



## **Frequently Asked Questions (FAQs)**

**Disclaimer:** These FAQs are meant to provide guidance on the management of Issuer default on a Lending-based crowdfunding. They do not constitute legal advice. You may not have sufficient information to make fully informed investment decisions. The securities made available through BRDGE as a platform/facility are offered in reliance on the exemption under section 272A(1) of the Securities and Futures Act ("SFA"). There is no statutory obligation for issuers or intermediaries to provide you with information that you would reasonably require to make informed assessments of offers being made to you. You are expected to be familiar with your rights and obligations under all applicable laws, rules and regulations in Singapore. Where in doubt, please seek independent legal advice.

### **General Related**

**Q: Will BRDGE provide the documentation proof of their work?**

**A:** Due to confidentiality, BRDGE is unable to provide any documents. Please refer to the below stated clauses in the Lender Loan Agreement, which grant BRDGE full rights to manage all documents on the behalf of the Matched Lenders.

10.11. You hereby irrevocably appoint the Company as Your agent and representative to perform the following duties for as long as this Agreement remains in force and where you are a Matched Lender:

10.11.1. to communicate Your Lending Commitments to any Borrowers to whom You are Matched;

10.11.2. to act as your agent in relation to each Loan Agreement for the purpose of enforcing or procuring the enforcement of each Loan. Upon the occurrence of an Event of Default, BRDGE shall be authorized to initiate recovery proceedings against the Borrower on Your behalf;

10.11.3. to manage the recovery processes where any Borrower has failed to make payments to You under any Loan Agreement or where an Event of Default has occurred. As part of this recovery process, You hereby provide Us with the requisite authority to instruct appropriate legal advisors or a Collections Agency to act on Your behalf;

10.11.4. to appoint the Security Agent to act as security agent (on terms more specifically set out in each Loan Agreement) to hold any security constituted in the Security Documents on behalf of the Matched Lenders, and BRDGE, together with the Security Agent, shall be entitled to enforce the Security Documents on Your behalf where necessary.

**Q: Why is BRDGE so slow in responding to the Matched Lenders' feedback / Request?**

**A:** BRDGE operates as an online portal and does not offer one-on-one consultations. All communication will be conducted via mass emails and FAQs. For urgent matters, we will respond within 14 days.

**Q: Can I report make a police report for such investment loss?**

**A:** No, the Matched Lender Investors only have a legal claim over the Borrower. However, the Matched Lender Investors can only do so in accordance with the Loan Agreement.



## ***Frequently Asked Questions (FAQs)***

**Disclaimer:** These FAQs are meant to provide guidance on the management of Issuer default on a Lending-based crowdfunding. They do not constitute legal advice. You may not have sufficient information to make fully informed investment decisions. The securities made available through BRDGE as a platform/facility are offered in reliance on the exemption under section 272A(1) of the Securities and Futures Act ("SFA"). There is no statutory obligation for issuers or intermediaries to provide you with information that you would reasonably require to make informed assessments of offers being made to you. You are expected to be familiar with your rights and obligations under all applicable laws, rules and regulations in Singapore. Where in doubt, please seek independent legal advice.

### ***General Related***

**Q:** There are people on the Internet forum claiming to be the "Group Representative" of BRDGE Matched Lender Investors and is rallying others to crowd fund class action fees to claim against the Borrower, BRDGE or the authority for a special settlement to recover their investment loss.

If I were to join such class action group, can I recover my additional crowd fund class action fees from the Borrower?

Can BRDGE negotiate with these "Group Representative" for a special settlement without other Matched Lender Investors' approval?

**A:** The Singapore Police has issued a warning about fund recovery scams via SMS and the internet. These scams claim to assist people in recovering money lost to investments and other fraudulent activities.

BRDGE is regulated by MAS under the Securities and Futures Act (Cap. 289) (the "SFA") and the Financial Advisers Act (Cap. 110) (the "FAA"). BRDGE is committed to complying with these regulations and the Loan Agreement. BRDGE will never engage with any "Group representative" of the Matched Lender Investors, as doing so would violate the Loan Agreement.

