Investor Business Terms

(Last update: 28/7/2023)

THESE TERMS TOGETHER WITH THE RELATED ACCOUNT OPENING DOCUMENTS, THE EXCHANGE RULES, ANY OTHER RELEVANT AGREEMENTS INTO WHICH THE CLIENT AND THE COMPANY HAVE ENTERED AND THE RULES CONTAIN IMPORTANT TERMS AND CONDITIONS THAT COLLECTIVELY CONSTITUTE THE ENTIRE AGREEMENT ON ALL ACCOUNTS MAINTAINED BETWEEN THE CLIENT AND THE COMPANY.

CERTAIN RISKS RELATING TO VIRTUAL ASSETS TRADING AND RELATED SERVICES WHICH HBL MAY IN ITS ABSOLUTE DISCRETION PROVIDE TO THE CLIENT FROM TIME TO TIME ARE DESCRIBED IN THESE TERMS, IN PARTICULAR, IN CLAUSE 23 AND PART 2. THESE TERMS DO NOT DISCLOSE OR DISCUSS ALL OF THE RISKS, OR OTHER SIGNIFICANT ASPECTS, OF CONDUCTING TRANSACTIONS OR OF THE TRANSACTIONS CONDUCTED. THE CLIENT SHOULD NOT CONSTRUE THESE OR ANY OTHER STATEMENTS AS LEGAL, TAX OR FINANCIAL ADVICE. HBL IS NOT ACTING AS THE CLIENT’S FINANCIAL ADVISOR AND THE CLIENT MUST NOT REGARD HBL AS ACTING IN THAT CAPACITY. THE CLIENT SHOULD CONSULT HIS OWN INDEPENDENT PROFESSIONAL ADVISORS BEFORE ENTERING INTO ANY TRANSACTION AND ONLY ENTER INTO A TRANSACTION IF THE CLIENT HAS FULLY UNDERSTOOD ITS NATURE, THE CONTRACTUAL RELATIONSHIP INTO WHICH HE IS ENTERING, ALL RELEVANT TERMS AND CONDITIONS AND THE NATURE AND EXTENT OF THE CLIENT’S EXPOSURE TO LOSS. THE CLIENT HAS BEEN RECOMMENDED TO READ THESE TERMS CAREFULLY AND RETAIN THESE FOR THE CLIENT’S RECORDS.

To:

**Hash Blockchain Limited**

**Unit 614-615, Level 6, Core D,**

**Cyberport 3, 100 Cyberport Road, Hong Kong**

The Client agrees to be bound by the following terms and conditions which will apply to all Virtual Assets trading and related services which HBL may in its absolute discretion provide to the Client from time to time.

**PART 1: GENERAL TERMS**

1. **Definitions and Interpretation**
   1. In these Terms the following words and expressions shall have the following meanings: -

“**Account**” means any Client account opened with, and maintained by, HashKey Exchange in the Client’s name in connection with any related services offered by HashKey Exchange including for the purpose of, but without limitation to, recording the Client’s Transactions;

“**Affiliate**” means:

1. in relation to a corporation, partnership or any other form of legal entity, another entity or person that, directly or indirectly, is Controlling, Controlled by or under common Control with such entity; or
2. in relation to any individual, any of his Associates;

“**Agreement**” means the written agreement between the Client and HBL regarding the opening, maintenance and operation of the Account as amended from time to time, including but not limited to these Terms, the Rules, any document setting out the fees, costs, charges and expenses that may apply to any service provided by HashKey Exchange, any Instruction and/or any Transaction, and any other rules, notifications, guidelines, terms or agreements designated by HBL to form part of the Agreement;

“**Airdrop**” means the attempted distribution or distribution by a Virtual Asset network of any Virtual Assets to Virtual Asset addresses of a supported network;

“**AML/CFT Requirements**” means the anti-money laundering or counter-financing of terrorism requirements prescribed by applicable laws;

“**Associate**” means, in relation to an individual a minor child of that individual and any company or trust which is directly or indirectly Controlled by such individual;

“**Associated Entity**” means a company which:

1. has notified the SFC that it has become an “associated entity” of the SFC licensee under section 165 of the SFO;
2. is incorporated in Hong Kong;
3. holds a “trust or company service provider licence” under the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap. 615 of the Laws of Hong Kong); and
4. is a wholly owned subsidiary of the SFC licensee;

Unless otherwise specified, “Associated Entity” shall mean HashKey Custody Services Limited under these Terms.

“**Authorized Institutions**” has the meaning ascribed thereto in the Banking Ordinance (Cap. 155 of the Laws of Hong Kong);

“**Authorized Person(s)**” means those individuals who have been designated by or duly authorized by the Client pursuant to necessary corporate or other actions (which shall be evidenced by appropriate documentation delivered and acceptable to HBL) to act on the Client’s behalf in connection with these Terms subject to the completion of the verification and other procedures in connection with AML/CFT Requirements with respect to such individuals by HBL;

“**Business Day**” means a day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange) in Hong Kong;

“**Cancellation Instructions**” has the meaning given in Clause 4.8;

“**Charged Property**” has the meaning given in Clause 12.2;

“**Clearly Erroneous Transaction**” has the meaning given in Clause 19.1;

“**Client Securities Rules**” means the Securities and Futures (Client Securities) Rules (Cap. 571H of the Laws of Hong Kong);

“**Code**” has the meaning given in Clause 26.4;

“**Company**” or “**HBL**” means Hash Blockchain Limited, a limited liability company incorporated in Hong Kong with company number 2669359 and licensed by the SFC with Central Entity Number BPL992;

"**Control**" means:

1. the power (whether directly or indirectly and whether by the ownership of share capital, the possession of voting power, contract or otherwise) to appoint and/or remove all or such number of the members of the board of directors or other governing body of an entity or partnership as are able to cast a majority of the votes capable of being cast by the members of that board or body on all, or substantially all, matters, or otherwise to control or have the power to control the policies and affairs of that person; and
2. the holding and/or the possession of the beneficial interest in and/or the ability to exercise the voting rights applicable to shares or other securities in any person which confer in aggregate on the holders thereof more than 50% of the total voting rights exercisable at general meetings of that person on all, or substantially all, matters,

and, “Controls” and “Controlled” shall be construed accordingly;

“**CRS Information**” has the meaning given in Clause 16;

“**Crystallization Event**” has the meaning given in Clause 2;

“**Event of Default**” has the meaning given in Clause 1;

“**FATCA**” has the meaning given in Clause 4;

“**FATF Guidelines**” means any official guidance published by the Financial Action Task Force as applicable to Virtual Assets and/or Virtual Asset Service Providers, including without limitation the Guidance for a Risk-Based Approach to Virtual Assets and Virtual Asset Service Providers published by the Financial Action Task Force on 21 June 2019;

“**Fork**” means any change in the operating rules of the underlying protocols of a Virtual Asset that may result in: a) more than one version of that Virtual Asset; and/or b) HBL holding an amount (which may be an identical amount) of Virtual Assets associated with each forked network, in each case as determined by HBL;

**“Government Agency**” means any governmental, semi-governmental, administrative, fiscal, judicial or quasi-judicial body, department, commission, authority, tribunal, agency or entity;

**“HashKey Exchange”** means the Virtual Assets trading platform branded “HashKey Exchange” (formerly known as “HashKey PRO”) which is operated by HBL;

“**HashKey API**” means the application programming interface service provided by HBL;

“**Hong Kong regulators**” has the meaning given in Clause 18.1;

“**Infrastructure Participant**” means any trading venue or other financial market infrastructure that facilitate the clearing, settlement, and recording of transactions relating to fiat currencies or Virtual Assets;

“**Instruction**” means any communication which HBL deems as having been given by the Client or an Authorized Person in relation to a Transaction;

“**KYC**” means know-your-client;

“**Loss**” means any and all claims, demands, proceedings, losses, damages, liabilities, deficiencies, costs, charges and expenses, including without limitation all legal and other professional fees and disbursements, interest, penalties and amounts paid in settlement whether by a third person or otherwise;

“**Network Event**” in relation to a Virtual Asset means any event (other than an Airdrop or Fork) in respect of the blockchain or the smart contract that underlies a Virtual Asset, which is beyond HBL’s control, and results in either:

1. a loss of control or ownership by HBL or a third party of any amount of such Virtual Asset; or
2. Transaction records on the blockchain being altered, reversed or otherwise invalidated, whether by way of a fraudulent act or consensus, which shall include without limitation any double spending attack, 51-percent attack, or blockchain reorganization,

where in each such foregoing instance, HBL shall have the sole discretion to determine whether a Network Event has occurred;

“**Network Participant**” means a person or entity who has the ability to cause the occurrence of a Network Event, including any group of persons or entities acting in concert;

“**Proscribed Address**” means:

1. any blockchain address that appears in a list of addresses with which dealings are proscribed by the United Nations or another Government Agency or relevant authority under applicable laws, or is part of a group of addresses that appears in such a list; and
2. without limiting the generality of this definition, an address stated on the United States of America Department of Treasury’s Specially Designated Nationals list;

“**Proscribed Person**” means a person who appears to HBL to:

1. be in breach of any AML/CFT Requirements of any jurisdiction;
2. appear in a list of persons with whom dealings are proscribed by the United Nations or another Government Agency or a regulatory authority under applicable laws; or
3. act on behalf, or for the benefit of, any person described in paragraph (a) or (b).

“**Professional Investor**” has the same meaning as defined in the SFO and the Securities and Futures (Professional Investor) Rules (Cap. 571D of the Laws of Hong Kong);

“**Rules**” means all of the trading and operational rules and policies of HBL, as well as admission and removal rules and criteria and any procedures and requirements relating to HashKey Exchange, as amended from time to time;

“**Sanctions**” means any economic sanctions laws, regulations, embargoes or restrictive measures imposed by the United Nations Security Council and/or Hong Kong, Singapore, Japan, the United States of America, or any other jurisdictions selected for inclusion hereunder by HBL from time to time;

“**SFC**” means the Securities and Futures Commission of Hong Kong;

 “**SFO**” means the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) and any subsidiary legislation made thereunder as amended, extended, re-enacted, replaced or superseded from time to time;

“**Taxes**” means taxes, levies, imposts, charges and duties imposed by any authority (including stamp and transaction duties) together with any related interest, penalties, fines and expenses in connection with them, except if imposed on, or calculated having regard to, the overall net income of HBL;

“**Terms**” means these Investor Business Terms (formerly the Professional Investor Business Terms) as may be amended from time to time;

“**Transactions**” means any transactions concerning the purchase, subscription, sale, exchange or other disposal and/or dealings in any and all kinds of Virtual Assets including (but not limited to) holding of Virtual Assets on behalf of the Client and the provision of nominee or custodian service therefor and other transactions effected under or pursuant to these Terms and any other Agreement;

“**U.S.**” means the United States of America;

“**Virtual Asset(s)”** mean digital representations of value which may be in the form of digital tokens (such as digital currencies, utility tokens or security or asset-backed tokens), any other virtual commodities, crypto assets or other assets of essentially the same nature, as determined and approved by HBL from time to time for use in connection with the Transactions and any services provided by HBL to the Client, irrespective of whether they amount to “securities” or “futures contracts” as defined in the SFO;

“**Virtual Asset Service Providers**” means a natural or legal person that (i) meets the definition given to such term under the FATF Guidelines; (ii) complies with the FATF Guidelines; and (iii) has a digital address that has been approved by HBL; and

“**Website**” means www.hashkey.com, or any similar website relating to HashKey Exchange that is operated and maintained by HBL.

* 1. Unless expressly stated otherwise, in the event of, and only to the extent of, any conflict or inconsistency among or between any document or agreement that comprises the Agreement, the following order of precedence shall be applied, but only in so far as is necessary to resolve that conflict or inconsistency:

1. terms and conditions applied to any specific products or services provided by us;
2. these Terms; and
3. any other document that comprises the Agreement.

1. **Account and HBL’s Services**
   1. The Client confirms and undertakes that the information provided during and after the account opening process (about which HBL may require updates from the Client from time to time) is and will be complete, true and accurate. The Client will inform HBL of any changes to that information promptly. HBL is authorized to conduct investigations to verify the information provided.
   2. The Client expressly acknowledges and agrees that HBL may be required to disclose the Client’s details to the SFC, other Government Agencies or law enforcement authorities, or to any persons pursuant to any court orders or statutory provisions. HBL will comply with such requests without needing to provide prior notice to, or consent from, the Client.
   3. The Client is solely and wholly responsible for maintaining the security of the Client’s Account and hereby confirms that it will not share the Client’s Account details with others or allow others to access, or use, the Client’s Account except with the express written agreement of HBL. The Client is solely and wholly responsible for any activity in the Client’s Account whether or not such activity is authorized by the Client, including purchases made using the Account. The Client hereby acknowledges that the Client is solely responsible for any Loss arising from, or in relation to, any authorized or unauthorized use of the Account.
   4. Subject to any other clauses in the Agreement relating to custodial arrangements, the Client expressly acknowledges and agrees that none of the relationship between HBL and the Client, the activities contemplated by the Agreement or any other matter whatsoever, shall give rise to any fiduciary or equitable duties by HBL in favor of the Client. In particular, there are no duties that would oblige HBL to accept responsibilities more extensive than those set out in the Agreement, or which prevent or hinder HBL in carrying out any of the activities contemplated by the Agreement.
   5. The Client expressly acknowledges and agrees that:
2. in order to provide the services related to the Transactions as set out herein, HBL may, at its discretion and from time to time, use third party service providers, such as exchanges, brokers, banks and custodians;
3. HBL may be unable to provide services related to the Transactions as set out herein if such services of appropriate third party service providers are not available on commercially reasonable terms; and
4. HBL shall not be in any way liable for the acts, omissions or unavailability or any Losses sustained in connection with the use of such third party service providers, provided that HBL shall have exercised reasonable care in its selection.

1. **Authority**
   1. HBL is authorized by the Client to open and operate an Account and effect Transactions as an agent on behalf of the Client pursuant to the Instructions received from Client and/or the Authorized Person(s) pursuant to these Terms.
   2. The Client authorizes the Authorized Persons (where applicable) to have full authority to represent the Client in all matters in relation to all Transactions with HBL. All such documents, Instructions or orders, if given or signed by the Authorized Persons, shall be absolutely and conclusively binding on the Client.

