

## HashKey Exchange - Exchange Rules

(Version 3.0 dated 2 July 2024)

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Hash Blockchain Limited (“HBL” or “we”) operates the HashKey Exchange. These HashKey Exchange - Exchange Rules (“Exchange Rules”) is an important document governing your use of HashKey Exchange. Please ensure you read it carefully and familiarise yourself with these Exchange Rules prior to and during your trading on the HashKey Exchange. These Exchange Rules are subject to change at our discretion and you are reminded to check the latest version on our website from time to time. You are also required to read our Privacy Policy, and Risk Disclosure Statement which impose additional requirements to these Exchange Rules. By trading on the HashKey Exchange you acknowledge that you have read, fully understood and accepted the terms in the aforesaid documents. For the avoidance of doubt, in the event of any inconsistency between those documents and these Exchange Rules, these Exchange Rules will prevail.

If you have any questions about these Exchange Rules, please contact us using the details below. In any event, we do not act as your advisors in any capacity and you should consult your independent professional advisors for any issues or questions you may have regarding entering into any contractual relationship with us.

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## Part A – General

### Section 1 Interpretation

#### 1.1 Definitions

In these Exchange Rules, unless the context requires otherwise, the following terms shall have the meaning set forth below:

**Account** means the account (including its sub-account, if any) opened by a Trading Participant with HashKey Exchange for the purposes of utilizing the services at Hashkey Exchange, including trading Virtual Assets.

**Account Opening and Trading Rules** means HBL’s “Account Opening and Trading Rules” which governs such matters relating to opening an account and trading on HashKey Exchange as published on HashKey Exchange’s official website and updated from time to time.

**Acceptable Index** means to an index which has a clearly defined objective to measure the performance of the largest Virtual Assets in the global market, and should fulfil the following criteria, as well as other requirements that may be specified by the SFC from time to time:

- (a) The index should be investible, meaning the constituent Virtual Assets should be sufficiently liquid.
- (b) The index should be objectively calculated and rules-based.
- (c) The index provider should possess the necessary expertise and technical resources to construct, maintain and review the methodology and rules of the index.
- (d) The methodology and rules of the index should be well documented, consistent, and transparent.

**AML** means HBL’s anti-money laundering check which is to ensure that no illegally obtained funds or proceeds of criminal activities are used to conduct activities on HashKey Exchange.

**AMLO** means the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap. 615 of the Laws of Hong Kong).

**API** means application processing interface.

**Associated Entity** means HashKey Custody Services Limited which:

- (a) is a company incorporated in Hong Kong;
- (b) has notified the SFC that it has become an “associated entity” of the SFC licensee under section 165 of the SFO;
- (c) holds a “trust or company service provider licence” (Licence No T006486) under the AMLO; and
- (d) is a wholly owned subsidiary of the SFC licensee.

**Business Day** means any day that is not a Saturday, Sunday or a public holiday and on which banks are generally open for business in Hong Kong.

**Exchange Rules** means the HashKey Exchange - Exchange Rules as provided through the official website of HashKey Exchange from time to time.

**FATF** means the Financial Action Task Force.

**FDRC** means the Financial Dispute Resolution Centre of Hong Kong.

**FDRS** means the Financial Dispute Resolution Scheme administered and operated by the FDRC.

**HashKey Group** means HashKey Digital Asset Group Limited and its affiliates.

**HashKey Exchange** means the Virtual Asset trading platform branded “HashKey Exchange” which is operated by HBL.

**HBL** means Hash Blockchain Limited, a limited liability company incorporated in Hong Kong with company number 2669359 and licensed by the SFC (Central Entity Number BPL992) to carry out Type 1 (dealing in securities) and Type 7 (providing automated trading services) regulated activities under the SFO, as well as to operate a Virtual Asset exchange under the AMLO, including its successor and assigns.

**HKIAC** means the Hong Kong International Arbitration Centre.

**Hong Kong** means the Hong Kong Special Administrative Region of the People’s Republic of China.

**Issuer** means any person approved by HBL under the Exchange Rules whose Virtual Asset is listed on HashKey Exchange.

**Issuer Applicant** means any person whose Virtual Asset is the subject of an application for listing on HashKey Exchange.

**KYC** means HBL’s “know your client” process which is for verifying the identity of the Trading Participants.

**Token Admission and Review Committee** means the committee established by HBL as an independent decision maker for listing issues and a review body for decisions made by HBL.

**Large-cap Virtual Assets** means specific Virtual Assets which have been included in a minimum of two Acceptable Indices issued by at least two different index providers, and are available on HashKey Exchange for trading by all Trading Participants, who may or may not be Professional Investors.

**Listing Document** means a document that complies with Section 7.

**Order** means an instruction from a Trading Participant to either buy or sell a Virtual Asset on HashKey Exchange.

**Professional Investor** has the meaning given in section 1 of Part 1 of Schedule 1 to the SFO and the Securities and Futures (Professional Investor) Rules (Cap. 571D of the Laws of Hong Kong).

**Professional Investor Rules** means the Securities and Futures (Professional Investor) Rules.

**Security Tokens** means Virtual Assets falling within the ambit of “securities” as defined in section 1 of Part 1 of Schedule 1 to the SFO.

**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).

**Token Admission Policy and Procedures** means HBL’s internal policy and procedures which governs the process of listing and removal Virtual Assets on HashKey Exchange, as updated from time to time.

**Token Review Team** means the team at HBL responsible for researching, reviewing, and gathering all the expert feedbacks for Token Admission and Review Committee.

**Trading Applicant** means any person who is the subject of an application for opening an account and dealing in Virtual Assets on HashKey Exchange.

**Trading Participants** means those persons and entities set out in Section 19 which are approved by HBL under the Exchange Rules to open an account and deal in Virtual Assets on HashKey Exchange.

**User** means a user of HashKey Exchange, including Issuers, Issuer Applicants, Trading Participants and Trading Applicants.

**Virtual Assets** means to any “virtual asset” as defined in section 53ZRA of the AMLO.

“we” means HBL.

## 1.2 Rules of Interpretation

- (a) Words and phrases (not otherwise defined in the Exchange Rules) the definitions of which are contained or referred to in the SFO shall be construed as having the meanings thereby given to them.
- (b) References in the Exchange Rules to Hong Kong ordinances and to Hong Kong statutory provisions shall be construed as references to those ordinances or statutory provisions as respectively modified (on or before the date hereof) or re-enacted (whether before or after the date hereof) from time to time and to any orders, regulations, instruments or subordinate legislation made under the relevant ordinances or provisions thereof which has been so re-enacted (with or without modifications).
- (c) The headings are inserted for convenience only and shall not affect the construction of the Exchange Rules.
- (d) Except where the context otherwise requires words denoting the singular include the plural and vice versa; words denoting any one gender include all genders; words denoting persons include incorporations and firms and vice versa.
- (e) Except where the context otherwise requires references to the word **include** or **including** (or any similar term) are not to be construed as implying any limitation and general words introduced by the word **other** (or any similar term) shall not be given a restrictive meaning by reason of the fact that they are preceded by words indicating a particular class of acts, matters or things.
- (f) Except where the context otherwise requires any reference to **writing** or **written** includes any method of reproducing words or text in a legible and non-transitory form.
- (g) Except where the context otherwise requires references to times of the day are to that time in Hong Kong and references to a day are to a period of 24 hours running from midnight to midnight.
- (h) References to Sections and Schedules are (unless the context requires otherwise) to sections of and schedules to the Exchange Rules.
- (i) All representations, undertakings, warranties, indemnities, covenants, agreements and obligations given or entered into by more than one person are given or entered into severally unless otherwise specified.