Both the Matched Lender Investors and the Borrower are legally bound to the Loan Agreement. In the event of a borrower default, Matched Lender Investors can only make claims in accordance with the Loan Agreement. No other third parties or authorities are legally responsible for such investment losses.

**If you're approached by any unidentified person who claimed to be a "Group representative", it's advisable to seek independent legal advice or contact the Singapore Police by visiting [www.scamalert.sg](http://www.scamalert.sg) or call the Anti-Scam Helpline at 1800-722-6688.**



## Frequently Asked Questions (FAQs)

**Disclaimer:** These FAQs are meant to provide guidance on the management of Issuer default on a Lending-based crowdfunding. They do not constitute legal advice. You may not have sufficient information to make fully informed investment decisions. The securities made available through BRDGE as a platform/facility are offered in reliance on the exemption under section 272A(1) of the Securities and Futures Act ("SFA"). There is no statutory obligation for issuers or intermediaries to provide you with information that you would reasonably require to make informed assessments of offers being made to you. You are expected to be familiar with your rights and obligations under all applicable laws, rules and regulations in Singapore. Where in doubt, please seek independent legal advice.

### Loan Recovery Process

#### **Q: What does Charge Off means? How is Charge Off different from Write-Off?**

**A:** BRDGE acts as an independent third-party platform that connects Matched Lenders with Borrowers/Guarantors under the Original Loan Agreements. The loans ultimately belong to the Matched Lenders.

Write off of a loan means that the Matched Lenders have determined that the defaulted loan is unlikely to be collected, and it will be removed from the Lenders' balance sheet as an asset. This action acknowledges that the loan has become uncollectible, typically after all collection efforts have been exhausted. However, when a Matched Lenders writes off a loan to balance their books, it does not mean that the Borrowers can cancel the loan as their liability. To the Borrowers, the loan is still active. Although the debt is written off for accounting purposes, it may still be recovered if the borrower repays the outstanding amount at any point in time.

Charge Off of a loan means that BRDGE planned to remove the Loan off its Platform as BRDGE had ceased the offering of such unsecured loans, thereafter, Matched Lenders will only be informed of the status of these defaulted loans when (i) the Borrowers discharged the loan by repaying it, or (ii) when the Borrowers is bankrupt.

#### **Q: What is a Charge-Off, Write-off and Waive-off? What is the different between them?**

**A:** BRDGE is an independent third-party platform that connects the Matched Lender Investors and Borrowers/Guarantors under the loan agreements. These loans ultimately belong to the Matched Lenders.

In accounting terminology, when the Borrower cannot pay a loan due for whatever reason, BRDGE term them as "Non-Performing Loan" (NPLs). There are two ways in which the Matched Lender Investors can deal with NPLs, they either write-off ("Write-Off") or waive-off ("Waive-Off") the NPLs to balance their ledgers.

A Write-off means the Matched Lender Investors has written the account off as a loss, and the account is closed to future charges, Write-Off may be sold or transferred to a debt buyer or collection agency. The Lender is still legally obligated to pay the Loan.

A Waive-Off means the lender has given up all claims to the loan amount, it is a complete cancellation of a loan, meaning the borrower is free from their debt. A write-off of a loan means that the Matched Lenders have determined that the defaulted loan is unlikely to be collected and will be removed from their balance sheet as an asset. This action acknowledges that the loan has become uncollectible, typically after all collection efforts have been exhausted. However, when a Matched Lender writes off a loan to balance their books, it does not mean that the Borrowers can cancel the loan as their liability. To the Borrowers, the loan is still active. Although the debt is written off for accounting purposes, it may still be recovered if the borrower repays the outstanding amount at any point in time.

