

Risk Warnings

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General

You remain responsible for taking care to understand the technological, economic and legal nature of digital asset products and for carefully managing your exposure in accordance with that understanding and your risk appetite for innovative, volatile and speculative new technologies and assets. Laws and regulations vary from country to country and it is your responsibility to ensure your compliance with such laws and regulations. You should sufficiently inform yourself of the various risks involved in using the services and make your own decisions based on your personal risk appetite. All information provided by us is for information purposes only, unless stated otherwise. We are not providing any legal, tax, accounting, financial or investment advice or recommendation, and nothing provided to you should be relied upon as such. You should consider your personal situation carefully and/or consult your independent professional advisors (including legal, tax, accounting, financial and investment advisors) before participating in any services offered by us.

These risk warnings are a non-exhaustive list of potential risks associated with the products and services that we may make available to you. By accessing any of the services, you are deemed to have reviewed, acknowledged, and accepted ALL such risks, including, without limitation, those described herein as well as those described in the applicable terms of service. You should also consider any other factors (such as local laws and requirements) which may not be listed below that are relevant to your circumstances and place of residence or operation. Some or all of the services may not be available in your jurisdiction or place of residence or may be restricted to certain types of sophisticated or qualified investors.

Where relevant, the issuers or promoters of digital assets may provide their own information in relation to functionality and risks of those digital assets. We take no responsibility for the accuracy or completeness of such information.

Product risk

Digital asset products generally: digital assets and related products (collectively referred to in these risk warnings as digital asset products) are high risk products. You should exercise caution.

Nature of digital assets: Digital assets are not legal tender. A digital asset may or may not be considered "property" under the laws of a particular jurisdiction. They may not be backed by physical assets, and are not backed or guaranteed by a government. They may not have intrinsic value. Some of the digital assets may not circulate freely or widely, and may not be listed on any secondary markets.

Product-specific risks: Digital assets are issued by third parties, and not by us. You must read the applicable product terms, product information and risk disclosures carefully before entering into an order for any digital asset product. Subject to the terms and the constitutional documents of each digital asset (for example, whitepapers), the issuer (if applicable) may change the purpose or use of the digital assets or the overall project, without any notice. Any such changes (including addition of new types of digital assets) may impact the overall risks of the digital asset. You should monitor the developments of each digital asset carefully.

No product term or product information has been subject to regulatory approval, unless expressly stated otherwise. You should exercise caution in respect of any such offer. For any digital asset products that have

been authorized by a regulator, authorization does not imply any official recommendation or endorsement of the product by the regulator, nor does it guarantee the commercial merits of a product or its performance. You should seek independent professional advice before making any investment decision.

Complex products: Digital asset products may be complex products by virtue of the fact that the terms, features and/or risk are not readily understood due to the complex structure, novelty and reliance on technological features.

Private keys: Digital assets are controllable only by the possessor of the unique public/private key pair relating to the wallet in which such asset is held. Private keys must be safeguarded and stored securely in order to prevent an unauthorized third party from accessing the assets held in such wallet. You alone are responsible for securing your private key in respect of any address in your control. Losing control of your private key will permanently and irreversibly deny you access to your digital assets. Neither we nor any other person will be able to retrieve or protect your digital asset. Once lost, you will not be able to transfer your digital asset to any other address or wallet. You will not be able to realize any value or utility that the digital asset may hold now or in future.

Our holding of private keys: We, or our custodian or third party service providers, as the case may be, hold all digital assets in custody in two types of wallets: (i) hot wallets, which are managed online, and (ii) cold wallets, which are managed offline.

To the extent any of the private keys are lost, destroyed, unable to be accessed by us or our custodians or third party service providers or otherwise compromised and no backup of such private key is accessible, we or our custodians or third party service providers will be unable to access the digital assets held in the related hot or cold wallet.

Further, we cannot provide assurance that any of the wallets of any or all custodians or third party service providers will not be hacked, compromised, or subject to security breaches or malicious activities such that digital assets are sent to one or more private addresses that we or our custodians or third party service providers do not control, which could result in the loss of some or all of the digital assets that are held in custody on behalf of customers. Any loss of private keys relating to, a hack or other compromise of, hot wallets or cold wallets used to store our customers' digital assets could result in partial or total loss of customers' digital assets or adversely affect our customers' ability to sell or withdraw their assets. The nature of digital asset product transfers is that they are irreversible. This means that losses due to fraudulent, accidental hacking and technology risks and transactions may not be recoverable. The risk is increased for the digital assets that are held in hot wallets due to their ongoing connection with the internet and increased risk of hacking.