## Section 2 Introduction

### 2.1 HashKey Exchange

#### *General*

HashKey Exchange is an automated Virtual Asset trading platform operated by HBL. Its mission is to provide safe, convenient and highly efficient services relating to Virtual Assets to its customers. Neither HashKey Exchange nor HBL is a principal party to any transactions conducted via HashKey Exchange.

#### *Regulatory*

HBL is a Virtual Asset trading platform operator licensed by the SFC to carry out Type 1 (Dealing in securities) and Type 7 (Providing automated trading services) regulated activities under the SFO, as well as to operate a Virtual Asset exchange under the AMLO. As such, HBL and HashKey Exchange are subject to the SFC's regulatory remit.

#### *Risk management*

HBL maintains a sound risk management framework to identify, measure, monitor and manage the full range of risks arising from its businesses and operations.

#### *Notifications to Authority*

As an entity which is licensed by the SFC, HBL has ongoing reporting and notification obligations to the SFC and may be required to submit such information as may be specified and requested by the SFC and other law enforcement authorities from time to time.

#### *Good Industry Practice*

Apart from observing the regulatory regime of the SFC and other applicable compliance measures, HBL maintains and operates HashKey Exchange in accordance with good industry practices, which platform operators and entities engaged in internet trading incorporate into their information technology and cybersecurity risk management frameworks.

#### *Security of HashKey Exchange*

- (a) 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 unauthorised access.
- (b) HBL also has in place a "Cybersecurity Policy and Procedure" and employs cybersecurity controls in accordance with industry best practices and international standards to protect HashKey Exchange from being abused and conducts regular reviews to ensure that security measures put in place are in line with changing market conditions and regulatory developments.

#### *Exclusion of liability*

While HBL commits to use all reasonable care in the performance of its duties under the Exchange Rules, neither HBL nor its Associated Entity will be in any way liable or responsible to any Users for any loss or liability arising from any act, default, omission or misconduct of HBL, except to the extent caused by its own gross negligence, fraud or wilful misconduct.

## *Records of trading*

HBL is required to keep records of its operation of HashKey Exchange and its dealings with Client Money and Virtual Assets of Trading Participants, and retain records in respect of transactions conducted in its systems, including:

- (a) details of the Trading Participants;
- (b) details of any restriction, suspension or termination of the access of any Trading Participants to HashKey Exchange;
- (c) all notices and other information provided by HashKey Exchange to the Users; and
- (d) routine daily and monthly summaries of trading in its systems.

Such information may be disclosed to third parties including the SFC, other regulators, law enforcement authorities and/or relevant Issuers as required from time to time.

## *Discretion of HBL*

HBL may in its absolute sole discretion exercise powers granted under the Exchange Rules and applicable laws, including but not limited to accepting or rejecting any application or instructions. Unless as required under applicable laws, HBL will not give reasons for the exercise of any of its powers.

## *Forks*

- (a) When a hard fork is imminent, HBL will notify Users of the event and how HBL will handle it through email and announcement on HashKey Exchange's website.
- (b) HBL will suspend deposit and withdrawal requests until the hard fork is completed. This is to avoid the unnecessary risk of asset loss due to hard fork related security events.
- (c) Depending on the specific events, HBL could suspend the trading of the Virtual Assets involved until the hard fork is completed.
- (d) HBL will update the product (e.g. name of Virtual Asset) according to the consensus of the general blockchain and virtual assets community.
- (e) HBL will take a snapshot of Trading Participants' asset for the Virtual Asset involved at the block height right before the hard fork or right at the time of the hard fork. HBL will then distribute the new Virtual Asset generated from the hard fork to the Trading Participants involved.
- (f) HBL will provide deposit and withdrawal services for the new Virtual Asset as a result of the hard fork. The new Virtual Asset will be listed on HashKey Exchange according to HBL's listing rules and policies.
- (g) HBL will provide customer service with coverage aligned with exchange operation hours to cater for Trading Participants' enquiries during a hard fork.

## 2.2 Token Admission and Review Committee

HBL will implement listing-related due diligence procedures in respect of HashKey Exchange. HBL will do so via the Token Admission and Review Committee (“TARC”), which will report to the board of directors of HBL on a monthly basis.

### *Composition*

- (a) The TARC will consist of the following members and any other person whom HBL’s directors deem appropriate:
  - (i) a senior management of key business line, who will chair the TARC (“chairperson”);
  - (ii) a senior management of compliance;
  - (iii) a senior management of risk management; and
  - (iv) a senior management of information technology.

The quorum for TARC meetings shall be more than half of the committee members. Decisions shall be determined by simple majority and, in the event of a tie, the chairperson of the meeting shall have the casting vote.

- (b) In the case of any conflicts of interest, a TARC member is required to excuse himself from voting in respect of any listing applications which he may be interested in. Nonetheless, such TARC member may still be counted in the quorum at any such meeting at which any such listing application shall be considered.

### *Power and duty*

- (a) After the Token Review Team has conducted preliminary due diligence on Issuer Applicants and their Listing Documents, the TARC has the responsibility for the deliberation and review of the potential Virtual Asset listing on HashKey Exchange. It has the power to:
  - (i) make decisions of material significance regarding Issuers, Issuer Applicants and the individuals concerned. These include approvals of listing applications, the imposition of any conditions if approvals are granted for the listing of Virtual Assets and cancellations of listings; and
  - (ii) act as a review body for listing recommendations made by the Token Review Team and has the final say regarding whether to approve the potential Virtual Asset listing on HashKey Exchange.
- (b) The chairperson of the TARC shall report to the board of directors of HBL on different areas of the activities of the TARC at the next meeting of the HBL board of directors following a meeting of the TARC.

## **Section 3 About the Exchange Rules**

### 3.1 Application

The terms of the Exchange Rules are applicable to HBL and all Users.

### 3.2 Status

The Exchange Rules govern all Users. HashKey Exchange will take into account the Exchange Rules in exercising its powers, functions and responsibilities hereunder or that are provided for by applicable laws.

### 3.3 Procedure where none laid down

- (a) In case no specific procedure is laid down in the Exchange Rules in connection with any actions required under the Exchange Rules, an application for directions should be made to HBL. Such direction shall be determined in the sole discretion of HBL.
- (b) Actions performed in accordance with such directions of HBL shall constitute valid performance of such actions.

### 3.4 General provisions

#### *Time is of the essence*

Time is of the essence in the performance of the Exchange Rules by Issuers, Issuer Applicants, Trading Participants and Trading Applicants.

#### *Severance*

If at any time any provision of the Exchange Rules is, or becomes, illegal, invalid or unenforceable in any respect, the legality, validity and enforceability of the remaining provisions of the Exchange Rules shall not be affected or impaired.

#### *Variation of these Exchange Rules*

HBL will provide a prior notice as soon as practicable to any amendment or variation of the Exchange Rules. Any variation to the Exchange Rules shall be binding only if it is in writing and is published on the official website of HashKey Exchange. Users who object to the amendments or variation will be given an opt-out option to terminate their Account and should send written objections to HBL within fourteen (14) Business Days after the publication of such amendment notice at HashKey Exchange's website, failing which acceptance shall be deemed of such amendment, deletion, substitution or addition.

#### *Third parties*

Unless expressly provided to the contrary in the Exchange Rules, a person who is not a party to the Exchange Rules shall have no right under the Contracts (Rights of Third Parties) Ordinance (Cap. 623 of the Laws of Hong Kong) to enforce any of the terms of the Exchange Rules, and whether so provided in the Exchange Rules or not, no consent of third party is required for the amendment to (including the waiver or compromise of any obligation), rescission of, or termination of, the Exchange Rules, subject to compliance with applicable laws.

