amount,

whereby the clients must provide the plaintiffs notice in writing with supporting evidence and reasons emailed to the plaintiffs (**Dispute Notice**); and

(d) in the event that any Dispute Notice is received by the plaintiffs, the plaintiffs must review the Dispute Notice and either:

(i) issue a revised Admitted Entitlement Notice (with a revised Proposed Distribution Amount) and, by no earlier than twenty-eight (28) days from the date of the revised Admitted Entitlement Notice, proceed to distribute the client entitlement in accordance with the revised Admitted Entitlement Notice in accordance with Orders 3(b)(i) and 3(b)(ii) above; or

(ii) notify the client in writing with reasons that the Dispute Notice is rejected (**Rejection Notice**) and inform the client that the plaintiffs will proceed to distribute the client entitlement in accordance with the initial Admitted Entitlement Notice in accordance with Order 3(b)(i) above after twenty-eight (28) days from the date of the Rejection Notice, unless the client applies to this Court for orders in relation to the Dispute Notice and the Proposed Distribution Amount before the expiry of twenty-eight (28) days from the date of the Rejection Notice.

Low Account Balances

4. The plaintiffs are justified in treating persons listed in the MT4 AU Clients Database who have an 'Equity' or 'Balance' amount (as the case may be) recorded as AUD$100 or less, as having no right to participate in the distribution of the Client Money.

Conversion of Foreign Currency to Australian Dollars

5. For the purposes of calculating each client's proportionate entitlement to the Client Money and for the purpose of pooling and distributing the same, the plaintiffs are justified in converting any client entitlements in USD to Australian dollars at the exchange rate of USD0.6621 to AUD1 being the exchange rate as at 10 April 2024 (the date of the plaintiffs' appointment).

Credit Bonus Promotion claims

6. For the purposes of calculating the Proposed Distribution Amount and the subsequent distribution, the plaintiffs are justified in assessing the withdrawals of credit bonuses

recorded in the MT4 AU Clients Database by reference to the conditions set out in the 'Credit Bonus Promotion Rules Wholesale Client Only' updated as at 1 October 2023.

Clients for whom no bank account detail available

7. The plaintiffs are justified in:

   (a) requesting in the Admitted Entitlement Notice that all clients in the MT4 AU Clients Database who, to date, have failed to provide valid bank account details for distribution, provide such bank account details within twenty-eight (28) days of the date of the Admitted Entitlement Notice; and

   (b) if no such bank details are provided, paying, at the conclusion of the liquidation of the Company, the distribution of the Client Money for the relevant person to the Australian Securities and Investments Commission in accordance with s 544 of the *Corporations Act 2001* (Cth).

Shortfall of Client Money

8. If, and to the extent that, there is a difference between:

   (a) the Proposed Distribution Amount for a client; and

   (b) the (lesser) amount in fact distributed to that client from the Client Money as part of the process described in Order 3,

   the plaintiffs are justified in acting as if each such client submitted a proof of debt for that difference as unsecured creditors in the liquidation of the Company (without the need for further notification or lodgement of a further proof of debt).

Notice of orders and liberty to apply

9. Within five (5) business days of the date of these orders, the plaintiffs are to give notice of these orders to the Company's creditors (including clients and any persons claiming to be creditors) by means of a circular:

   (a) to be published on the website maintained by the plaintiffs at https://briferrier.com.au/about-us/current-matters/prospero-markets-pty-ltd and uploaded to the Client Portal; and

   (b) sent by email communication to email addresses held by the plaintiffs or the Company.

Electronic communications with clients

10. The plaintiffs are justified in:

(a) communicating with, and serving notices and correspondence on, clients who are unable to access the Client Portal, or who inform the plaintiffs that their email addresses recorded in the MT4 AU Clients Database and MT4 Offshore Database are out of date, by any alternate email address that may be available to the plaintiffs for each client for the purposes of the Proposed Distribution Process; and

(b) adopting and applying the Proposed Distribution Process for the clients in Order 3(a) above.

11. Liberty to apply be granted to any person, including any creditor of the Company or the Australian Securities and Investments Commission, who can demonstrate by affidavit a sufficient interest to vary these orders on the giving of three (3) business days' notice to the plaintiffs, and to the Court, such liberty to be exercised within fourteen (14) days of the plaintiffs complying with Order 3 above.

12. The requirement to provide notice for the purpose of s 63(8) of the *Trustee Act 1925* (NSW) is dispensed with.

13. Any application under s 63(10) of the *Trustee Act 1925* (NSW) is to be made in accordance with the process set out in, and within the time prescribed by, orders 3(c) and 3(d) above.

Costs of the proceedings

14. The liquidators pay the reasonable remuneration and costs of the contradictor on an indemnity basis, such costs to be costs in the winding up.

15. The liquidators' reasonable costs and remuneration in relation to the proceedings be paid on an indemnity basis, such costs to be costs in the winding up.

Originating process

16. The plaintiffs be granted leave to file their further amended originating process in the form handed up to Justice Moore at the hearing on 26 March 2025.

Non-publication

17. Pursuant to s 37AF of the Federal Court of Australia Act 1976 (Cth), until further order of the Court, the information in Annexure A to the affidavit of Jonathon Sherwood Keenan sworn 20 March 2025 is not to be published.

Note: Entry of orders is dealt with in Rule 39.32 of the *Federal Court Rules 2011*.

REASONS FOR JUDGMENT

MOORE J:

1 These proceedings concern what is to happen to client money held by Prospero Markets Pty Limited (in liquidation) ACN 145 048 577 (**Propero**), following the placement of Prospero into liquidation as a result of compliance concerns. The liquidators of Prospero (**Liquidators**) seek judicial advice and directions under s 90-15(1) of the *Insolvency Practice Schedule (Corporations)* (**IPS-Corps**) in Schedule 2 to the *Corporations Act 2001* (Cth) (**Corporations Act**), or alternatively s 63(1) of the *Trustee Act 1925* (NSW) (**Trustee Act**), in relation to the distribution of funds held by Prospero for its clients, and for the Liquidators' remuneration in relation to that distribution.

2 At the hearing of this matter, I received helpful written and oral submissions from the Liquidators and from a contradictor, Mr Mark Wilson, appointed by the Court (**Contradictor**). For the reasons set out below, I have determined that it is appropriate for orders to be made, in substance, along the lines proposed by the Liquidators, but with some modifications. That includes the endorsement of a regime for the distribution of client monies back to Prospero's clients. To accelerate the distribution to clients who have been waiting for their money, I made orders on 2 April 2025. These are the reasons for those orders.

Factual Background

3 Prior to the liquidation, Prospero was the holder of an Australian Financial Services (**AFS**) Licence and operated a foreign exchange over the counter (**OTC**) derivatives business, offering financial products including margin foreign exchange contracts and contracts for difference. Prospero's AFS Licence authorised it to:

(a) make a market for derivatives and foreign exchange contracts;

(b) issue and deal in derivatives and foreign exchange contracts on behalf of clients; and

(c) provide general financial product advice in relation to derivatives and foreign exchange contracts.

4 As part of its operations, Prospero held monies deposited by its clients (**Client Money**). Currently, the amount of Client Money held by Prospero exceeds $19 million.

5 In November 2023, the Australian Securities and Investments Commission (**ASIC**) commenced an investigation into Prospero, citing concerns regarding the management of the

company's business, including compliance with its AFS Licence conditions and obligations as an OTC derivatives issuer under the Corporations Act.

6 ASIC's investigation commenced in the wake of the Australian Federal Police's "Operation Avarus-Nightwolf" which resulted in former officers and responsible managers of Prospero being charged with money-laundering offences in October 2023.

7 Following an application by ASIC, on 10 April 2024, the Court ordered that Prospero be wound up on the just and equitable ground and that the Liquidators (Mr Jonathon Sherwood Keenan, Mr Peter Paul Krejci and Mr Andrew John Cummins) be appointed. Prior to the appointment of the Liquidators, the company had ceased trading and all clients' positions had been closed. For clients of Prospero, these events had the unfortunate practical consequence that their money was caught up in the liquidation of Prospero and unable immediately to be extracted. The orders made on this application will permit that problem to be alleviated.

8 As detailed below, the evidence suggests that monies received from different categories of clients have been intermingled in various accounts (including intermingling between United States dollar (**USD**) and Australian dollar (**AUD**) accounts), and precise tracing is either impossible or impractical. However, there does not appear to have been intermingling between client funds and general company funds.