Custodian service provider risks: In accordance with Hong Kong legal and regulatory requirements, we engage third party technology service providers for our custodian solution in order to, as the case may be:

- hold the supported digital assets or supported fiat currencies in custody in a segregated client wallet/account maintained by us on your behalf;
- provide the back-end infrastructure and related services that we use to hold the supported digital assets you deposit in that segregated client wallet /account; and/or
- to perform certain of our other duties, obligations, and rights under the applicable terms of service or in connection with the services we provide.

There is a risk of loss arising from the use of back-end infrastructure and related services provided or maintained by our custodial solution. We attempt to protect ourselves and you by requiring the custodial

technology service providers to adhere to the applicable terms of service and applicable law, that are intended to reduce the risk of loss, but there can ultimately be no assurance that such measures will be entirely successful to avoid loss.

HSM certification risks: We endeavor to ensure that the majority of your digital assets are securely stored in industry standard security hardware models, Trusted Platform Module and Hardware Security Module (HSM). The model of HSM selected by us may have applied software patches after the date of certification that have not yet gone through the certification process.

Risks related to custody of fiat assets: Our custodian maintains bank accounts with an “authorized financial institution”, as defined in the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong), or if received by us in another jurisdiction, maintained with another bank in a jurisdiction as agreed by the Securities and Futures Commission from time to time.

No deposit protection: You should be aware that:

- any order may be not subject to a right to claim under any investor compensation fund established by any government or regulatory body; and
- any digital asset products or fiat currencies held in an account are not protected deposits, and may not be protected by any deposit protection scheme in any jurisdiction.

Rather, digital asset products or fiat currencies in your account are protected in accordance with the applicable terms of service and applicable law. This means that digital asset products and fiat currencies have a different level and type of protection compared to other products and asset classes. This applies irrespective of the nature of the digital asset products or fiat currencies.

No bank deposits: Without limiting the applicable terms of service, any supported fiat currencies or supported digital asset products held by us and/or our custodian are not held as “deposits” within the meaning of the Banking Ordinance (Cap. 155 of the Laws of Hong Kong).

Trading and market risk

No advice on transactions: We do not advise on the merits or risks of any particular transactions, or tax consequences. Nothing that we or our representatives provide, such as (without limitation) market commentary, newsletters, educational materials, or market data or information, are, and none of them should be construed as, a recommendation, endorsement financial advice, solicitation or offer to sell, purchase or subscribe for any digital asset products and/or services offered by us or any third party. You should consult your financial, tax or other advisors. Any decision to transact in any digital asset product is your decision and neither we nor any of our affiliates or related parties will be liable to you for any loss suffered.

Order types: You should be aware that only market orders, limit orders and stop limit orders are available using the services. Time in force parameters can be defined for both limit orders and stop limit orders. Stop limit orders can be used to provide some protection against trading losses as such orders are only filled when the stop price is reached and then only at or better than a specified price. It is important to note that the closer the stop price is to the specified price, the greater the possibility that the order will not be fully filled. This should be contrasted with stop market orders (which are not available) which would be fully filled from the available liquidity. It is your responsibility to understand the differences between each order type, and your sole responsibility to determine if and when a particular order type should be used.

Volatility and liquidity risks: Users should be aware that the market for digital asset products is relatively new and is subject to very significant volatility and liquidity variations. Digital asset products may have

unique features that make them susceptible to substantial fluctuations in value, and to date a significant amount of trading has been driven by speculation. These fluctuations may decrease or increase the value of your portfolio at any given moment and in some cases the value of any specific digital asset product may even fall to zero over a short period of time, which could result in a total loss of your investment. The value of digital asset products can go down or up and there is a substantial risk that you could lose some or all of your investment when transacting in digital asset products.

It is as likely that losses will be incurred rather than profit made as a result of transacting in digital asset products.