#### *Governing laws*

The Exchange Rules shall be governed by, and construed in all respects in accordance with, the laws of Hong Kong.

## **Part B - Listing**

### **Section 4 Listing Criteria**

#### **4.1 HBL Scope of Listing**

HBL may approve the listing of any Virtual Assets, including those which fall under the definition of "securities" under the SFO, on HashKey Exchange following receipt of an application for listing made in accordance with the Exchange Rules, or on its own initiative.

## 4.2 General requirements

To allow HBL to perform due diligence on Virtual Assets, set out below is a non-exhaustive list of general requirements and information which an Issuer Applicant shall provide to HBL before its Virtual Assets may be approved to be listed on HashKey Exchange for trading:

- (a) Background of management, development team, and any of its known key members;
- (b) Regulatory status of Virtual Asset in Hong Kong;
- (c) Supply, demand, maturity and liquidity of Virtual Asset, including record of issuance for over 12 months;
- (d) Technical aspects of the Virtual Asset;
- (e) Development of the Virtual Asset;
- (f) Market and governance risks of the Virtual Asset;
- (g) Legal risks associated with the Virtual Asset;
- (h) Utility offered, novel use cases facilitated, technical structural or cryptoeconomic innovation, or administrative control exhibited by the Virtual Asset and supporting information on viability of the project not dependent on continuous inflow into the virtual asset;
- (i) Enforceability of any rights extrinsic to the virtual asset (for example, rights to any underlying assets) and the potential impact of the Virtual Asset's trading activity on the underlying markets;
- (j) Assessment on the money laundering and terrorist financing risks associated with the virtual asset; and
- (k) whether the Virtual Asset is a component of any indices of an Index Provider (together with supporting information).

## 4.3 Additional requirements for Large-cap Virtual Assets

Subject to HBL's final determination, a Virtual Asset needs to comply with the following additional requirements in order to qualify as a Large-cap Virtual Asset and be admitted to be made available for trading by all Trading Participants, who may or may not be Professional Investors:

- (a) the Virtual Asset does not fall within the definition of "Securities" under the SFO, unless the offering of such Virtual Asset to the retail clients complies with the prospectus requirements for offering of shares and debentures under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) (C(WUMP)O) and does not breach the restrictions on offers of investments under Part IV of the SFO; and
- (b) the Virtual Asset is of high liquidity.

In assessing the liquidity of a specific Virtual Asset for trading by retail clients who are not Professional Investors, HBL will consider at a minimum, the Virtual Asset has been included in a minimum of two Acceptable Indices issued by at least two different index providers, which are separate and independent from each other, the Issuer of the Virtual Asset (if applicable) and HBL. Further, at least one of the indices should be issued by an index provider which complies with the IOSCO Principles for Financial Benchmarks and has experience in publishing indices for the conventional securities market.

## 4.4 Specific requirements for Security Tokens

HBL may at its sole discretion only include Security Tokens which are (i) asset-backed and (ii) approved or qualified by, or registered with regulators in comparable jurisdictions (as agreed by the SFC from time to time).

## 4.5 Minimum requirements only

HBL endeavours to ensure that the decision-making process regarding the listing or removal of Virtual Assets from HashKey Exchange is transparent and fair. Nonetheless, the listing requirements stated herein represent the minimum requirements only, and HBL may impose additional requirements as appropriate in approving the listing of any Virtual Assets on HashKey Exchange.

## Section 5 Listing Procedure

### 5.1 Application procedure

#### *Preliminary application review*

The Issuer Applicant should complete the application form provided by HBL (by email) and upon receipt, HBL will assess the admissibility of the Issuer Applicant and the relevant Virtual Assets.

#### *Full listing review*

Upon the passing of the preliminary review, HBL will provide the Issuer Applicant a comprehensive list of required information and documents according to the class of underlying assets of the Virtual Asset. Once HBL has received the fully-completed application pack from the Issuer Applicant, HBL will conduct a full listing review, including identifying any money laundering and terrorist financing risks which may arise in relation to the development and use of the relevant Virtual Assets, services, business practices and technologies for both new and pre-existing products.

### 5.2 Documents and information required

An application for listing shall be at least accompanied by copies of the following documents:

- (a) **Whitepaper:** HBL will scrutinise all materials relevant to the offering including published information such as the whitepaper and any relevant marketing materials, as well as any projects associated with the Virtual Asset as set out in its whitepaper and any previous major incidents associated with its history and development.
- (b) **Legal opinion:** Written legal advice in the form of a legal opinion or memorandum on the legal and regulatory status of every Virtual Asset that will be made available to Hong Kong Users, in particular, whether that Virtual Asset falls within the definition of “securities” under the SFO, and the implications for HBL.
- (c) **Smart Contract Audit:** Smart contract audit report conducted by an independent assessor focused on reviewing and confirming the smart contract is not subject to any contract vulnerabilities or security flaws to a high level of confidence.
- (d) **Listing Document:** please see Section 7 below for details.

### 5.3 Interview and further information or document

HBL may require an Issuer Applicant to attend interviews, give presentations or provide any additional information or documents which HBL at its sole discretion considers to be necessary or relevant to assess the listing application.

## 5.4 Due diligence

HBL will perform all reasonable due diligence on all Virtual Assets before including them on HashKey Exchange for trading, and to verify that they continue to satisfy all listing criteria in accordance with the Token Admission Policy and Procedures. The Issuer Applicant agrees that HBL may at its sole discretion decide to engage independent experts to verify or assess the application and the Issuer Applicant authorises HBL to disclose information and documents obtained from the Issuer Applicant to such experts.

## 5.5 Declarations and undertakings

HBL may require an Issuer Applicant to make a declaration or undertaking in respect of the listing application in a separate agreement to be entered into between HBL and the Issuer Applicant.

## 5.6 Listing conditions

HBL may attach to a listing any conditions that HBL considers appropriate, and vary or revoke the condition(s) when deemed necessary upon listing or at any time the Virtual Asset is listed on HashKey Exchange.

## 5.7 Listing fees and costs

- (a) Issuer Applicants shall pay such listing fees and charges as HBL may prescribe and set out prior to the full listing application review. HBL shall have the right to waive all or part of the listing fees or charges at its sole discretion. Unless otherwise agreed by HBL, all listing fees and charges paid are non-refundable in any event.
- (b) The Issuer Applicants shall be solely responsible for their own costs and expenses incurred in relation to the listing application regardless of the outcome.

## Section 6 Withdrawal of listing application

- (a) An Issuer Applicant may withdraw a listing application by notifying HBL through email according to the terms and conditions as may be prescribed by HBL.
- (b) HBL may at its sole discretion discontinue to assess any listing application but shall give the Issuer Applicant written notice (including via email).