1. **Instructions**
   1. Authorization
2. HBL is hereby authorized by the Client to buy and sell any Virtual Assets for the Account and otherwise deal with any Virtual Assets, receivables or monies (if and when deposits of such fiat currencies are accepted on HashKey Exchange) held in or for the Account pursuant to the Instructions received from Client and/or the Authorized Person(s);
3. The Client will, and will procure that each of its Authorized Persons will, comply with any requirements HBL reasonably imposes in relation to the Instructions and any applicable laws;
4. The Client understands that HBL allows the Client to send Virtual Assets that HashKey Exchange supports to third parties (such as a Virtual Asset Service Provider) approved by HBL, and to receive supported Virtual Assets from such third parties and hold them pursuant to the Instructions. The Client acknowledges that HBL has the right to (i) delay, restrict or suspend trading of a Virtual Asset on HashKey Exchange, (ii) delay, reject or cancel any pending Transaction, or (iii) freeze any Accounts in the following circumstances: (1) mismatching of orders in a Transaction, (2) upon HBL receiving any information that may reasonably be expected to materially affect market activity for, and the price of, any Virtual Asset, (3) upon discovery of any market manipulative and abusive activities, or (4) any other circumstances which in the sole discretion of HBL will impair the fair and orderly operation of HashKey Exchange. The Client acknowledges that HBL may not reverse a Transaction which has been broadcast to a Virtual Asset network and shall not be responsible for any Transaction sent to incorrect third party addresses. It is the sole responsibility of the Client to check whether the third party address is correct. The trading services provided by HBL on HashKey Exchange cover the trading of Virtual Assets that fall within the definition of "securities" or “futures contracts” in the SFO. In addition, the Client will be treated as a "client" for the purpose of the SFO, its subsidiary legislation, codes, guidelines, circulars and FAQs administered by the SFC and these Terms, and the regulatory requirements as administered by the SFC, regardless of whether or not the Virtual Assets that the Client trades in fall within the definition of "securities" or “futures contracts” in the SFO.

* 1. Instructions

1. HBL is authorized to accept and act upon Instructions for any purpose in connection with, and subject to, these Terms pursuant to the Instructions received from the Client and/or the Authorized Person(s). The Client undertakes that he will not attempt to transfer (i) any Virtual Assets or fiat currency or issue any Instructions for the transfer of Virtual Assets or fiat currency unless the Client is the lawful owner of such Virtual Assets or fiat currency, or otherwise has the absolute right to sell, assign, convey, transfer and deliver the Virtual Assets or fiat currency, they are transferred in compliance with AML/CFT Requirements and FATF Guidelines, and are otherwise lawful, and they are free of any Encumbrance; and (ii) anything else to HBL other than Virtual Assets or fiat currency approved and supported by HBL;
2. All Instructions shall be given by the Client to HBL through the HashKey Exchange platform, HashKey API or other means designated by HBL. HBL may assume the authenticity of any Instructions given or purportedly given by the Client or any Authorized Person, or that any person claiming to be the Client’s authorized representative is in fact that person. HBL is not obliged to enquire into any of these matters. HBL is authorized to act upon any Instruction that it believes to be authentic and valid. HBL may conclusively rely on the Instructions if it believes that the Instructions were given by the Client or its Authorized Person and are duly authorized, accurate and complete, even though this may prove to be incorrect and even if the Client later sends to HBL further communications that differ in any respect from such original Instructions. The Client is responsible for ensuring the accuracy and completeness of the Instructions. The Client acknowledges and agrees that once an Instruction has been given, it cannot be revoked, and if acted on by HBL, the Instruction will be binding on the Client;
3. HBL shall be entitled to refuse to accept the Client’s application to utilize HashKey Exchange in its sole discretion without giving any reason therefor. However, if HBL accepts the Client’s application, the Client may give Instructions by electronic means in such manner as may be prescribed by HBL and HBL is authorized to accept and act upon Instructions given through the Client’s Account in accordance with these Terms. In such case, HBL shall use reasonable endeavors to execute the Instructions, but does not warrant that the Instructions will be wholly or partially executed or will be executed by a certain time;
4. HBL shall not be responsible for any Loss resulting from any delay in the execution of a Transaction unless where such delay is due to HBL’s fraud, gross negligence or wilful misconduct.
   1. Priority

The orders of HashKey Exchange are matched in the trading system according to the rule of “price priority-time priority”:

1. Price Priority: First execute the buy order with the highest price and the sell order with the lowest price.
2. Time Priority: For the orders with the same price, first match the orders with the first timestamp (i.e. the orders with the earliest time).

* 1. Market fluctuation

The Client acknowledges that due to the nature of Virtual Assets (whether or not they are securities or futures or contracts), it may not always be possible to execute orders at the prices quoted “at best” or “market” and the Client agrees in any event to be bound by Transactions executed by HBL following Instructions given by the Client and/or the Authorized Person(s).

* 1. Clear Funds

Unless otherwise agreed, in respect of each Transaction, the Client must have sufficient and clear funds of the relevant type of asset recorded in its Account to settle the obligations under the proposed Transaction, inclusive of any applicable fees and expenses. In the event that any funds in the Client’s Account are determined by HBL as insufficient, the Client shall deliver to HBL such funds which are fully paid with valid and good title and in deliverable form by such time as HBL requested in relation to the Transaction. The Client shall be liable to HBL for any Losses that HBL suffers resulting from the Client’s settlement failures.

* 1. Exchange Rate

If and when deposits of fiat currencies are accepted on HashKey Exchange, the Account shall be in US dollars, Hong Kong dollars or such other currencies as HBL may agree from time to time with the Client. In the event that the Client instructs HBL to effect any Transactions in a currency other than US dollars, any profit or loss arising as a result of fluctuation in the exchange rate of the relevant currencies will be borne by the Account of the Client solely. Any conversion from one currency into another that is required to be made for performing any action or step taken by HBL under these Terms may be effected by HBL in such manner and at such time as HBL may in its reasonable discretion decide.

* 1. Recordings

The Client acknowledges that telephone calls, emails or any other forms of communication between the Client and HBL may be recorded or otherwise electronically monitored without any warning messages and that the record may be used as final and conclusive evidence of the Instructions in case of disputes.

* 1. Cancellation of Instructions

The Client acknowledges that the Client is entitled to cancel any Instructions by providing notice to HBL (the “**Cancellation Instructions**”), and subject to HBL’s sole and absolute discretion, HBL will use commercially reasonable efforts to comply with the Client’s Cancellation Instructions provided that: (i) the Client’s Cancellation Instructions are subject to these Terms, the Agreement and the trading procedure specified in HBL’s “Account Opening and Trading Rules" as imposed by HBL from time to time, which the Client hereby agrees are binding on the Client; (ii) the Cancellation Instruction may not be complied with if the relevant Instruction has been executed by HBL already and the Transaction of such Instruction has been published to the public blockchain; and (iii) the Client shall bear all risks, liabilities and Losses as suffered by the Client as a result of the Client’s Cancellation Instructions or HBL’s failure to execute the Cancellation Instructions (whether as a result of HBL’s default or not except to the extent caused by its own gross negligence, fraud or willful misconduct).

* 1. Prices

If the Client has obtained quotes of the prices of any Virtual Assets from HBL, the Client shall not:

1. disseminate such quotes (or any part thereof) to any other person;
2. use, or permit the use of, such quotes (or any part thereof) for any illegal purpose;
3. use such quotes (or any part thereof) other than for the Client’s own use; or
4. use such quotes (or any part thereof) in relation to any trading or dealing of Virtual Assets otherwise than through HashKey Exchange.

* 1. Limits and controls on Transactions

The Client should note that HBL may impose limits and/or controls relating to trading, positions, transfers of fiat currencies and/or Virtual Assets on the Client, including limits and controls to mitigate and manage the Client’s own liquidity, operational and other risks, at any time, without prior notice and without giving reasons. The Client expressly acknowledges and agrees:

1. to comply with any such limits and controls as imposed by HBL, and undertakes not to take any action that will cause the Client to violate any such limits and controls;
2. that the Client may be prevented from entering into a Transaction or from taking certain steps if such actions would result in the Client exceeding such foregoing limit, and that HBL may, in its sole discretion, apply an applicable filter to reject an Instruction submitted by the Client;
3. that any limits and controls imposed by HBL shall solely be for HBL’s protection and accordingly, HBL will not be in any way whatsoever be responsible for monitoring or ensuring the Client’s compliance with any limits imposed by applicable laws or by any party;
4. that HBL shall be entitled to decline to act on Instructions and/or execute a Transaction, suspend the Client’s access to the Account, require the Client to take certain steps, and/or take any other action that HBL considers appropriate, in order to comply with applicable laws or any limits or controls as set out herein;
5. that provided that such limits or controls have been notified to the Client at the time that they are imposed, the Client shall indemnify HBL against any Loss as a result of the Client’s breach of any limits or controls imposed by HBL pursuant to this Clause 10.

1. **Use of Client Information**

Where the Client is an individual or collection of personal information is involved, the Client agrees to be bound by HBL’s Privacy Policy applicable to HashKey Exchange, and which is available on the Website (under the section “Terms & Service”) as amended from time to time and to the use of his/her personal data in the manner specified in the said policy.

1. **Virtual Assets in the Account(s) and deposits of fiat currencies**
   1. The Client specifically authorizes HBL, in respect of all Virtual Assets deposited by the Client with HBL or purchased or acquired by HBL on behalf of the Client, and held by HBL on behalf of the Client, to hold in safe custody in a segregated Account which is designated as a trust Account or a Client Account by the Associated Entity.
   2. If deposits of fiat currencies are accepted on HashKey Exchange, the Client specifically authorizes the Associated Entity to establish segregated accounts with:
2. if Client money is received in Hong Kong, an Authorized Institution in Hong Kong; or
3. if Client money is received in any other jurisdiction, an Authorized Institution in Hong Kong or another bank in another jurisdiction as agreed by the SFC from time to time,

for safekeeping Client money, into which fiat currencies received from or on behalf of a Client should be paid within one Business Day of receipt.

* 1. In respect of fiat currencies accepted on HashKey Exchange as described in Clause 6.2 above, the Client agrees that HBL shall be entitled to retain absolutely and for its own benefit any interest accrued on such fiat currencies.
  2. In relation to Virtual Assets deposited with HBL, if any income, payments or other distributions or benefits accrue in respect of such Virtual Assets, the relevant Account(s) shall be credited (or payment made to the Client as may be agreed by HBL and the Client in writing) with the proportion of such income, payments or other distributions or benefits equal to the proportion of the Virtual Assets held on behalf of the Client out of the total number or amount of such Virtual Assets on HashKey Exchange.
  3. In relation to any Virtual Assets deposited with HBL, if any loss and/or expense is suffered by HBL as a result of the Instructions, the relevant Account(s) may be debited (or payment made by the Client as may be agreed) with the proportion of such loss equal to the proportion of the Virtual Assets held on behalf of the Client out of the total number or amount of such Virtual Assets on HashKey Exchange.
  4. HBL is authorized, pursuant to section 6(3) of the Client Securities Rules, to dispose, or initiate a disposal by an Associated Entity, of any of the Client’s Virtual Assets (and HBL shall have absolute discretion to determine which Virtual Assets are to be disposed of and the manner and timeframe in which this is done) for the purpose of settling any liability owed by or on behalf of the Client to HBL, an Associated Entity or a third party.
  5. Except as provided in Clauses 6.3-6.5 above, HBL shall not, without the Client’s oral or written direction or standing authority under the Client Securities Rules, deposit, transfer, lend, pledge, re-pledge or otherwise deal with any of the Client’s Virtual Assets for any purpose.
  6. HBL’s obligations to the Client are limited solely to the provision of the Virtual Asset trading platform on HashKey Exchange but it shall not be required to take any actions with assisting the Client in securing any rights, interests, benefits, payments and/or options available to the Client as a result of holding the Virtual Assets. The Client shall have a duty to examine the underlying project of the Virtual Assets and carry out due diligence with respect to the issuer of the Virtual Assets. The Client agrees that HBL is not liable for any Losses that the Client may suffer as a result of failing to obtain any rights, interests, benefits, payments and/or options from the issuer of the Virtual Assets.

1. **Holding and Disposal of Virtual Assets**
   1. The Client authorizes HBL to hold the Client’s Virtual Assets on behalf of the Client in a segregated Account established by an Associated Entity. The Client agrees not to pledge, charge, sell, grant an option or otherwise deal in any Virtual Assets or money (if and when deposits of fiat currencies are accepted on HashKey Exchange) forming part of any Account without HBL’s prior written consent.
   2. Where Virtual Assets are held by HBL on behalf of the Client pursuant to Clauses 6 and 7, and subject to any other clauses in relation to Airdrops and Forks, HBL shall, and shall procure an Associated Entity to collect, receive and credit any income, payments and other distributions or benefits in respect of such Virtual Assets to the Account. Where the Virtual Assets form part of a larger holding of identical Virtual Assets held for HBL’s other clients, the Client is entitled to the same share of the income, payments or other distributions or benefits arising from the holding as the Client’s share of the Virtual Asset out of the total holding of the Virtual Asset on HashKey Exchange. Where a distribution is made either in the form of cash dividend or another form, HBL is authorized to elect and receive on behalf of the Client a cash dividend of such form as it considers fit in the absence of any contrary prior written Instruction from the Client.
   3. Neither HBL nor any Associated Entity is bound to redeliver to the Client the identical Virtual Assets received from or for the Client but may redeliver to the Client Virtual Assets of like quantity, nominal amount, type and description and that have equal rank in every respect with the Virtual Assets originally delivered or deposited subject to any capital re-organization or conversion or other corporate action that may have occurred in the interim.
   4. Virtual Assets held by HBL through an Associated Entity pursuant to Clauses 6 and 7 are held by HBL at the sole risk of the Client and to the extent permitted by applicable laws, HBL shall not be responsible for, or liable in respect of, any Loss suffered by the Client in connection herewith unless such Loss has been caused as a direct consequence of a gross act of negligence, fraud or willful misconduct on the part of HBL.
   5. Unsupported Assets

The Client shall meet HBL’s requirements for the deposit and withdrawal of Virtual Assets as stipulated from time to time in the Agreement and shall pay the corresponding fees (if applicable). In particular, if the Client deposits any Virtual Assets unsupported by HBL or an Associated Entity, HBL will in its sole discretion use commercially reasonable efforts to handle these Virtual Assets but it shall be under no obligation to keep the Virtual Assets mentioned above (save for obligations imposed by any applicable laws). HBL shall be entitled (but not obliged) to request the Client to withdraw any unsupported Virtual Assets within a timeframe that HBL may stipulate, being such period as required by applicable laws, FATF Guidelines or HBL’s internal policies, to such external wallet that can store the relevant Virtual Asset and under the Client’s control as last notified to HBL in writing, subject to applicable laws, FATF Guidelines and HBL’s internal policies. HBL shall not be liable to the Client for any direct or indirect or consequential Loss in relation to such Virtual Assets. All Losses and risks in relation to the Client's deposit of such Virtual Assets unsupported by HBL shall be solely borne by the Client.