9 Further, and helpfully for present purposes, Prospero maintained a trading platform referred to as MetaTrader4 (**MT4**) which is connected to a database which records:

(a) client identifying information such as names, addresses, email addresses, and trading history (but not client bank account details); and

(b) client trading information such as deposits, active trades, and "balance" and "equity" amounts,

such that the Liquidators are able to identify the clients of Prospero and identify the amounts that are apparently returnable to each client. I say "apparently", because the distribution process will include a step that enables clients to dispute the distribution amount based on the MT4 records nominated by the Liquidators, such that it remains at least a possibility that the actual distribution to a particular client will vary from the "balance" or "equity" figures recorded for that client on the relevant MT4 database.

10 The Liquidators do not hold the bank account details of every client and the distribution process will therefore need to include a step for the clients to identify appropriate bank accounts for receiving payment.

11 Relevant to this proceeding, there are two MT4 platforms, which have been described in the evidence as the **MT4 AU Clients Platform** and the **MT4 Offshore Platform**. As discussed in more detail below, the evidence indicates that only the MT4 AU Clients Platform and associated database (**MT4 AU Clients Database**) records Client Money. The MT4 Offshore Platform was used for certain clients residing overseas and it and its associated database (**MT4 Offshore Database**) do not record the funds of any Prospero clients.

12 The Liquidators have sought to test the accuracy of the data in the database associated with the MT4 AU Clients Platform, including by comparing that data with information provided by clients of Prospero. That process suggests that the data is accurate, and the limited discrepancies can be explained.

13 Of some relevance to this application, the Liquidators have prepared a statement of estimated outcomes (**Estimated Outcome Statement**) which indicates that, if the available funds are dealt with in accordance with the regime endorsed by the orders of the Court, the funds available for distribution to clients will likely exceed the entitlements of those clients: i.e. there is unlikely to be a shortfall of client funds.

14 The Estimated Outcome Statement also identifies the possible outcomes for creditors. Prospero has a material level of assets. The Liquidators have calculated two scenarios. One is more optimistic, in the sense that there are lower liquidation costs and lower amounts payable to priority and unsecured creditors. One is more pessimistic, in that there are higher liquidation costs and higher amounts due to creditors. On the optimistic scenario, after paying out client entitlements, liquidation costs (including remuneration) of approximately $3.2 million, priority creditors of approximately $1.2 million and unsecured creditors of approximately $1.6 million, there is a surplus available of $611,267 – i.e. unsecured creditors are fully paid and there is money left over. On the pessimistic scenario, after paying out client entitlements, liquidation costs of approximately $3.65 million, and priority creditors of approximately $1.4 million, there are unsecured creditor claims and related costs of approximately $3.3 million and a shortfall of $2,166,165 (i.e. unsecured creditors would receive approximately 35 cents in the dollar). Of course, the actual outcome could be some number in between, or a different outcome entirely. Nevertheless, these projections are useful in identifying the likely range of outcomes

and therefore the likely practical consequences of the issues which the Liquidators have to confront, including the appropriate treatment of the Liquidators' costs and remuneration.

15 The Liquidators seek the Court's judicial advice or directions, including on two primary issues:

(a) First, issues concerning the appropriate source of remuneration and expenses of the Liquidators – in particular, whether the Client Money or the company's general funds are the proper source of payment of the Liquidators' remuneration and costs.

(b) Second, issues regarding the distribution of the Client Money to the clients of Prospero, including, inter alia, the appropriateness of pooling the company's various AUD and USD bank accounts in which Client Money is held, and the treatment of potential entitlements of certain categories of clients.

16 By an order made by the Court on 17 October 2024, the Contradictor was appointed to assist the Court, having regard to the interests of the creditors of Prospero and ensuring fairness between them with respect to the issues identified above. The Contradictor was represented by counsel (Ms E Beechey and Mr N Carey) who provided considerable assistance to the Court.

17 The Court also had the benefit of correspondence from SMB Law, who say they act for 229 onshore clients. SMB Law sent a letter to the Liquidators on 20 March 2025 which provided their clients' position as to relevant issues which were raised for the Court's advice and direction in this proceeding (the **SMB Law Letter**). The letter stated that their clients did not wish to increase costs by intervening in the proceedings. The Liquidators quite properly included this letter in their evidence before the Court and brought these issues to my attention in their submissions to the Court.

18 No clients or creditors appeared at the hearing.

19 Pursuant to r 2.8 of the *Federal Court (Corporations) Rules 2000* (Cth), a person who makes an application for an order under s 90-15 of the IPS-Corps must serve on ASIC, a reasonable time before the hearing of the application, a copy of the originating process, or interlocutory process, and supporting affidavit in respect of the application. On 5 August 2024, the Liquidators sent ASIC a letter that stated that the Liquidators had commenced proceedings to seek remuneration approval and judicial advice in relation the Client Money, and enclosed a sealed copy of the originating process, the supporting affidavit of Jonathan Sherwood Keenan and a redacted copy of Exhibit JSK-1.

General approach to directions

20 Section 90-15 of the IPS-Corps, which is at Schedule 2 of the Corporations Act, and given effect by s 600K of the Corporations Act, provides as follows:

> **90-15 Court may make orders in relation to external administration**
>
> *Court may make orders*
>
> (1) The Court may make such orders as it thinks fit in relation to the external administration of a company.
>
> *Orders on own initiative or on application*
>
> (2) The Court may exercise the power under subsection (1):
>
> (a) on its own initiative, during proceedings before the Court; or
>
> (b) on application under section 90-20.
>
> *Examples of orders that may be made*
>
> (3) Without limiting subsection (1), those orders may include any one or more of the following:
>
> (a) an order determining any question arising in the external administration of the company;
>
> (b) an order that a person cease to be the external administrator of the company;
>
> (c) an order that another registered liquidator be appointed as the external administrator of the company;
>
> (d) an order in relation to the costs of an action (including court action) taken by the external administrator of the company or another person in relation to the external administration of the company;
>
> (e) an order in relation to any loss that the company has sustained because of a breach of duty by the external administrator;
>
> (f) an order in relation to remuneration, including an order requiring a person to repay to a company, or the creditors of a company, remuneration paid to the person as external administrator of the company.
>
> *Matters that may be taken into account*
>
> (4) Without limiting the matters which the Court may take into account when making orders, the Court may take into account:
>
> (a) whether the liquidator has faithfully performed, or is faithfully performing, the liquidator's duties; and
>
> (b) whether an action or failure to act by the liquidator is in compliance with this Act and the Insolvency Practice Rules; and
>
> (c) whether an action or failure to act by the liquidator is in compliance with an order of the Court; and

> (d) whether the company or any other person has suffered, or is likely to suffer, loss or damage because of an action or failure to act by the liquidator; and
>
> (e) the seriousness of the consequences of any action or failure to act by the liquidator, including the effect of that action or failure to act on public confidence in registered liquidators as a group.
>
> …

21 The power conferred on the Court to make "such orders as it thinks fit" under s 90-15(1) is undoubtedly a very broad power. It has been described as such: e.g. *Kelly (as joint and several liquidators of Halifax Investment Services Pty Ltd (in liq)) v Loo (No 8)* (2020) 144 ACSR 292; [2020] FCA 533 at [51] per Gleeson J.

22 The power under s 90-15 is certainly broad enough to permit the Court to make an order in a traditional form of the sort that could be made under former ss 479(3) and 511 of the Corporations Act: *Walley, in the matter of Poles & Underground Pty Ltd (Administrators Appointed)* [2017] FCA 486 (***Walley***) at [41] per Gleeson J; *Re Hawden Property Group Pty Ltd (in liq)* (2018) 125 ACSR 355; [2018] NSWSC 481 at [8] per Gleeson JA; *Reidy, in the matter of eChoice Limited (Administrators Appointed)* [2017] FCA 1582 at [27] per Yates J; *Re Woodhouse (in their capacities as joint and several liquidators of Forex Capital Trading Pty Ltd (in liq))* (2022) 159 ACSR 669; [2022] FCA 600 at [51] per Banks-Smith J.

23 It is unnecessary in the present case for me to make any observations as to the full width of the power under s 90-15, and given that the matter was not the subject of submissions, I will refrain from doing so. I also do not need to consider the extent to which the exercise of the power under s 90-15 should be circumscribed by considerations and principles applicable to former s 479 of the Corporations Act, including those discussed by Goldberg J in *Re Ansett Australia Ltd (No 3)* (2002) 115 FCR 409 (***Ansett***) (see *Walley* at [41] per Gleeson J), because the Liquidators' application is consistent with those considerations and principles in any event. In *Ansett* at [65], Goldberg J observed:

> There must be something more than the making of a business or commercial decision before a court will give directions in relation to, or approving of, the decision. It may be a legal issue of substance or procedure, it may be an issue of power, propriety or reasonableness, but some issue of this nature is required to be raised. It is insufficient to attract an order giving directions that the liquidator or administrator has a feeling of apprehension or unease about the business decision made and wants reassurance. There must be some issue which arises in relation to the decision. A court should not give its imprimatur to a business decision simply to alleviate a liquidator's or administrator's unease. There must be an issue calling for the exercise of legal judgment.