Charge Off of a loan means that BRDGE planned to remove the Loan off its Platform as BRDGE had ceased the offering of such unsecured loans in the future. Thereafter, Matched Lenders will only be informed of the status of these defaulted loans when: (i) the Borrowers discharged the loan by repaying in full or in part; or (ii) the Borrowers is liquidated.



## Frequently Asked Questions (FAQs)

**Disclaimer:** These FAQs are meant to provide guidance on the management of Issuer default on a Lending-based crowdfunding. They do not constitute legal advice. You may not have sufficient information to make fully informed investment decisions. The securities made available through BRDGE as a platform/facility are offered in reliance on the exemption under section 272A(1) of the Securities and Futures Act ("SFA"). There is no statutory obligation for issuers or intermediaries to provide you with information that you would reasonably require to make informed assessments of offers being made to you. You are expected to be familiar with your rights and obligations under all applicable laws, rules and regulations in Singapore. Where in doubt, please seek independent legal advice.

### Loan Recovery Process

#### Q: Why did it take this long to finally offer liquidation/wind up/charge off?

**A:** BRDGE being a regulated Crowd Funding Lending-Based Platform, is a direct financial company servicing as an independent party to the Matched Lender Investors and Borrowers. Ultimately the Loan contract is between the Matched Lender Investors and the Borrowers, involves only them, leaving out BRDGE as the platform entirely. Such contractual arrangement has granted Matched Lender Investors, the benefit of earning a higher interest return when a Loan is well served, and the risk of higher default risks and tedious loan recovery process when a Loan had defaulted.

When a loan defaults, BRDGE has no rights or obligations to it. However, BRDGE is required to assist the Matched Lender Investors fairly and ethically in the loan recovery process. This process, known as the 'Loan Recovery Process', is designed to balance the interests of all parties involved.

While BRDGE's goal is to maximise the recovery for all Matched Lenders Investors, BRDGE is required to do so in compliance with the legal and regulatory requirements, including obtaining a majority of 80% of Matched Lenders Investors to collectively approve and fund the Loan Recovery Process, as well as to uphold the legal rights of the Borrowers by protecting the Borrowers' confidentiality and ensuring the Borrowers are free from harassment and threats during the Loan Recovery Process.

Due to the nature of BRDGE's role as a neutral intermediary, BRDGE's Loan Recovery Process for default loans is complex and time-consuming. It involves a thorough investigation and may take longer than the recovery process of traditional financial intermediaries, such as banks.

#### Q: What are the actions taken for defaulted loans?

**A:** Over the past 18 months, BRDGE has taken several actions to recover default loans with varying degrees of success:

- 1. Issue Letter of Demand to the Borrowers/Guarantors:** The previous management of BRDGE had sent demand letters to the Borrowers/Guarantors. While effective for pursuing solvent Borrowers, it had little impact on those who were insolvent and facing poor business outlooks.
- 2. Hiring a Debt Collection Agency (DCA):** The previous management of BRDGE hired a DCA to deal with the Borrowers. The appointed DCA reported that there was little that could be done against these Borrowers who had gone out of business without any assets.
- 3. Loan Restructuring:** The previous management team of BRDGE renegotiated with some Borrowers and their Matched Lenders to restructure the defaulted loan with a longer repayment period. However, all Borrowers that have restructured their loan continued to default, as the late fees of 58% per annum were too high for them to bear. The above actions were taken by the previous management of BRDGE and did not yield significant results. The current new Management team then executed the following actions since April 2024:
- 4. Charge Off:** BRDGE has reassessed and charged off loans from Borrowers that have been wound up or pending winding-up, as these defaulted Borrowers are insolvent and no longer able to repay the loans. Charging off these loans will allow Matched Lenders to have a realistic sense of their investment losses and better plan their finances in the near term.
- 5. Wind-up:** The new management team is seeking approval and funding from affected Matched Lenders investors to proceed with the legal actions needed to wind up defaulted Borrowers and/or Guarantors. Considering that all previous actions have failed to recover the defaulted loans, it is likely that these Borrowers and/or Guarantors it is unlikely to