* 1. Return of Fiat Currency and/or Virtual Assets

HBL may, in its discretion, upon the passage of a time period that it determines or as otherwise required by applicable laws, FATF Guidelines or HBL’s internal policies, return:

1. any fiat currency in the Client’s Account to an external designated bank account in the Client’s name; and
2. any Virtual Assets recorded in the Client’s Account to a designated external address that can hold the relevant Virtual Asset and is under the Client’s control,

as last notified by the Client to HBL in writing, provided that the return to such Account or address is consistent with applicable laws, FATF Guidelines and HBL’s internal policies. To the extent permissible under applicable laws, HBL reserves the right to deduct a fee in respect of the return of any fiat currency or Virtual Assets.

* 1. Information in relation to custodian arrangements

1. The Client understands and agrees that HBL may hold on behalf of the Client all Virtual Assets which the Client deposits with HBL. The Client understands HBL may place any or all of the Virtual Assets with an Associated Entity as custodian of HBL on the terms and conditions agreed by HBL. The Client understands that HBL may commingle such Virtual Assets with other Virtual Assets held by HBL or an Associated Entity on behalf of other clients. Subject to any applicable laws, any Virtual Assets which are held by HBL on behalf of the Client may:
2. (in the case of registrable securities or futures contracts) be registered in the Client’s name or in the name of a nominee appointed by HBL; or
3. be deposited in safe custody in a designated account with an Associated Entity;
4. Where Virtual Assets are held by HBL or an Associated Entity on the Client’s behalf:
   * 1. any income, payments or other distributions or benefits arising in respect of such Virtual Assets will, when received by HBL, be credited to the Accounts or paid or transferred to the Client, as agreed with HBL. Where the Virtual Assets form part of a larger holding of identical Virtual Assets held for other clients, the Client will be entitled to the same share of the income, payments or other distributions or benefits arising on the holding as the Client’s share of the Virtual Asset out of the total holding of the Virtual Asset on HashKey Exchange;
     2. HBL will use its reasonable efforts to give the Client notice of any necessary information which HBL receives in relation to any calls, rights, benefits, entitlements or obligations attached to or derived from such Virtual Assets which require Instructions from the Client. This includes the treatment of the Client’s Virtual Assets and their respective rights and entitlements when events such as, but not limited to, Forks and Airdrops occur;
     3. HBL or any Associated Entity may, but without any obligation or liability whatsoever, exercise any rights or perform any actions which may be exercisable in relation to any such Virtual Assets held for the Accounts, and where the Client has provided HBL or the Associated Entity with any necessary Instructions and executed any applicable authorizations;
     4. HBL will be under no duty to investigate, participate in or take affirmative action concerning attendance at meetings, voting or other rights attached to or derived from such Virtual Assets except in accordance with the Client’s Instructions;
     5. HBL will have no duty or responsibility to receive in respect of any proxy, circular, or other document in respect of the Virtual Assets or to send any proxy, circular or other document or to give any notice of the receipt of the same to the Client except in accordance with the Client’s Instructions;
     6. if HBL does not receive any Instructions or within what it deems to be a sufficiently reasonable time, HBL may take or omit to take any action;
     7. the Client acknowledges and agrees that it will be liable and HBL will have no responsibility for any liabilities in respect of unpaid calls or any other sums, costs or expenses payable in respect of any Virtual Assets held by HBL on the Client’s behalf;
     8. to the extent permitted by applicable laws, HBL will not be liable for the acts, omissions and/or insolvency of any custodian or sub-custodian selected by HBL in good faith. HBL’s only obligation to the Client in respect of the same is, at the Client’s cost and expense, to assign to the Client any rights of recourse in respect of the custodians or sub-custodians where the same are capable of being assigned under any applicable laws; and
     9. HBL is entitled to, at any time, close any such custody Account(s) maintained in the Client’s name and/or on the Client’s behalf without providing any reason for doing so; and
5. The Client further understands that the Client’s Virtual Assets may not enjoy the same protection as that conferred on "securities" or “futures contracts” as defined in the SFO, the Client Securities Rules and Securities and Futures (Client Money) Rules (Cap. 571I of the Laws of Hong Kong) or any other applicable laws. Where the Client’s money is received or held outside Hong Kong (if and when deposits of fiat currencies are accepted on HashKey Exchange), such assets may not enjoy the same protection as that conferred on Client’s money received or held in Hong Kong.
6. We maintain certain commercial insurance for the Virtual Assets held in custody by our Associated Entity. Such insurance policy is made available through certain third-party insurance underwriters. In general, our policy insures against loss, damage, destruction or theft of digital assets in custody, subject to certain policy exclusions. However, our policy does not cover any losses resulting from unauthorized access to your personal account(s) due to a breach or loss of your credentials. You agree and understand that you are solely responsible (and you will not hold us responsible) for managing and maintaining the security of your account login credentials and any other required forms of authentication.
7. **Fees and Taxes**
   1. The Client will pay all applicable fees, costs, charges, expenses and commissions to HBL as HBL may determine, including costs in connection with networks or blockchains underlying a Virtual Asset and/or engagement of third party service providers (on a full indemnity basis) such as legal advisers, trustees, or any agent, delegate, nominee or custodian appointed by HBL, as well as applicable levies imposed by relevant Government Agencies and regulatory bodies, including without limitation, goods and services tax, consumption tax, value added tax, all applicable stamp duties, or any Tax of a similar nature. Where such Taxes are payable in connection with any fees or commissions payable by the Client, the Client agrees that, concurrently with the relevant payments, the Client shall pay HBL an additional amount equal to the amount of such payment multiplied by the appropriate rate of Tax. The Client hereby authorizes HBL to deduct such fees, costs, charges, expenses, commissions, and any such relevant Tax from the Account as incurred and/or payable to HBL. HBL is authorized to solicit, accept and retain for HBL’s own benefit, without making any disclosure to the Client, any rebate, brokerage, commission, fee, benefit, discount and/or other advantage from any person arising from any Transaction effected by HBL.
   2. All amounts due by the Client to HBL may be charged with interest at such rate(s) to be notified by HBL from time to time. Such interest shall accrue on a daily basis and shall be payable on the last day of each calendar month or upon any demand being made by HBL.
   3. The Client acknowledges and agrees that HBL may change the relevant applicable fee rate from time to time. The Client shall refer to the relevant Website page for updated details.
   4. The Client acknowledges and agrees that where any Tax deduction shall be required from any payment made by the Client to HBL, the Client shall increase the amount payable to the extent that the net amount received by HBL shall be the same as such amount paid by the Client if no deduction had been required. To that end, the Client agrees to deduct the Tax amount, pay such Tax amount to the relevant Government Agency in accordance with applicable laws, and shall provide HBL with supporting documentation of payment.
   5. The Client acknowledges and agrees that where HBL is required by applicable laws or instructed by relevant Government Agencies to make deductions or to withhold payments due to the Client, and to pass such amounts to the Government Agencies, the Client shall immediately reimburse HBL for the amount of any such deduction or withholding. The Client shall indemnify HBL against any Loss suffered or incurred by HBL as a result of such deduction or withholding.

1. **Indemnity and Exclusion of Liability**
   1. The Client hereby agrees to fully indemnify HBL, HBL’s directors, officers, employees, Associated Entities, nominees and Affiliates and keep all such persons indemnified against all claims, actions, demands and proceedings against any such persons and bear Losses which they may suffer in connection with their carrying out of obligations or services, or exercising of rights, powers or discretions under, or in connection with these Terms save to the extent that such Losses arise directly as a result of HBL’s gross negligence, fraud, or willful default.
   2. The Client acknowledges and agrees that all decisions about the purchase, holding or sale of Virtual Assets, or the entry into any Transaction are made solely by the Client. HBL shall not be responsible for any decision made by the Client to enter into the Agreement or any Transaction, to use any of the services provided by HBL, or for any fees or costs payable in connection with such Virtual Asset.
   3. While some HBL employees and agents may be authorized to provide the Client with certain information on the Virtual Assets or other products or services, neither HBL’s employees nor its agents have any authority to make representations about anything in connection with the Agreement. Accordingly, subject to applicable laws, HBL shall not be liable for any Loss if any HBL employee or agent acts without HBL’s authority.
   4. To the maximum extent permitted under applicable laws, HBL shall not be liable for any Losses suffered by the Client as a result of, or in connection with, the Client’s use of HashKey Exchange or in connection with these Terms or arising from any act or omission of HBL, other than Losses arising directly as a result of any gross negligence, fraud, or willful default on HBL’s part, or that of any Associated Entity, nominee or Affiliate. HBL shall in no event be liable for any loss of profit, indirect, special or consequential damages of any kind or the default of HBL’s directors, officers, employees, Associated Entities, nominees or Affiliates or any person, firm or company through, or with whom, Transactions are effected for the Account. This Clause shall be applicable where the Loss arises for any reason and even if the Loss was reasonably foreseeable or HBL had been advised of the possibility of the Loss.
   5. HBL will not be liable for any Loss that is caused by any malfunction of a third party application programming interface client or other related interactions with any third party software with HashKey API. Moreover, none of HBL’s Associated Entities, nominees or Affiliates shall be held responsible for any consequences resulting whether directly or indirectly from any events not within their control including without limitation restrictions by Government Agencies, impositions of emergency procedures, exchange rulings, third party conduct, suspensions of trading, adverse market conditions, or *force majeure* events, including wars, strikes, civil disorder, acts or threatened acts of terrorism, natural disasters, or any other circumstances beyond their control whatsoever.
   6. HBL shall not be responsible for, does not endorse, and makes no representation or warranty in connection with, any hyperlinked internet sites on the Website, other internet sites to which the Client may be referred or any third party content displayed on the Website. Such internet sites may contain information that has not been devised, verified or tested by HBL or its officers, employees or agents. HBL neither endorses the accuracy or completeness of such information, nor guarantees that such information, or the provision of any hyperlinks to the Client, do not infringe third party rights. HBL shall not be responsible for any Loss incurred by the Client in connection with those sites.

1. **Conflicts of Interest**
   1. HBL’s directors, officers or employees and Affiliates who qualify as Clients may trade on their own account or on the account of the Client or any of its Affiliates. In order to prevent conflicts of interest, the orders on HashKey Exchange are matched according to the following execution principles:
2. Price: Priority of execution will be given to clients who offer the highest price for a buy order or lowest price for a sell order;
3. Time: Where more than one client offers the same price for an order (whether a buy order or a sell order) for the same Virtual Asset, the client who places the order first will be given priority. If, however, their orders come at the same time, their orders for same Virtual Asset will be filled equally on a *pro rata* basis;
4. Clients first: Where HBL’s directors, officers, employees or Affiliates and a client place orders for the same Virtual Assets at the same time and at the same price, orders of clients have priority over HBL’s directors, officers, employees and Affiliates’ orders.

* 1. HBL is authorized to buy, sell, hold or deal in any Virtual Assets or take the opposite position to the Client’s order on behalf of any of the Client’s Affiliates or the Client’s other customers.
  2. HBL is authorized to match the Client’s orders with those of HBL’s other clients.
  3. HBL is authorized to effect Transactions where any of HBL’s directors, officers, employees or Affiliates has a position in the Virtual Assets concerned or is involved with those Virtual Assets as an underwriter, a sponsor or otherwise.
  4. The Client acknowledges and accepts that HBL and any of its Affiliates may have interests or may owe duties to other clients that have interests, which may conflict with the Client’s interests. HBL shall take all reasonable steps to ensure that the Client receives fair treatment in the event of any actual or potential conflict arising.
  5. In respect of any of the Transactions or matters mentioned in this Clause 10, none of HBL or its directors, officers, employees or Affiliates shall be obliged to account for any profits or benefits obtained.
  6. The Client understands and agrees that the nature of the Transactions may give rise to HBL, its Affiliates, Associate Entities, or one of HBL’s respective officers, employees or agents having a material interest in a Virtual Asset or Transaction, and that there may be other circumstances where a conflict of interest arises between the Client’s interests and those of other clients, counterparties or HBL. Some of these circumstances are described in other sections of the Terms and in other disclosures that HBL may make from time to time. Notwithstanding the foregoing, HBL will seek to avoid conflicts of interest where possible. If HBL acts in circumstances where it has a material interest or conflict of interest, HBL will take reasonable steps to ensure the Client is treated fairly. HBL may, in its absolute discretion, without giving any reason or notice and without incurring any liability of any nature to the Client, decline to transact with the Client or otherwise to act on the Client’s Instructions in such circumstances.