24 Section 63 of the Trustee Act enables a trustee to apply to the Court for an opinion, advice or direction on any question respecting the management or administration of the trust property or the interpretation of the trust instrument. Section 63 provides as follows:

> **63 Advice**
>
> (1) A trustee may apply to the Court for an opinion advice or direction on any question respecting the management or administration of the trust property, or respecting the interpretation of the trust instrument.
>
> (2) If the trustee acts in accordance with the opinion advice or direction, the trustee shall be deemed, so far as regards the trustee's own responsibility, to have discharged the trustee's duty as trustee in the subject matter of the application, provided that the trustee has not been guilty of any fraud or wilful concealment or misrepresentation in obtaining the opinion advice or direction.
>
> …

25 The principles applicable to the Court's power to provide judicial advice under s 63 were considered in detail by the plurality in *Macedonian Orthodox Community Church St Petka Incorporated v His Eminence Petar The Diocesan Bishop of Macedonian Orthodox Diocese of Australia and New Zealand* (2008) 237 CLR 66 (***Macedonian Orthodox Church***) per Gummow ACJ, Kirby, Hayne and Heydon JJ. There, the plurality observed (at [56]-[60]) that the express words of s 63 provide no limitation on the power of the Court to provide judicial guidance or any limitation on the weight to be given to certain discretionary factors. The sole jurisdictional bar to relief under the section is that "the applicant must be able to point to the existence of a question respecting the management or administration of the trust property or a question respecting the interpretation of the trust instrument": *Macedonian Orthodox Church* at [58].

26 In *Re Rosewood Research Pty Limited* [2014] NSWSC 449 at [30], Darke J observed that once that jurisdictional requirement is satisfied, the Court has discretion to provide advice of the kind contemplated by the section and that discretion is confined only by the subject matter, scope and purpose of the legislation.

27 In the present case, the distribution approach proposed by the Liquidators involves choices that have different financial consequences for different groups of people. For example, people listed in the MT4 Offshore Database will likely get nothing, and some of those people have claimed an entitlement to participate in the distribution in respect of significant sums. People with accounts of less than AUD$100 will get nothing. People with accounts in USD will do better or worse depending upon the notional date on which the relevant currency conversion occurs.

The decision as to whether to deduct the Liquidators' costs and remuneration from general assets or from trust assets will preference clients over unsecured creditors, or vice versa. For these and other reasons, the Liquidators may be exposed to claims from disappointed people as a result of the Liquidators' actions in seeking to distribute the funds in a sensible and rational way. In the circumstances, I am amply satisfied that this is an appropriate case for the Court to provide advice and issue directions and I do so, primarily, pursuant to s 90-15(1) of the IPS-Corps.

Money held on trust

28 As observed earlier, Prospero was the holder of an AFS Licence. It provided financial products to its clients and held Client Money to carry out services for its clients, including for the investment and eventual return of funds on behalf of its clients. Its activities attract the operation of s 981A of the Corporations Act, which relevantly provides:

> **981A Money to which Subdivision applies**
>
> (1) This Subdivision applies (subject to subsections (2), (3) and (4)) to money paid to a financial services licensee (the ***licensee***) in the following circumstances:
>
> (a) the money is paid in connection with:
>
> (i) a financial service that has been provided, or that will or may be provided, to a person (the ***client***); or
>
> (ii) a financial product held by a person (the ***client***); and
>
> (b) the money is paid:
>
> (i) by the client; or
>
> (ii) by a person acting on behalf of the client; or
>
> (iii) to the licensee in the licensee's capacity as a person acting on behalf of the client.
>
> …

29 Section 981H relevantly provides as follows:

> **981H Money to which Subdivision applies taken to be held in trust**
>
> (1) Subject to subsection (3), money to which this Subdivision applies that is paid to the licensee:
>
> (a) by the client; or
>
> (b) by a person acting on behalf of the client; or
>
> (c) in the licensee's capacity as a person acting on behalf of the client;
>
> is taken to be held on trust by the licensee for the benefit of the client.

…

30 By virtue of these provisions, the Client Money held by Prospero is taken to be held in trust for the benefit of the clients.

Source of payments of costs / Liquidators' remuneration

31 I deal with this issue early, before dealing with issues relating to the distribution of Client Money, because it has a significant bearing on whether there is likely to be any shortfall of Client Money.

32 The Liquidators seek orders that they are justified in paying their remuneration, costs and expenses from either:

(a) the Client Money held in Prospero's four bank accounts with the Commonwealth Bank of Australia (**the CBA Client Accounts**); or

(b) the general liquidation account, being the general funds of the company.

The Liquidators also seek approval of their reasonable remuneration, expenses and costs incurred to date and expected going forward.

33 The Contradictor submits that these amounts should be payable from the general assets of Prospero, not from the Client Money.

34 The present case is one where Prospero holds both trust monies (being the Client Money) and general assets of the company. The Liquidators have incurred expenses in relation to the investigation and consideration of claims as to the entitlements of clients to the Client Money, including the costs of the present proceedings. Should those expenses and remuneration be payable out of the trust property or out of the general assets? As revealed by the Estimated Outcome Statement, there are sufficient general assets of the company to permit payment of the Liquidators' costs and remuneration (as well as the Contradictor's costs), without any recourse to trust funds. If the costs and remuneration are payable out of the trust property then there is likely to be a shortfall in the Client Money available to pay the clients' entitlements.

35 The relevant activities of the Liquidators in the present case, and the need to return the Client Money to clients, arises from the liquidation of Prospero, in the sense that in the absence of the liquidation (which was not because of any insolvency but because of compliance issues), Prospero would continue to hold financial products attributable to its clients, such as margin foreign exchange contracts and contracts for difference. There would have been no need to

close out all client positions, no need to return all funds to clients, and no need to conduct investigations, consider proofs of debt, or conduct the present application to this Court. The costs and remuneration of the Liquidators in connection with the Client Money is therefore, in that sense, attributable to the winding up of the affairs of Prospero.

36 A somewhat analogous situation arose in *Re G B Nathan and Co Pty Ltd (in liq)* (1991) 24 NSWLR 674 (***G B Nathan***), a decision of McLelland J. The company in question was a licensed money market dealer which invested funds on behalf of clients, including in making loans to third parties and purchasing bills of exchange, on which interest was payable. After reviewing the authorities, McLelland J observed as follows (at 689C-E):

> Where work done by a liquidator in relation to trust assets may properly be considered as having been done for the purpose of "winding up the affairs of the company", it is I think consistent with general principle that any remuneration and expenses attributable to that work be paid out of the (non-trust) property of the company in accordance with s 556 of the *Corporations Law*, to the extent that there is such property available. To the extent that there is not sufficient available property, bearing in mind that generally speaking "a liquidator is not liable to incur any expense in relation to the winding up of a company unless there is sufficient available property" (s 545), it would normally be appropriate to apply the principle referred to by Deputy Judge Nugee QC in the passage quoted earlier from *Re Berkeley Applegate (Investment Consultants) Ltd (In Liq)* and make an allowance to the liquidator out of trust assets. In the present case there is nothing to suggest that there is any relevant insufficiency of available property of the company to meet the liquidator's remuneration and expenses. The evidence suggests that there are realisable assets available to the liquidator of the order of $100,000. Accordingly there is no occasion for any allowance for the liquidator's remuneration and expenses to be made from trust assets.

37 Counsel for the Contradictor suggested that *G B Nathan* was a precedent for the proper approach in the circumstances of the present case, and no counsel was able to identify any authority that criticised the approach in *G B Nathan* or suggested that it was in error. No counsel identified any case in which, there being sufficient general assets to meet a liquidator's remuneration and expenses, a liquidator has nonetheless been permitted to draw on trust funds to meet them. Rather, in each case identified in which a liquidator has drawn on trust funds, there were no general assets or insufficient general assets to meet remuneration and expenses: for example, *In re Berkeley Applegate (Investment Consultants) Ltd (In Liquidation)* [1989] Ch 32 at 53D; *Sutherland Re; French Caledonia Travel Service Pty Ltd (in liq)* (2003) 59 NSWLR 361 at [212]; *In the matter of AAA Financial Intelligence Ltd (in liquidation)* [2014] NSWSC 1004 at [14]; *In the matter of Houben Marine Pty Ltd (in liq)* [2018] NSWSC 745 at [17]; *Kelly, in the matter of Halifax Investment Services Pty Ltd (in liquidation) (No 6)* [2019] FCA 2111 at [29]-[30]; *Lawrence, in the matter of Ozifin Tech Pty Ltd (in liq) v AGM Markets*

Pty Ltd (in liq) [2022] FCA 1478 at [203], [225]. That is not the case here. I propose to follow *G B Nathan*.

