

Risk Disclosure Statement

Panthertrade (Hong Kong) Limited ("**PANTHERTRADE**", "**we**", "**us**", "**our**") provides this Risk Disclosure Statement with information about some of the risks associated with our virtual asset services to convert, buy, sell or trade coins, tokens, crypto assets, digital currencies, digital assets or any other form of virtual assets; the wallet services provided by us to hold virtual assets (when available and if applicable); and any other services that are incidental to any of the virtual asset Services provided by PANTHERTRADE.

The below information presented in this Risk Disclosure Statement is not comprehensive and does not reflect all of the risks (or other important factors) you should consider before using the virtual asset services.

Virtual assets are generally a high-risk asset class. Trading in virtual assets involves significant risks and potential for financial losses and may not be appropriate for all clients. You should always exercise caution and must make your own independent decision to access or use the virtual asset services and should seek any advice that you consider necessary or desirable (including financial and/or legal advice) from independent advisers. It is your sole responsibility to ensure that you understand all the relevant risks of trading virtual assets, as well as analyse, evaluate and understand the terms, features and arrangements underlying the virtual assets, and carefully consider whether such trading is appropriate for you in light of your experience, objectives, financial resources, particular needs, risk appetite, and other relevant circumstances.

Before you pay, use, engage in or otherwise utilise any of the services provided by PANTHERTRADE, you should be aware of the following.

1. Your virtual assets may not enjoy the same protection as that conferred on "securities" under the *Securities and Futures Ordinance*, the *Securities and Futures (Client Securities) Rules* (Cap.571H) and the *Securities and Futures (Client Money) Rules* (Cap.571I).
2. The protection offered by the Investor Compensation Fund does not apply to transactions involving virtual assets (irrespective of the nature of the tokens).
3. You may not be able to recover any of the money or virtual assets you paid or transferred to PANTHERTRADE if our business fails.
4. Virtual assets may or may not be considered "property" under the law, and such legal uncertainty may affect the nature and enforceability of your interest in virtual assets.
5. You should not transact virtual assets if you are not familiar with virtual assets or related virtual asset services. This includes how the virtual assets are created, and how the tokens or virtual assets you intend to transact are transferred or held by your service provider.
6. You should be aware that the value of virtual assets may significantly fluctuate

in value, in a volatile and unpredictable manner relative to fiat currencies. You should buy virtual assets only if you are prepared to accept the risk of losing all of the money you put into such purchases over a short period of time.

7. You should be aware that PANTHERTRADE, as part of its virtual asset services offering, may offer services related to virtual assets which are promoted as having a stable value, commonly known as “stablecoin”. Even stablecoins may significantly fluctuate in value.

8. Under no circumstances shall any of PANTHERTRADE’s officers, directors, members, managers (including any of any related entity) be responsible or liable to you or any other person or entity for any direct or indirect losses (including loss of profits, business or opportunities), damages or costs by reason of, or arising from, or as a consequence of, your use of the virtual asset services other than as set out in the client agreement.

9. The offering documents or product information provided by the issuer of any virtual asset have not been subject to scrutiny by any regulatory body.

Key Risks

We have noted key risks below. However, please note that this is not a complete or exhaustive list of the risks associated with trading virtual assets and/or using the virtual asset services.

Nature of Virtual Assets

Virtual assets are unlike traditional fiat currencies and are not a legal tender. Virtual assets are usually decentralised and are not backed by a central bank, government or other authorities. Virtual assets currently remain largely unregulated or are subject to rapidly changing regulations. As such, the value of virtual assets may rise or fall, and may become valueless, depending upon the market, confidence of investors, competing currencies, regulatory announcements or changes, technical problems or any other factors.

Legislative and regulatory changes may adversely affect the use, transfer, exchange and value of virtual assets.

The nature of virtual assets exposes them to an increased risk of fraud or cyberattack. No authentication, verification or computer security technology is completely secure or safe. Virtual asset transactions rely heavily on the internet and other technologies (including the agreed communication methods). 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 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 or interactive voice response systems) are an inherently unreliable form of communication, and such unreliability may be beyond our 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.

Underlying Technology Risk

The features, functions, characteristics, operation, use and other properties of any virtual assets and the software, networks, protocols, systems, and other technology (including, if applicable, any blockchain) ("**Underlying Technology**") used to administer, create, issue, transfer, cancel, use or transact in any virtual assets may be complex, technical or difficult to understand or evaluate. Such properties and Underlying Technology create significant risks when trading virtual assets.