You should carefully consider whether transacting in digital asset products is suitable for you in light of your financial position. Many factors, some known and others unknown, including (without limitation) supply and demand, the activity of other exchanges, the actions of regulators and governments around the world, and many others, may have a significant impact on prices for digital asset products. There is a risk that material losses will arise to you and market participants as a result of volatility, liquidity constraints and speculation, among many other factors. You should ensure that you take all these risks into account when trading digital asset products, including the amount of a transaction, the frequency of trading and any stop loss limits. If you feel uncomfortable with the risks or your account position you should consider reducing or eliminating your exposure or seeking independent expert advice. You are solely responsible for forming your own views or consulting your professional advisors as to the advisability of any particular trade or transaction, and you bear all risk of loss in connection therewith. The value of a digital asset may be derived from the continued willingness of market participants to exchange fiat currency for such digital asset, which means that the value of a particular digital asset may be completely and permanently lost should the market for that digital asset disappear. There is no assurance that a market for a particular digital asset product will continue to exist in the future.

There is the possibility for you to experience losses due to the inability to sell or convert assets into a preferred alternative asset immediately or in instances where conversion is possible but at a loss. Such liquidity risk in an asset may be caused by the absence of buyers, limited buy/sell activity or underdeveloped secondary markets, which are beyond our control. There is no assurance that a person who accepts a digital asset as payment today will continue to do so in the future.

Trading: When you trade using the services, your orders may be matched with orders submitted by other participants on the platform using traditional orders (e.g. limit orders) or with orders generated by the automated market maker on their behalf. The automated market maker will set the bid and offer prices for orders it generates based upon the assets deployed to, and parameters of, the automated market making instructions associated with the trading pair at that time. As the automated market maker does not rely on any external pricing data or third party source, differences in the prices offered for trades by the automated market maker compared to prices offered by other digital currency trading venues or third party markets for the same assets, or other external market data sources, may emerge. You are solely responsible, and we accept no responsibility whatsoever for, and shall in no circumstances be liable to you in connection with your decisions, including your decision to trade at the price you choose.

You are solely responsible for forming your own views or consulting your professional advisors as to the advisability of a particular trade, and you bear all risk of loss in connection therewith. If you do not wish to enter any particular trade, or are unable or unwilling to bear the risks, you should not transact.

Risk of market abusive techniques: Due to their largely unregulated nature of digital asset products (at a product-level) and comparatively early-stage status, digital asset product markets and trading are also susceptible to actual or alleged manipulation. For example, false or misleading trading activity can be conducted on unregulated trading, lending or other dealing platforms for the purpose of manipulating the

price of certain digital asset products. These can result in the markets for digital asset products being vulnerable to fluctuation.

As well as being regulated and prohibiting such behaviors using our services, we adopt a number of preventative controls and procedures to prevent the risk of market abuse and risk of market manipulation.

Commissions and fees: Before conducting any transaction, you should obtain details of all commissions, fees and costs for which you will be liable. If any of the fees and costs are not clear to you, you should request the fee and costs that will be applicable in specific monetary terms before entering into a transaction. Depending on the services provided, such fees and costs will be set out in the relevant transaction confirmation, in writing via our agreed method or otherwise recorded in your account.

Risks relating to authorized users: There are substantial risks in allowing another person to trade or operate an account, and it is possible that instructions could be given by persons who are not properly authorized. You accept all of the risks of such an operation and irrevocably release us from all liabilities arising out of or in connection with such instructions.

Trade execution notifications: If you wish to opt out from “trade execution” notifications, you understand and acknowledge that there are risks associated with such a decision, including but not limited to the lack of real-time monitoring of execution of your trade, as a result of which you may experience delays in responding to market conditions, making timely decisions based on the current state of your trades or identifying and remedying any potential trade discrepancies.

Risks associated with our global order book

Counterparty credit risk: We use a global order book platform, which is jointly operated by Bullish HK Markets Limited and an overseas regulated platform operator (our affiliate), with liquidity provided by both local and overseas participants. This means that non-Hong Kong participants (and their overseas end-clients) may be counterparties to your transactions, and you may face counterparty credit risks from such participants.

Risks of assets held outside of Hong Kong: Due to the use of our global order book, your assets may be temporarily held with our affiliate outside of Hong Kong prior to reconciliation and settlement and during this period, such assets are subject to the applicable laws and regulations of the relevant overseas jurisdiction which may be different from the Securities and Futures Ordinance and the rules made thereunder. Consequently, your assets may not enjoy the same protection as assets held in Hong Kong prior to settlement.