## ***Frequently Asked Questions (FAQs)***

**Disclaimer:** These FAQs are meant to provide guidance on the management of Issuer default on a Lending-based crowdfunding. They do not constitute legal advice. You may not have sufficient information to make fully informed investment decisions. The securities made available through BRDGE as a platform/facility are offered in reliance on the exemption under section 272A(1) of the Securities and Futures Act ("SFA"). There is no statutory obligation for issuers or intermediaries to provide you with information that you would reasonably require to make informed assessments of offers being made to you. You are expected to be familiar with your rights and obligations under all applicable laws, rules and regulations in Singapore. Where in doubt, please seek independent legal advice.

repay without legal pressure. Hence, it is in the best interest of Matched Lenders investors to proceed with legal action. Alternatively, if 80% of the majority Matched Lenders investors DO NOT wish to proceed with the legal action, then these loans will be written off, and BRDGE will no longer actively pursue the Loan Recovery Process and will Charge Off this Matched Loan of its Platform. Shall the defaulted Borrowers and/or Guarantors were to repay the loan in the next 6 years, Matched Lenders will still be informed and receive the repayment. Otherwise, all loans will be written off after 6 years.

**6. Debt Settlement:** The new management has been meeting and negotiating with some Borrowers and/or Guarantors who are still in business but facing dire financial situations. A debt settlement with a discounted immediate repayment is being considered. Such a full and final settlement will allow the Matched Lenders investors to recover part of their invested sum and avoid facing uncertainty about recovering any repayment in the future.

**It's important to note that these actions taken for defaulted loans will be lengthy and does not guarantee any specific result.**

Nevertheless, the new Management team of BRDGE is committed to exploring and exhausting all possible recovery options in the best interests of all stakeholders. The team will assist all Matched Lenders Investors in making informed decisions. We appreciate your patience and understanding as we navigate through these complex situations in the next 2 months.



## Frequently Asked Questions (FAQs)

**Disclaimer:** These FAQs are meant to provide guidance on the management of Issuer default on a Lending-based crowdfunding. They do not constitute legal advice. You may not have sufficient information to make fully informed investment decisions. The securities made available through BRDGE as a platform/facility are offered in reliance on the exemption under section 272A(1) of the Securities and Futures Act ("SFA"). There is no statutory obligation for issuers or intermediaries to provide you with information that you would reasonably require to make informed assessments of offers being made to you. You are expected to be familiar with your rights and obligations under all applicable laws, rules and regulations in Singapore. Where in doubt, please seek independent legal advice.

### Wind-Up Application Related

**Q: If I voted Yes to support the legal action and contributed to the insolvency fees, what are my chances of recovering my Loan investment and insolvency fees?**

**A:** BRDGE, as a capital markets services licensee offering lending-based crowdfunding ("Lending Crowdfunding"), is regulated by MAS under the Securities and Futures Act (Cap. 289) (the "SFA") and the Financial Advisers Act (Cap. 110) (the "FAA"). BRDGE offers all securities via its online platform in reliance on the exemption under section 272A(1) of the SFA. There is no statutory obligation for issuers or intermediaries to provide information required to make informed assessments of offers.

**BRDGE is unable to provide legal or investment advice, and does not directly participate in the legal process. Lenders are encouraged to seek independent legal advice when in doubt.**

Generally, lenders can improve the chances of recovering a loan by taking legal actions to pressure the Borrower. However, even if the lender pursues a lawsuit, there is no guarantee that the loan and insolvency fees can be fully recovered. Below are some issues for lenders to consider when deciding if they should pursue legal actions and incur additional cost:

**1. Uncertain Outcomes of Legal Action => Varied Results:** Legal proceedings can yield varied results based on the borrower's financial status, available assets, and other factors. This should make you cautious and prepared for any outcome **Complexity and Duration:** Lawsuits can be complex and time-consuming, sometimes taking months or even years to reach a resolution.