Any virtual asset and its Underlying Technology may be vulnerable to attacks on its security, integrity or operations ("**Attacks**"), including Attacks using computing power sufficient to overwhelm the normal operation of a blockchain or other Underlying Technology. We make no representation, warranty or undertaking of any kind, express or implied, statutory or otherwise, regarding any Underlying Technology or blockchain functionality nor for any breach of security in the Underlying Technology or blockchain functionality.

Any virtual asset may decrease in value or lose all of its value due to various factors including discovery of wrongful conduct, market manipulation, changes to token properties or perceived value of token properties, attacks, suspension or cessation of support for a virtual asset by us or other exchanges or service providers, and other factors outside our control.

Please note that PANTHERTRADE's decision to support the transfer, storage, or trading of any particular virtual assets through the virtual asset services does not indicate our approval or disapproval of the virtual assets or the integrity, security, or operation of the virtual assets or its Underlying Technology. Also, it does not mean that PANTHERTRADE has the intention to provide compensation or endorsement for any kind of virtual assets in any form. The risks associated with virtual assets and trading virtual assets apply notwithstanding our decision to support a particular virtual assets.

The nature of virtual assets means that any technological difficulties experienced by PANTHERTRADE may prevent clients from accessing their virtual assets.

Cyber-attacks and Fraudulent Activity

The technologic reliance of the Services on the internet exposes you to an increased risk of cyber-attacks and fraudulent activities. Virtual assets, your account, any service, our website or trading tools 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 of our services.

This includes (but is not limited to) interventions by way of: (a) distributed denial of service; (b) sybil attacks; (c) phishing; (d) social engineering; (e) hacking; (f) smurfing; (g) malware; (h) double spending; (i) majority-mining, consensus-based or other mining attacks; (j) misinformation campaigns; (k) forks; (l) spoofing.

Malicious entities may target you in an attempt to steal any asset you may hold, or to claim any asset that you may have purchased. This may involve unauthorized access to an account, your private keys, your addresses, your passwords, your email or social media accounts, your log-in details or access method for the account, as well as unauthorized access to your computer, smartphone and any other devices that you may use. You alone are responsible for protecting yourself against such actions.

Virtual assets, your account, any service, our website or trading tools 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 losses resulting from these attacks. This could result in significant loss and/or other impacts that may materially affect your interests.

The above events may affect the features, functions, operation, use, access or other properties of the virtual assets, your account, the website or our services.

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 our control, or to the extent we have any ability to impact such event, our decision or actions may not be in your best interests.

Liquidity and Conversion Risks

Markets for virtual assets have varying degrees of liquidity. Some virtual assets are quite liquid while others may be thinly traded or illiquid, which means there is a scarcity of persons who are willing to trade at any one time. Thinly traded or illiquid markets have the potential to increase the risk of loss because they can experience high volatility of prices, and market participants may find it impossible to liquidate market positions even at very unfavourable prices. We do not guarantee that the markets for any virtual assets will be active and liquid, or that you would be able to establish or liquidate positions in any virtual assets when desired or at favourable prices. We do not guarantee any profit from trading or any other activity associated with our virtual asset services. We are not obligated to purchase from you any virtual assets, whether bought from us or otherwise.

Accounts and value balances are not subject to any government-backed deposit insurance or any other government protections. There is no central bank or government regulator that can take corrective measures to protect the value of the virtual assets in a crisis, manage the demand or supply of virtual assets, or smoothen any fluctuations in the price or value of virtual assets.

You 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 you may be delayed or prevented by exchange controls or other actions imposed by governmental or regulatory bodies over currencies which they control or regulate.

Trading Risks

Trading in virtual assets entails significant risks of financial loss. You should not commit funds to trading in virtual assets that you are not prepared to lose entirely. The market for any particular virtual assets can be volatile and prices can fluctuate significantly, which could result in sudden and significant increases or decreases in the value of your assets at any given moment. You should assess whether your financial situation and risk tolerance is suitable for buying, selling or trading of virtual assets. You accept and agree that you are solely responsible for any decision to buy, sell, trade or otherwise hold or deal with virtual assets. You should be aware that the risk of loss in trading or holding virtual assets can be substantial.

Virtual assets markets may be susceptible to irrational (or rational) bubbles or loss of confidence, which could collapse due to many reasons. For example, confidence in virtual assets might collapse as a result of unexpected changes imposed by software developers or others, a government crackdown, the creation of superior competing alternative virtual assets, or a deflationary or inflationary spiral. Confidence might also collapse because of technical problems, for example, if the anonymity of the system is compromised, if money or virtual assets is lost or stolen, or if hackers or governments are able to prevent transactions from settling. Negative consumer perception of a specific virtual asset may also negatively affect their value.