## Section 7 Listing Document

### 7.1 Information in Listing Document

A Listing Document should provide a concise and user-friendly summary, in plain language, of the key features and risks of a Virtual Asset, including but not limited to the information listed in this Section. HBL may change or require additional information on a case-by-case basis in its sole discretion:

- (a) Name and type of Virtual Asset;
- (b) Name of Issuer Applicant;
- (c) The business, financial position, management and prospects of the Issuer Applicant, including:
  - (i) Where applicable, all relevant corporate and financial documentation of the Issuer Applicant;
  - (ii) Where applicable, particulars and operating history of the Issuer Applicant;

- (d) Key features of the Virtual Asset:
  - (i) What is the product and how does it work;
  - (ii) What are the key risks;
  - (iii) What is the material technology that supports the Virtual Asset, upon which its operation and/or transferability relies, including any relevant consensus protocol;
  - (iv) Any information that is specific to its product class;
- (e) Where applicable, detailed documentation in respect of the Virtual Asset and the underlying asset;
- (f) an investigation of the blockchain protocol of the Virtual Asset;
- (g) an investigation of the security of the Virtual Asset;
- (h) an investigation of the financial metrics of the project;
- (i) Project description (if applicable);
- (j) Key features of the project, covering the leading project team, business model, technical development, token economy and community and other important information (if applicable); and
- (k) the risk assessment which includes the project due diligence conducted covering all the items from section 4.2 where not already provided.

## 7.2 Statements in Listing Document

- (a) The Listing Document should detail the nature and risks that Trading Participants may be exposed to in trading Virtual Assets and using HashKey Exchange.
- (b) In addition, a Listing Document must contain the following statement (or other statement for Virtual Assets that are securities, as HBL considers appropriate) in a prominent position:

*“Hash Blockchain Limited (“HBL”) is not the issuer of the Virtual Asset and did not prepare or compile this document. Therefore, HBL is not responsible for the contents of this document, makes no representations as to its accuracy or completeness and is not liable for any loss howsoever arising from or in reliance upon any part of the contents of this document. Investors should exercise caution, read and understand the contents of this document, and obtain appropriate professional advice before investing. The listing of the Virtual Asset at Hashkey Exchange does not translate to HBL’s recommendation or endorsement of any Virtual Asset, nor does it guarantee the commercial merits of a Virtual Asset or its performance. It does not mean the Virtual Asset is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.”*

## 7.3 Approval for dissemination

- (a) No party must disseminate the Listing Document unless and until HBL has approved the application.
- (b) HBL’s approval of the application is not a recommendation or endorsement of a Virtual Asset nor does it guarantee the commercial merits of a Virtual Asset or its performance. It does not mean the Virtual Asset is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors. HBL takes no responsibility



for the contents of the Listing Document and makes no representation as to its accuracy or completeness.

## 7.4 Amendment and variation of Listing Document

An Issuer shall submit relevant information and supporting documents to HBL for any changes related to the Virtual Asset or contents of a Listing Document. The changes should only be implemented and published after endorsement by HBL is obtained.

## 7.5 Distribution of Listing Document

Listing Document shall only be distributed through such means as approved by HBL.

## Part C – Continuing Obligations and Responsibilities of Issuers

### Section 8 Notification requirement

#### 8.1 Issuer's obligation to notify

An Issuer has the obligation to immediately notify HBL of:

- (a) any change in control of the Issuer, including a change in any entity which controls the composition of the Issuer's board of directors, controls more than half of the voting rights in the Issuer, or holds more than half of the Issuer's issued share capital;
- (b) any material change in the Issuer's corporate information, business and financial position;
- (c) any information that may reasonably be expected to materially affect market activity and/or price of any Virtual Asset that it issues;
- (d) any change in particulars submitted to HBL in its initial application and Listing Document, including any change in any Virtual Asset that it issues;
- (e) any proposed hard fork or airdrop;
- (f) any regulatory action or court proceedings taken against the Issuer;
- (g) any statutory demand (or other equivalent demand to repay debt in the relevant jurisdiction) issued against the Issuer or its affiliates;
- (h) any other circumstances which may adversely affect the interests of Trading Participants holding the Virtual Asset listed by the Issuer; and
- (i) any other circumstances which may adversely affect an Issuer's ability to carry out its obligations under the Exchange Rules.

#### 8.2 Disclosure to the market

The Issuers shall proactively liaise with HBL to publish on HashKey Exchange notifications to Trading Participants of the relevant material information for each Virtual Asset, including providing Trading Participants with access to up-to-date offering documents or information, and providing Trading Participants with material information as soon as reasonably practicable to enable Trading Participants to appraise the position of their investments (for example, any major events in relation to a Virtual Asset or any other material information provided by Issuers).

### 8.3 HBL's rights to request information

HBL may make enquiries to, or request further information from, an Issuer regarding its Virtual Asset from time to time. Issuers shall respond to such enquiries or requests of HBL promptly within the prescribed timeframe set out in HBL's notice of request.

### Section 9 Payment of fees

All Issuers shall pay all fees associated with the use of HashKey Exchange as agreed with HashKey Exchange from time to time or so specified by HBL, otherwise HBL may delist its Virtual Assets from HashKey Exchange.

### Section 10 Financial information

Subject to the type of Virtual Asset and as notified by HBL, an Issuer shall submit to HBL its audited annual financial statements within 1 month from its issuance and/or a valuation report of the underlying asset to the satisfaction of HBL, and/or any other information reasonably requested by HBL.

### Section 11 Maintenance of eligibility

As long as its Virtual Asset is listed on HashKey Exchange, an Issuer has a continuing obligation to ensure the listing criteria and listing conditions (if any) are satisfied and that the Issuer is not otherwise prohibited from using HashKey Exchange by operation of laws or other regulations.

### Section 12 Self-reporting

Any obligation to report under these Exchange Rules shall be undertaken by an Issuer proactively without needing to be first demanded by HBL. In particular, the Issuer shall immediately report to HBL and cease trading on HashKey Exchange if it has reason to believe that it does not meet the listing criteria or listing conditions (if any), or is otherwise under an obligation to cease trading pursuant to applicable laws.

## Part D – Removal of Virtual Asset

### Section 13 HBL's power to remove a Virtual Asset from HashKey Exchange

HBL may remove a Virtual Asset from HashKey Exchange in accordance with the Token Admission Policy and Procedures.

#### 13.1 Relevant circumstances

HBL may take into account the below circumstances while taking a decision to remove a Virtual Asset from HashKey Exchange:

- (a) implementation of new regulatory standards and other compliance issues;
- (b) blockchain or related technology becomes compromised or defective;
- (c) the Virtual Asset is no longer supported or maintained by the Issuer or others;
- (d) complaints by Users or other third parties, which are related to significant issues such as fraud;
- (e) the relevant Issuer conducts or is involved in any illegal activity(ies) within any jurisdiction(s), such as money laundering, fraud or pyramid selling;
- (f) the relevant Issuer is suspected of manipulating the market and the circumstances are serious;

- (g) the relevant Issuer's team is unreachable within a specified period indicated to the Issuer;
- (h) any changes to project team members which HBL considers to have material adverse impact on the Virtual Asset or the underlying asset or project;
- (i) there is a lack of liquidity in the Virtual Asset's market over a time period to be determined as appropriate by HBL;
- (j) no order of the Virtual Asset is recorded over a time period to be determined as appropriate by HBL after initial listing;
- (k) the Issuer changes supply of the Virtual Asset without giving prior notice to HBL;
- (l) the Issuer conducts a hard-fork of the Virtual Asset without giving prior notice to HBL;
- (m) market cap of the Virtual Asset drops below appropriate level as determined by HBL;
- (n) HashKey Exchange's average daily transaction volume of the Virtual Asset is determined as less than appropriate by HBL;
- (o) there is no immediate action taken or solution given by the Issuer in the event of any crisis, as deemed by HBL, that is causing detrimental impact to HBL, HashKey Exchange and/or the Trading Participants, including but not limited to, discovery of inaccurate information, technical issues on the Virtual Asset, security breach, etc.;
- (p) the Issuer conducts any activity(ies) that damages the reputation of HBL or HashKey Exchange, and adversely affecting the Trading Participants' interest;
- (q) breach of these Exchange Rules which the breach cannot be or has not been cured within 14 days; or
- (r) other circumstance(s) that, in the sole discretion of HBL, is/are sufficient for removal of Virtual Asset from HashKey Exchange, including any circumstances which causes the Virtual Asset to be no longer eligible or appropriate to continue to be listed.