Risks of delays in settlement: We conduct periodic reconciliations with other market participants (which may be our affiliates or third parties) to account for trades made among market participants and their customers. There is a risk that should a market participant, including non-Hong Kong participants, become insolvent prior to completion of reconciliation, or otherwise be prevented from completing a reconciliation, there will be a mismatch between your account balance and the digital asset products and fiat currencies held in custody for you. This could result in a delay in you receiving digital asset products and fiat currencies reflected in your account balance or even partial or complete loss of such digital asset products or fiat currencies.

Counterparty default risk: In the event of a participant’s default, there is a risk that your executed transaction may be unwound or cancelled. In the event that your counterparty becomes insolvent, there is a risk that we are unable to unwind or cancel an executed transaction and you may suffer a loss as a result.

While we will use commercially reasonable efforts, as determined by us, to attempt on your behalf to recover the amounts due, there is no assurance such efforts by us will be successful, or that any recovery will be obtained promptly or in full, and you are exposed to the resulting risk of loss.

Our terms of service limit our liability for any losses you may suffer that are caused directly or indirectly by our custodian's holding of digital asset products relating to your account or the use of infrastructure and related services provided by our custodian. If you do not wish to accept this risk, you should not open an account or access the services.

Risks due to regulatory, legal and tax uncertainty

Regulatory uncertainty: The laws applicable to blockchain technology and digital assets will vary from jurisdiction to jurisdiction and it is your sole and exclusive responsibility to obtain your own legal, accounting and tax advice in respect of these matters.

Legal and regulatory treatment varies according to the jurisdiction. Different jurisdictions may apply different legal categorization of digital assets, characterizing them as, for example, currency, commodities, virtual currency, virtual commodity, or other property or instruments. Some jurisdictions may restrict or ban digital asset-related activities. The effect of regulatory and legal risk is that any digital asset may decrease in value or lose all of its value due to legal or regulatory change. This may affect:

- the use, transfer, exchange and value or potential profit of a trade; and
- the enforceability of your interest in such a digital asset.

We may cancel or modify your order, restrict or suspend your use of the services or your account to comply with applicable law or for other reasons as specified in the applicable terms of service. We may also cease to offer a digital asset product for trading if its legal and regulatory treatment changes. Depending on your country of residence, you may not be able to use all of the services and functions offered by us. It is your responsibility to comply with the rules and laws in your country of residence and the country or jurisdiction from which you access the services. We reserve the right in our sole discretion to modify, vary, limit, suspend, discontinue, or terminate the services in any jurisdiction at any time based on our assessment of the applicable laws, regulations, and governmental policies in that jurisdiction.

You should note that in certain circumstances, such as where there has been a breach of our terms of service or suspicious activity is detected, we may, in our absolute discretion, suspend your account until such time as the matter has been adequately resolved or appropriate action has been taken. In certain circumstances, we may deem it necessary to report suspected illegal activity to applicable law enforcement agencies.

Overseas laws: Assets received or held by us may be subject to other applicable laws and regulations of the relevant overseas jurisdictions. Overseas laws may be different from those in your jurisdiction, and such assets may not enjoy the same protection as that conferred on some of the assets received or held in your jurisdiction.

We will only hold digital asset products or fiat currencies outside your jurisdiction if permitted under applicable law.

Activities relating to digital asset products may also be subject to legal or regulatory restrictions or requirements in different jurisdictions, failure to comply with which may result in your personal liability or imposition of fines. Therefore, you should check the position in your jurisdiction and seek professional advice if you are unsure. Neither we nor any of our affiliates or related persons makes any representation as to the

appropriateness of digital asset products as an investment or to the availability and/or liquidity of the same in your jurisdiction. You should consult your professional advisor in your jurisdiction before making any decision to invest, or otherwise deal, in digital asset products and you acknowledge and agree you do so at your own risk.

Increased regulation of digital asset product markets: Many trading, lending or other dealing platforms, custodians, and other services and markets relating to digital asset products are presently unregulated in many jurisdictions. However, substantial additional regulation of digital assets services and markets is underway and may be imposed at any time in the future. The application of local laws and regulations in a variety of jurisdictions to digital asset products also remains largely untested, and is subject to change, sometimes without notice. In particular, any current governmental or regulatory tolerance of, or expectations in relation to, certain activities can change rapidly. Multiple consultations are on foot worldwide, with very different lead times. Action may be taken by regulators and/or government bodies in relation to certain digital asset products. As a result of such events, the absolute or relative value, as well as the availability of, certain digital asset products may change. This could impair the liquidity of any relevant digital asset product market or restrict your and/or our access to such market. You may suffer a loss as a result.