**2. Borrower's / Guarantor's Financial Condition => Asset Availability:** Shall the borrower lacks sufficient assets or income to repay, even a favourable court ruling may not result in full repayment of loan and/or legal fees. **Bankruptcy:** Shall the borrower declares bankruptcy, the legal process becomes more complicated, and recovery of loan may be significantly reduced or become zero.

**3. Costs Involved => Legal Fees:** Pursuing legal action incurs costs that can impact the recovery of loan. **Uncertainty of Repayment:** Even with legal action, the borrower's ability to repay the loan in full cannot be guaranteed.

Given the current default status, Matched Lender Investors face the risk of total loss on their Loan invested and recovery fees. Matched Lender Investors should be aware of this potential risk of total loss and exercise caution in their decisions to pursue a lawsuit. Matched Lender Investors are encouraged to seek independent legal advice when in doubt.

The risks associated with Loan Investments, including the potential total loss of the invested capital and recovery fees, are clearly stated in the BRDGE's Lender Participant Agreement and Loan Agreements. The total loss risk was made known and accepted by all Matched Lender Investors during their onboarding process on the BRDGE Platform. Please refer to the Lender's Participant Agreement and Loan agreements, which clearly state the disclaimer of the investment risk relating to a Loan investment on a lending-based crowdfunding platform.

**Q: What Happens if the Required 80% Voting Threshold for Legal Proceedings is Never Met?**

**A:** According to the Lender Loan Agreement, it is BRDGE's responsibility to act on the vote taken by the Matched Lenders, provided the vote is unanimous, or the Matched Lenders holding 80% or more of the Lending Commitments in respect of the Loans vote for such an action. If the required threshold for the Matched Lenders' vote is not achieved, BRDGE is entitled not to act.



## Frequently Asked Questions (FAQs)

**Disclaimer:** These FAQs are meant to provide guidance on the management of Issuer default on a Lending-based crowdfunding. They do not constitute legal advice. You may not have sufficient information to make fully informed investment decisions. The securities made available through BRDGE as a platform/facility are offered in reliance on the exemption under section 272A(1) of the Securities and Futures Act ("SFA"). There is no statutory obligation for issuers or intermediaries to provide you with information that you would reasonably require to make informed assessments of offers being made to you. You are expected to be familiar with your rights and obligations under all applicable laws, rules and regulations in Singapore. Where in doubt, please seek independent legal advice.

**As of 9th July 2024**, based on the voting response for the Notice of Wind-up Application for all defaulted loans, Matched Lenders Investors holding 80% or more of the Lending Commitments in respect of the Loans had voted NOT to commence legal action against the Borrowers and accept the Loan investment as a write-off, which authorised BRDGE to charge off the Loan within 90 days of the Notice.

On average, less than 17.5% of the Matched Lenders Investors had voted to support and fund the Loan Recovery Process. **As such, BRDGE is responsible for writing off the Loan investment based on the vote taken by the majority of the Matched Lenders Investors.**

Nevertheless, the new and independent Management of BRDGE wishes to assist the minority Matched Lenders Investors who are seeking to commence legal action against the Borrower. Hence, BRDGE will extend the Wind-up Voting Exercise until 25 July 2024.

Shall the extension of voting exercise failed to achieve 80% approval for Legal Proceedings, BRDGE is legally bound to act on the vote of the majority Matched Lenders Investors' decision and proceed to write off these defaulted Loans.

### Q: How to make payment after voting?

**A:** BRDGE will send out the voting results to all Matched Lenders after we completed the Voting exercise in end July 2024.

Shall a 80% threshold to fund the legal proceeding is met, BRDGE will provide information about the payment in the same email.

In the event that the 80% threshold is not met, no payment will be collected for the Insolvency Fees.

### Q: How does BRDGE ensure the accuracy of the voting results for all Wind-Up Applications?

**A:** The voting exercise for all Wind-Up Applications is performed electronically via our automated email voting program.