### 13.2 Removal of Virtual Asset from HashKey Exchange Warning

Where appropriate and feasible, a warning (verbal or written) would first be given to the Issuer if any of the above events took place. A reasonable time period, usually about 14 days, would be given to the Issuer to mitigate and/or remedy the problem to the satisfaction of HBL. Failing which, HBL will take actions to remove the Virtual Asset.

### Section 14 Removal of Virtual Asset from Platform request

- (a) Any person, including the Issuer, may request HBL to exercise its power to remove a Virtual Asset from HashKey Exchange. Nonetheless, the decision to remove a Virtual Asset shall be made in the sole discretion of HBL taking into account the circumstances set out in Section 13.
- (b) The request should contain the following information:
  - (i) the Virtual Asset involved;
  - (ii) details of any circumstances which warrant a removal;
  - (iii) copies of any documents that provide evidence that supports the request; and
  - (iv) name, email address and telephone number of the person submitting the request.

## Section 15 Removal of Virtual Asset from HashKey Exchange Notification

HBL will notify Users for removal events by sending system messages and issue a removal announcement on HashKey Exchange's official website and the trading portal for Virtual Assets or projects that trigger the removal condition 7 days in advance. Any pending order received before the announcement date shall be executed within such period.

## Section 16 Withdrawal of Client Money and Virtual Assets upon removal

- (a) Within 30 days from the date of removal announcement and where possible, Trading Participants shall transfer the relevant Virtual Asset to their personal wallets or other trading platform accounts. Trading Participants should ensure that their personal wallets or other trading platform accounts support the relevant Virtual Asset. HBL shall not be responsible for any loss or damage sustained by the Trading Participant arising from, or related to, the use of incompatible wallets or accounts. In certain instances for technical or compliance reasons HBL may decide to shorten the withdrawal period.
- (b) HBL will provide reasonable notice regarding the withdrawal on HashKey Exchange's official website and the trading portal. HBL is not liable for any loss or damage sustained by Trading Participants in circumstances under which a Trading Participant for any reason fails to withdraw the delisted Virtual Asset before the deadline or fails to withdraw the Virtual Asset due to events outside of HBL's control.

## Section 17 Transfer of Listing

An Issuer who wishes to conduct a transfer of listing from HashKey Exchange to another virtual asset exchange platform will be treated as a removal and the Issuer shall submit a removal request in accordance with Section 14.

## Section 18 Relisting

An application for the listing of a Virtual Asset on HashKey Exchange which was previously listed on HashKey Exchange will be treated as a new application for listing.

## Part E – Trading Participants

### Section 19 Type of Trading Participants

Trading Participants must submit and execute Orders at HashKey Exchange through their Accounts and include the following categories:

- (a) **Individual Professional Investors:** Individuals falling under section 5 of the Professional Investor Rules, and trading for their own accounts.
- (b) **Institutional Professional Investors:** Entities falling under paragraph (a) to (i) of the definition of "professional investor" in section 1 of Part 1, Schedule 1 to the SFO, and trading (i) for their own accounts or (ii) on behalf of their clients.
- (c) **Corporate Professional Investors:** trust corporations, corporations or partnerships falling under sections 4, 6 and 7 of the Professional Investor Rules.
- (d) **Retail Clients or Retail Investors:** any person other than a Professional Investor.

### Section 20 Eligibility

#### 20.1 Individuals and institutions

To be eligible to be registered as a Trading Participant, the person or entity must:

- (a) be qualified as a Professional Investor (for trading Non-large Cap Virtual Assets) ;
- (b) not prohibited by applicable law from dealing with Virtual Assets when opening an account and at the time of undertaking any activities on HashKey Exchange;
- (c) if an individual, not be an undischarged bankrupt;
- (d) if an individual, be at least 18 years of age;
- (e) be a citizen of, resident of, or located in, any of the non-prohibited jurisdictions published on the official website of HashKey Exchange from time to time; and
- (f) have passed all compliance checks by HBL (including but not limited to KYC, AML and countering the financing of terrorism, and risk tolerance).

## 20.2 Other criteria

HBL may from time to time change or impose additional criteria regarding the eligibility of Trading Participants without prior notice.

## Section 21 Application procedure

- (a) An application to register as a Trading Applicant may be made by following the process as set out in the Account Opening and Trading Rules.
- (b) After receiving all the required information, HBL will review the submitted information. During this process, HBL may ask for additional information from the Trading Applicant. The review will normally take 3 Business Days but may be longer depending on the circumstances. After the review, HBL will send feedback to the Trading Applicant by email.
- (c) Once an application has successfully passed HBL's review, the Trading Applicant's initial account will be formally converted into a client account capable of trading.
- (d) A Trading Participant is not allowed to open multiple accounts, unless these are in the form of sub-accounts.

## Section 22 Document and information required

- (a) For the purposes of HBL's KYC and AML processes, HBL may require a Trading Participant or Trading Applicant to provide the following information:
  - (i) Documentary evidence of the Trading Participant's or Trading Applicant's true and full identity, and his/her financial situation, investment experience, investment objectives and beneficial ownership information.
  - (ii) For Trading Participant or Trading Applicant trading Non-large Cap Virtual Assets, documentary evidence of the Professional Investor status.
  - (iii) Where a Trading Participant's or Trading Applicant's IP address is masked (for example, where access is via a virtual private network), the unmasked IP address, or else HBL may decline to provide services to that Trading Participant or Trading Applicant.
  - (iv) Information regarding the Trading Participant's or Trading Applicant's business and risk profile and conduct ongoing due diligence on the business relationship, including wherever relevant an IP address with an associated time stamp, geo-location data, device identifiers, Virtual Asset wallet addresses, and transaction hashes.

- (b) HBL may also from time to time request information and documents to ascertain the identity, address and contact details of:
  - (i) the person or entity (legal or otherwise) ultimately responsible for originating the instruction in relation to a transaction;
  - (ii) the identity, address and contact details of the person or entity (legal or otherwise) that stands to gain the commercial or economic benefit of the transaction and/or bear its commercial or economic risk; and
  - (iii) the instruction given by the person or entity referred to in paragraph (b)(i) above.
- (c) Where incomplete or suspicious information is provided, HBL reserves the right to reject, suspend or terminate the business relationship with the Trading Participant or Trading Applicant (as appropriate).

### Section 23 Declaration, undertakings and deposit requirement

- (a) HBL may require a Trading Applicant to make a declaration or undertaking in respect of his/her application.
- (b) HBL may require a Trading Applicant to deposit a sum of fiat currency to HBL's designated bank account from his/her bank account with a licensed bank in Hong Kong or supervised by a banking regulator of an eligible jurisdiction indicated by the SFC for remote onboarding, in order to verify the bank account information prior to the first trade. No interest will be paid on such deposit. The deposit will be credited to their ledger balance after the on-boarding procedures are completed.

### Section 24 HBL's decision

#### 24.1 Decision subject to receipt of all required information

HBL will only process the application after all of the requested information and documents are received in the condition in its sole satisfaction.