1. **Representations, Warranties and Undertakings**
   1. The Client hereby warrants, represents and undertakes to HBL that:
2. the Client is entering into these Terms as principal and is not trading on behalf of any other person unless HBL is otherwise notified and agrees in writing, in which case, the Client warrants that the Client is expressly authorized by the Client’s principal to effect all Transactions pursuant to these Terms and the Client’s principal will duly perform all the obligations, and be responsible for all liabilities, arising from these Terms, failing which the Client will be liable to HBL as if the Client were the principal in respect of such obligations and liabilities;
3. (if the Client is a natural person) the Client is of legal age to form a binding contract; or (If the Client is a body corporate) the Client is validly incorporated and existing under the laws of its place of incorporation and has full power and capacity to enter into and perform the Client’s obligations hereunder;
4. (if the Client is a body corporate) the Client’s entry into of these Terms has been duly authorized by the Client’s governing body and does not breach the Client’s Articles of Association (or its Memorandum of Association if the Client has the same) or other constitutional documents (as applicable);
5. where the Client affixes his signature in an electronic manner, he undertakes that he shall do so in good faith and with the full intention that such electronic signatures shall be binding on himself. Specifically, the Client represents and warrants that such electronic signature affixed by him will be as good as a signature under hand pursuant to the Electronic Transactions Ordinance (Cap. 553 of the Laws of Hong Kong), and agrees that he shall be bound by these Terms regardless of any possible challenge on the validity of electronic signatures under laws and regulations outside of Hong Kong and whether or not such grounds of challenge may be substantiated;
6. the information provided by the Client to HBL through HashKey Exchange or otherwise from time to time is and shall remain at all times true, accurate and complete in all respects, including without limitation any information or the Client’s financial circumstances that may have a material adverse effect on the Client’s ability to meet any of his obligations under the Agreement;
7. the Client has not withheld any information that might have caused HBL not to enter into the Agreement or any Transaction;
8. the Client will enter into Transactions solely in reliance upon the Client’s own judgement and investigations in respect of the Virtual Assets, which shall mean that the Client:
   1. has received, read and understood all relevant documents that make up the Agreement;
   2. has received, and/or solicited adequate information in relation to the Virtual Assets and the Transactions;
   3. is not, unless otherwise specified by HBL, relying on any written or oral communication from HBL as advice, and HBL is not and shall not be deemed to be an advisor to the Client in connection with the Agreement or any Transaction; and
   4. has made a decision to enter into the Agreement and the Transaction, based on his own judgement and on advice from such independent advisers as he has considered necessary;
9. the Agreement constitutes a valid and legally binding agreement between HBL and the Client enforceable in accordance with its terms;
10. these Terms and performance of the Client’s obligations contained herein do not and will not:
    1. contravene any existing applicable law, statute, ordinance, rule or regulation or any judgment, decree or permit to which the Client is subject;
    2. violate any public interests, public ethics or other legitimate interests and will not constitute evasion of payable Taxes or fees; or
    3. conflict with, or result in any breach of, the terms of, or constitute any default under, any agreement or other instrument to which the Client is a party or subject, or by which any of the Client’s property is bound;
11. unless otherwise agreed by HBL, the Client is and will remain the owner of the Virtual Assets in the Account free from any lien, charge, equity or encumbrance save as created by these Terms and will not charge, pledge or allow to subsist any charge or pledge over the Virtual Assets or monies in the Account or grant or purport to grant an option over any Virtual Assets or monies in the Account without HBL’s prior written consent;
12. unless as otherwise agreed by HBL, the Client is the person ultimately responsible for originating the Instruction in relation to each Transaction in the Account and shall stand to gain the commercial or economic benefit of such Transactions and/or bear their commercial or economic risk;
13. the Client is solely and wholly responsible for the security of the Client’s Account and has not revealed any login details (including email address and/or passwords) of the Client’s Account to any unauthorized person. All actions being conducted through the Account are duly authorized by the Client;
14. the Client is experienced, has the necessary knowledge in trading the Virtual Assets and has received all necessary legal and financial advice prior to entering into Transactions concerning the purchase, acquisition, holding, sale or disposal of any Virtual Assets;
15. the Client is not prohibited by applicable laws of any jurisdiction from dealing with Virtual Assets when opening an Account and at the time of undertaking any activities on HashKey Exchange, and has provided all necessary information and documents to HBL to assess its qualification status;
16. the Client is not a citizen, resident of, or located in, the list of prohibited jurisdictions published on the Website from time to time;
17. the Client has passed all compliance checks by HBL (including but not limited to KYC requirements, AML/CFT Requirements, and risk tolerance);
18. Client has obtained all necessary authorizations and consents, and taken all necessary corporate actions to make all payments and deliveries contemplated by the Agreement;
19. to the extent the Client represents one or more businesses or franchises, that the Client is acting as their authorized representative, and that both the Client and the entity that the Client represents will be bound by these Terms;
20. neither the Client, nor any assets owned by the Client, has immunity from the jurisdiction of a court or from legal process in any place the Client has not committed or been convicted of any Tax or other criminal offence in any jurisdiction;
21. the Client’s registration and the Client’s use of HashKey Exchange will be consistent with the representations, covenants and restrictions contained herein;
22. there is no pending or threatened action, suit or proceeding at law or in equity before any court, tribunal, Government Agency or any arbitrator that is likely to affect the legality, validity or enforceability against the Client of the Agreement, or the Client’s ability to perform his obligations under the Agreement; and
23. there has been no Event of Default, and no event has occurred which may, with the giving of notice or lapse of time or fulfilment of any condition, become an Event of Default.

* 1. The Client further undertakes that:

1. the Client will notify HBL in writing of any change in the information mentioned in Clause 11.1 above;
2. when purchasing or dealing in any Virtual Assets, the Client will ensure that the Client is not, and is not acting on behalf of, any person who is a Proscribed Person;
3. the Client shall immediately notify HBL if there is any change relating to any change in its qualification status to use HashKey Exchange and cease trading on HashKey Exchange. The Client shall provide all necessary information or documents upon request to HBL in connection with assessing its qualification status;
4. the Client shall comply with any restrictions and prohibition on the use of HashKey Exchange and declare that the Client is not a “specified U.S. Person” under U.S. tax principles or a “U.S. owned foreign entity”, a U.S. citizen (sole or dual citizenship), a holder of an active U.S. Green Card or a U.S. resident for Tax purposes;
5. the Client shall not interfere with the operation of HashKey Exchange or the use of HashKey Exchange by other clients by technical or any other means;
6. the Client shall not use HashKey Exchange to engage in any money-laundering activities, smuggling activities, commercial bribery activities, or any other illegal activities;
7. without HBL’s prior written consent, the Client shall not use any automated means or interface not provided by HBL to access HashKey Exchange or extract HashKey Exchange data;
8. the Client shall not attempt to circumvent any content filtering techniques that HashKey Exchange employs, or attempt to access any parts of HashKey Exchange and the Website that the CIient is not authorized to access;
9. the Client shall not develop any third party applications that interact or interfere with HashKey Exchange without HBL’s prior written consent;
10. the Client shall not use or attempt to use the Accounts of other HBL clients without their authority;
11. without the prior written consent of HBL, the Client shall not grant, lend, lease, transfer, dispose, or provide access to his/its Account to others by any other means;
12. the Client shall not defame HBL’s goodwill or reputation;
13. the Client shall not encourage or induce any third party to engage in any of the activities prohibited under these Terms; and
14. the Client shall comply at all times with all of the requirements of the Agreement.

* 1. Repeating Nature

The representations, warranties and undertakings under this Clause shall be deemed to be repeated immediately before each Instruction is given or executed.

* 1. Instructions from Other Persons

Even if the Client has disclosed to HBL that the Client is trading on behalf of other person(s), HBL is not required to act on any instruction other than the Instructions. HBL will not be liable for refusing to act upon unverified Instructions given by any person who purports to be the Client’s principal, or for acting upon the Instructions notwithstanding any unverified notice that the Client’s authority to act on behalf of the Client’s principal has been revoked, withdrawn or varied.

1. **Set-Off, Lien and Combination of Accounts**
   1. In addition, and without prejudice, to any general liens, rights of set-off or other similar rights to which HBL may be entitled under the applicable laws or these Terms, to the extent permitted by applicable laws:
2. All Virtual Assets receivables, monies and other property of the Client held by or in the possession of HBL at any time shall be subject to a general lien in favor of HBL as continuing security; and
3. HBL may as the Client’s agent take such measures as HBL may in its sole discretion deem necessary to sell, dispose of or otherwise realize all such property, to offset and discharge all of the Client’s obligations arising from the Transaction. In such case, HBL may make any necessary currency or asset conversions at any rate(s) as HBL deems appropriate in its reasonable opinion.
   1. In addition and without prejudice to any general liens or other similar rights to which HBL may be entitled under these Terms, to the extent permitted by applicable laws, HBL may set off or transfer any monies, Virtual Assets or other property in any such Accounts to satisfy obligations or liabilities of the Client to HBL or one of its Affiliates, whether such obligations and liabilities are actual or contingent, primary or collateral, secured or unsecured, or joint or several.
   2. The Client agrees to give HBL an authorization pursuant to Rule 21(2) of the Securities and Futures (Financial Resources) Rules (Chapter 571N of the Laws of Hong Kong) to:
4. set off against each other any amount receivable from, and amount payable to, HBL where such amounts arise from the purchase and sale of Virtual Assets by HBL on a cash-against-delivery basis; or
5. dispose of Virtual Assets held for the Client for the purpose of settling any amount payable by the Client to HBL.
6. **Default**
   1. Events of Default

The following events shall be Events of Default (each an “**Event of Default**”) for the purposes of these Terms:

1. the Client fails to duly and punctually observe or perform any of the undertakings, duties and obligations in these Terms or otherwise any provision of the Agreement;
2. any failure by the Client to pay sums of whatever nature when due under the Agreement;
3. the Client’s insolvency or liquidation, the filing of a petition in winding up or the commencement of any analogous proceedings against the Client;
4. the levying of any attachment against the Account or the Client’s other property;
5. without the prior written consent of HBL, a debit balance on any Account of the Client;
6. any representation or warranty made by the Client to HBL in the Agreement being incorrect or misleading;
7. any dispute or proceedings against the Client or (if a body corporate) its directors or shareholders in connection with the Company; or
8. any other matter or event including any regulatory requirement which in HBL’s opinion renders termination of all or any part of the Agreement necessary or advisable in HBL’s interests.
   1. The Client agrees to immediately notify HBL upon the occurrence of an Event of Default.
   2. Consequences of any Event of Default

Upon the occurrence of an Event of Default, HBL will be entitled in its absolute discretion, without notice or demand and without prejudice to any other rights or remedies available to HBL, forthwith to:

1. immediately suspend, freeze or terminate any Account;
2. terminate all or any part of the Agreement;
3. cancel any or all outstanding orders, Instructions or any other commitments made on behalf of the Client;
4. suspend performance of any of HBL’s obligations to the Client however arising, including the deposits of any Virtual Assets or the payment of any sum or sums of money then due or which might thereafter become due and cancellation of all outstanding orders or contracts, until such time as the Client has fully complied with all the Client’s obligations to HBL or the Event of Default has been remedied to HBL’s satisfaction;
5. subject to applicable laws, sell or realize all or any part of the Virtual Assets or property held by HBL for the Account in such manner and upon such terms as HBL may conclusively decide to satisfy the Client’s obligations and indebtedness towards HBL or any of HBL’s Associated Entities, nominees or Affiliates out of the net sale proceeds (with fees, expenses and costs deducted) thereof; and
6. exercise any of HBL’s rights under these Terms.

* 1. Application of Monies

If and when HBL accepts deposits of fiat currencies for, or on behalf of, the Client via HashKey Exchange, HBL will treat all such deposits as received or held in the course of the conduct of a regulated activity for which HBL is licensed and will be applied in the following order of priority and any residue will be paid to the Client or to the Client’s order as the Client may stipulate to HBL:

1. meet the Client’s obligations for settling or paying any amount that the Client owes to HBL in relation to any relevant activities carried out by HBL on behalf of the Client, irrespective of whether or not such activities amount to a regulated activity;
2. payment of all applicable costs, charges, legal fees and expenses including stamp duty, commission and brokerage properly incurred by HBL in transferring and selling all or any of the Client’s Virtual Assets or property on the Client’s behalf;
3. payment of interest accrued on the aggregate outstanding amount due and owing to HBL or any of its Associated Entities, nominees or Affiliates for the time being; and
4. payment of any other money and liabilities due or owing by the Client to HBL or any of its Associated Entities, nominees Affiliates.
   1. In the event of any sale pursuant to Clause 13.3(e):
5. HBL shall not be responsible for any Loss occasioned thereby howsoever arising if HBL sells or disposes of the Virtual Assets or any part thereof at the then available market price;
6. to the extent permitted by applicable laws, HBL shall be entitled to keep for itself or sell or dispose of the Virtual Assets or any part thereof at the available market price to any person at its discretion without being in any way responsible for Loss occasioned thereby howsoever arising and without being accountable for any profit made by HBL; and
7. the Client agrees to pay to HBL any shortfall if the net proceeds of sale shall be insufficient to cover all the outstanding balances owing by the Client to HBL or any of HBL’s Associated Entities, nominees or Affiliates.

1. **Online Trading Services and Network Events**
   1. Property in Information

The Client acknowledges and agrees that the information and materials made available to the Client through HashKey Exchange may be provided by HBL or any other person. The Client acknowledges and agrees that such information is the property of the person providing the same and is protected by copyright or contractual restrictions with respect to its use. The Client agrees not to reproduce, retransmit, disseminate, sell, distribute, publish, broadcast, circulate or commercially exploit such information without HBL’s prior written consent. Without prejudice to any other restrictions set out in the Agreement, the Client undertakes that with respect to such information and materials, he shall not attempt to tamper with, modify, adapt, translate, de-compile, reverse-engineer or otherwise alter in any way, create derivative works based on, or combine or merge with or into any other software or documentation, gain unauthorized access to, make unauthorized use of or make use of for any illegal purpose (or any other purpose that is not contemplated in the Agreement), or remove, erase or tamper with any copyright or proprietary notice printed or stamped on, affixed to, or encoded or recorded on such information or materials.

