

8 December 2022

Mek Global Limited
Suite 23, 1st Floor, Eden Plaza,
Eden Island, Mahé,
Republic of Seychelles

Dear Sir / Madam

MEK GLOBAL LIMITED (“KUCOIN”) – PROOF OF RESERVE (“POR”) REPORT

Our report is solely for the purposes of offering KuCoin’s customers additional transparency and reassurance that their *In-Scope Assets* are collateralized, exist on the blockchain(s) and are under the control of KuCoin at the below mentioned reporting date. For the purpose of this Agreed-Upon Procedures (“AUP”) engagement the term “collateralized” will be defined as where KuCoin’s *In-Scope Assets* are equal to or greater than the liability as per the *Customer Liability Report* owed to customers.

For the purpose of this engagement the customers’ main, trade, margin, robot, contract, high frequency trading, pool, risk and trust accounts for BTC, ETH, USDT and USDC held on the Bitcoin, Ethereum, Tron, Algorand, EOS, Arbitrum and KuCoin Community Chain blockchains/networks will be defined as the *In-Scope Assets*. The block height of these *In-Scope Assets* have been assessed as 764792, 16055211, 46297139, and 25125115, 280599061, 41408524 and 15644888 for Bitcoin, Ethereum, Tron, Algorand, EOS, Arbitrum and KuCoin Community Chain respectively as at 23:59:59 UTC + 8 on 26 November 2022 (“Reporting Date”).

KuCoin has requested that we perform an AUP engagement on the customers’ cryptocurrency holdings and corresponding liability of funds owed to the customers of KuCoin as at 23:59:59 Universal Time Coordinate (“UTC”) + 8 on the 26th of November 2022 (“the reporting date”). The management of KuCoin acknowledge that the AUP are appropriate for the purpose of the engagement and are responsible for the subject matter on which the AUP are performed.

We have conducted the AUP engagement in accordance with the International Standard on Related Services (ISRS) 4400 (Revised), *Agreed-Upon Procedures Engagements*. An AUP engagement involves us performing the procedures that have been agreed with KuCoin, and reporting the findings, which are the factual results of the AUP performed. We make no representation regarding the appropriateness of the AUP.

This AUP engagement is not an assurance (financial audit) engagement. Accordingly, we do not express an opinion or an assurance conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported. Our report does not cover any transactions and/or balance holdings of KuCoin after the reporting date or address any other assessments beyond the scope of this engagement.

We have complied with the relevant ethical requirements. For the purpose of this engagement, there

are no independence requirements with which we are required to comply.

Our firm applies International Standard on Quality Control (ISQC) 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*, and accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

PROCEDURES AND FINDINGS

We have performed the procedures described below, which were agreed upon with KuCoin on the POR report.

	Procedure	Findings
1	Obtain from management the <i>Asset Balance Reports</i> for the <i>In-Scope Assets</i> as at 23:59:59 UTC + 8 on 26 th November 2022 that lists and quantifies the nominal balance of all customers' <i>In-Scope Assets</i> held by KuCoin.	We obtained from management the <i>Asset Balance Reports</i> for the <i>In-Scope Assets</i> as at 23:59:59 UTC + 8 the 26 th of November 2022 that list and quantify the nominal balances of all customers' <i>In-Scope Assets</i> held by KuCoin.
2	Obtain from management a full listing of all <i>In-Scope Assets</i> ' public keys/addresses that constitutes the nominal balances included in the <i>Asset Balance Reports</i> referred to in procedure 1 as at 23:59:59 UTC + 8 on the 26 th of November 2022.	We obtained from management a full listing of all <i>In-Scope Assets</i> ' public keys/addresses that constitutes the nominal balances included in the <i>Asset Balance Reports</i> referred to in procedure 1 as at 23:59:59 UTC + 8 on the 26 th of November 2022.
3	Independently obtain the nominal balance, as at 23:59:59 UTC + 8 on the 26 th of November 2022, of each of the public keys/addresses obtained as part of procedure 2 from their respective blockchains.	We independently obtained the nominal balance, as at 23:59:59 UTC +8 on the 26 th of November 2022, of each of the public keys/addresses obtained as part of procedure 2 from their respective blockchains.
4	Compare the total nominal balance of each blockchain's <i>In-Scope Asset</i> obtained in procedure 3 to the <i>Asset Balance Reports</i> obtained in procedure 1 and document any variances greater than 1%.	We compared the total nominal balance of each blockchain's <i>In-Scope Asset</i> obtained in procedure 3 to the <i>Asset Balance Reports</i> obtained in procedure 1 and did not find any variances greater than 1%.
5	For each of the public keys/addresses obtained in procedure 2, perform a combination of; <ul style="list-style-type: none"> - cryptographic message signing, where Mazars provides to KuCoin a unique message to cryptographically sign using their associated private key(s) and for Mazars to cryptographically verify the message; and/or - linking extended public key(s) with 	For each of the public keys/addresses obtained in procedure 2, we performed a combination ¹ of; <ul style="list-style-type: none"> - cryptographic message signing, whereby Mazars provided KuCoin a unique message to cryptographically sign using their associated private key(s). Mazars then cryptographically verified the message; and/or

¹ One or more of the listed procedures.