#### 24.2 Approval conditions

- (a) HBL may impose conditions when approving a Trading Applicant's application which it considers appropriate, and vary or revoke the condition(s) when deemed necessary.
- (b) HBL and each Trading Participant, shall enter into a written client agreement which includes a provision stating that:

*"In conducting any virtual asset trading business activities, if we [Hash Blockchain Limited] solicit the sale of or recommend any product including any Virtual Assets to you [the Trading Participant], 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."*

### Section 25 Change of Professional Investor status after registration

- (a) If a Trading Participant ceases to be a Professional Investor, the Trading Participant shall immediately notify HBL through the official website of HashKey Exchange, and such Trading Participant shall be subject to applicable trading restrictions regarding clients who are not Professional Investors.

- (b) HBL may at any time require additional information or documents from a Trading Participant regarding its Professional Investor status as part of HBL's risk management and compliance procedure.

## Part F – Account Opening and Trading Rules

### Section 26 Trading on HashKey Exchange

- (a) HBL will follow the trading rules and trade verification procedures, which are briefly outlined below and as set out in detail in the Account Opening and Trading Rules, to provide Trading Participants with high-quality Virtual Asset trading services and a first-class trading experience.
- (b) When the trading rules change, HBL will inform Users as soon as possible by system notification and announcement on HashKey Exchange's official website.
- (c) Upon becoming aware of events such as hard forks and airdrops, HBL will notify Trading Participants as soon as practicable.

### Section 27 List of assets traded

The list of Virtual Assets traded on HashKey Exchange is published on the official website of HashKey Exchange and will be updated from time to time.

### Section 28 Permitted investors only

- (a) As required by applicable laws, HBL may provide certain services or products on HashKey Exchange only to Professional Investors or such other permitted investors.
- (b) If a Trading Participant is an entity which in turn provides such services to its clients, such Trading Participant must satisfy HBL that all such clients and end users of HashKey Exchange are permitted investors under applicable laws.

### Section 29 Pre-funded trades only

- (a) HBL will only execute a trade for a Trading Participant if there are sufficient Virtual Assets and/or fiat currencies in the Account to cover the intended trade.
- (b) HBL will not conduct any offering, trading or dealing activities of Virtual Asset derivatives that in its view, are highly leveraged instruments.
- (c) HBL will not support trading outside HashKey Exchange and routing of Orders to other trading platforms or exchanges.

### Section 30 Trading channels

- (a) Trading Participants should place an Order on the trading portal of HashKey Exchange.
- (b) If a Trading Participant elects to place an Order through the API provided by HashKey Exchange, the API information and specifications can be found on the HashKey Exchange official website<sup>1</sup>.

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<sup>1</sup> The following information should be available on the website: detailed documentation regarding different connectivity channels, all synchronous and asynchronous requests and responses, market events, error messages and all other messages. The documentation should also include detailed examples for each of these matters.

## Section 31 Trading time

Please refer to the HashKey Exchange official website for trading time.

## Section 32 Limits and price limits of an order

- (a) As part of the account opening process, the Trading Participants' risk tolerance would be evaluated in the categories of "conservative", "cautious", "moderate", "active" and "aggressive".
- (b) Trading Participants can trade on HashKey Exchange only if their risk tolerance is higher than the level of "moderate", i.e. "active" or "aggressive". Different Types of Trading Participants with different risk tolerances will have different limit as set out in the Account Opening and Trading Rules.

## Section 33 Trading pairs

The list of trading pairs is published on the official website of HashKey Exchange.

## Section 34 Order types and Order time limit

An Order can only be submitted by a Trading Participant to HBL on HashKey Exchange.

### 34.1 Type of Orders

- (a) **Market Order:**  
A market order is an order that does not specify a price. It is executed immediately upon entry. The size of the order that can be filled is dependent on the following conditions:
  - the amount of liquidity available
  - the price of the matching liquidity does not exceed the price band of the last executed price

Any unexecuted portion of a market order is cancelled immediately.

- (b) **Limit Order:** A limit order is an order that specifies an execution price. The fill price of a limit order cannot be higher/lower than the limit price if the order is a buy/sell order.

### 34.2 Order Time Limit

- (a) **Valid Until Cancelled (GTC—Good Till Cancelled):**  
Client GTC orders will remain valid until any of the following events occurs:
  - All the Orders are executed.
  - Trading Participants cancelled their Orders.
  - Orders are cancelled by the system. (For example: product removal)
- (b) **Execute Immediately or Cancel (IOC—Immediate Or Cancel):** An IOC order is **executed immediately**. Any portion of an IOC order that cannot be filled immediately will be cancelled.

## Section 35 Order execution methodology

### 35.1 Order Priority

The orders of the HashKey Exchange platform are matched in the trading system according to price and then time priority;

- (a) **Price Priority:** Bid orders with higher prices are ranked higher and ask orders with lower prices are ranked higher.



- (b) **Time Priority:** Orders with the same price are ranked by their arrival time stamp. The earlier the order arrives at HashKey Exchange, the higher the ranking of the order.

## 35.2 Execution of Order

- (a) The procedures by which an Order is executed is set out in the Account Opening and Trading Rules.
- (b)
  - (i) When you place a limit order, HashKey Exchange will freeze the amount of asset that is involved in the order plus trading fee, i.e., either the maker or the taker fee, whichever is higher.
  - (ii) When you place a market order, HashKey Exchange will determine if the available balance in trading account exceeds the total trading amount plus all necessary fees. Order entry will be blocked if the condition is not met.
  - (iii) When a buy order price and a sell order match in price, the maximal size of either orders that can be matched at the price will be executed. An order may be executed with multiple matching orders.

## 35.3 Cancellation and amendment of Order

Trading Participants may submit a request to cancel any of their orders that are not fully matched on HashKey Exchange.

## 35.4 Conflicts of Interest

- (a) HBL may provide services to employees of HBL and its group companies and affiliates who can qualify to trade on HashKey Exchange (each referred to as a “Connected Party”).
- (b) Trading Participants’ interests are crucial to HBL. In order to prevent conflicts of interest, HBL adopts the following best execution principles:
  - (i) Price: Bid orders with higher prices are ranked higher and ask orders with lower prices are ranked higher.
  - (ii) Time: Orders with the same price are ranked by their arrival time stamp. The earlier the order arrives at HashKey Exchange, the higher the ranking of the order.
  - (iii) Customer first: Where a Connected Party and a Trading Participant place Orders for the same Virtual Assets at the same time and at the same price, Orders of Trading Participants have priority over Connected Party’ Orders.
- (c) In addition, HBL has a “Compliance Policy” that regulates conflicts of interest. This policy applies to (including but not limited to) all employees and short-term and long-term consultants of the company. Once employees find a conflict of interest, they should report to their immediate supervisor or the compliance department of HashKey Digital Asset Group Limited immediately.

## Section 36 Depositing and withdrawing client’s fiat currencies and Virtual Assets

### 36.1 Deposit/Withdrawal Procedures

Two-factor authentication must be enabled before Trading Participants can deposit and withdraw Virtual Assets in their HashKey Exchange account. The steps for deposit and withdrawal of Virtual Assets are set out in the FAQ of the official website of HashKey Exchange.

## 36.2 General Rules for Deposit/Withdrawal

- (a) (i) **Deposit of Virtual Assets:** For deposit via personal wallet, the deposit transaction will be processed when a certain number of confirmations are reached and has completed HashKey Exchange's internal review. The deposit will then be credited and displayed automatically displayed on client's account.

Whereas for deposit via a third party exchange, the deposit transaction will also require Hashkey Exchange's internal review, which is subject to FATF's Travel Rule Requirement.

Users are reminded to enter the correct deposit address as confirmed transactions on blockchain are irreversible.