This ensures all Matched Lenders votes are tracked and processed automatically, improving efficiency and reducing human error.

The compliance team will work with the Internal Audit Team to verify the data, ensuring that all voting results are accurately recorded and documented for future audits.

BRDGE is a Capital Markets Services licensee offering lending-based crowdfunding ("P2P Lending") regulated by MAS under the Securities and Futures Act (Cap. 289) (the "SFA") and the Financial Advisers Act (Cap. 110) (the "FAA"), BRDGE is subject to internal audit and annual external audit.

**Q:** Why are the professional fees for the Wind-Up Application collected from Matched Lender Investors and not paid by the Borrowers or BRDGE?

**A:** BRDGE is a regulated Crowd Funding Lending-Based Platform, serving as an independent party to both Investors and Borrowers. It's important to note that the loan contract is a direct agreement between the matched lender investors





## **Frequently Asked Questions (FAQs)**

**Disclaimer:** These FAQs are meant to provide guidance on the management of Issuer default on a Lending-based crowdfunding. They do not constitute legal advice. You may not have sufficient information to make fully informed investment decisions. The securities made available through BRDGE as a platform/facility are offered in reliance on the exemption under section 272A(1) of the Securities and Futures Act ("SFA"). There is no statutory obligation for issuers or intermediaries to provide you with information that you would reasonably require to make informed assessments of offers being made to you. You are expected to be familiar with your rights and obligations under all applicable laws, rules and regulations in Singapore. Where in doubt, please seek independent legal advice.

and the borrowers. BRDGE, as an independent entity, does not interfere in this contract, promoting a clear and direct relationship between the two parties.

The loan recovery process requires a collective decision made by an 80% majority of matched lender investors. This means that all matched lender investors, including the minority, are legally bound to this decision and share the responsibility for all related costs, including administrative and legal costs.

As such, BRDGE is not legally liable to pay for the Professional Fees for the Wind-Up Application.

**Q: Could BRDGE pay the professional fees on behalf of all Matched Lenders Investors and then deduct the amount from the Loans Recovery when the Borrowers/Guarantors repay the loan?**

**A:** No. For the past two years, even without generating any income from these default Loans, BRDGE, out of goodwill, has been paying all lawyers' and debt collectors' costs on behalf of the Matched Lender Investors.

Moving forward, for a Loan Recovery Process that involves court action, BRDGE is legally not required and financially unable to continue to subsidize the Matched Lender Investors. This is why the Matched Lender Investors are now required to vote and decide whether they are willing to approve and fund the Loan Recovery Process or choose to write off their Loan.

**Q: Will BRDGE be financially compensated for the Loan Recovery Process?**

**A:** No, BRDGE will not receive financial compensation from the Loan Recovery Process.

**Q: Considering the impact of the insolvency professional fees on the Loans Recovery Fund, is it true that insolvency professional claims are given priority over all other claims and can be the first to be paid off with the Loans Recovery Fund? In this scenario, could the insolvency professionals delay collecting their professional fees and then subtract their fees from the Loan Recovery Fund when the Borrowers/Guarantors repay the loan?**

**A:** No, there is no certainty that there will be any repayment from the Borrowers and Guarantors, hence the insolvency professionals will only start work after their professional fees is fully paid.

**Q: The Insolvency Professional Fees appear to be disproportionately high compared to the outstanding loans**

**A:** The Insolvency Professional Fees are based on a minimum cost, the complexity of the engagement, and the number of Matched Lender Investors who will co-share the fees. Due to this, for some loan investments, the Insolvency Professional Fees may be disproportionately high compared to the outstanding loans. Matched Lender Investors affected by this issue should be cautious when deciding whether to proceed with the recovery process. If you are unsure, please seek independent legal advice.