38 The appropriateness and reasonableness of that approach is fortified here where:

(a) there are substantial non-trust assets;

(b) as Ms Beechey points out, those assets are likely to have been created or enhanced by the fees that Prospero clients were required to pay under their agreements with Prospero;

(c) for the reasons set out below, the general assets will include all accrued interest on the trust assets, and the trust assets are greater than the general assets, with the consequence that as a result of the delay caused by the liquidation the trust assets have been declining in real terms (at the expense of the clients) and the general assets have been increasing in real terms (for the benefit of the creditors); and

(d) the Client Money is greater than the likely client entitlement, and so the general assets will be supplemented by some of the Client Money.

39 In circumstances where the Liquidators' costs and remuneration associated with the present issues will form part of the overall costs and remuneration of the liquidation payable out of the general assets, there is no need for the Court to approve any sums for costs or remuneration. The only orders the Court needs to make is an order concerning the costs of the Contradictor and an order to enable the Liquidator to recover all of its costs (including remuneration) of these proceedings, such costs to be costs in the winding up. I therefore make orders that:

(a) the Liquidators pay the reasonable remuneration and costs of the Contradictor on an indemnity basis, such costs to be costs in the winding up; and

(b) the Liquidators' reasonable costs and remuneration in relation to the proceedings be paid on an indemnity basis, such costs to be costs in the winding up.

Pooling of money, and conversion

40 The Liquidators seek directions regarding the distribution of the Client Money, including whether the Liquidators should pool money held in different client accounts, and how they should treat the conversion between USD and AUD.

41 The Liquidators have provided evidence that the Client Money was held in the four CBA Client Accounts, differentiated by the client status (being retail or wholesale) and currency of deposits

(being AUD denominated or USD denominated): that is, AUD/wholesale, USD/wholesale, AUD/retail, and USD/retail. The Liquidators seek orders that they are justified in pooling the CBA Client Accounts for the purpose of distributing the Client Money from a single, interest-bearing bank account.

42 If there was an overall deficiency in Client Money, the question of pooling might have greater significance. The general approach to deficient funds was summarised by Markovic J in *Australian Securities and Investments Commission v Caddick (No 2)* [2023] FCA 1196 at [57] as follows:

> In cases concerning distributions of mixed deficient funds, the general rule is that assets should be distributed in accordance with legal entitlements. However, in exceptional circumstances, where it is not reasonably and economically practical to ascertain strict legal entitlements, the Court may take a pragmatic approach even where to do so would amount to "a wise and commercial breach of trust": see *Dean-Willcocks v Soluble Solution Hydroponics Pty Ltd* (1997) 42 NSWLR 209 at 213.

43 As was observed by Brereton J (as his Honour then was) in *Re BBY (recs and mgrs appted) (in liq) (No 2)* (2018) 363 ALR 492; [2018] NSWSC 346 (***Re BBY***) at [57]:

> …while there are references to the "impossibility" of tracing, the notion is not one of absolute impossibility, but whether tracing is not reasonably and economically practical, so that they should be regarded as irretrievably commingled… On the other hand, pooling may be inappropriate where the trust ledger records provide a reliable factual foundation on which to mould relief, and mere difficulty in ascertaining entitlements to permit distribution by single account may not suffice to justify "pooling", though that would be influenced by the size of the estate, the number of claimants, and the degree of difficulty.
>
> (Citations omitted.)

44 An example of a case in which pooling was permitted was *Re Krejci (as joint and several liquidators of Union Standard International Group Pty Ltd (in liq))* (2021) 159 ACSR 590; [2021] FCA 1483, where Jagot J held (at [46], quoting *Georges (in his capacity as joint and several liquidator of Sonray Capital Markets Pty Ltd (in liq)) v Seaborn International (as trustee for the Seaborn Family Trust)* (2012) 288 ALR 240; [2012] FCA 75 (***Sonray***) at [84]) that an exceptional circumstance had arisen to warrant deviation, as in that case it was not "possible to work out precisely who is entitled to what moneys in particular segregated accounts".

45 In the present case, there is unlikely to be an overall deficiency in client funds. However, there are insufficient funds held in the USD denominated accounts to meet USD balances identified in the MT4 AU Clients Platform, and a surplus of funds held in the AUD denominated

accounts. That suggests that there may have been an intermingling of funds. It would not support the desirability of keeping the funds separate, and of assuming that only USD denominated funds contain the money of clients with USD balances. The clients with USD balances would be materially worse off if there was no pooling, because there is a significant shortfall in USD denominated accounts. Given that there is a surplus in the AUD denominated accounts, paying clients with USD denominated entitlements, in part, from AUD denominated accounts is unlikely to be at the expense of clients with AUD denominated entitlements, and therefore it is unlikely that pooling will materially disadvantage any clients when compared to whatever is the true position.

46 The evidence indicates that if the Liquidators were to attempt to trace, that would be time-consuming and expensive. Further, the evidence indicates that the Liquidators are unable to trace fully because Prospero received various bulk deposits from money processors such as Checkout, BPAY and Novatti, and the Liquidators do not have access to any statements that break down those bulk deposits and attribute particular amounts to particular clients. In addition, clients have not provided sufficient remittance information to trace all of their deposits.

47 If the CBA Client Accounts are pooled, the distributions will be in AUD and the balances of clients with USD balances will need to be the subject of currency conversion prior to distribution. Because the amounts will need to be converted as at a particular date, clients with USD denominated balances might be better or worse off depending on the date selected.

48 In all of the circumstances, I am comfortably satisfied that the present case is an appropriate case for pooling, that it is appropriate for the Liquidators to pool the funds in the CBA Client Accounts into a single AUD account, and that there be an order that the Liquidators are justified in treating the money held in the CBA Client Accounts as the full extent of the funds held by Prospero for its clients pursuant to s 981A of the Corporations Act. The orders will endorse a distribution mechanism whereby Client Money is pooled, including converting the client balances in USD into AUD. I note the similar approach taken by Black J in *Re MF Global Australia Ltd (in liq)* [2012] NSWSC 994; (2012) 267 FLR 27 (***MF Global***) at [97].

Conversion rate

49 A conversion rate for converting the USD denominated client balances to AUD would sensibly be selected by reference to a particular date. The Liquidators have submitted, and the Contradictor accepts, that the best position would be by analogy to the position under s 554C

of the Corporations Act: i.e. that the conversion occur at the exchange rate applicable on the date of the winding up order. I agree this is a sensible approach. The orders therefore endorse an approach that the relevant conversion rate should be assessed by reference to the exchange rate as at 10 April 2024, being the date of the Liquidators' appointment.

50 I note that in the SMB Law Letter, it is suggested that conversion should be at the date that the funds are actually converted, if that date produces a higher return for clients with USD balances. I do not accept this is reasonable. A "best of rates" approach is skewed in favour of clients with USD balances. It is always possible that there ends up being a shortfall of Client Money, such that such an approach would advantage one group of clients at the expense of another group. Further, it is not unlikely that there will be a shortfall overall, such that this approach would advantage one group of clients at the expense of creditors. The Liquidators are justified in adopting the approach they propose.

Persons who traded using the MT4 Offshore Database

51 The Liquidators seek a direction that they are justified in treating persons who traded via the MT4 Offshore Platform as having no entitlement to distribution from the Client Money (subject to the possibility that they could establish an entitlement through the process of a Dispute Notice). To understand why that direction is sought, it is necessary to explain Prospero' business, its related offshore entities, and the investigations conducted by the Liquidators to date in a little more detail.

52 In the operation of its business, Prospero used the MT4 trading platform, which was licensed by an entity called MetaQuotes Software Corp, to enable its clients to make trades.

53 As previously explained, the platform connected to a database containing client information, such as names, addresses, emails and MT4 platform trading history, and client trading information including the "balance" and "equity" amounts of each client (the difference between these two figures is explained further below at [96]).

54 For reasons that are not clear to the Liquidators, Prospero onboarded local Australian clients using an existing MT4 licence held in the name of Prospero Markets Company Limited, a company incorporated in New Zealand (**Prospero NZ**). This means that Prospero did not hold the licence to the platform Australian clients used to make trades.