Tax treatment and accounting: Some digital asset products and orders may be subject to the tax laws and regulations in an applicable jurisdiction. The tax treatment and accounting of digital asset products (and any ancillary benefits) is a largely untested area of law and practice that is subject to changes. Tax treatment of digital asset products may vary amongst jurisdictions. We may receive queries, notices, requests or summons from tax authorities and as a result may be required to furnish certain information about the order. If you are unsure about the tax implications of your orders, you should seek independent professional advice before carrying out an order.

Risks related to technology, our/third-party software and systems

Dependence on software and systems, failures, outages and disruptions: We rely on technology and telecommunications infrastructure, including (without limitation) the internet, mobile services, cloud infrastructure and data centers, to conduct much of our business activity and to allow our customers to conduct financial transactions using the services. Our services rely on software, including software developed or maintained internally and by third parties, that is highly complex. There may be delays between your initiation of a transaction and its execution by us.

Our systems and operations, as well as those of the third parties on which we rely to conduct certain key functions, are vulnerable to disruptions from natural disasters, power and service outages, interruptions or losses, downtime, computer software and hardware and telecommunications failures, software bugs, cybersecurity attacks, hacking, or other intrusions, computer viruses, malware, distributed denial of service attacks, spam attacks, phishing or other social engineering, ransomware, security breaches, credential stuffing, technological failure, human error, acts of war, terrorism, improper operation, unauthorized entry, data loss, intentional bad actions and other similar events. If any of our systems, or those of our third party service providers, are disrupted for any reason, our products and services may fail, resulting in unanticipated disruptions, slower response times and delays in trade execution and processing, failed settlement of trades, incomplete or inaccurate accounting, recording or processing of trades, unauthorized trades, loss of customer information, increased demand on limited customer support resources, or other issues. The software on which we rely may contain errors, bugs or vulnerabilities, and our systems are subject to capacity limitations.

Some errors, bugs or vulnerabilities inherently may be difficult to detect and may only be discovered after code has been released for external or internal use. Many of our systems are relatively new and may interact

with one another in unanticipated ways. Errors, bugs, vulnerabilities, design defects or technical limitations within the software on which we rely may lead to negative customer experiences (including the communication of inaccurate information to customers), compromised ability of our products to perform in a manner consistent with customer expectations, compromised ability to protect the data (including personal data) of our customers, or an inability to provide some or all of our services, or may be exploited by malicious actors.

As our customer base grows, we may experience surges in trading volume, which may cause our systems to exceed capacity constraints or operate at diminished speed or even fail, temporarily or for a more prolonged period of time, which would affect our ability to process transactions and potentially result in some customers' orders being executed at prices they did not anticipate or executed incorrectly, or not executed at all. Other digital asset product trading platforms and exchanges have experienced outages resulting in their customers being unable to buy and sell digital asset products and some customers experiencing downgraded service. Our services may in the future experience such outages from time to time. We may also choose to limit the number of customers who may access our services at any one time to protect the performance of our systems. This may result in you being unable to place an order, deposit or withdraw digital asset products or fiat currencies, or take any other action at the time of your choosing. Disruptions to, destruction of, improper access to, breach of, instability or failure of our information technology systems or the external technology or systems of third parties with whom we do business that allow our customers to use our services could lead to you being unable to use any or all of our services. We make no warranty that the services will always be available or uninterrupted, timely, secure, not subject to downtime or outages, free of viruses and vulnerabilities, or otherwise error-free. The effect of the above may mean that, for reasons beyond our control, you may be prevented from accessing or transferring your assets.