* 1. In entering into the Agreement, HBL shall grant to the Client a non-exclusive, non-transferable personal right to access and use the online trading service provided by HBL through HashKey Exchange to trade Virtual Assets. The Client may only use the online trading service, his Account, and any information and materials for his own needs.
  2. The Client agrees that prior to accessing or using the online trading service or his Account while he is outside his jurisdiction of residency, he will ensure that he complies with any laws, rules or regulations in the jurisdiction in which he is located.
  3. Interruption

The Client acknowledges that Transactions over the Internet may be subject to interruption, transmission blackouts, delayed transmissions due to Internet traffic or incorrect data transmissions due to the public nature of the Internet.

* 1. Cyberattacks

Although HBL uses its best endeavours to manage and supervise the design, development, deployment and operation of HashKey Exchange in accordance with industry best practices and international standards to ensure that HashKey Exchange is appropriately secured against cyberattack, misuse or unauthorized access, HBL does not claim to have any ability to prevent or mitigate all cyberattacks and modifications on the blockchain networks. The Client authorizes HBL to take commercially reasonable actions in such event. If HBL determines the Virtual Assets on HashKey Exchange have been compromised, the Client hereby authorizes HBL to halt or suspend trading, deposits and withdrawals for such Virtual Asset.

* 1. Suspension

1. HBL reserves the right to halt or suspend HashKey Exchange trading, deposits and withdrawals at such time and for such duration in HBL’s absolute discretion, including in case of emergency market closures and to allow for system upgrades / maintenance or node upgrades, or where, in HBL’s opinion, such trading, deposits and/or withdrawals may result in HBL being associated with a Proscribed Person or Proscribed Address.
2. If there is a risk of multiple Virtual Assets resulting from a Fork, HBL reserves the right to determine which blockchain represents the original blockchain. In any such event, the Client agrees that HBL may temporarily suspend the Client’s deposit and withdrawal requests in HBL’s sole discretion and HBL may decide based on commercially reasonable efforts either (i) to configure or reconfigure HashKey Exchange’s systems and/or HashKey Exchange; or (ii) not to support (or cease supporting) the branch derived from the forked protocol.
   1. Network Events
3. Infrastructure Participant, Network Participant and Network Event  
   If:
   * 1. any Infrastructure Participant or Network Participant gives an Instruction or a direction, or otherwise makes a decision or election that affects a Transaction;
     2. an Infrastructure Participant or Network Participant becomes insolvent or is suspended from operating; or
     3. upon the occurrence of a Network Event,

then HBL may take any action which it, in its sole discretion, considers appropriate to correspond with the Instruction, direction, decision, election or event, or to mitigate any Loss incurred or potential Loss or impact which may be incurred as a result of such action or event. Subject to applicable laws, such action may result in suspension of access to, or adjustment of the balance of, the Client’s Account. Any such action will be binding on the Client (including, where relevant, making any decision or election in relation to a Network Event);

1. Cooperation and Enquiries

Where any Infrastructure Participant, Network Participant or any Government Agency makes an enquiry which relates to any service or Transaction carried out pursuant to the Agreement, the Client agrees to co-operate with HBL in the provision of such information, and that any information relevant to the enquiry may be passed to any of HBL’s nominees, Affiliates or any Associated Entity, or any Infrastructure Participant, Network Participant or Government Agency, as appropriate;

1. Staking  
   In relation to a Virtual Asset on a “proof-of-stake” consensus protocol or an analogous nature, HBL does not, unless specifically announced on the Website, support the staking of such Virtual Asset and does not distribute any rewards associated with such staking. Where specifically announced on the Website that the staking of a Virtual Asset will be supported by HBL, HBL may in its discretion consider such terms and conditions, which shall include without limitation the methodology of allocation of all the associated costs, fees or rewards to all affected clients, upon which HBL will implement support of such event as part of HBL’s services.
2. Airdrop and Fork
   1. Unless specifically announced on the Website in relation to an Airdrop or a Fork, HBL does not support any new Virtual Assets created or forked protocol as a result of such a Network Event.
   2. Without limiting the generality of the foregoing Clause, on each occasion of an Airdrop or a Fork, HBL may in its sole discretion consider whether: (1) any such Network Event would be recognised or supported; (2) such terms and conditions, which shall include without limitation the methodology of allocation of all the associated costs, fees or rewards to all affected clients, upon which HBL will implement support of such Network Event as part of HBL’s services; and (3) such actions required for participation in the Network Event, including without limitation deadlines relating to the withdrawal of the relevant Virtual Assets from the Client’s Account, suspension period for any trading, deposit and withdrawal or any payment terms.
   3. In the event that HBL does not recognize or support an Airdrop or a Fork, HBL shall not make a claim for, or otherwise retain, any assets or rights associated with such Network Event for its own benefit.
3. Notification  
   Upon becoming aware of an Airdrop, a Fork or a Network Event, HBL shall, where applicable, notify the Client as soon as practicable, and will publish any determination at least one Business Day before the occurrence of the Network Event (if scheduled in advance and made known to the public), unless to do so is impossible or reasonably impracticable.
4. **KYC and AML/CFT Requirements Policy**
   1. The Client shall complete HBL’s KYC verification and AML/CFT Requirements as may be required by HBL from time to time.
   2. The Client further acknowledges that HBL may, at any time after the Account is established, request further information from the Client for the purpose of KYC verification or AML/CFT Requirements and the Client shall promptly provide any information as required by HBL, otherwise HBL may suspend any activities of the Client’s Account without further notice.
   3. In the event that the Client cannot satisfy HBL in respect of KYC requirements and AML/CFT Requirements, then the Client may not be able to open and/or access the Account, HBL will have sole discretion in deciding whether to terminate the Client’s Account.
   4. If any funds or Virtual Assets as transferred by the Client to HBL under these Terms would be subject to the applicable reporting requirements such as the Foreign Account Tax Compliance Act (“**FATCA**”) (including those contained in sections 1471(b) or 1472(b) of the FATCA, as applicable) on the United States federal withholding tax as imposed, the Client hereby agrees and shall deliver to HBL, at the time or times prescribed by applicable laws and at such time or times reasonably requested by HBL, such documentation prescribed by applicable laws (including as prescribed by section 1471(b)(3)(C)(i) of the FATCA) and such additional documentation reasonably requested by HBL as may be necessary for HBL to comply with HBL’s obligations under FATCA or any applicable laws.
   5. Notwithstanding any other provision of the Agreement to the contrary, HBL is not obliged to do or omit to do anything if it would, or might in HBL’s reasonable opinion, constitute a breach of any AML/CFT Requirements.
   6. The Client agrees that HBL may take reasonable time to consider, verify or block a Transaction, if the Client or any other person or entity in connection with the Transaction becomes a Proscribed Person or has a Proscribed Address, or upon the occurrence of a match on HBL’s sanctions filters.

1. **Common Reporting Standard**

The Client hereby acknowledges that HBL is committed to the common reporting standard as imposed by the automatic exchange of financial information which have been incorporated into the Inland Revenue (Amendment) (No. 3) Ordinance 2016. As a result the Client hereby authorizes HBL to collect information regarding the Client (including but not limited to the Client’s name, the Client’s address, the Client’s jurisdiction of residence, the Client’s taxpayer identification number, the Client’s balance of Virtual Assets in the Account, the total amount of dividends and/or interest as received by the Client as a result of holding the Virtual Assets, all of the above common reporting standard information relating to the Client’s controlling person (collectively, the “**CRS Information**”)), by way of the Client completing a self-certification statement to HBL as required by HBL from time-to-time, and retain the CRS Information for a period of no less than 7 years from the moment of collection, and also authorizes HBL to furnish reports including the Client’s CRS Information for the purpose of being submitted to the Hong Kong Inland Revenue Department. The Client further acknowledges that it is an offence under the Inland Revenue Ordinance (Cap. 112 of the Laws of Hong Kong) to make any misleading, false or incorrect statement to HBL when providing the CRS Information and the Client hereby warrants that all CRS Information provided is accurate and the Client shall keep HBL updated should there be any changes to the Client’s CRS Information.

1. **Market Misconduct**

The Client hereby acknowledges that HBL is committed to the highest standards of market surveillance compliance and requires all its employees as well as its clients to adhere to these standards to prevent the use of HashKey Exchange for market manipulation and to engage in abusive activities or market misconduct. The Client hereby agrees to comply with the same standard and not engage in activities which constitute market misconduct under the SFO including, but not limited to, the following:

1. insider dealing;
2. false trading;
3. price rigging;
4. disclosure of information about prohibited Transactions;
5. disclosure of false or misleading information inducing Transactions; and
6. market manipulation.

If HBL notes or suspects any market misconduct, the Client understands that the Client’s Account(s) may be suspended and/or terminated and the relevant activities may be reported to the relevant Government Agencies.

1. **Client Identity Rule**
   1. If the Client effects Transactions in Virtual Assets, whether on a discretionary or non-discretionary basis, and whether as agent or by entering into matching Transactions as principal with its clients, the Client hereby agrees that, in relation to such Transaction where HBL has received an enquiry from the SFC and/or any other relevant Government Agency, exchange or clearing house (the “**Hong Kong regulators**”), the following provisions in this Clause 18 shall apply.
   2. Subject as provided below, the Client shall, immediately upon request by HBL (which request shall include the relevant contact details of the Hong Kong Government Agencies), inform the Hong Kong regulators of the identity, address, occupation and contact details (so far as known to the Client) of the person with the ultimate beneficial interest in the relevant Transaction. The Client shall also inform the relevant Hong Kong regulators of the identity, address, occupation and contact details of any other party (if different from the Client or the ultimate beneficiary) that originated the relevant Transactions. Further, the Client shall also disclose to the relevant Hong Kong regulators and HBL details of the Instruction(s).
   3. Dealing for Collective Investment Schemes

If the Client effects the Transactions for a collective investment scheme, discretionary account or discretionary trust, the Client shall immediately:

1. upon HBL’s request (which request shall include the relevant contact details of the Hong Kong regulators), inform the relevant Hong Kong regulators of the identity, address and contact details of the scheme, account or trust and, if applicable, the identity, address, occupation and contact details of the person who, on behalf of the scheme, account or trust, instructed the Client to effect the Transactions; and
2. the Client shall as soon as practicable, inform HBL when the Client’s discretion to invest on behalf of the scheme, account or trust has been overridden. In the case where the Client’s investment discretion has been overridden, the Client shall, immediately upon HBL’s request (which request shall include the relevant contact details of the Hong Kong regulators), inform the relevant Hong Kong regulators of the identity, address, occupation and contact details of the person(s) who has or have given the Instruction in relation to the Transactions.

* 1. Intermediaries

If the Client is aware that the Client’s client is acting as intermediary for its underlying client(s), and the Client does not know the identity, address, occupation and contact details of the underlying client for whom the Transactions were effected, the Client confirms that:

1. the Client has arrangements in place with the Client’s client which entitle the Client to obtain the information set out in Clauses 18.2, 18.3 and 18.4 from the Client’s client immediately upon request or procure that it be so obtained; and
2. the Client will, upon HBL’s request in relation to a Transaction, promptly request such information set out in Clauses 18.2, 18.3 and 18.4from the Client’s client on whose Instructions the dealing was effected, and provide the information to the Hong Kong regulators as soon as received from the Client’s client or procure that it be so provided.

The Client declares, warrants and represents that, where necessary, the Client has obtained all relevant consents or waivers from the Client’s clients, collective investment schemes, discretionary accounts or discretionary trusts for whose account Transactions may be effected to release information to the Hong Kong regulators of the identity and contact details of such clients, collective investment schemes, discretionary accounts or discretionary trusts, and of the person(s) with the ultimate beneficial interest in any such Transactions, and (if different from the Client’s client/ultimate beneficiary) of the person(s) who originated the Transactions.

* 1. Where the Client is subject to any secrecy laws, the Client confirms that it waives and (if applicable) HBL’s ultimate client has entered into an agreement to waive the benefit of all such secrecy laws in relation to the terms of these Terms to the maximum extent possible, including, without limitation, any enquiry by any Hong Kong regulator contemplated in this Clause 18, to the fullest extent permitted by the laws of such jurisdiction. The Client confirms that such waivers and agreement are valid and binding under the law of the relevant jurisdiction. The Client shall, where it is not the ultimate client and deals with an intermediary rather than the ultimate client, obtain a similar confirmation from that intermediary and shall procure that intermediary to obtain a similar confirmation from its client and so on up until the final financial intermediary dealing directly with the ultimate client.
  2. The terms contained in this Clause 18 shall continue in effect notwithstanding the termination of these Terms.

1. **Clearly Erroneous Transaction Policy**
   1. The Client acknowledges that HBL may consider in HBL’s sole and absolute discretion a Transaction to be clearly erroneous when its price is substantially inconsistent with the market price at the time of execution (each, a “**Clearly Erroneous Transaction**”). In making a determination, HBL may take into account the circumstances at the time of the Transaction, the preservation of the integrity of the market, the maintenance of a fair and orderly marketplace and any other relevant factors. The Client is responsible for ensuring that the appropriate price and Instruction is given to HBL. The Client acknowledges that a simple assertion by the Client that a mistake was made in giving an Instruction, or that the Client has failed to pay attention to or update any Instruction, may not be sufficient to establish it as a Clearly Erroneous Transaction.
   2. The Client agrees and understands that if HBL determines a Transaction to be a Clearly Erroneous Transaction, HBL may declare it null and void, in whole or in part, even if the Client and/or any other party does not agree to cancel or modify it. In determining whether a Transaction is a Clearly Erroneous Transaction, HBL may consider the following:
2. suspicious trading activities;
3. violations of the Rules on HashKey Exchange;
4. if there was an obvious error in any term, including, but not limited to, price, amount of Virtual Assets, or other unit of trading;
5. if there was a disruption or malfunction in the operation of any trading system or component of HashKey Exchange, or any other relevant Virtual Asset network; and
6. if there were extraordinary market conditions or other circumstances in which the nullification or modification of Transactions may be necessary for the maintenance of a fair and orderly market.
   1. The Client authorizes HBL to make a determination and take any action pursuant to this Clearly Erroneous Transaction Policy within two Business Days of a Transaction.