**A: Will BRDGE extend the Voting Exercise for all Wind-Up Applications?**

**Q:** Yes, all voting campaigns before June 2024 is now extended until July 25, 2024.





## Frequently Asked Questions (FAQs)

**Disclaimer:** These FAQs are meant to provide guidance on the management of Issuer default on a Lending-based crowdfunding. They do not constitute legal advice. You may not have sufficient information to make fully informed investment decisions. The securities made available through BRDGE as a platform/facility are offered in reliance on the exemption under section 272A(1) of the Securities and Futures Act ("SFA"). There is no statutory obligation for issuers or intermediaries to provide you with information that you would reasonably require to make informed assessments of offers being made to you. You are expected to be familiar with your rights and obligations under all applicable laws, rules and regulations in Singapore. Where in doubt, please seek independent legal advice.

### Wind-Up Application Related

**Q: If I voted Yes to support the legal action and contributed to the insolvency fees, what are my chances of recovering my Loan investment and insolvency fees?**

**A:** BRDGE, as a capital markets services licensee offering lending-based crowdfunding ("Lending Crowdfunding"), is regulated by MAS under the Securities and Futures Act (Cap. 289) (the "SFA") and the Financial Advisers Act (Cap. 110) (the "FAA"). BRDGE offers all securities via its online platform in reliance on the exemption under section 272A(1) of the SFA. There is no statutory obligation for issuers or intermediaries to provide information required to make informed assessments of offers.

**BRDGE is unable to provide legal or investment advice, and does not directly participate in the legal process. Lenders are encouraged to seek independent legal advice when in doubt.**

Generally, lenders can improve the chances of recovering a loan by taking legal actions to pressure the Borrower. However, even if the lender pursues a lawsuit, there is no guarantee that the loan and insolvency fees can be fully recovered. Below are some issues for lenders to consider when deciding if they should pursue legal actions and incur additional cost:

**1. Uncertain Outcomes of Legal Action => Varied Results:** Legal proceedings can yield varied results based on the borrower's financial status, available assets, and other factors. This should make you cautious and prepared for any outcome  
**Complexity and Duration:** Lawsuits can be complex and time-consuming, sometimes taking months or even years to reach a resolution.

**2. Borrower's / Guarantor's Financial Condition => Asset Availability:** Shall the borrower lacks sufficient assets or income to repay, even a favourable court ruling may not result in full repayment of loan and/or legal fees. **Bankruptcy:** Shall the borrower declares bankruptcy, the legal process becomes more complicated, and recovery of loan may be significantly reduced or become zero.

**3. Costs Involved => Legal Fees:** Pursuing legal action incurs costs that can impact the recovery of loan.  
**Uncertainty of Repayment:** Even with legal action, the borrower's ability to repay the loan in full cannot be guaranteed.

Given the current default status, Matched Lender Investors face the risk of total loss on their Loan invested and recovery fees. Matched Lender Investors should be aware of this potential risk of total loss and exercise caution in their decisions to pursue a lawsuit. Matched Lender Investors are encouraged to seek independent legal advice when in doubt.

The risks associated with Loan Investments, including the potential total loss of the invested capital and recovery fees, are clearly stated in the BRDGE's Lender Participant Agreement and Loan Agreements. The total loss risk was made known and accepted by all Matched Lender Investors during their onboarding process on the BRDGE Platform. Please refer to the Lender's Participant Agreement and Loan agreements, which clearly state the disclaimer of the investment risk relating to a Loan investment on a lending-based crowdfunding platform.

**Q: What is BRDGE's legal obligations and responsibilities/roles in the process?**

**A:** The Insolvency Professional is fully in charge of the Winding-up process against the Borrowers / Guarantors. BRDGE's duty and role is limited to representing the Matched Lender Investors.



## Frequently Asked Questions (FAQs)

**Disclaimer:** These FAQs are meant to provide guidance on the management of Issuer default on a Lending-based crowdfunding. They do not constitute legal advice. You may not have sufficient information to make fully informed investment decisions. The securities made available through BRDGE as a platform/facility are offered in reliance on the exemption under section 272A(1) of the Securities and Futures Act ("SFA"). There is no statutory obligation for issuers or intermediaries to provide you with information that you would reasonably require to make informed assessments of offers being made to you. You are expected to be familiar with your rights and obligations under all applicable laws, rules and regulations in Singapore. Where in doubt, please seek independent legal advice.