55 However, curiously, Prospero did hold an MT4 licence in its name, but this licence was only used for trades made by clients of an offshore entity, Prospero Markets LLC, incorporated in

Saint Vincent and the Grenadines (**Prospero SVG**). It is not clear to the Liquidators why Prospero did not use the MT4 licence it held in its own name but instead used the licence that was held in the name of Prospero NZ.

56 The Liquidators' investigations to date indicate that Prospero NZ did not have clients. Relevant to the distribution of the Client Money, this supports the inference that the Client Money would not have been mixed with funds deposited by clients of Prospero NZ.

57 It appears that the funds of some persons who traded through the MT4 Offshore Platform were held by an Australian company Chang Jiang Financial Pty Limited ACN 624 164 067 (**Chang Jiang**), which is also in liquidation.

58 The evidence suggests that:

(a) persons who traded using the licence held in the name of Prospero NZ (on the MT4 AU Clients Platform) were clients of Prospero and are entitled to distribution from the Client Money; and

(a) persons who traded using the licence held in the name of Prospero (on the MT4 Offshore Platform) were not clients of Prospero and were instead clients of Prospero SVG. These persons would not be entitled to distribution from the Client Money.

59 To date, 54 individuals who traded using the MT4 Offshore Platform have contacted the Liquidators claiming an entitlement to the Client Money. The total amount of entitlements claimed by these individuals is over $4.5 million. The MT4 Offshore Database records over 33,000 persons who traded on the offshore platform, although it appears this figure may include both 'test' and 'demonstration' accounts that are not referrable to any legitimate individuals.

60 It is possible that some of these 54 individuals thought they were depositing money with Prospero in circumstances where the licence was held in the name of Prospero and the name of Prospero may have appeared on various documents these 54 individuals saw in relation to the database, which would have contributed to their understanding of which entity they were depositing money with. However, the investigations the Liquidators have conducted and the evidence available indicates that it is unlikely that these persons were clients of Prospero.

61 The Liquidators have reviewed correspondence from the 54 individuals who contacted the Liquidators. Various of the individuals have identified bank account numbers (or bank accounts ending with identified numbers) into which they deposited money, but they do not appear to

be amongst the bank accounts held by Prospero. Instead, there is evidence that some of these clients may have been depositing their money into accounts held by Chang Jiang. Further, the records of Prospero identifying clients do not identify any of the persons listed in the MT4 Offshore Platform.

62 Counsel for the Contradictor quite properly drew my attention to additional evidence to suggest that persons who traded via the MT4 Offshore Plaftorm did not have claims to the Client Money, and referred me to three emails in this regard.

63 On 26 April 2024, Mr Hong (Prospero's Head of Institutional Partnerships and responsible manager under the company's AFS Licence) sent an email to the Liquidators which explained as follows:

> As the off-shore entity started operations before the ASIC licence ,but the first MT4 license was obtained first using the AU entity but used for offshore business initially, later on when the ASIC business started operating in 2021 , we initially used 1 server to handle client for both offshore and [onshore], few months into the business we bought over another company (NZ company） which had another MT4 lisence which we used purely for asic clients, months later we did a server migrate moving all au client position and information to the new server (NZ) . therefore now the NZ lisence hold all the ASIC information.
>
> (Errors in original.)

References to "ASIC" are references to what was then the subject of ASIC's investigations, i.e. Prospero, such that the word "Prospero" can be read in place of "ASIC".

64 Subsequently, in an email sent to the Liquidators on 8 May 2024, Mr Hong stated: "To my knowledge there is no PMG clients on PMPL server vice versa". In an earlier email, "PMG" was defined as "Prospero Markets Global LLC" which is likely a reference to Prospero SVG, and "PMPL" was defined as Prospero.

65 Finally, in response to an email from the Liquidators sent on 14 May 2024 which asked, "is it possible to use [A]ustralian entity operational funds if any, to return to Chinese clients", Mr Hong responded as follows:

> No, we cannot deal with any claims that are not clients of Prospero Markets Pty Ltd. You have advised that clients prefixed with "100" are offshore clients, with claims against Prospero Markets LLC, not Prospero Markets Pty Ltd.

66 When taken together, this evidence strongly suggests that clients with money on the MT4 Offshore Platform are not clients with money held by Prospero. That does not mean that the

persons who traded via the MT4 Offshore Platform are not entitled to recover money from their trading accounts. They are just not entitled to recover this from the Client Money.

67 The next issue for me to consider is whether, notwithstanding the prima facie conclusion that individuals who traded via the MT4 Offshore Platform are not entitled to the Client Money, they should be notified of their lack of entitlement – that is, whether they should be afforded the opportunity to seek to prove their entitlement notwithstanding the existing evidence to the contrary. The Contradictor submitted that they should be afforded that opportunity. The Liquidators submitted that they should not, other than those who had already contacted the Liquidators prior to the date of the orders.

68 The evidence of Mr Keenan is that the process of notifying the 33,000 clients on the MT4 Offshore Database will be costly and time-consuming. Mr Keenan estimates that:

(a) the cost of upgrading the Link Market creditor portal and issuing an 'email blast' to the 33,000 persons will be at least $32,700 (plus GST); and

(b) the cost of reviewing Dispute Notices and issuing Rejection Notices to only 1% of the 33,000 persons, which in Mr Keenan's evidence is a conservative percentage, will cost approximately $303,600 (plus GST).

69 There would also be costs associated with translating notices and correspondence, as most of the names recorded in the MT4 Offshore Database are recorded in Chinese characters, and it is presently not possible to determine how many different language translations are required.

70 On that basis, the Liquidators do not propose to notify each of the 33,000 persons in the MT4 Offshore Database, but only propose to notify those individuals listed in the MT4 Offshore Database who contacted the Liquidators prior to the date of the orders I made on 2 April 2025 (i.e. primarily those who contacted the Liquidators in response to previous publicity surrounding Prospero, and the Liquidators' actions in inviting proofs of debt). I note that some of the individuals who contacted the Liquidators have made material claims.

71 Whilst there is a possibility that this course may deprive some persons with genuine claims to the Client Money from raising such claims before the distribution, I am satisfied that the risk of this is minimal and that the Liquidators' investigations strongly suggest that these individuals do not have claims against Client Money. The minimal possibility of a valid claim being brought must also be weighed against the significant cost of undertaking a wider notification, which will, on the evidence available to the Court, reduce by hundreds of

thousands of dollars (and possibly even more) the money available for distribution. This would quite likely cause a shortfall in the funds available to pay clients on the MT4 AU Clients Database, and even more likely cause or aggravate a shortfall of money available to creditors, and thus may materially reduce the amount of money available to people who have valid claims against Prospero.

72 Taking all these matters into account, I am satisfied that the approach proposed by the Liquidators is appropriate. I will therefore make a direction that the Liquidators are justified in adopting a distribution process that does not notify all 33,000 persons on the MT4 Offshore Database of their 'nil' entitlement, but only notifies those individuals listed in the MT4 Offshore Database who contacted the Liquidators prior to the date of the orders I have made on 2 April 2025. I note that this process permits the people in the MT4 Offshore Database who have already contacted the Liquidators to raise a Dispute Notice, and if necessary, apply to the Court for orders in relation to that Dispute Notice.

Persons with "equity" or "balances" of AUD$100 or less

73 The Liquidators seek directions from the Court that in relation to accounts that have an "equity" or "balance" amount of AUD$100 or less, they are justified in automatically treating those accounts as having no right to participate in the distribution of the Client Money. This is in circumstances where the Liquidators' cost of administering the claims in relation to each of these accounts would exceed AUD$100 per account and would reduce the amount available to clients with entitlements above AUD$100.

74 The MT4 AU Clients Database records that 261 accounts have an "equity" or "balance" amount of AUD$100 or less, with the total amount of entitlements for these accounts calculated at $4,268.23. In contrast, the total amount of entitlements of accounts with a balance over AUD$100 is $19,163,520.72, comprising 1,115 accounts in total.

75 The Liquidators provided general evidence that the cost of administering the position of each client with a balance of AUD$100 or less will require, at least, 30 minutes of an intermediate accountant's time, at a rate of $300 per hour (plus GST) to review each client's proof of debt. They submit that this work will then need to be reviewed in batches by managers and/or principals which will increase the overall cost.

76 Accordingly, the Liquidators propose to treat clients with entitlements of AUD$100 or less as having no entitlement to Client Money.