1. **Termination**
   1. Termination by Notice

These Terms may be terminated by either party by giving not less than 5 Business Days’ prior written notice to the other party. Termination of these Terms shall not affect any Instruction executed for the Client or prejudice or affect any rights, powers, duties and obligations of either party accrued prior to the termination.

* 1. HBL may also terminate these Terms immediately upon the occurrence of any one or more of the following events:

1. the occurrence of any of the Events of Default referred to in Clause 13.1;
2. the withdrawal of the Client’s authorization to HBL to hold Virtual Assets on behalf of the Client; or
3. where the Client no longer maintains an Account with HashKey Exchange.

* 1. Termination of these Terms under this Clause is without prejudice to any other provisions of these Terms and shall not affect:

1. any Transactions entered into by HBL pursuant to these Terms before the termination;
2. any accrued rights or liabilities of any of the parties which may already have arisen pursuant to these Terms;
3. any warranties, representations, undertakings and indemnities given by the Client pursuant to these Terms;
4. any rights of HBL over any of the Client’s property in the possession or control of HBL whether the same be held for safe custody, and whether pursuant to these Terms or otherwise so long as there are any outstanding liabilities of the Client to HBL; and
5. the rights or liabilities of either party to these Terms arising out of, or in connection with, any outstanding orders or open contracts at the time of such termination whether with respect to commissions, expenses, indemnities or otherwise whatsoever or howsoever in accordance with these Terms until all such orders or contracts have been closed out or settlement and/or delivery has been effected and all such liabilities have been fully discharged.

* 1. Upon termination of these Terms under this Clause, all amounts due or owing by the Client to HBL under these Terms shall become immediately due and payable. Within a commercially reasonable period following termination and subject to these Terms, HBL shall release or otherwise return all Client assets held by HBL to the Client.

* 1. All provisions in the Agreement in connection with payments, clawbacks, indemnities, limitation of liability, disclosure of information (including confidentiality), set-off, currency conversion, Tax, and the provisions in Clause 22 (General Provisions) survive termination of the Agreement.

1. **Notice and Communication**
   1. Any notice or other communication to be given or made pursuant to these Terms by HBL to the Client may be made by personal delivery, prepaid post, electronic means or facsimile and shall be deemed to have been duly served:
2. If delivery personally or by electronic means, at the time of delivery;
3. If sent by prepaid post, 48 hours after posting; and
4. If sent by facsimile, at the time of sending.

* 1. Any such notice or communication shall be sent to the Client at the address, facsimile number or e-mail address last known to HBL.
  2. Any notice or communication made or given by the Client will be effective only upon actual receipt by HBL.
  3. The Client will promptly notify HBL in writing of any change in the Client’s name, address, facsimile number, e-mail address or other electronic delivery address. Until HBL has received and had reasonable time to act on any notice of a change, HBL may continue to send communications to the Client’s recorded address, facsimile number, e-mail address or other electronic delivery address, and any such communications will be deemed to have been delivered to the Client, whether or not the Client actually received them.
  4. The Client acknowledges and agrees that it is responsible for having any necessary hardware, software, internet access, technology access, e-mail address or other electronic address to receive and access the communications sent electronically, including a printer or other device to download and save any information that the Client may wish to retain.
  5. The Client understands that certain risks are associated with the electronic delivery of communications including but not limited to information technology risks, unauthorized access, systems outages, delays, disruptions in telecommunications services and the Internet. The Client understands and acknowledges that communications transmitted electronically may be altered or changed during the process of transmission and consequently HBL does not accept any liability or responsibility whatsoever in respect of any such alteration or change. Electronic messages (including e-mails) may contain computer viruses or other defects, may not be accurately replicated on other systems, or may be intercepted, deleted or interfered with without the knowledge of the sender or the intended recipient. HBL makes no warranties in relation to these matters. HBL reserves the right to intercept, monitor and retain electronic messages to and from its systems as permitted by applicable laws and regulations. The Client’s use of electronic media is at the Client’s own risk and it is the Client’s responsibility to take precautions to ensure that any such electronic medium is free from viruses and other items of a destructive nature.
  6. Subject to applicable laws, Instructions and communications digitally signed and supported by a digital certificate have the same validity, admissibility and enforceability as if signed in writing. Without prejudice to the generality of the foregoing, the Client acknowledges and agrees that electronically executed contracts are enforceable, notwithstanding the legal risks associated with them. The Client agrees not to dispute the contents of any notice or communication sent by HBL via electronic means.
  7. If an Account is established for more than one person, notices and communications (including notices of any variation to the Agreement and any statements (including any consolidated statements)) sent to the email notified to HBL as the email for receipt of notices and other communications in connection with the Agreement are taken to be given to all persons.
  8. The Client agrees that HBL may charge the Client a reasonable charge for the delivery of paper copies of any communications that have previously been or would otherwise be delivered to the Client electronically. The Client further agrees that neither the Client’s request for paper copies, nor HBL’s delivery of paper copies will imply that the previous electronic delivery of the communications did not constitute good and effective delivery.

1. **General Provisions**
   1. Time of the Essence

Time shall in every respect be of the essence under these Terms.

* 1. Waiver and Variation

A provision of the Agreement, or right created pursuant to it, may not be waived except in writing signed by the party or parties to be bound and is only effective for the purpose for which it is given. The Client acknowledges and agrees that, subject to the Agreement and any applicable laws, various features of the activities contemplated by the Agreement may be changed by HBL at any time, including without limitation any applicable costs.

* 1. Invalidity

If any one or more of the provisions contained in these Terms shall be invalid, unlawful or unenforceable in any respect under any applicable laws, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired.

* 1. Assignment

1. These Terms shall benefit, and be binding on, HBL and the Client, their respective successors and subject to this Clause 22.4, any permitted assignee or transferee of any or all of HBL’s rights or obligations under these Terms.
2. The Client may not assign or transfer all or any of the Client’s rights or obligations under these Terms.
3. HBL may assign or transfer all or part of HBL’s rights, benefits and obligations hereunder to such person(s) and disclose to a potential transferee or any other person proposing to enter into contractual arrangements with HBL in relation to these Terms such information about the Client as HBL may at its absolute discretion think fit to the extent permitted by applicable laws. HBL shall notify the Client of any such assignment or transfer as soon as commercially practicable.

* 1. Exercise of Rights
  2. Unless expressly stated otherwise in the Agreement, HBL may, without giving any reason, exercise a right or remedy, give or refuse its consent or approval, and/or make any other determination or decision in connection with the Agreement in any way it considers appropriate in its absolute discretion, including by imposing conditions.
  3. HBL shall not be liable for any Loss caused by the exercise or attempted exercise of, failure to exercise, or delay in exercising, a right or remedy, whether or not caused by its negligence.
  4. HBL’s rights and remedies under the Agreement are in addition to other rights and remedies provided by applicable laws independently of the Agreement, do not merge with and are not adversely affected by any other agreement and may be executed independently or together with any rights or remedies including under any other agreement, and are not affected by any payment, settlement or anything which might otherwise affect them pursuant to applicable laws including the variation of the Agreement or the insolvency of any person.
  5. Non-Waiver

Failure or delay in exercising any right, power or privilege by HBL in respect of these Terms shall not operate as a waiver, nor shall a single or partial exercise, enforcement or waiver of any such right, power or privilege preclude HBL from further exercise, enforcement, or the exercise or enforcement of any other right, power or privilege hereunder.

* 1. Approvals and Consents

HBL does not make or give any warranty or representation as to any circumstance relating to the subject matter of the consent or approval merely by virtue of having given its approval or consent.

* 1. Complying with an Order from a Court or Government Agency

The Client shall not commence proceedings against HBL in relation to its actions if HBL is acting only in accordance with such orders served upon it from a court or a Government Agency.

* 1. Third Party Services

Subject to the other provisions of the Agreement, and to applicable laws, HBL may (a) employ independent contractors and agents (including correspondents) or utilize the services of its Affiliates, Associated Entities, or another third party to make certain functions or information available to the Client and/or otherwise to effect the services provided for under the Agreement, on such terms that HBL considers appropriate. Any such persons may be located in a jurisdiction outside of Hong Kong; and (b) change any service provider at any time without prior notice. The Client acknowledges and agrees that in addition to the Agreement, the Client’s use of such services provided for under the Agreement may be subject to the terms and conditions imposed by relevant third parties from time to time, as notified to the Client.

* 1. Joint and Several Liabilities

If the Client consists of more than one person, then the liabilities of each such person hereunder shall be joint and several. Any notice, payment or delivery by HBL to either or any one of the joint account holders shall be a full and sufficient discharge of HBL’s obligations to notify, pay or deliver under these Terms.

* 1. Material Change

Either party will notify the other in the event of any material change to the information contained in these Terms or provided to the other party pursuant to these Terms as soon as practicable after it becomes aware of the change. HBL shall notify the Client in writing of any material changes to the Rules, HBL's licensing status with the SFC or the Central Entity Number, or any other material changes that may affect the Client's account. For the purposes of this clause, a "material change" means any change that is likely to have a significant impact on the other party's rights or obligations under these Terms.

* 1. Severability

If and to the extent that an applicable law is inconsistent with the Agreement in a way that would otherwise have the effect of making a provision of the Agreement illegal, void or unenforceable, or contravene a requirement of any applicable laws or impose an obligation or liability which is prohibited by that applicable law, then such applicable laws shall override the Agreement to the extent of the inconsistency, and the Agreement is to be read as if that provision were varied to the extent necessary to comply with those applicable laws and avoid their effect (or, if necessary, omitted).

* 1. Third Party Rights

The Agreement does not create or confer any rights or benefits enforceable by any person not a party to it except HBL’s Affiliates and Associated Entities, and any other indemnified party (as defined in Clause 9) may enforce its rights or benefits in the Agreement, including any indemnity, limitation or exclusion of liability; and a person who is a permitted successor or assignee of the rights or benefits of HBL under the Agreement may enforce those rights or benefits. Notwithstanding the foregoing, no consent from the persons referred to in this Clause shall be required for the parties to vary or rescind the Agreement (whether or not in a way that varies or extinguishes rights or benefits in favor of those third parties).

1. **Risk Disclosure and Disclaimer**
   1. In conducting any Virtual Asset trading activities including any incidental services provided by HBL to its clients (“**Relevant Activities**”), if HBL solicits the sale of or recommend any product including any Virtual Assets to the Client, the product must be reasonably suitable for the Client having regard to the Client’s financial situation, investment experience and investment objectives. No other provision of these Terms or any other document HBL may ask the Client to sign and no statement HBL may ask the Client to make derogates from this Clause.
   2. The Client declares and acknowledges that the Risk Disclosure Statement associated with trading Virtual Assets has been fully explained to the Client in a language that the Client understands and chooses and the Client has been invited to read the Risk Disclosure Statement associated with trading Virtual Assets. The Client has been given the opportunity to ask questions and to seek independent legal and financial advice if the Client wishes. The Client further declares that the Client has carefully and thoroughly read the Risk Disclosure Statement associated with trading Virtual Assets and fully understands and accepts its contents and agrees to be bound by the same. **The Risk Disclosure Statement is set out as Part 2 at the end of these Terms**.
   3. The Client represents, warrants and undertakes to HBL that if the Client gives Instructions for effecting Transactions under the Account:
2. the Client fully understands the nature, features and risks of the Virtual Assets and is willing to bear such risks;
3. the Client has sufficient net worth to be able to assume the risks and bear the potential losses of trading in the product; and
4. the Client has thoroughly and independently considered the risks involved, its investment objectives, financial needs and commitments and the Client’s own circumstances before giving the Instructions, whether or not the Client has trading experience with respect to such or any Virtual Assets.

* 1. The Client acknowledges, understands and agrees that:

1. the price of Virtual Assets and the income from them (if applicable) can be extreme volatile and highly unpredictable.  Any individual Virtual Asset may experience upward or downward price movements and may even become valueless. There is an inherent risk that significant losses may be incurred over a short period of time rather than profit made as a result of buying and selling Virtual Assets;
2. the actual bid and offer prices of any Transaction will be determined at the time when such Transaction is effected and any figures which may have been quoted by HBL or HBL’s representatives prior to such Transaction are indicative only;
3. any price of any Virtual Asset quoted by HBL in response to any enquiry by the Client is for reference only and shall not be binding on HBL or any of HBL’s market information providers. HBL shall be entitled to act on any Instruction for the sale and purchase of any Virtual Asset even if the price of such Virtual Asset has altered to the disadvantage of the Client between the time of HBL’s receipt of such Instruction and the time at which HBL or HBL’s agent completes any such sale or purchase;
4. the use of any HBL service does not guarantee a fault-free service and may, from time to time, encounter technical failure, delay, malfunction or interruption that may impact or interfere with the Client’s trading activity;
5. the configuration of any third party software to HashKey Exchange is the Client’s own responsibility and technical assistance from HashKey Exchange support may be limited;
6. Virtual Assets are highly risky and the Client should exercise caution in relation to the products;
7. a Virtual Asset may or may not be considered as “property” under applicable laws, and such legal uncertainty may affect the nature and enforceability of the Client’s interest in such Virtual Asset;
8. the offering documents or product information provided by an issuer of Virtual Assets have not necessarily been subject to scrutiny by any Government Agency;
9. the protection offered by Hong Kong’s Investor Compensation Fund does not necessarily apply to Transactions (irrespective of the nature of the relevant tokens);
10. a Virtual Asset is not necessarily legal tender, that is, it is not necessarily backed by any Government Agency;
11. Transactions may be irreversible, and, accordingly, losses due to fraudulent or accidental Transactions may not be recoverable;
12. the value of a Virtual Asset may be derived from the continued willingness of market participants to exchange fiat currency for a Virtual Asset, which means that the value of a particular Virtual Asset may be completely and permanently lost should the market for that Virtual Asset disappear. There is no assurance that a person who accepts a Virtual Asset as payment today will continue to do so in the future;
13. legislative and regulatory changes may adversely affect the use, transfer, exchange and value of Virtual Assets;
14. some Transactions may be deemed to be executed only when recorded and confirmed by HBL, which may not necessarily be the time at which the Client initiates the Transaction;
15. the nature of Virtual Assets exposes them to an increased risk of fraud or cyberattack; and
16. the nature of Virtual Assets means that any technological difficulties experienced by HBL may prevent the Client from accessing his Virtual Assets.