Virtual assets are underpinned by an autonomous and largely unregulated worldwide system of individuals and entities. Traders and market participants put their trust in a digital, decentralized and partially anonymous system that relies on peer-to-peer networking and cryptography to maintain its integrity. Thus, the value of virtual assets may be derived from the continued willingness of market participants to exchange fiat currency for virtual assets, which may result in the potential for the complete and permanent loss of the value of a particular virtual asset should the market for that virtual assets disappear. There is no assurance that a person who accepts a virtual asset as payment today will continue to do so in the future.

Abnormal market conditions may occur in virtual assets markets, such as volatile price movements, influx of new participants, and others that may affect the normal use of the virtual asset Services, the placing of orders or irrevocable orders or their execution, processing or settlement. Some virtual asset transactions may be deemed to be executed only when recorded and confirmed by PANTHERTRADE, which may not necessarily be the time at which you initiate the transaction.

Transactions in virtual assets may be irreversible and accordingly, losses due to fraudulent or accidental transfers may not be recoverable.

Virtual assets and fiat currency received or held by us and/or our associated entity outside Hong Kong are subject to applicable laws of the relevant overseas jurisdictions, which may be different from the SFO 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.

Jurisdiction Risks and Regulatory Uncertainties

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

If an transaction is made in any virtual asset 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 you conduct any virtual asset

transactions you should satisfy yourself about any rules or laws relevant to those particular virtual asset transactions.

Your local regulatory authority will be unable to compel the enforcement of the rules of regulatory authorities or markets in other jurisdictions where your transactions have been effected. You should obtain independent advice about the different types of redress available in both your home jurisdiction and other relevant jurisdictions before you start to trade. If your 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.

All virtual asset transactions are potentially exposed to legal and regulatory risks. The legal and regulatory treatment of some of the virtual assets may change. Legal and regulatory treatment varies according to the jurisdiction. The effect of regulatory and legal risk is that any virtual asset may decrease in value or lose all of its value due to legal or regulatory change. This may affect the value or potential profit of a virtual asset transaction.

We may cancel or modify your virtual asset transaction, restrict or suspend the access to an account or any of our services to comply with applicable laws, regulatory requirements or for other reasons specified in our client agreement.

We recommend that you obtain independent legal, tax and financial advice and that you continue to monitor the legal and regulatory position in respect of your virtual assets and virtual asset transactions.

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. 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.

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.

Commissions and Fees

Before conducting any virtual asset transaction, you should obtain details of all commissions, fees, costs, charges and expenses for which you will be liable. If any of

the foregoing is not clear to you, you should request the commissions, fees, costs, charges and expenses before entering into the virtual asset transaction.

The commissions, fees, costs, charges and expenses you pay will vary depending on a variety of factors, including the nature of your relationship with us in relation to the relevant services, the transaction size, complexity and type of asset.

Loss of Private Key is Permanent and Irreversible

You alone are responsible for securing your private key in respect of any address with respect to virtual assets not received nor held by us and/or the Associated Entity in an Account.

Losing control of your private key will permanently and irreversibly deny you access to your virtual assets. Neither we nor any other person will be able to retrieve or protect your virtual assets not held by us and/or the Associated Entity in an Account. Once lost, you will not be able to transfer your virtual asset to any other address or wallet. You will not be able to realize any value or utility that the virtual asset may hold now or in future.

No Deposit Protection

Any fiat currencies or virtual assets held by us or our 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 Law. Without limitation, neither PANTHERTRADE nor our associated entity is regulated by the Hong Kong Monetary Authority.

Your account might be at risk of total loss, from, among other things, security breaches (whether in respect of your account(s) specifically or the virtual asset services generally), electronic, technological or systems failures (including recordkeeping errors), loss of password/ key and insolvency or bankruptcy, or equivalent formal proceedings, relating to us.

Virtual assets are generally not backed by any entity. This means that you have no right of recourse against any issuing entity in relation to any matter relating to your virtual assets. It also means that neither PANTHERTRADE nor anyone else has an obligation to redeem or buy back your virtual assets.

The virtual assets that you transfer to the address(es) associated with your account(s) may not be segregated from, and may be commingled with, other virtual assets of other users.

The abovementioned risks described in this Risk Disclosure Statement may result in loss of virtual assets, decrease in or loss of all value for virtual assets, inability to access or transfer virtual assets, inability to trade virtual assets, inability to receive financial benefits available to other virtual asset holders, and other financial losses to

you. The abovementioned risks are not a closed or comprehensive list, there may be additional risks that PANTHERTRADE has not foreseen or identified in this Risk Disclosure Statement. You hereby acknowledge that PANTHERTRADE will have no responsibility or liability for, any such risks whether identified in this Risk Disclosure Statement or not.

Note: In case of any discrepancy between the English and Chinese versions of this Risk Disclosure Statement, the English version prevails.