Trading Rules and Operations

PANTHERTRADE (HONG KONG) LIMITED

Version 2.0

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Revision History

Version	Date of Revision	Content of Revision
1.0	October 19, 2023	Initial release
2.1	August 20, 2025	Fixed description
2.2	September 10, 2025	Fixed description
2.3	March 18, 2026	Updated Section 3.7.1, Section 9
2.4	May 12, 2026	Updated Section 9
2.5	Sep 2, 2026	Add Section 13
2.6	Sep 28, 2026	Updated Section 13
2.7	Oct 8, 2026	Add and update RWA (TMMF) related content

PANTHERTRADE (HONG KONG) LIMITED

Contents

1. Introduction 1

1.1 Purpose *1*

1.2 Scope *1*

1.3 Principles *1*

1.4 Roles and Responsibilities *1*

1.5 Definitions *2*

2. User and Client Management 4

2.1 Account Structure *4*

2.2 Identity Verification *5*

2.2.1 Login Verification for Users (i.e. with Platform Account Only) *5*

2.2.2 Login Verification for Clients (i.e. with Trading Account) *5*

2.2.3 Error Controls *6*

2.3 System Messages *7*

2.4 Document Disclosures *7*

2.5 Access to Information of Virtual Assets and RWAs *10*

3. Trading Management 11

3.1 Trading Channels *11*

3.2 Type of Trading Account *11*

3.3 Trading Hours *11*

PANTHERTRADE (HONG KONG) LIMITED

3.4 Order Types *11*

3.5 Trading Mechanism and Order Operations *12*

3.5.1 Trading Mechanism *12*

3.5.2 Order Operations *12*

3.6 Trading Pairs and Minimum Asset Tick Size *13*

3.7 Trading Restriction Rules *13*

3.7.1 Trading Restrictions *13*

3.8 Trade Errors Handling *14*

3.9 Management of Trading Account Status *14*

4. Order Book and Matching Rules 16

4.1 Order Book Rules *16*

4.2 Order Matching Rules *16*

5. Trading Fees 17

6. Opening Price and Quote 18

7. Reconciliation Rules 19

7.1 Workflow *19*

7.2 Statement Generation *20*

8. Trade Surveillance 21

9. Trading Suspension, Halt, and Resumption 22

10. Handling of Trading Anomalies 23

PANTHERTRADE (HONG KONG) LIMITED

10.1 Unexpected Events *23*

10.2 Trading or Market Disruptions *23*

10.3 Response Measures *23*

10.4 Communication with Clients *24*

10.4.1 Announcements *24*

10.4.2 Emergency Contact Information *24*

10.4.3 Compensation Policy *24*

11. Conflict of Interest 25

12. Custody Management 26

12.1 Virtual Assets Deposit and Withdrawal *26*

12.2 Fiat Currency Deposit and Withdrawal *26*

13. Arrangements of TMMF 27

13.1 Eligibility Criteria of Token Market Makers *27*

13.2 Information On The Secondary Trading Arrangements *30*

13.3 Volatility Control Mechanism (Cooling-off Period) for TMMF *31*

13.4 Cash Withdrawal Arrangement for TMMF *32*

PANTHERTRADE (HONG KONG) LIMITED

1. Introduction

1.1 Purpose

These Rules are formulated by Panthertrade (Hong Kong) Limited to govern virtual assets and RWAs (e.g., Tokenized Money Market Funds) trading behaviour conducted on its trading platform (the "Exchange" or "PantherTrade"), protect the legitimate rights and interests of all parties involved in virtual assets and RWAstransactions and investors' interest, and provide better guidance for clients' trading activities.

1.2 Scope

These Rules apply to all users and clients of the Exchange and all virtual assets and RWAs trading activities conducted on the Exchange. Staff members of the Exchange should observe and adhere to these Rules and report to their supervisor or the Compliance Department should there be any suspected contravention of the Rules.

