

March 3, 2021

Circular to Customers

Dear Sirs,

Subject: Torque Group Holdings Limited (In Provisional Liquidation), BVI Company Registration Number: 2024611

Jason Kardachi and I were appointed Joint Provisional Liquidators (“Provisional Liquidators”) of Torque Group Holdings Limited (“Torque” or “Company”) pursuant to an order of the Eastern Caribbean Supreme Court of the British Virgin Islands dated 2 March 2021 (“Order”). A copy of the Order will be provided once made available by the BVI Court Registrar.

Upon the appointment of the Provisional Liquidators, the power of the directors of Torque have ceased and the directors no longer have any authority to deal with the assets of Torque. All dealings in Torque must now be authorised by one of the Provisional Liquidators or their authorised representatives.

Among other things, the responsibilities of the Provisional Liquidators include identifying, taking control of and realising the assets of Torque and carrying out such investigations as the Provisional Liquidators consider appropriate.

The Provisional Liquidators immediate next steps will focus on:

- identifying and verifying customer claims;
- investigating transactions of concern; and
- communications.

Identifying and verifying customer claims

Torque has over 14,000 estimated customers spanning more than 120 countries. The Provisional Liquidators process to properly identify customers and verify the value of their claims will be a complex and time-consuming process.

The Provisional Liquidators are considering cost effective methods to undertake this process and will revert with an update as soon as possible.

Investigating transactions of concern

As many Torque customers are aware, various transactions of concern were recently identified involving a former management representative who: (1) undertook unauthorised leveraged cryptocurrency trades resulting in substantial losses to the Company; and (2) may have misappropriated certain cryptocurrency assets.

The Provisional Liquidators will investigate the circumstances of these transactions of concern and seek to recover/seize misappropriated assets and minimise losses to the Company's creditors. This will involve expert forensic accounting and technology services.

Whilst these investigations will be pursued as a priority, the Provisional Liquidators expect this process will take time given:

- the complexity involved in tracing movement of cryptocurrency assets;
- extensive scale of customers and information that needs to be obtained, reviewed, and analysed; and
- what appears to be at this early stage relatively weak corporate governance, controls and documentation.

All Torque customer accounts to remain frozen

Unfortunately, all Torque user accounts will remain frozen for the foreseeable future.

The Provisional Liquidators are not legally capable of repaying any Torque customers until they have properly verified all 14,000 customer claims and completed at least their preliminary investigations into the transactions of concern. Given the number of customers and the complexity of Torque's business, these processes will be challenging and likely take (at least) several months.

The Provisional Liquidators aim to provide an estimated timeline for securing/realising Torque's cryptocurrency assets and verifying creditor claims in coming weeks.

Communications Protocol

The Provisional liquidators will endeavour to update Torque customers as regularly as possible. However, given there are approximately 14,000 customers, responding to all customer queries individually is not feasible or economical. It is important the Provisional Liquidators focus the Company's limited cash resources on investigating and recovering assets to maximise the returns available to customers.

The Provisional Liquidators' current intention is to issue regular updates ("Creditor Circulars") to all customers by email and deal with other queries raised as appropriate. The Creditor Circulars will also be uploaded to Borrelli

Walsh's website (<https://www.borrelliwalsh.com/creditors/>). In the event that any meaningful progress is otherwise made, the Provisional Liquidators will issue further ad hoc updates as and when appropriate.

The Provisional Liquidators' answers to individual creditor queries will be consolidated and issued to all potential creditors by Creditor Circular as and when appropriate.

For any urgent customer, creditor and media enquiries, please contact the Provisional Liquidators at: torque@borrelliwalsh.com.

Sincerely,



Philip Smith
Joint Provisional Liquidator
Torque Group Holdings Limited
(In Provisional Liquidation)