Forks: Any user of an open source blockchain can download the software, modify it and then propose that other users and miners of that blockchain protocol adopt the modification. When a modification is introduced and the community decides to adopt the modification, the change is implemented via an update to the software and the blockchain protocol networks, as applicable, may continue in operation uninterrupted. However, if part of the community rejects the proposed modification, and the modification is not compatible with the software prior to its modification, the consequence would be a fork (i.e. a split) of the impacted blockchain protocol network with one group running the pre-modified software and the other running the modified software. The effect of such a fork would be the existence of two separate versions of the blockchain protocol network, operating simultaneously but incompatible with one another, and with each network's native token or digital asset unable to operate on the other's network. A fork can lead to a disruption of the relevant blockchain networks and our information technology systems, cybersecurity attacks, replay attacks or security weaknesses, any of which can lead to temporary or even permanent loss of the digital assets we hold for users.

In the event of a fork, we will need time to evaluate the fork's impact on our operations and to determine our response, and we have the authority to suspend our services in whole or in part without notice while we do so. We have sole discretion to determine whether we will support a forked network (or which branch of a blockchain network relating to a digital asset to support post-fork, if any) and all aspects of our response to a digital asset that undergoes a fork. In relation to any digital assets held in your wallet, you have no right to, and we have no obligation to enable you to, realize any economic or other benefit from the occurrence of a fork (including, without limitation, with respect to any tokens or digital assets resulting therefrom), though we may elect, in our sole discretion, to attempt to do so in any manner, and pursuant to any terms or conditions, that we choose. Our decision whether to support a particular fork may be influenced by the approach taken by a Market. However, we are not bound to adopt the same position as the Market.

Cybersecurity breaches or attacks: The transmission of information electronically can be subject to attack, interception, loss or corruption. In addition, computer viruses and malware can be distributed and

spread rapidly over the internet and could infiltrate our systems or those of our customers or third party service providers. The services' reliance on the Internet exposes you to a risk of fraud or cyber-attack. Your assets, an account, a wallet, a service, an agreed communication method or a trading tool may be targeted by malicious persons who may attempt to steal your assets, or otherwise intervene in the order or any of the markets. The nature of digital assets and the reliance on the Internet and blockchain technology means they may be exposed to specific and increased risks of fraud and cyberattacks.

Infiltration of our systems or those of our customers or third party service providers could in the future lead to disruptions in systems, accidental or unauthorized access to or disclosure, loss, destruction, disablement or encryption of, use or misuse of or modification of confidential, sensitive or otherwise protected information (including personal data) and the corruption of data. In addition to traditional computer hackers, malicious code (such as viruses and worms), employee theft or misuse and denial-of-service attacks, sophisticated nation-state and nation-state-supported actors now engage in attacks (including advanced persistent threat intrusions). A vulnerability, error, bug, or other defect in our or a third party service provider's software or systems, a failure of our or a third party service providers' safeguards, policies or procedures, or a breach of our or a third party service provider's software or systems could result in the compromise of the confidentiality, integrity or availability of our systems or the data housed in our third party solutions. Although we have internal processes and technological measures in place to protect our systems and data and typically enter agreements relating to cybersecurity and data privacy with our third party service providers, we cannot guarantee that such measures or agreements will prevent the accidental or unauthorized access to or disclosure, loss, destruction, disablement or encryption of, use or misuse of or modification of data (including personal data), will prevent damage to, or interruption or breach of, our information systems, data (including personal data) and operations, or enable us to obtain adequate or any reimbursement from our third party service providers in the event we or they should suffer any such incidents. In addition, our and our third party service providers' remediation efforts may not be successful in anticipating, preventing, detecting or stopping attacks, or reacting in a timely manner.

Account login notifications: If you opt-out of account login notifications, you may not be aware or be notified of unauthorized access or trading in respect of your account. You agree that if you opt-out, we are not responsible for any failure to notify you of unauthorized access or dealings with your account.

Targeting by malicious persons: Malicious entities may target you in an attempt to steal any asset that you may hold, or to claim any asset that you may have purchased. This may involve unauthorized access to your account, your private keys, your addresses, your passwords, your email or social media accounts, your log-in details or access method for the account, as well as unauthorized access to your computer, smartphone and any other devices that you may use.

You alone are responsible for protecting yourself against such actions.