1.3 Principles

The Exchange aims to maintain an open, fair and impartial market place for its clients to trade in virtual assets and RWAs.

1.4 Roles and Responsibilities

- Business Department and Operation Department: formulating rules that govern the trading activities and operations of the Exchange, overseeing the trading activities and operations of the Exchange, reviewing the trading rules on a regular basis (at least annually) and updating the trading rules as and when necessary. In particular, the Policy should be updated within one month prior to the following changes take place, and notification to the regulatory authority (e.g. SFC) should be arranged in accordance with the applicable notification requirements (e.g. Information Rules[1] and VATP Guidance[2]):

[1] The Securities and Futures (Licensing and Registration) (Information Rules)

[2] The Guidelines for Virtual Asset Trading Platform Operators (June 2023)

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- Non-conventional changes such as iteration, reconstruction, and method to conduct system/data backup and disaster recovery for the Exchange and associated systems.
- Changes to trading rules, including but not limited to, adjustments in trading hours, order logic, trade surveillance, market volatility control mechanisms, and handling of trading errors.
- Adjustments to reconciliation rules.

- Compliance Department, Legal Department, and Risk Management Department: reviewing the Policy prepared by the Business and Operation Department, providing support to the Business and Operation Department in setting and updating this Policy by providing inputs and advice in their respective knowledge areas and endorsing the proposed changes or updates to this Policy.
- Responsible Officer ("RO"): supervising the overall operations of the Exchange, participating in formulating and implementing the rules in this Policy, reviewing and approving any changes or updates to this Policy, and acting as the primary contact person to communicate with SFC and other relevant regulators.
- Information Technology & Cybersecurity Department: responsible for the security of the Exchange, developing and implementing systems, monitoring the API integration service, providing technical support and ensuring the systems run smoothly and properly.

1.5 Definitions

- Account ID: a unique identity code assigned to each account by the Exchange.
- Web Portal: a website developed and provided by the Exchange.
- API: the Application Processing Interface (API), a software interaction tool for third-party access to the Exchange.
- BCP: Business Continuity Plan, a plan that ensures critical business functions can continue without interruption during business emergency.
- Client: a person (individual or corporation) who has registered a platform account, completed client onboarding and KYC verification and opened a

PANTHERTRADE (HONG KONG) LIMITED

trading account on the Exchange.

- IP Address: an Internet Protocol Address, which is used to access the Exchange's services.
- Masked IP: an IP address that has been partially or completely hidden or obscured by using various methods such as a virtual private network (VPN) or the Tor browser.
- Market Price: the last traded price on the Exchange. After a period of inactivity (e.g., 1 hour), it becomes the mid-price derived from the current best bid and ask.
- PI: Professional investor, which has the meaning as defined in section 1, Part 1 of Schedule 1 to the Securities and Futures Ordinance ("SFO").
- RBAC: Role-Based Access Control which is an effective access control mechanism for implementing security policies within enterprises.
- ROs: the Responsible Officers who are responsible for the daily supervision of the trading activities and operations of the Exchange. ROs are approved by the Securities and Futures Commission of Hong Kong under Section 126 of the SFO.
- T+1: "T" means the trading day, and "T+1" means the next trading day.
- User: a person who has only registered a platform account and has not completed the client onboarding process; users do not have access to the Exchange's products and services.
- Virtual Asset means:

  (a) any “virtual asset” as defined in section 53ZRA of the AMLO; and

  (b) any security token.
- Work orders: work documents used to record, process, and track the completion of a job.