77 The Liquidators submit that this approach has been accepted by the courts in similar situations, and refer to the decision of Brereton J in *Re BBY* at [393]-[397]. There, in making a direction that the Liquidators were justified in treating client accounts with a balance of $100 or less as having no entitlement to participate in the amounts recovered, Brereton J observed (at [396]) that:

> Such a direction gives pragmatic effect to the reality that the costs to the administration (and thus creditors generally) associated with administering a claim for the amount specified are disproportionate to the benefit to the claimant.

78 A similar approach was taken in *Sonray*, where 1,328 clients were excluded from a distribution in circumstances where the total balance for those clients was $8,980.89. The average balance for those 1,328 clients in that case was $6.76, a similarly negligible amount to the average balance in the present case for each client with entitlements under AUD$100, which is $16.35.

79 I accept that the Liquidators' proposed approach is reasonable, and I will order that the Liquidators are justified in taking that approach.

Credit bonus promotion claims

80 The Liquidators' investigations indicate that Prospero offered promotional "bonuses" or "credits" to its clients, and some 51 clients listed on the MT4 AU Clients Database identified bonus amounts, described on the MT4 Client Database as "Total Credit Facility". The "balance" and "Total Credit Facility" figures are then added to produce the client's "equity" figure. The total amount of all "Total Credit Facility" amounts across all clients in the MT4 AU Clients Database is AUD$277,480.

81 The Liquidators were unable to locate a comprehensive set of documents identifying the terms of these promotions and the classes of clients they applied to. They have only been able to locate a set of promotional conditions, described as "Credit Bonus Promotion Rules Wholesale Client Only" updated as at 1 October 2023 (**2023 Wholesale Promotion Rules**), that refer to a set of trading conditions which, if satisfied, allow the relevant clients to convert trading "Credits" into "Credit Bonuses".

82 In circumstances where the Liquidators do not have complete records of the bonuses or promotions applicable to the company's clients, the Liquidators seek directions that it is reasonable to apply the terms from the 2023 Wholesale Promotion Rules to all clients who satisfy those terms. The Contradictor agrees with this course.

83 Notwithstanding the absence of complete records to suggest that the promotional conditions in the 2023 Wholesale Promotion Rules would have been the same conditions that applied to all clients, I am satisfied that this is a pragmatic solution to ensure, as far as possible, that clients entitled to bonus promotions are not deprived of their bonus amounts, but also that clients not entitled to bonus amounts are not overcompensated.

Interest

84 The Client Money accrues interest of approximately $60,000 per month. As at 6 February 2025, there was accrued interest of $658,424. The Liquidators submit that the accrued interest should be treated as a general asset of the company and not paid to clients. The Contradictor agrees.

85 As set out earlier, the Client Money is money to which Subdivision A of Division 2 of Part 7.8 of the Corporations Act applies. Section 981B requires that the money be paid into an account with certain features. Section 981C makes provision for, inter alia, interest, and relevantly provides as follows:

> (1) The regulations may deal with all or any of the following in relation to accounts, or a class of accounts, maintained for the purposes of s 981B:
>
> …
>
> (c) how interest on an account is to be dealt with;
>
> …

86 Regulation 7.8.02(7) of the *Corporations Regulations 2001* (Cth) (**Corporations Regulations**) provides that, for s 981C(1)(c) of the Corporations Act, if money is held in an account maintained for s 981B of the Corporations Act, then:

> (a) the financial services licensee is entitled to the interest on the account; and
>
> (b) the interest on the account is not required to be paid into the account;
>
> only if the financial services licensee discloses to the client that the financial services licensee is keeping the interest (if any) earned on the account.

87 The Liquidators were unable to locate a comprehensive set of agreements applicable to different types of clients (for example, wholesale or retail) and at different points in time. The Liquidators were able to recover a Whole Client Agreement as at 29 March 2021 and Terms and Conditions for retail clients as at 5 October 2021. Both agreements state that Prospero "are solely entitled to any interest or earnings derived from your moneys being deposited with us or invested by us in accordance with the Applicable Laws". While the Court cannot be certain

that this term was included in the agreements of all relevant clients, it is likely that it was and that sufficient disclosure has been provided to clients. As was submitted by the Contradictor, a liquidator seeking judicial direction is not required to prove the facts to a certain standard of proof as would be the case in adversarial litigation: *Macedonian Orthodox Church* at [78]-[81].

88 I am satisfied that I should make a direction to the effect that the Liquidators are justified in treating any Client Money remaining after clients have been given their entitlements recorded in the MT4 AU Clients Database as assets of Prospero. That will include accrued interest, as well as any other undistributed funds. However, that also means that interest will only become an asset of Prospero after client entitlements are paid in full, consistently with the order of payment specified in reg 7.8.03(6) of the Corporations Regulations; see also *MF Global* at [168]-[179] per Black J. That means that in the event there would otherwise be a deficiency, the interest should first be used to meet the deficiency in Client Money.

Distribution Process

89 The Liquidators have proposed a process of calculating each client's individual entitlement to the Client Money and distributing each client's entitlement where they are eligible (**the Distribution Process**). The Distribution Process was largely unopposed by the Contradictor, save in relation to the notice period which I discuss below.

90 The Distribution Process is premised on clients receiving distributions which are determined by reference to the "balance" recorded in their account on the MT4 AU Clients Database, or their "equity" where appropriate. The Liquidators have conducted a manual adjudication process to ensure the accuracy of the Company's records against the claims from creditors, which involved reviewing supporting documentation provided by clients. The evidence suggests that the records of entitlements in the MT4 AU Clients Database appear to be accurate. Only limited discrepancies have been identified between the proofs of entitlement lodged by the clients and the balances recorded for the relevant clients in the MT4 AU Clients Database, and the Liquidators have identified rational explanations for those discrepancies. For example, some clients had not deducted trading losses.

91 Some clients claim that the amount they are entitled to was reduced due to the forced closure of their positions by the Company. Any such claims are properly classified as potential damages claim, and the clients would be unsecured creditors in respect of those claims.

92 I am satisfied that a direction should be made that the Liquidator would be justified in using the "balance" recorded in the MT4 AU Clients Database for the purpose of calculating the entitlements of Prospero's clients to the Client Money, subject to the observations below about the "equity" field in the database.

Notice

93 The Distribution Process involves notifying each client of their entitlement to the Client Money by way of an **Admitted Entitlement Notice**. Each client should be emailed if an email address has been recorded in the MT4 AU Clients Database, or the MT4 Offshore Database for the class of MT4 Offshore Database clients who are being notified.

94 Regardless of whether a client is part of the MT4 AU Clients Database or MT4 Offshore Database, the notification will usually take place by email. However, in circumstances where there is no email address recorded or emailing would not be the most appropriate method of communication, the Liquidators are entitled to post correspondence to the client's last known address.

95 The Admitted Entitlement Notice should inform each client of:

(a) the unique login credentials that they can use to access the Client Portal;

(b) the proposed distribution amount from the Client Money (**the Proposed Distribution Amount**); and

(c) how to dispute the Proposed Distribution Amount and the review process relating to any dispute about the Proposed Distribution Amount.

96 For clients in the MT4 AU Clients Database, the Proposed Distribution Amount is recorded as either the "equity" or "balance" amount recorded in relation to each specific client in the MT4 AU Clients Database. The "equity" amount recorded on the database may be different from the "balance" amount for certain clients, as the "equity" amount includes bonus entitlements of the clients. The Liquidators propose to assess the entitlement of clients to bonuses, and where appropriate use the "equity" amount if the client is entitled to bonus amounts.

97 For clients with a Proposed Distribution Amount greater than nil that are part of the MT4 AU Clients Database, the Admitted Entitlement Notice will also request that they provide further bank details or update their current bank details. Clients of the MT4 AU Clients Database with

a Proposed Distribution Amount that is less than AUD$100 and all clients of the MT4 Offshore Database will not be required to provide or update their bank account details.

98 In the Distribution Process, the Liquidators have 84 days from the date of the Admitted Entitlement Notice to distribute the entirety of the Client Money to each client that has an entitlement. The 84 day period is necessary to permit clients to dispute the Admitted Entitlement Notice if they wish to do so through the process that I describe below.

99 At the conclusion of the 84 day period:

(a) clients with entitlements above AUD$100 will receive their Proposed Distribution Amount *pari passu* amongst all the other clients in the MT4 AU Clients Database according to their "balance" amount (or "equity" amount, where appropriate) recorded in that database; and

(b) any Client Money remaining after this distribution will be treated as part of the general assets of Prospero.