	<p>multiple child public key/address(es); and/or</p> <ul style="list-style-type: none"> - perform “instructed movement of funds”, where management is instructed to move a specific amount from a public key/address on a specific time and obtain the transactional hash to verify the instructed transaction on the respective blockchain. <p>The combination of the above procedures corroborates that KuCoin has ownership over the private key(s) associated with the public key/addresses referred to in procedure 2 and controls the funds held in the public keys/address as at 23:59:59 UTC +8 on the 26th of November 2022.</p>	<ul style="list-style-type: none"> - linking extended public key(s) with multiple child public key/address(es); and/or - performed “instructed movement of funds”, where management was instructed to move a specific amount from a public key/address on a specific time. We obtained the transactional hash and verified the instructed transaction on the respective blockchain. <p>The combination of the above procedures corroborates that KuCoin has ownership over the verified public keys/addresses referred to in procedure 2 and controls the funds held in those public keys/addresses as at 23:59:59 UTC +8 on the 26th of November 2022.</p>
6	<p>Obtain and inspect the scripts used by management to extract the <i>Customer Liability Report</i> from the database to ensure the logic and the parameters are designed to extract a complete and accurate listing of client liability balances of the <i>In-Scope Assets</i> as at 23:59:59 UTC +8 on the 26th of November 2022 while excluding any internal accounts. Observe management access the database and execute the scripts to extract the relevant data from the database. Obtain the data produced from management (i.e. the <i>Customer Liability Report</i>) and perform a row count and sum check on the data set to ensure that the data extracted is complete.</p>	<p>We obtained and inspected the scripts used by management to extract the <i>Customer Liability Report</i>² from the database. Based on management’s explanation of the various parameters we ensured that the logic and the parameters are designed to extract a complete and accurate listing of client liability balances of the <i>In-Scope Assets</i> as at 23:59:59 UTC +8 on the 26th of November 2022 while excluding any internal accounts. We observed management access the database and execute the scripts to extract the relevant data from the database. We subsequently obtained the data produced from management (i.e. the <i>Customer Liability Report</i>) and performed a row count and sum check on the data set. We did not identify any discrepancies based on the row count and sum check performed.</p>
7	<p>Inspect the <i>Customer Liability Report</i> for any duplications of Record ID’s.</p>	<p>We inspected the <i>Customer Liability Report</i>, obtained in procedure 6 for any duplication of user ID’s. No duplication of Record ID’s were identified in the data sets.</p>

² The customer liability report does not differentiate between BTC, ETH, USDT and USDC on the various blockchains/networks and therefore they will be assessed interchangeably for the purpose of this engagement.

8	Using the Mazars' Silver Sixpence Merkle Tree Generating tool, aggregate the client data obtained from management in procedure 6 and compute the Merkle Root Hash, which will allow KuCoin's clients to verify their Merkle Leaf independently and cryptographically as being part of the Merkle Root as at 23:59:59 UTC +8 on the 26 th of November 2022.	Using the Mazars' Silver Sixpence Merkle Tree Generating tool ³ , we aggregated the client data obtained from management in procedure 6 and computed the Merkle Root Hash. The Hash for the Merkle Root based on the information supplied in procedure 6 is 5d3c52506afcd0182f6660b1fc3a08d830b61ff7e5f348364ee05a1fc9dfa76b
9	Aggregate the nominal value per asset class on the <i>Asset Balance Reports</i> , which was reconciled to the self-custodied cryptocurrencies listed in procedure 2, and compare these aggregated balances per asset class to the <i>Customer Liability Report</i> . Conclude whether the nominal value of all <i>In-Scope Assets</i> as per the <i>Asset Balance Reports</i> are equal to or greater than the net liability of funds owed to and receivable from the customers as per the <i>Customer Liability Report</i> and therefore meets the definition of being collateralized. Calculate the collateralization ratio by dividing the <i>Asset Balance Reports</i> with the <i>Customer Liability Report</i> for each of the <i>In-Scope-Assets</i>	We aggregated the nominal value per asset class on the <i>Asset Balance Reports</i> , which was compared to the self-custodied cryptocurrencies listed in procedure 2, and compared these aggregated balances per asset class to the <i>Customer Liability Report</i> ⁴ . We conclude that the nominal value of all <i>In-Scope Assets</i> as per the <i>Asset Balance Reports</i> are equal to or greater than the liability of funds owed to the customers as per the <i>Customer Liability Report</i> and therefore meets the definition of being collateralized. The collateralized ratio for the <i>In-Scope Assets</i> are reflected in the Appendix below.

Appendix

<i>In-Scope Asset</i>	<i>Customer Liability</i>	<i>Asset Balance Reports</i>	<i>Collateralization ratio</i>
Bitcoin	20,502.46	20,709.37	101%
Ethereum	169,973.74	170,547.69	100%
USDT	972,183,115.08	987,781,785.31	102%
USDC	209,790,611.27	211,672,053.87	101%



MAZARS

Partner: Wiehann Olivier

8 December 2022

South Africa

³ The Silver Sixpence Merkle Tree Generating tool forms part of Mazars' Veritas service solution whereby we aim to bring trust and transparency to all stakeholders in the industry. Customers of KuCoin can independently verify their account being part of the attestation on the Mazars Veritas website <https://veritas.mazars.com/kucoin/>. The source code for the Merkle Tree Verification can be found here <https://github.com/silversixpence-crypto/merkle-tree-verify>

⁴ Management Comment "Margin Accounts only take net equity into account. Borrowed assets are not included in the report whereas assets that are lent out are included in the report. The report of Future Accounts do not include unrealized profit and losses."