The protocols, networks, systems, and other technology (including any blockchain or comparable technology) relating to any digital asset may include coding errors which may mean that they do not function as intended and may cause catastrophic failures. Forks, upgrades, software bugs, or a change in consensus mechanisms or how transactions are confirmed, among other factors, may have unintended adverse effects on the corresponding digital asset. Digital assets and their underlying technology may be vulnerable to attacks on their security, integrity or operation, including, without limitation, attacks using computing power to overwhelm the normal operation of a blockchain or its consensus mechanism and maliciously tamper with transactions (e.g., "double spending" attacks). A digital asset may be lost, double spent, lose its developers, miners/validators, or user community, or may otherwise lose all or most of its value, whether because of forks, attacks, bugs, changes to the features, characteristics, or properties of the digital asset, or failure of the digital asset to operate as intended, or any other reason.

Reliance on third parties: In providing the services, we rely upon certain third party computer systems or third party service providers, cloud infrastructure providers, internet service providers, payment services providers, market and third party data providers, regulatory services providers, clearing systems, financial institutions, banking systems, communications facilities and other facilities to provide our services, facilitate trades by our customers and support or carry out certain regulatory obligations. These providers are susceptible to operational, technological and security vulnerabilities, interruptions, or business disruptions, including (without limitation) security breaches, which may impact our business or our ability to provide the services, and our ability to monitor our third party service providers' data security is limited. If a third party service provider ceases their operation, there may be an impact to our operations. In addition, these third party service providers may rely on subcontractors to provide services to us that face similar risks. An interruption in or the cessation of service by our third party service providers or their subcontractors, or deterioration in the quality of their service or performance, could be disruptive to our business and your ability to access any or all of the services. Any contractual protections we may have from our third party service providers may not be sufficient to adequately protect us against such adverse consequences, and we may be unable to enforce any such contractual protections. In particular, if the Market is suspended or unavailable, you will not be able to place any orders. We are not responsible for any loss suffered due to the unavailability of services

Cryptographic advancements: Developments in cryptographic technologies and techniques, including (but not limited to) the advancement of artificial intelligence and/or quantum computing, pose security risks to all cryptography-based systems including digital assets, your account, digital asset wallets, notices and the systems we use to provide the services. Applying these technologies and techniques to digital assets, your account, digital asset wallets, notices, or our systems may result in theft, loss, disappearance, destruction, devaluation or other compromises of the affected digital asset, account, digital asset wallet, notice, system or your data.

Use of affiliates & conflicts of interest

We or other digital asset service providers may be acting as agents for you as well as acting as principals for you. For Hong Kong customers, we only ever act as agent for you in respect of any order. Other service providers may facilitate the initial distribution of digital asset products (such as, initial coin offerings), secondary market trading, or both, in manners similar to a traditional exchange, alternative trading system or securities broker. If these operations are not under the purview of any regulator, it would be difficult to detect, monitor and manage conflicts of interest.

Our affiliates may be involved in the provision of the services to you. For example, one of the markets that we use to place trades may be operated by our affiliate. Similarly, custody services are provided by our affiliate as required by applicable Hong Kong law.

Additionally, our affiliate acts as a liquidity provider on the platform, including by placing trades through automated market making instructions, and may earn a share of trading fees resulting from such trades.

Your orders may be filled against the liquidity provided by our affiliate.

Conflicts of interest may arise by virtue of such relationships. We and our affiliates seek to prevent and manage all material conflicts of interest in accordance with applicable law.

Using the services

Supported digital assets: Under no circumstances should you attempt to use your account to store, send, request, or receive digital assets in any form that we do not support. Such actions may lead to the permanent loss of your digital asset.

We may decide to cease to make available any digital asset, or may cease to offer pairs on such digital asset. This may mean that you will not be able to convert such digital asset into another digital asset or into fiat currencies. We may impose time limits on holding assets that we have ceased to make available in accounts and may, in certain circumstances, require you to transfer such balances to your external wallets. We take no responsibility whatsoever for any loss you suffer as a result of such actions.

Separately negotiated agreements: From time to time, we may, subject to applicable law and as determined by us in our sole discretion, enter into separately negotiated arrangements with certain users that supplement certain of the economic or other terms of the applicable terms of service or our policies, in each case solely as applicable to that user's relationship with us and use of the services. Any such separately negotiated arrangements will be entered into based on factors or considerations determined by us to be relevant in our sole discretion, and arrangements or terms offered to one user may not be available to all, or even any, other users. You do not have any claim against us or the user that receives additional or different rights or terms as a result of a separately negotiated arrangement, and the validity of or enforceability of the applicable terms of service or other policies entered into by and between you and us are not affected by the existence of or the terms and conditions of any separately negotiated arrangements we may have with any other user.