100 These two steps accord with the approach specified under regulation 7.8.03(6) of the Corporations Regulations, which relevantly provides as follows:

> **7.8.03 How money to be dealt with if licensee ceases to be licensed etc**
>
> …
>
> (6) Money in the account of the financial services licensee maintained for section 981B of the Act is to be paid as follows:
>
> (a) the first payment is of money that has been paid into the account in error;
>
> (b) if money has been received on behalf of insureds in accordance with a contract of insurance the second payment is payment to each insured person who is entitled to be paid money from the account, in the following orders:
>
> (i) the amounts that the insured persons are entitled to receive from the moneys in the account in respect of claims that have been made;
>
> (ii) the amounts that the insured persons are entitled to receive from the moneys in the account in respect of other matters;
>
> (c) if:
>
> (i) paragraph (b) has been complied with; or
>
> (ii) paragraph (b) does not apply;
>
> the next payment is payment to each person who is entitled to be paid

money from the account;

(d) if the money in the account is not sufficient to be paid in accordance with paragraphs (a), (b) or (c), the money in the account must be paid in proportion to the amount of each person's entitlement;

(e) if there is money remaining in the account after payments made in accordance with paragraphs (a), (b) and (c), the remaining money is taken to be money payable to the financial services licensee.

Disputing the Admitted Entitlement Notice

101 Each notification will contain a process by which the recipient can dispute the Admitted Entitlement Notice.

102 The Liquidators originally proposed a dispute process which provided clients with 14 days to dispute the Admitted Entitlement Notice. The Contradictor considered this to be too short and suggested a 28 day period would be more suitable. The Liquidators did not oppose a longer period, and I consider it reasonable to provide a longer period (being 28 days) to dispute any entitlements.

103 If a client does dispute their Proposed Distribution Amount, the process provides a mechanism for them to do so via providing the Liquidators with notice of the dispute in writing with supporting evidence and reasons (**Dispute Notice**). The Liquidators will then either (1) issue a revised Admitted Entitlement Notice containing a revised Proposed Distribution Amount; or (2) issue a Rejection Notice informing the client that their Dispute Notice has been rejected.

104 In circumstances where the client disagrees with the Rejection Notice, the Liquidators proposed providing that client with 14 days to apply to the Court for a review of the Admitted Entitlement Notice. The Contradictor contended that 14 days was too short and 28 days should be provided instead. I also consider that a longer period is reasonable in these circumstances.

Unclaimed money

105 Under the Distribution Process, clients will be contacted either via email or, in some instances, by post. The Liquidators have given evidence that for some clients there are no bank account details available. They are therefore not able to immediately return all money to all clients. In these instances, the Liquidators will request further bank details from the clients when sending the Admitted Entitlement Notice to people with a non-zero entitlement. There is a possibility that in cases where the Liquidators have requested further information from the clients, the clients do not respond.

106 For example, the Liquidators have provided evidence of an "email blast" sent to clients of the MT4 AU Clients Database on 8 May 2024, the relevant part of which was as follows:

> You are receiving this email as you may be a creditor of the Company. An Initial Report to Creditors was issued on 8 May 2024 regarding the Liquidation. This report can be accessed on the creditor portal (link below). This report was issued to all known creditors of the Company, including clients, former employees, trades and unsecured creditors.
>
> The Liquidators are using a Creditor Portal hosted via LINK Market Services for the purposes of capturing claims, uploading documentation (including banking instructions), conducting the formal adjudication process and ultimately, distributing funds to creditors.
>
> The Creditor Portal provides greater security for creditors and the Liquidators, by requiring an identification verification process to be completed in order to submit a claim and upload documentation (including banking instructions). This creates a safer environment for information to be shared.
>
> Accordingly, we require all parties with claims against the Company to login to the Creditor Portal to lodge a Formal Proof of Debt form, with relevant supporting documentation. This includes any parties that have already contacted the Liquidators' office, and/or lodged claim documentation.

107 Some clients did not engage with the email blast, some clients did not identify themselves and other clients do not have Australian bank account details. The Distribution Process therefore presents another opportunity for clients that did not engage with the original email to be contacted and to provide missing details.

108 There may be several reasons why some clients did not respond to the original email. There is a risk that clients have not responded because the contact details on the system are not current or are incorrect. Clients could possibly perceive the emails as spam. These are some of the reasons why it is appropriate that post be used as an alternative where the Liquidators deem it appropriate. In some cases, the clients may be genuinely uninterested in engaging further.

109 There is time and cost expended in pursuing clients that have not provided bank details. The Admitted Entitlement Notice procedure provides each client with 28 days to provide further bank account details. If the clients do not provide any bank account details, the Proposed Distribution Amount which pertains to such clients will be considered unclaimed Client Money.

110 The Liquidators and the Contradictor have proposed in such circumstances that unclaimed Client Money of this type should be distributed to ASIC pursuant to s 544 of the Corporations Act. I agree that is an appropriate approach and make an order accordingly that the Liquidators are justified in taking that approach.

Shortfall of Client Money

111 In the event that there is a shortfall of Client Money, such that clients of Prospero are not able to receive their full entitlements, the Liquidators propose that, to obviate the need for a further proof of debt, the Liquidators be entitled to act as if each such client submitted a proof of debt for the difference as an unsecured creditor in the liquidation of Prospero.

Orders in light of the Trustee Act

112 Section 63(8) of the Trustee Act provides that where the question is who are the beneficiaries or what are their rights as between themselves, the trustee before conveying or distributing any property in accordance with the opinion, advice or direction shall, unless the Court otherwise directs, give notice to any person whose rights as beneficiary may be prejudiced by the conveyance or distribution.

113 The orders that I make do not strictly resolve any potential claim by any beneficiary to trust assets. However, they could have a practical effect of prejudicing the position of a beneficiary who would otherwise be entitled to a repayment. For example, they provide that the Liquidators are justified in treating persons who have an entitlement of AUD$100 or less as having no right to participate in the distribution of the Client Money. In those circumstances, I will make an order dispensing with the requirement to provide notice for the purpose of s 63(8) of the Trustee Act.

114 Section 63(10) of the Trustee Act provides that any person who claims that the person's rights as beneficiary will be prejudiced by the conveyance or distribution may within such time as may be prescribed by rules of court, or as may be fixed by the Court, apply to the Court for such order or directions as the circumstances may require, and during such time and while the application is pending, the trustee shall abstain from making the conveyance or distribution. Given that the Distribution Process contains notice periods, I will make an order that any application under s 63(10) of the Trustee Act is to be made in accordance with the process set

out in, and within the time prescribed by, the relevant orders relating to the provision of a Dispute Notice.

I certify that the preceding one hundred and fifteen (114) numbered paragraphs are a true copy of the Reasons for Judgment of the Honourable Justice Moore.

Associate: 

Dated: 24 April 2025

Commonwealth Bank
Commonwealth Bank of Australia
ABN 48 123 123 124

Group Services Legal

Commonwealth Bank Place South
Level 3, 11 Harbour St
Sydney NSW 2000

16 November 2023

Mark Schneider and Ben Fisher
Hamilton Locke

By email only: mark.schneider@hamiltonlocke.com.au and ben.fisher@hamiltonlocke.com.au

Dear Mr Schneider and Mr Fisher

Restraint of accounts of Prospero Markets Pty Ltd ACN 145 048 577 (Company)

Thank you for your letter of 15 November 2023.

We further appreciate the patience that your client and firm has shown whilst the parties navigate the matters which have led to CBA placing freezes on the following accounts (**Accounts**):

Account Number ending	Account name	Account Type
0119	Prospero Markets Pty Ltd	Cheque Acct Bearing Interest
0135	Prospero Markets Pty Ltd	Cheque Acct Bearing Interest
9842	Prospero Markets Pty Ltd	Cheque Acct Bearing Interest
9981	Prospero Markets Pty Ltd	Cheque Acct Bearing Interest
0143	Prospero Markets Pty Ltd	Business Foreign Currency Acct
0151	Prospero Markets Pty Ltd	Business Foreign Currency Acct

Having considered the matters raised in your letter, CBA expressly disagrees with the matters raised in 2(a) and (d) of your Letter.

Your client would clearly be aware that:

1. Mr Ding Wang had authority to operate the Accounts prior to 25 October 2023; and
2. He was the sole signatory who had online access to the Accounts.

In the above circumstances, it is reasonable to conclude that Mr Ding Wang had a legal or beneficial interest in part or all of the funds held in the Accounts.

On that basis, the Accounts were restrained, together with CBA relying on the contractual terms of its accounts, namely:

1. In respect of Business Transaction Accounts, Clause 2.6. of the CommBank Business Transaction & Savings Accounts Terms and Conditions effective 1 October 2023; and
2. In respect of the Business Foreign Currency Account, Clause 2.7 of the Foreign Currency Accounts Terms and Conditions effective 31 July 2023

CBA, as the facilitator of banking services only, who is not a party to the proceedings, is not in a position to conclusive determine whether or not the funds held in the Accounts may be legally or beneficially owned by Mr Ding Wang.