- (ii) **Deposits of fiat currencies:** Deposit transaction will be processed after the funds are received and cleared by our designated bank. The deposit will then be credited after it has completed HashKey Exchange's internal review and displayed on the client's account.
- (b) (i) **Withdrawal of Virtual Assets:** After the withdrawal application is accepted, the confirmation will be sent to the requesting Trading Participant which delivery time will depend on the speed of the blockchain network. Therefore, the time for the requesting Trading Participants to receive the requested Virtual Assets may vary from a few minutes to several hours or longer.

The Trading Participant should make sure the correct address is entered. Otherwise, HashKey Exchange cannot return the client's Virtual Assets.

- (ii) **Withdrawal of fiat currencies:** After the withdrawal application is accepted, the request amount will be accredited in the Trading Participant's bank account after processing by our designated bank, however, this may be subject to the bank's procedures.
- (c) **Number of block confirmations for successful withdrawal application:**
- Block confirmation depends on network conditions. Delays may occur due to network congestion.
- (d) HBL and Associated Entity will not conduct any deposits and withdrawals of User's virtual assets through any wallet address other than an address which belongs to the User and is whitelisted by HBL and Associate Entity, except under permitted circumstances specified by the SFC.

## Section 37 Restricting, suspending, rejecting or cancelling Orders

- (a) In order to maintain the fair and orderly operation of HashKey Exchange, HBL may take the following actions as it considers appropriate:
- (i) Restrict or suspend trading of a Virtual Asset on HashKey Exchange;
  - (ii) Reject or cancel any Orders; or
  - (iii) Freeze any accounts.
- (b) HBL may exercise its power under Section 37(a) in the following circumstances:
- (i) Mismatching;

- (ii) Upon notice of any information that may reasonably be expected to materially affect market activity for and the price of any Virtual Asset;
- (iii) Upon discovery of any market manipulative and abusive activities; or
- (iv) Any other circumstances which in the sole discretion of HBL will impair the fair and orderly operation of HashKey Exchange.

## Section 38 Clearing and settlement

- (a) HBL may designate a system for the purpose of providing clearing and settlement services. All Trading Participants shall settle all Orders through the system and comply with the terms and conditions of the system as notified to Trading Participants from time to time.
- (b) HBL may in its sole discretion determine a standard settlement period of each Virtual Asset from time to time.

## Section 39 Preferred banking partners

HBL may nominate such preferred banking partners as settlement bank(s), and all Trading Participants are encouraged to open an account with such bank(s). The preferred banking partner(s) will be announced through the official website of HashKey Exchange.

## Part G – Trading Halt, Suspension and Resumption of Trading

### Section 40 Criteria and procedure of trading halt, suspension and resumption of trading

- (a) HBL reserves sole discretion to halt or suspend trading on HashKey Exchange at such time and for such duration as it may determine in accordance with HBL's internal policies, which provide the criteria and procedure for halting and suspending a Virtual Asset from trading on HashKey Exchange, and the arrangements during trading suspension, outages and business resumption.
- (b) An Issuer whose Virtual Asset is suspended from trading on HashKey Exchange shall continue to comply with these Exchange Rules in so far as they are relevant to it.

### Section 41 Notification of trading halt and suspension

If HBL exercises its power to halt or suspend a Virtual Asset from trading on HashKey Exchange, HBL will notify Users through email, system notification and announcement on HashKey Exchange's official website.

### Section 42 HBL's decision

HBL's decisions made under this Part G are conclusive and binding on the Users. Unless otherwise determined by HBL pursuant to applicable law, no loss or damage sustained by the Trading Participants shall be compensated by HBL and all such rights of the Users are irrevocably waived.

## Part H – Custody of Virtual Assets

### Section 43 Custody arrangement

- (a) HBL holds Virtual Assets on behalf of Trading Participants in a segregated account established by its Associated Entity.
- (b) A Trading Participant's Virtual Assets may not enjoy the same protection as that conferred on "securities" under the SFO, the Securities and Futures (Client Securities)

Rules (Cap. 571H of the Laws of Hong Kong) and the Securities and Futures (Client Money) Rules (Cap. 571I of the Laws of Hong Kong).

- (c) Where the Trading Participant's Client Money is received or held overseas, such assets may not enjoy the same protection as that conferred on Client Money received or held in Hong Kong.
- (d) HBL's Associated Entity adopts security standards in accordance with industry best practices and international standards in relation to the custody of Virtual Assets. HBL has an insurance policy covering the risks associated with the custody of Virtual Assets held in both hot storage and cold storage.
- (e) The Associated Entity shall only receive, send, store or engage in other activities involving airdrops, hard forks or other derivatives, enhanced or forked protocols, token burns or buybacks, or other similar events, upon receipt of and in accordance with specific instructions of HBL, to the extent supported by the Associated Entity.
- (f) HBL will, through its Associated Entity, store no less than 98% of Trading Participants' Virtual Assets in cold storage (Hardware Security Module (HSM)) (i.e. private keys are kept offline without access to the internet), in order to minimise exposure to losses arising from a compromise or hacking of HashKey Exchange. HBL endeavours to minimise transactions out of the cold storage in which a majority of Trading Participants' Virtual Assets are held.

#### Section 44 Title to Virtual Assets

HBL appoints its Associated Entity as custodian of HBL relating to the storage of the Virtual Assets of Trading Participants. HBL and its Associated Entity has no right, interest, or title in such custodial Virtual Assets, except to the extent as provided in these Exchange Rules.

#### Section 45 Segregated accounts

##### 45.1 Virtual Assets

- (a) All Trading Participants' Virtual Assets are held in a segregated account (i.e. an account designated as a client or trust account) established by HBL's Associated Entity for the purpose of holding client assets and are segregated from the assets of the Platform Operator and its Associated Entity.
- (b) For each type of Virtual Asset, the wallets in HBL's Associated Entity's client wallet system constitute:
  - (i) hot wallet(s), which is further composed of individual client wallets and an aggregated client hot wallet; and
  - (ii) aggregated cold wallet(s), into which no less than 98% of that particular type of Virtual Asset should be stored.

##### 45.2 Client's fiat currencies

If and when deposits of fiat currencies are accepted on HashKey Exchange, HBL may also establish segregated accounts by the Associated Entity with:

- (a) If client's fiat currency is received in Hong Kong, an authorised financial institution in Hong Kong; or
- (b) If client's fiat currency is received in any other jurisdiction, an authorised financial 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 Trading Participant should be paid within one Business Day of receipt.

## Part I – Prevention of market manipulation and abusive activities

### Section 46 Identify market manipulative and abusive activities

- (a) HBL established and implemented an internal “Market Manipulation and Abusive Trading Prevention Policy and Procedure” for the proper surveillance of HashKey Exchange in order to identify, prevent, and report any market manipulative and abusive activities.
- (b) The prohibited market manipulation and abusive trading activities of HashKey Exchange whether on-platform or off-platform, include, but are not limited to the following:
  - (i) Churning
  - (ii) Pump-and dump schemes
  - (iii) Ramping
  - (iv) Wash trading
  - (v) Front-running
  - (vi) Spoofing
  - (vii) Layering
  - (viii) Quote stuffing
  - (ix) Other market manipulation aimed at creating a false representation of price, quantity or both
  - (x) Insider dealing
  - (xi) False trading
  - (xii) Price rigging
  - (xiii) Disclosure of information about prohibited transactions
  - (xiv) Disclosure of false or misleading information inducing transactions
- (c) HBL also conducts post-trade monitoring to reasonably identify any:
  - (i) suspicious market manipulative or abusive activities; and
  - (ii) market events or system deficiencies, such as unintended impact on the market, which call for further risk control measures.