Suspension or termination: There are circumstances described in the applicable terms of service under which we may suspend or terminate your account or any of the services, in whole or in part, or your access thereto. We may do so in such circumstances immediately without notice to you in the event of certain circumstances as provided therein. We may also impose limits on the amount of fiat currency or digital asset products that you are able to withdraw from your account, or suspend withdrawals, at our sole discretion.

Insolvency risk: Our financial situation may deteriorate and lead to our inability to meet our obligations or cause us to become insolvent or bankrupt or be placed in receivership. If this happens, we may be unable to meet our obligations to you and other users and you may suffer losses. We are subject to minimum liquid and share capital requirements, and ongoing financial resource related rules.

Risks relating to captive cell insurance: We use captive cell insurance to cover at least 50% of all assets in Cold storage and 100% of all assets in Hot storage to provide crime and species insurance coverage against theft of customer assets in accordance with the requirements of the Securities and Futures Commission. The insurance policy, governed by overseas laws, is written from an insurance Captive Cell created overseas, facilitated by an overseas licensed insurer. The segregation of, and the protection afforded to, the cellular assets are construed in accordance with overseas laws (which may or may not be the same as Hong Kong laws) and regulated by an overseas regulator.

The captive cell insurance is funded by our group company, and claim amounts are limited to the extent of the amount of cash capital held in the Cell's bank. You therefore take on the credit risk of If our group company which, if it becomes insolvent, we may not be able to successfully make [a], would affect the recovery of any losses you may claim under the policy for any losses covered by the insurance policy.

Unanticipated risks: Digital assets are a relatively new and untested technology. In addition to the risks set out in this statement, there are other risks associated with your acquisition, storage, transfer and use of digital assets, as well as the security risks associated with the use of a digital asset wallet, including those that we may not be able to anticipate. Such risks may further materialize as unanticipated variations or combinations of the risks set out above.

Forum selection for disputes and arbitration: The terms of service are governed by and construed in accordance with the laws specified therein. All disputes and claims in connection with the terms of service

and/or the services shall be finally resolved by binding arbitration in accordance with the arbitration rules described in the terms of service.

Risks relating to AMM instructions: AMM instructions are not available to customers in Hong Kong. However, your orders may be matched with those from users of AMM instructions from outside of Hong Kong. The prices for trades of your assets pursuant to AMM instructions are a function of supply and demand among users and will not be synchronized with prices quoted by any other third party exchanges or market data providers.

Reliance on Third Party Data: The platform may rely on data sourced directly or indirectly from third parties, including from our affiliates, for various purposes including to calculate values for digital asset products. There are risks that such data could become unavailable or corrupted, or that the provision of such data to the platform will be interrupted. This could result in inaccurate or stale data being displayed, delays in calculating, or inaccurate calculations of, account balances and other amounts which could result in actions being taken (or not taken) inconsistent with the stated product specifications, and disruptions to or suspension of trading. Certain digital asset products may use an index as an underlying value. In such cases, the components of an index may change over time. While we seek to provide you advance notice of such changes, that may not be possible or practicable in all cases. You should carefully monitor the components of any index used as an underlying value to ensure that you understand and are comfortable with the characteristics of such a product.

THE ABOVE RISK WARNINGS ARE NOT INTENDED TO BE A CONCLUSIVE OR EXHAUSTIVE LIST OF RISKS THAT ARE APPLICABLE TO BUYING, SELLING AND TRADING DIGITAL ASSETS ON THE PLATFORM. YOU REMAIN RESPONSIBLE FOR TAKING CARE TO UNDERSTAND THE TECHNOLOGICAL, ECONOMIC AND LEGAL NATURE OF DIGITAL ASSETS AND FOR CAREFULLY MANAGING YOUR EXPOSURE IN ACCORDANCE WITH THAT UNDERSTANDING AND YOUR RISK APPETITE FOR INNOVATIVE, VOLATILE AND SPECULATIVE NEW TECHNOLOGIES AND ASSETS. LAWS AND REGULATIONS VARY FROM COUNTRY TO COUNTRY AND IT IS YOUR RESPONSIBILITY TO ENSURE YOUR COMPLIANCE WITH SUCH LAWS AND REGULATIONS.

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