CBA has carefully considered the matters communicated by both the officers of your client directly and as set out in paragraph 2(e) and (f) of your Letter.

CBA's position is that it has acted appropriately and in accordance with its legal obligations and contractual rights.

However, given the concerns that you and your client have raised, CBA will agree to lift the freeze on the Accounts on the basis that:

1. Mr Ding Wang is firstly removed as an authorised operator of the Accounts;

2. Any assets owned by Mr Ding Wang, either legally or beneficially which are held in the Accounts, remain restrained;

3. CBA reserve its rights to restrain one or more of the Accounts in accordance with its contractual terms and conditions, as appropriate; and

4. CBA will further review its position in response to any further or other order served on it.

CBA otherwise reserves its rights.

Yours sincerely,

Richard Lewin
Senior Legal Counsel
Commonwealth Bank of Australia

CC: Australian Federal Police – Attn Mr Jen Sheehan, by email only, Jen.Sheehan@afp.gov.au

Order

Federal Court of Australia
District Registry: New South Wales
Division: General

No.

IN THE MATTER OF PROSPERO MARKETS PTY LTD (IN LIQUIDATION)
ACN 145 048 577

JONATHON SHERWOOD KEENAN and others named in the schedule
Plaintiffs

REGISTRAR:

DATE OF ORDER MADE:

WHERE MADE: Sydney

THE COURT ORDERS THAT:

1. Pursuant to s 597(9) of the *Corporations Act 2001* (Cth) and rule 30.34 of the *Federal Court Rules 2011* (Cth), Sheng Yin Wang is required to produce to the Federal Court of Australia at 184 Phillip Street, Sydney NSW 2000, on a date convenient to the Court (being not less than 2 weeks before the return date in orders 1 and 2 of the originating process, the documents or things specified in the Schedule to this order.

2. The plaintiffs have liberty to apply.

.....
District Registrar

Date that entry is stamped:

Filed on behalf of	Jonathon Sherwood Keenan, Peter Paul Krejci and Andrew John Cummins as Liquidators of Prospero Markets Pty Ltd (in Liquidation), Plaintiffs		
Prepared by	Adam Cutri, Partner		
Law firm	Bartier Perry Lawyers		
Tel	+61 2 8281 7800	Fax	+61 2 8281 7838
Email	litigation@bartier.com.au	Ref	RXA 242423

Address for Service **BARTIER PERRY**
Level 25, 161 Castlereagh Street, Sydney NSW 2000
Email: litigation@bartier.com.au

SCHEDULE

A. DEFINED TERMS

Company means Prospero Markets Pty Ltd (In Liquidation) ACN 145 048 577 (and includes any director, officer, employee or agent).

Document has the same meaning as described in the *Evidence Act 1995* (Cth).

Prospero Markets LLC means the entity registered in St Vincent & The Grenadines (and includes any director, officer, employee or agent).

You means Sheng Yin Wang.

B. SCHEDULE OF DOCUMENTS

1. Any Documents showing or tending to show the current financial position of Prospero Markets LLC, including but not limited to:

    (a) balance sheet of Prospero Markets LLC.

2. Any Documents showing or tending to show the current assets of Prospero Markets LLC, including but not limited to:

    (a) statements of current asset holdings;

    (b) bank statements;

    (c) cryptocurrency account statements; and

    (d) statements from liquidity providers.

3. Any documents showing or tending to show the current liabilities of Prospero Markets LLC, including but not limited to:

    (a) a list of creditors; and

    (b) a list of client liabilities.

Order

Federal Court of Australia
District Registry: New South Wales
Division: General

No.

IN THE MATTER OF PROSPERO MARKETS PTY LTD (IN LIQUIDATION)
ACN 145 048 577

JONATHON SHERWOOD KEENAN and others named in the schedule
Plaintiffs

REGISTRAR:

DATE OF ORDER MADE:

WHERE MADE: Sydney

THE COURT ORDERS THAT:

1. Pursuant to s 597(9) of the *Corporations Act 2001* (Cth) and rule 30.34 of the *Federal Court Rules 2011* (Cth), Ye ('Eric') Qu is required to produce to the Federal Court of Australia at 184 Phillip Street, Sydney NSW 2000, on a date convenient to the Court (being not less than 2 weeks before the return date in orders 1 and 2 of the originating process, the documents or things specified in the Schedule to this order.

2. The plaintiffs have liberty to apply.

.....
District Registrar

Date that entry is stamped:

Filed on behalf of	Jonathon Sherwood Keenan, Peter Paul Krejci and Andrew John Cummins as Liquidators of Prospero Markets Pty Ltd (in Liquidation), Plaintiffs		
Prepared by	Adam Cutri, Partner		
Law firm	Bartier Perry Lawyers		
Tel	+61 2 8281 7800	Fax	+61 2 8281 7838
Email	litigation@bartier.com.au	Ref	RXA 242423

Address for Service **BARTIER PERRY**
Level 25, 161 Castlereagh Street, Sydney NSW 2000
Email: litigation@bartier.com.au

SCHEDULE

A. DEFINED TERMS

Company means Prospero Markets Pty Ltd (In Liquidation) ACN 145 048 577 (and includes any director, officer, employee or agent).

Document has the same meaning as described in the *Evidence Act 1995* (Cth).

Prospero Markets LLC means the entity registered in St Vincent & The Grenadines (and includes any director, officer, employee or agent).

You means Ye ('Eric') Qu.

B. SCHEDULE OF DOCUMENTS

1. Any Documents showing or tending to show the current financial position of Prospero Markets LLC, including but not limited to:

    (a) balance sheet of Prospero Markets LLC.

2. Any Documents showing or tending to show the current assets of Prospero Markets LLC, including but not limited to:

    (a) statements of current asset holdings;

    (b) bank statements;

    (c) cryptocurrency account statements; and

    (d) statements from liquidity providers.

3. Any documents showing or tending to show the current liabilities of Prospero Markets LLC, including but not limited to:

    (a) a list of creditors; and

    (b) a list of client liabilities.

Order

Federal Court of Australia
District Registry: New South Wales
Division: General

No.

IN THE MATTER OF PROSPERO MARKETS PTY LTD (IN LIQUIDATION)
ACN 145 048 577

JONATHON SHERWOOD KEENAN and others named in the schedule
Plaintiffs

REGISTRAR:

DATE OF ORDER MADE:

WHERE MADE: Sydney

THE COURT ORDERS THAT:

1. Pursuant to s 597(9) of the *Corporations Act 2001* (Cth) and rule 30.34 of the *Federal Court Rules 2011* (Cth), Ding Wang is required to produce to the Federal Court of Australia at 184 Phillip Street, Sydney NSW 2000, on a date convenient to the Court (being not less than 2 weeks before the return date in orders 1 and 2 of the originating process, the documents or things specified in the Schedule to this order.

2. The plaintiffs have liberty to apply.

.....
District Registrar

Date that entry is stamped:

Filed on behalf of	Jonathon Sherwood Keenan, Peter Paul Krejci and Andrew John Cummins as Liquidators of Prospero Markets Pty Ltd (in Liquidation), Plaintiffs		
Prepared by	Adam Cutri, Partner		
Law firm	Bartier Perry Lawyers		
Tel	+61 2 8281 7800	Fax	+61 2 8281 7838
Email	litigation@bartier.com.au	Ref	RXA 242423

Address for Service **BARTIER PERRY**
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SCHEDULE

A. DEFINED TERMS

Company means Prospero Markets Pty Ltd (In Liquidation) ACN 145 048 577 (and includes any director, officer, employee or agent).

Document has the same meaning as described in the *Evidence Act 1995* (Cth).

Prospero Markets LLC means the entity registered in St Vincent & The Grenadines (and includes any director, officer, employee or agent).

You means Ding Wang.

B. SCHEDULE OF DOCUMENTS

1. Any Documents showing or tending to show the current financial position of Prospero Markets LLC, including but not limited to:

    (a) balance sheet of Prospero Markets LLC.

2. Any Documents showing or tending to show the current assets of Prospero Markets LLC, including but not limited to:

    (a) statements of current asset holdings;

    (b) bank statements;

    (c) cryptocurrency account statements; and

    (d) statements from liquidity providers.

3. Any documents showing or tending to show the current liabilities of Prospero Markets LLC, including but not limited to:

    (a) a list of creditors; and

    (b) a list of client liabilities.