* 1. The Client expressly agrees that the Client’s use of HashKey Exchange, the Website and any services of HBL is at the Client’s sole risk. The trading interface, the information and all aspects of HashKey Exchange (including, but not limited to, order execution) are provided on an ‘as is’ basis, without warranty of any kind, express or implied, including but not limited to warranties of title or implied warranties of merchantability or fitness for a particular purpose. No oral advice or written information given by HBL, its Affiliates or any information providers shall create a warranty, nor shall the Client rely on any such information or advice.

1. **Language**

These Terms are written in an English version and a Chinese version. In the event of any conflict between the two versions, the English version shall take precedence.

1. **Amendment**

HBL shall have absolute rights to amend, delete or substitute any of the terms herein or add new terms to the Agreement, including without limitation, any amendments to the fees. An amendment notice and the revised Terms (or relevant amended document) will be posted at the download forms column of the Website. The Client should visit the Website from time to time to obtain the latest Terms and read the terms thereof. Such amendment, deletion, substitution or addition shall be deemed as effective and incorporated herein (and shall form part of these Terms) on the date of publication of such amendment notice. The Client may raise written objection within fourteen (14) Business Days after the publication of such amendment notice at the Website, failing which it shall be deemed an acceptance of such amendment, deletion, substitution or addition.

1. **Governing Law and Applicable Regulation**
   1. Governing Law

These Terms shall be governed by and construed in accordance with the laws of the Hong Kong Special Administrative Region of the People’s Republic of China (“**Hong Kong**”).

* 1. Jurisdiction

Any dispute, controversy or claim arising out of or in connection with these Terms shall be finally and exclusively settled by arbitration in Hong Kong by the Hong Kong International Arbitration Centre (“**HKIAC**”) in accordance with HKIAC Administered Arbitration Rules in force when the notice of arbitration is submitted. The law of this arbitration clause shall be construed and interpreted in accordance with Hong Kong law. The seat of arbitration shall be Hong Kong. The number of arbitrators shall be three. The arbitration proceedings shall be conducted in English.

* 1. Customs

Transactions effected by HBL on the Client’s behalf are subject to applicable laws, regulations, constitution, by-laws, rules, customs, usage, rulings and interpretations and transaction levies of the relevant market, HashKey Exchange, clearing house or jurisdiction as amended from time to time.

* 1. Code of Conduct for Persons Licensed by or Registered with the SFC (the “Code”)

These Terms shall be subject to the Code. In the event of any conflict between the Code and the terms and conditions hereof, the Code shall prevail.

If the Client has any queries relating to these Terms, please address them by email to [customersupport@hashkey.com](mailto:customersupport@hashkey.com).

**PART 2: RISK DISCLOSURE STATEMENT**

|  |
| --- |
| IMPORTANT  Trading in virtual assets and using the trading and related services involve risks, some of which are set out below. These risks, and additional risks arising either now or in the future, could result in the loss, failure or destruction of your assets, inability to receive any benefits available to you, other losses and termination of our trading and related services.  You must consider carefully whether the risks set out below, as well as all other applicable risks, are acceptable to you prior to any virtual asset transaction.  You must seek professional advice regarding your particular situation before trading in the virtual assets or using the trading and related services.  THE RISK OF LOSS IN TRANSACTIONS INVOLVING VIRTUAL ASSETS CAN BE SUBSTANTIAL. YOU SHOULD THEREFORE CAREFULLY CONSIDER WHETHER SUCH TRANSACTIONS ARE SUITABLE FOR YOU IN LIGHT OF YOUR INVESTMENT OBJECTIVES, FINANCIAL CIRCUMSTANCES, YOUR TOLERANCE TO RISKS AND YOUR INVESTMENT EXPERIENCE. YOU SHOULD BE CAPABLE OF BEARING A FULL LOSS OF THE AMOUNTS INVESTED AS A RESULT OF OR IN CONNECTION WITH ANY VIRTUAL ASSET TRANSACTION AND ANY ADDITIONAL LOSS OVER AND ABOVE THE INITIAL AMOUNTS TRADED OR INVESTED THAT MAY BECOME DUE AND OWING BY YOU. IN CONSIDERING WHETHER TO TRADE OR INVEST, YOU SHOULD INFORM YOURSELF AND BE AWARE OF THE RISKS GENERALLY, AND IN PARTICULAR SHOULD NOTE THE FOLLOWING SPECIFIC RISK FACTORS WHICH MAY APPLY TO ANY GIVEN VIRTUAL ASSET TRANSACTION. |

Unless otherwise defined in this document, capitalized terms shall have the same meaning as the “Investor Business Terms”.

If you wish to trade virtual assets (irrespective of whether they amount to “securities” or “futures contracts” as defined under the Securities and Futures Ordinance (Cap.571 of the laws of Hong Kong and any subsidiary legislation made thereunder as amended, extended, re-enacted, replaced or superseded from time to time)) (refer as “virtual assets” hereafter), you should read carefully and understand fully the relevant risks associated with the products as mentioned herein.

* 1. **Issuer Default Risks**

Unless expressly stated otherwise, Hash Blockchain Limited (HBL) does not issue virtual assets. Virtual assets are issued by third parties. Investors should read the applicable terms, information and risk disclosures provided by the applicable issuers carefully before entering into any virtual asset transaction. Investors should note that the offering document or product information provided by the issuer have not been subject to scrutiny by any regulatory body.

For any virtual assets authorised by a regulator, investors should note that authorisation does not imply any official recommendation or endorsement of the asset by such regulator, nor does it guarantee the commercial merits of such asset or its performance.

In the event that a virtual asset issuer becomes insolvent and defaults on their issued products, investors will be considered as unsecured creditors and will have no preferential claims to any assets held by the issuer. Investors should therefore pay close attention to the financial strength and credit worthiness of securities issuers and conduct their own assessment on the potential of their project. Since virtual assets are not legal tender and virtual asset products are not be backed by assets or any government and authorities, in the event of issuer bankruptcy or ceasing of operations, their tokens issued may no longer have any value and investors can lose their entire investment. We make no representations or warranties about whether any virtual asset will always continue to trade in the trading platform. Any virtual asset is subject to delisting without prior notice in the sole discretion of us. Investors should seek independent professional advice before making any investment decision.

* 1. **Market, Liquidity and Conversion Risks**

Where virtual asset transactions are denominated in particular virtual asset or fiat currencies other than the primary reference asset of the investors, or where the investors convert virtual assets upon carrying out a virtual asset transaction, there is a risk of the exchange markets moving against the investor, resulting in upon maturity or any earlier dealing the net proceeds may be significantly less than the initial amount in your primary reference asset, and any income or gains may be entirely negated.

The value of a virtual asset may be derived, among other things, from the continued willingness of market participants to exchange fiat currency for that virtual asset, this means that the value of a particular virtual asset may decline, or be completely and permanently lost should the market for that virtual asset disappear. Investors should further note that there is no assurance that a market that existed for a particular virtual asset will continue to exist in the future, or that a person who accepts a virtual asset as payment today will continue to do so in the future.

Liquidity risk is the risk of losses attributable to a lack of liquidity (for example very few active market participants) in a particular market. This is usually indicated by wide bid / offer spreads and very few transactions being carried out in a particular product or market. The risk is that changes in the underlying market price may be infrequent but very large, and that it is not possible to unwind or transfer a particular transaction in a timely manner, at near the price the investor had expected, or at all. Such liquidity risk in an asset may be caused by the absence of buyers, limited buy/sell activity or underdeveloped secondary markets for certain virtual assets. Investors should note that there is no assurance that a person who accepts a virtual asset as payment, will continue to do so in the future.

The investor may also suffer loss as a result of depreciation of the value of the currency paid as a result of foreign exchange controls imposed by the country issuing the foreign currency. Repayment or payment of amounts due to the investor may be delayed or prevented by exchange controls or other actions imposed by governmental or regulatory bodies over currencies which they control or regulate.

* 1. **Volatility Risks**

The volatility and unpredictability of the price of virtual asset relative to other virtual asset or fiat currencies may result in significant losses over a short period of time. Such fluctuations could affect the price of any virtual assets. Any virtual asset may decrease in value or lose all of its value due to various factors including discovery of wrongful conduct, market manipulation on trading, lending or other dealing platforms, change to the nature or properties of the virtual asset, governmental or regulatory activity, legislative changes, suspension or cessation of support for a virtual assets or other exchanges or service providers, public opinions, or other factors outside of our control. Technical advancements, as well as broader economic and political factors, may cause the value of virtual assets to change significantly over a short period of time. Virtual assets are highly risky and investors should exercise caution when trading with any virtual assets.

* 1. **Trading Suspension Risks**

During the suspension of trading of the virtual assets, investors and potential investors cannot buy and sell units in the trading platform. In terms of providing a fair and orderly market with regarding the interests of investors, the trading platform may suspend the trading whenever it is appropriate. If the trading is suspended, the subscription and redemption of such virtual assets or securities may also be suspended. It may also be difficult or impossible to liquidate a position in the virtual assets under certain circumstances. Certain Airdrops, Forks or Network Events may occur rapidly and affect our ability to conduct a virtual asset transaction. Information relating to such events may be difficult to ascertain ahead of time and may be subject to limited oversight by any third party who is capable of intervening to stabilise the network.

* 1. **Investor Compensation Risks**

The protection offered by the Investor Compensation Fund under the Securities and Futures Ordinance does not apply to transactions involving virtual assets (irrespective of the nature of the tokens). The protection offered by the Deposit Protection Scheme in Hong Kong does not apply to any virtual assets or fiat currency held in an Account. Investors should note that any virtual assets or fiat currency held in an Account are not protected deposits.

This means that virtual asset transactions and virtual assets may have reduced level or type of protection compared to other products and asset classes afforded by the laws of Hong Kong.

* 1. **Not a Bank Deposit under Applicable Laws**

Any fiat currencies or virtual assets held by us and/or the Associated Entity are not held as “deposits” within the meaning of the Banking Ordinance (Cap. 155 of the Laws of Hong Kong), nor as any other regulated product or service under applicable laws. Without limitation, neither HBL nor the Associated Entity is regulated by the Hong Kong Monetary Authority in respect of the foregoing.

* 1. **Jurisdiction Risks**

Residents, Tax residents or persons having a relevant connection with certain jurisdictions are excluded from carrying out virtual asset transactions. Changes in the investor’s place of domicile or the applicable laws may result in the investor violating any legal or regulatory requirements of the applicable jurisdiction. The investor is responsible for ensuring that any virtual assets transaction is, and remains lawful despite changes to applicable laws, the investor’s place of domicile and circumstances.

* 1. **Country Risks**

If a virtual asset transaction is made in respect of virtual assets issued by a party subject to foreign laws or transactions made on markets in other jurisdictions, including markets formally linked to a domestic market, recovery of the sums invested and any profits or gains may be reduced, delayed or prevented by exchange controls, debt moratorium or other actions imposed by the government or other official bodies. Before conducting any virtual asset transaction, the investor should satisfy himself as to the sufficiency of his understanding of any rules or laws relevant to the particular virtual asset transactions.

Investors should note that their local regulatory authority will be unable to compel the enforcement of the rules of regulatory authorities or markets in other jurisdictions where the investor’s transactions have been effected. It is the sole responsibility of the investor to obtain independent advice about the different types of redress available in both the investor’s home jurisdiction and other relevant jurisdictions before starting to trade. If the investor’s country of residence imposes restrictions on virtual asset transactions, we may be required to discontinue your access to the Account, and may not be permitted to transfer virtual assets back to you or permit you to transfer virtual assets from the Account to yourself or others, until such time as the regulatory environment permits us to do so.

* 1. **Legal and Regulatory Risks**

Legal and documentation risks include the risk that transactions and/or their related framework arrangements may not be legally enforceable or that the conduct of the parties violates applicable laws and regulations. There is also legal uncertainty on whether virtual assets can be regarded as “property” under the law. This may affect the nature and enforceability of your interest in such virtual asset. Legislative and regulatory changes may adversely affect the use, transfer, exchange, and value of virtual assets. You are solely responsible for knowing and understanding how the laws applicable to you or your property, rights or assets or tax the virtual assets you trade or the leverage you provide.

* 1. **Regulatory Measures**

Securities may be overseen by the legal and regulatory authorities of a number of jurisdictions globally. We may receive notices, queries, warnings, requests or rulings from one or more authorities upon short notice, or may even be ordered to suspend or terminate any action in connection with any securities as a whole without prior notice. Furthermore, many aspects of the securities involve untested areas of law and regulation, and could be subject to new laws or regulations. Therefore, their legal and regulatory outcome in all relevant jurisdictions is not possible to predict. The planning, development, marketing, promotion, execution or otherwise of the virtual assets may be seriously affected, hindered, postponed or terminated as a result of such new laws and/or regulations. Since regulatory policies can change with or without prior notice, any existing regulatory permissions for or tolerance of virtual assets in any jurisdiction may be withdrawn without warning. Cryptographic-tokens and cryptocurrencies could be deemed from time to time as a commodity or virtual commodity, a digital asset or even as money, securities or currency in various jurisdictions and therefore the securities could be prohibited from being entered into, traded or held in certain jurisdictions pursuant to local regulations. In turn, the virtual assets could be deemed to be a regulated or restricted product. There is no guarantee that the virtual assets can maintain any particular legal or regulatory status in any particular jurisdiction at any time.

* 1. **Risks of Assets Received or Held outside Hong Kong**

Virtual assets and fiat currency received or held by us and/or the Associated Entity outside Hong Kong are subject to applicable laws of the relevant overseas jurisdictions, which may be different from the Securities and Futures Ordinance and the rules made thereunder. Consequently, such assets may not enjoy the same protection as that conferred on some of the assets received or held in Hong Kong.

* 1. **Risks Relating to Authorised Persons**

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 authorised. 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.

* 1. **Virtual Assets may be Complex Products**

Virtual assets may be complex products by virtue that the terms, features and/or risk are not understood due to the complex structure, novelty and reliance on technological features.