### Section 47 Reporting

Upon becoming aware of any market manipulative or abusive activities, whether actual or potential, on HashKey Exchange, HBL is required to notify the SFC of such matter as soon as practicable, provide the SFC with such additional assistance in connection with such activities as it might request and implement appropriate remedial measures.

## Section 48 Market surveillance programme

- (a) HBL adopts a market surveillance system provided by a reputable and independent provider to identify, monitor, detect and prevent any market manipulative or abusive activities on HashKey Exchange.
- (b) HBL is required to provide access to this system for the SFC to perform its own surveillance functions when required.

## Part J – Fees

### Section 49 Fees to be published on website

- (a) HBL adopts a clear, fair and reasonable fee structure. The current fee schedule could be found on the official website of HashKey Exchange which will be updated periodically without prior notice.
- (b) In relation to admission, the fee structure is designed to avoid any potential, perceived or actual conflicts of interest. In relation to trading, HBL will charge a percentage of the transaction amount daily. Different fees may apply based on the type of Order (including whether a Trading Participant is providing or taking liquidity), transaction size and type of Virtual Assets transacted (if applicable). In relation to deposit and withdrawal, no deposit fee will be charged, and a different fixed withdrawal fee will apply based on the type of Virtual Asset.
- (c) HBL will transfer fees from the aggregated client hot wallet to HBL's hot wallet daily at 00:00 (Hong Kong time).
- (d) HBL may in its sole discretion and where applicable waive, reimburse, or pay for Trading Participants' on-chain transaction fees (i.e. gas fees), including fees for transferring between an individual client's wallet and other internal wallets, and withdrawals from HashKey Exchange as set out on the official website of HashKey Exchange.

## Part K – Breach of these Exchange Rules

### Section 50 HBL's power to investigate

- (a) HBL may investigate any matter that relates to HashKey Exchange on its own initiative or upon receiving a complaint or enquiry from any person.
- (b) Users under investigation shall promptly provide any necessary assistance to HBL during an investigation.
- (c) HBL will retain a record of all investigations conducted.

### Section 51 Request to remedy

- (a) Where a User is found to have breached the Exchange Rules or to have conducted its business in a manner that is detrimental or prejudicial to other Users of HBL, HashKey Exchange or the public, HBL may, at its sole discretion, request the breaching User to remedy the breach.
- (b) For the avoidance of doubt, HBL may impose other penalties on the breaching User, and there is no obligation on HBL to allow the breaching User to remedy the breach.

### Section 52 Penalties

HBL may impose any of the following penalties on the breaching User:

- (a) public reprimand;
- (b) suspension of account;
- (c) termination of account; or
- (d) any other penalty in the discretion of HBL which is permissible under applicable laws.

## Part L – Security of HashKey Exchange

### Section 53 Security measures

- (a) HBL employs adequate, up-to-date and appropriate security controls to protect HashKey Exchange from being abused, including:
  - (i) robust authentication methods and technology to ensure that access to HashKey Exchange is restricted to authorised persons only;
  - (ii) up-to-date data encryption and secure transfer technology, in accordance with industry best practices and international standards, to protect the confidentiality and integrity of information stored on HashKey Exchange and during transmission between internal and external networks;
  - (iii) up-to-date security tools to detect, prevent and block any potential intrusion, security breach and cyberattack attempts; and
  - (iv) adequate internal procedures and training for HBL’s employees and regular alerts and educational materials for Trading Participants to raise awareness of the importance of cybersecurity and the need to strictly observe security in connection with the system.
- (b) HBL also has in place effective controls to enable it, where necessary, to:
  - (i) prevent “fat finger” errors such with respect to as input limits or thresholds for Order price and quantity;
  - (ii) immediately prevent HashKey Exchange from accepting Orders which are, for example, suspicious fraudulent trades initiated by hackers; and
  - (iii) cancel any unexecuted Orders.
- (c) HBL will arrange at least annual technology audits by a qualified independent professional to ensure the adequacy, reliability, security and capacity of HashKey Exchange.

### Section 54 System Maintenance and Interruptions

#### 54.1 System Maintenance Arrangements

- (a) When HBL needs to perform system maintenance, the following measures will be taken:
  - (i) evaluating the impact, start time and estimated end time of the maintenance in advance;
  - (ii) notifying Users of the impact, start time and estimated end time of the maintenance as soon as possible through system notification and announcement on HashKey Exchange’s official website; and

- (iii) notifying Users through system notification and announcement on website of HashKey Exchange as soon as possible when the maintenance is over.
- (b) If system maintenance requires suspension of transactions, HBL will take the following measures:
  - (i) evaluating the start time and estimated end time of trading suspension in advance;
  - (ii) notifying Users of the transaction suspension arrangements through system notification and announcement on HashKey Exchange's official website;
  - (iii) starting system maintenance and suspend transaction;
  - (iv) after the system maintenance has been completed, changing the status of all Orders to "cancelled"; and
  - (v) when trading functions return to normal, notifying Users through system notification and announcement on HashKey Exchange's official website.

#### 54.2 Unexpected Interruptions Handling

- (a) When the service or transaction is stopped unexpectedly due to technical reasons or other force majeure, HBL may take one or more of the following measures as appropriate:
  - (i) suspending deposit and withdrawal temporarily;
  - (ii) cancelling all Orders in the Order book;
  - (iii) suspending trading function (including order placement, matching and cancellation);
  - (iv) suspending login;
  - (v) suspending API functionality;
  - (vi) closing the website service temporarily; or
  - (vii) changing the status of all unfilled Orders to "cancelled".
- (b) In the event there is a service or transactional interruption, HBL will inform Users by system notification, announcement on HashKey Exchange's official website and/or email/ SMS in case system notification/ HashKey Exchange's official website is unavailable.
- (c) Upon resumption of the service or transactional interruption, HBL will inform Users by system notification and announcement on HashKey Exchange's official website.

### Part M – Contact, Complaint Procedures and Dispute Resolutions

#### Section 55 Contact information of HashKey Exchange

Users can reach the Customer Service Team via email at [support@customer.hashkey.com](mailto:support@customer.hashkey.com).

#### Section 56 Complaint procedures

- (a) Any complaint should be submitted to HBL through the official website of HashKey Exchange in accordance with HashKey Exchange's Complaint Handling Procedure published on its official website.



- (b) HBL will acknowledge receipt of complaints and review them for possible follow-up action. HBL is committed to dealing with complaints quickly. However, the period of time required for following up on the complaints depends on the circumstances of each case.
- (c) All enquiries and complaints are treated in strict confidence. However, if circumstances require, HBL may need to disclose information to relevant authorities, regulators or agencies for further follow-up. HBL will seek the enquirer's or complainant's consent before disclosing any personal information.

## **Section 57     Dispute resolution**

- (a) HBL participates in the Financial Dispute Resolution Scheme. Therefore, Trading Participants have the right in addition to the ordinary recourse to the HKIAC as defined in sub-section (b) below to refer monetary disputes to the Financial Dispute Resolution Centre. These disputes will be handled by mediation and are subject to certain thresholds as defined in the applicable rules and regulations.
- (b) Any dispute, controversy, difference or claim arising out of, or relating to, the Exchange Rules, including the existence, validity, interpretation, performance, breach or termination thereof or any dispute regarding non-contractual obligations arising out of, or relating to, it shall be referred to and finally resolved by arbitration administered by the HKIAC under the HKIAC Administered Arbitration Rules in force when the Notice of Arbitration is submitted. The law of this arbitration clause shall be 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.