<b>Wind-Up Application Related</b>
<p><b>Q: Does BRDGE gain by writing off or selling the loans to avoid further costs for the voting process?</b></p> <p><b>A:</b> No. BRDGE is not a party to the loan and does not stand to gain financially in any way.</p>
<p><b>Q: How does the voting process work? What happens to those who do not respond?</b></p> <p><b>A:</b> BRDGE will send out a Wind-up notification email to all matched lenders to prompt voting. This email will specify a deadline for responses. BRDGE will default to categorizing any non-response as a "NO Vote," as no further action is needed from those who choose not to vote.</p>
<p><b>Q: How does BRDGE ensure that all the matched lenders had received notice of the voting exercise or that all reasonable attempts had been made to reach out to them?</b></p> <p><b>A:</b> Over the past two years, BRDGE has dedicated resources to conduct over 20 rounds of voting, along with two town hall meetings in 2023, all at BRDGE's expense. All emails sent to the MLIs are documented as per BRDGE's records. Under the Loan Agreement, BRDGE has gone beyond its legal obligations to keep the MLIs informed. BRDGE's commercial stance is that all MLIs who have signed up for a loan through an e-platform like BRDGE are technically equipped to access their emails. Those concerned about the recoverability of the loan would have been proactive in reaching out to BRDGE or responding to its emails.</p>
<p><b>Q: All voting are based on Lending Commitments, does BRDGE pro-rate or weigh the votes from each matched lender accordingly in relation to the 80% threshold?</b></p> <p><b>A:</b> All voting is automatically pro-rated based on the loan amount rather than the number of voters.</p>
<p><b>Q: For matched lenders who were uncontactable, is it certain that their lack of response would not impact the voting outcome?</b></p> <p><b>A:</b> BRDGE cannot determine this with certainty, as many email systems have anti-spam features that may block such communications. BRDGE's commercial stance is that all MLIs who have signed up for a loan through an e-platform like BRDGE are technically equipped to access their emails. Those concerned about the recoverability of the loan would have been proactive in reaching out to BRDGE or responding to its emails.</p>
<p><b>Q: Were there any technical issues faced by matched lenders when submitting their votes, and if so, were these issues fully resolved?</b></p> <p><b>A:</b> Any matched lenders who received the voting emails and experienced issues voting "YES" can write to BRDGE at <a href="mailto:recovery@brdge.tech">recovery@brdge.tech</a>. BRDGE will respond to all matched lenders and provide assistance.</p>
<p><b>Q: Could BRDGE consider hiring Debt Collection company to recover?</b></p> <p><b>A:</b> Since the default of the Loan Investment, BRDGE had already incurred resources and fees to hire three Debt Collection companies to start the initial recovery process. Unfortunately, all Debt Collectors have given up on these cases as no business or assets can extract value from these borrowers. We cannot continue the debt recovery process without the MLI to fund the lawyer to pursue their claim via a court action.</p>



## ***Frequently Asked Questions (FAQs)***

**Disclaimer:** These FAQs are meant to provide guidance on the management of Issuer default on a Lending-based crowdfunding. They do not constitute legal advice. You may not have sufficient information to make fully informed investment decisions. The securities made available through BRDGE as a platform/facility are offered in reliance on the exemption under section 272A(1) of the Securities and Futures Act ("SFA"). There is no statutory obligation for issuers or intermediaries to provide you with information that you would reasonably require to make informed assessments of offers being made to you. You are expected to be familiar with your rights and obligations under all applicable laws, rules and regulations in Singapore. Where in doubt, please seek independent legal advice.

As of Aug 2024, most of the MLI for some defaulted loans have voted to indicate that they will no longer pursue this claim, as it is financially not economical