* 1. **Commissions and Fees**

The investor should obtain details of all fees, costs, charges, expenses and commissions for which he will be liable before conducting any virtual asset transaction. If any of the foregoing is unclear to the investor, it is the responsibility of the investor to clarify such fees, costs, charges, expenses and commissions before entering into the virtual asset transaction.

The fees, costs, charges, expenses and commissions to be paid by the investor will vary depending on a variety of factors, including the nature of the investor’s relationship with HBL in relation to the relevant services, the transaction size, complexity and type of asset.

* 1. **Tax Treatment and Accounting**

Some virtual asset transactions may be subject to the tax laws and regulations in an applicable jurisdiction. The tax treatment and accounting of virtual assets is a largely untested area of law and practice that is subject to changes. Tax treatment of virtual assets 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 virtual asset transaction.

Among the accounting profession, there are no agreed standards and practices for how an auditor can perform assurance procedures to obtain sufficient audit evidence for the existence and ownership of the virtual assets, and ascertain the reasonableness of the valuations.

If you are unsure about the tax implications of your virtual asset transactions, you should seek independent professional advice before carrying out a virtual asset transaction.

* 1. **Inflation Risks**

Virtual assets may, either because of the inherent design of the virtual assets or through Forks, Airdrops or Network Events, not be a fixed supply of assets. Where additional virtual assets are created, their price may decline due to inflationary effects of the increased amount of total virtual assets available.

* 1. **Concentration Risks**

At any point in time, one or more persons may directly or indirectly control significant portions of the total supply of any particular virtual asset. Acting individually or in concert, these holders may have significant influence, and may be able to influence or cause Forks or Network Events which may have a detrimental effect on price, value or functionality of the virtual assets. Network Participants may make decisions that are not in your best interest as a holder of virtual assets.

* 1. **Conflicts of Interest**

We or other virtual asset trading service providers may be acting as agents for you as well as acting as principals against you. We or other relevant service providers may facilitate the initial distribution of virtual assets (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.

* 1. **Cryptographic Protection**

Cryptography is evolving and there can be no guarantee of security at all times. Advancement in cryptography technologies and techniques, including but not limited to code cracking, the development of artificial intelligence and/or quantum computers, could be identified as risks to all cryptography-based and/or blockchain based systems including the underlying assets of the virtual assets. The security of our trading platform cannot be guaranteed as the future of cryptography or security innovations is unpredictable.

* 1. **Abandonment or Development Failure**

Due to the technically complex nature of our trading platform, we could face difficulties from time to time that may be unforeseeable and/or unresolvable. Accordingly, the development of the trading platform could fail, terminate or be delayed at any time for any reason (including but not limited to a lack of funds). Development failure or termination may render the virtual asset not transferable, not exercisable, and/or obsolete.

* 1. **Loss of Private Key is Permanent and Irreversible**

The investor should note that virtual assets not received nor held by HBL and/or the Associated Entity in an Account is the investor’s sole responsibility, and that the investor alone is responsible for securing his private key for any address with respect to such virtual assets. Any loss of control of the private key will permanently and irreversibly deny the investor access to such virtual assets. Neither HBL nor any other person will be able to retrieve or protect the virtual assets not held by HBL and/or the Associated Entity in an Account. Once lost, the investor will not be able to transfer such virtual assets to any other address or wallet. This means that the investor will also not be able to realize any value or utility that the virtual assets may hold now or in future.

* 1. **Cyber-attacks and Fraudulent Activity, including Theft of Digital Assets on the Trading Platform**

There may be attempts to steal the digital assets on the trading platform. The nature of virtual assets exposes the investor to an increased risk of fraud or cyber-attack. Virtual assets, the investor’s Account, any service provided by HashKey Exchange, and the Website may be targeted by malicious persons who may attempt to steal virtual assets or fiat currency, or otherwise intervene in a virtual asset transaction or any service provided by HashKey Exchange. This includes (but is not limited to) interventions by way of distributed denial of service, sybil attacks, phishing, social engineering, hacking, smurfing, malware, double spending, majority-mining, consensus-based or other mining attacks, misinformation campaigns; Forks; and spoofing.

These malicious entities may target the investor in an attempt to steal any asset held by the investor, or to claim any asset that the investor may have purchased. This may involve unauthorised access to an Account, the investor’s private keys, addresses, passwords, email or social media accounts, log-in details or access method for the Account, as well as unauthorised access to the investor’s computer, smartphone and any other devices used by the investor. The investor alone is responsible for protecting himself against such actions.

Virtual assets, the investor’s Account, any service provided by HashKey Exchange, and the Website may also be vulnerable to exploitation of vulnerabilities in smart contracts and other code, as well as to human error.

A limited amount of your virtual assets may be stored in hot wallets (i.e. online environments which provide an interface with the internet), which can be prone to hacking or cyber-attacks. Cyber-attacks resulting in the hacking of virtual asset trading platforms and thefts of virtual assets are common. Victims may have difficulty recovering any losses resulting from these attacks. This could result in significant loss and/or other impacts that may materially affect the investor’s interests.

The above events may affect the features, functions, operation, use, access or other properties of the virtual assets, the investor’s Account, the Website or any services provided by HashKey Exchange. While HBL will endeavour to adopt industry best practices to keep the virtual assets safe (including but not limited to the use of cold storage and multi-signature authentications), successful cyber thefts and other fraudulent activities set out above may still occur.

* 1. **Flaw in the Source Code**

While we adopt quality assurance procedures to help ensure the source codes as accurately as possible reflect their intended operation, the flawlessness of the source codes, some of which are open source codes, cannot be guaranteed. They may contain bugs, defects, inconsistencies, flaws or errors, which may disable some functionality, create vulnerabilities or cause instability. Such flaws may compromise the predictability, usability, stability, and/or security of the trading platform. Open source codes rely on transparency to promote community-sourced identification and solution of problems within the code.

* 1. **Unpermissioned, Decentralized and Autonomous Ledger**

The trading platform is being developed to serve various distributed ledger systems which are unpermissioned protocols that could be accessed and used by anyone. In addition to the use of decentralized ledgers, we intend to make use of supporting technologies that also operate on decentralized ledgers. The utility and integrity of our trading platform relies on the stability, security and popularity of these decentralized ledgers. Risks arising from relying on such distributed ledger technology include the existence of technical flaws in the technology, targeting by malicious persons, majority-mining, consensus-based or other mining attacks, changes in the consensus protocol or algorithms, decreased community or miner support, rapid fluctuations in value of relevant virtual assets, the existence or development of competing networks, platforms and assets, flaws in the scripting language, disputes between developers, miners and/or users and regulatory action. We are envisaged to be an open, decentralized community and its composition can include users, supporters, developers and other participants worldwide who may or may not be connected with us in any manner. The trading platform is intended to be decentralized and autonomous in nature as far as its maintenance, governance and evolution are concerned.

* 1. **Compromised Security**

We rely on open source software and unpermissioned decentralized distributed ledgers including but not limited to Ethereum. Accordingly, anyone may intentionally or unintentionally compromise the core infrastructural elements of our trading platform and its underlying technologies. This may consequently result in the loss of any digital assets held on the trading platform and may cause our system to fall.

* 1. **Inadequacy of Processing Power**

The ramp up of the trading platform may be accompanied by sharp increases in transaction numbers and demand for processing power. If the demand for processing power outgrows that forecasted, the network of the trading platform could be destabilized and/or stagnated. This may create opportunities for fraudulent activities including but not limited to false or unauthorized transactions (such as "double-spending") to arise. All these may adversely impact the usability, stability and security of the trading platform.

* 1. **Unauthorized Claim of virtual assets**

Digital assets can be claimed in bad faith by any person who successfully gains access to the wallet, email or the investor's accounts they have registered with us. This can be as a result of deciphering or cracking the user's password, phishing scams and/or other hacking techniques. Subsequently, these digital assets may be sent to anyone and such remittance is not revocable or reversible. It is recommended that all investors should take appropriate security measures to safeguard their wallet, email and accounts. Each investor is responsible for the security of their wallet, email and account on the trading platform at all times.

* 1. **Forking and Attacks**

Many cryptographic tokens are developed on the Ethereum blockchain, which is an open source protocol. Once released to the open source community, anyone may develop a patch or upgrade for the source code of Ethereum without prior permission by anyone else. The acceptance of patches or upgrades by a significant, but not necessarily overwhelming percentage of the Ethereum holders could result in a "fork" in the Ethereum blockchain.

The temporary or permanent existence of forked blockchains could adversely impact the operation of the trading platform. Such a fork can undermine the sustainability of the trading platform ecosystem, and may destroy or frustrate the trading platform. While a fork in the blockchain could possibly be rectified by community-led efforts to re-merge the two separate branches, success is not guaranteed and could take an undetermined amount of time to achieve.

Virtual assets may also be subject to attacks on the security, integrity or operation of the networks, including Network Events. Such foregoing events (including a Fork) may affect the features, functions, operation, use or other properties of any virtual assets, network or platform.

The events may also severely impact the price or value, function and/or the name of any virtual assets, or even result in the shutdown of the network or platform associated with the virtual assets. Such events may be beyond the control of HBL, or to the extent HBL has any ability to impact such event, HBL’s decision or actions may not be in your best interests.

* 1. **Reliance on the Internet and Other and Technology-related Risks**

Virtual asset transactions rely heavily on the internet and other technologies. However, the public nature of the internet means that either parts of the internet or the entire internet may be unreliable or unavailable at any given time. Further, interruption, delay, corruption or loss of data, the loss of confidentiality in the transmission of data, or the transmission of malware may occur when transmitting data via the internet and/or other technologies. The result of the above may be that your virtual asset transaction is not executed according to your Instructions, at the desired time, or not at all.

The nature of virtual assets also means that any technological difficulties experienced by the HashKey Exchange may prevent investors from accessing their virtual assets.

No authentication, verification or computer security technology is completely secure or safe.

The internet or other electronic media (including without limitation electronic devices, services of third-party telecom service providers such as mobile phones or other handheld trading devices) are an inherently unreliable form of communication, and such unreliability may be beyond HBL’s control.

Any information (including any document) transmitted, or communication or transactions made, over the internet or through other electronic media (including electronic devices, services of third party telecommunication service providers such as mobile phones or other handheld trading devices or interactive voice response systems) may be subject to interruption, transmission blackout, delayed transmission due to data volume, internet traffic, market volatility or incorrect data transmission (including incorrect price quotation) or stoppage of price data feed due to the public nature of the internet or other electronic media.

* 1. **Transactions Deemed Executed Only when Recorded or Confirmed**

Some virtual assets transactions may be deemed to be executed only when recorded and confirmed by HashKey Exchange, which may not necessarily be the time at which the investors initiate the transaction.

* 1. **Risks Relating to Timing**A virtual asset transaction is binding upon completion of the steps described in the Investor Business Terms. Following this, the virtual asset transaction will not be reversed. There is a risk that the final binding virtual asset transaction does not occur at the same time as Instructions are provided. You may suffer loss due to the fact that a virtual asset transaction is not carried out at the desired time.
  2. **Unauthorised Access**Unauthorised third parties may access or use your Account and effect virtual asset transactions without your knowledge or authorisation, whether by obtaining control over another device or account used by you, or by other methods.
  3. **Irreversible Transactions**

Transactions in virtual assets may be irreversible, and, accordingly, losses due to fraudulent or accidental transactions may not be recoverable. Investors should note that once a transaction has been verified and recorded on a blockchain, loss or stolen virtual assets generally will not be reversible. This means accidental or fraudulent transactions in respect of virtual assets may not be recoverable.

* 1. **Other Important Notes**

In addition to the above, investors should also note:

* + 1. the continuing evolution of virtual assets and how this may be affected by global regulatory developments;
    2. most trading, lending or other dealing platforms and custodians of virtual assets are presently unregulated;
    3. counterparty risks when effecting transactions with issuers, private buyers and sellers or through trading, lending or other dealing platforms;
    4. risk of the loss of virtual assets, especially if held in hot wallets; and
    5. new risks which may arise from investing in new types of virtual assets or market participants’ engagement in more complex transaction strategies.

**Disclaimer**

**No Investment Advice**

This document may not disclose all risks and features of the virtual assets mentioned herein which are traded on the trading platform of HBL (trading as "HashKey Exchange"). This document has been issued by HashKey Exchange for reference and information purposes only. You should not rely on this document alone to make any investment decision but should read carefully the related offering documentation and any other relevant documentation, in particular, detailed risks relating to each product contained in such documents. We do not recommend that any virtual assets should be bought, sold, or held by you. You should not deal in virtual assets unless you conduct your own due diligence and understand the nature of the product and the extent of the exposure to risk. HashKey Exchange will not be responsible or liable for any loss caused by the investment in any products mentioned herein. You should not only consider the information contained neither in this document nor in the offering documentation but should also consider your own financial position and particular circumstances before making any investment decision. In case of doubt, you are strongly advised to obtain independent professional advice. In conducting any Relevant Activities, if HashKey Exchange solicit the sale of or recommend any product including any virtual assets to you, the product must be reasonably suitable for you having regard to your financial situation, investment experience and investment objectives. No other provision of this agreement or any other document we may ask you to sign and no statement we may ask you to make derogates from this clause.

**Accuracy of Information**

We will endeavor to ensure accuracy of all information contained in this document although it will not hold any responsibility for any missing or wrong information. We provide all information as is. The information contained in this document regarding securities are based on the information available on the websites of the Hong Kong Securities and Futures Commission, the Hong Kong Stock Exchange and the Hong Kong Monetary Authority. The contents of this material have not been reviewed by The Securities and Futures Commissions of Hong Kong or any regulatory authority. You understand that you are using any and all information contained in this document at your own risk.

This document does not constitute, nor is it intended to be nor should it be construed as offer or solicitation to invest in any of the products mentioned herein. This document is not intended to be distributed to persons in the jurisdiction or countries that will violate the law or regulation, and it is not intended to be used by such persons.

**I hereby acknowledge that I have read, understood, and agree to the terms of these Terms as set forth above.**

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