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2. User and Client Management

2.1 Account Structure

The Exchange has a two-tier account structure:

- First-tier: Platform Account
  a. Interested investors can register a platform account with PantherTrade ("Platform Account") by providing their mobile phone number and a one-time password (OTP) received via short message service (SMS). The Exchange will create a unique ID code for each Platform Account ("Account ID").
  b. A Platform Account provides access to virtual assets and RWAs quotes, market news, and other basic features. This account does not support virtual assets and RWAs trading or custody services.
  c. Upon first login, users will be prompted to set a login password for their Platform Account ("Login Password"). A Login Password must be between 8 and 20 characters long and contain at least three types of characters from uppercase letters, lowercase letters, numbers, and symbols. The Exchange also provides FAQs to remind users not to use passwords that are widely used, easily predictable, or vulnerable to hacking.
- Second-tier: Trading Account
  a. Once users have registered for a Platform Account, they may apply for a virtual assets and RWAs trading account ("Trading Account"). Users (see definition under Section 1.5 above) are required to complete the account opening process, which includes Know Your Customer (KYC) verification, customer due diligence, risk tolerance assessment, and virtual assets and RWAs knowledge assessment.
  b. A Trading Account enables clients (as defined in Section 1.5 above) to access a comprehensive suite of virtual assets and RWAs trading and custody services. This includes the ability to deposit and withdraw both fiat and virtual assets, as well as to buy and sell virtual assets and RWAs.

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2.2 Identity Verification

2.2.1 Login Verification for Users (i.e. with Platform Account Only)

As only limited functionality of the Exchange is available to users of Platform Accounts, the Exchange allows Platform Account users to log in using one of the following methods:

a. Using the registered mobile phone number (see Section 2.1a above) and an OTP sent via SMS;
b. Using the registered mobile phone number and the Login Password (see Section 2.1c above);
c. Using the Account ID (see Section 2.1a above) and the Login Password; or
d. Biometric authentication including fingerprint and facial recognition available on the user's mobile phone.

If users have no activity in the Web Portal for a default validity period (e.g. 10 minutes), their Platform Account will be automatically logged out.

Once a user successfully logs in from a new device, the system automatically marks it as a binding device. Each client can bind a maximum of three devices. If a user attempts to bind an additional device, the earliest one must be unbound first. The Exchange sends SMS and email notifications to the user when a new device is successfully added for binding.

2.2.2 Login Verification for Clients (i.e. with Trading Account)

Two-factor authentication is required for clients to log in to their accounts. When clients log in from new devices (i.e. a non-binding device), they must provide the following information:

a. Account ID and Login Password; and
b. The OTP sent via SMS to the client's registered mobile phone number.

When clients log in from binding devices, they are required to provide one of the following information:

a. Login Password; or
b. Biometric authentication, including fingerprint and facial recognition available on the clients' mobile phones, requiring prior authorization from

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clients.

2.2.3 Error Controls

- Controls for Anomalous Login Behavior

  The Exchange continuously monitors client's account status by collecting their IP addresses, timestamps, geographic locations, and device identifiers each time they log in. The following actions are implemented in response to anomalous login behavior.

  a. If clients use masked IP addresses (e.g., proxy server, unresolved IP, virtual private network, The Onion Router, etc.) or their IP addresses are located in jurisdictions where virtual assets trading is prohibited (e.g., North Korea, Cuba, Iran, Syria, Crimea, Mainland China, Qatar, and Egypt), their access to deposit, withdrawal and trading services will be restricted.

  b. The three IP addresses most frequently used by a client in the past 180 days are considered regular IP addresses. If a login is detected from a non-regular IP address, the Exchange will send email and in-App notifications to the client.

- Controls on Invalid Password Attempts

  a. To prevent brute force attacks, the Exchange has implemented controls on invalid password attempts. If clients have five consecutive invalid password attempts for their Login Password and Trading Password, they will be prevented from logging in for three hours. They can either wait for three hours or contact customer service for personal identity verification to lift the login restriction.

  b. In the case of biometric authentication, if clients fail to pass it five consecutive times, they will be required to verify their Login or Trading Password.

- Password Reset

  a. Clients can view their login records for all devices used in the last six months in the Web Portal. If there are any suspicious records, they can follow the Exchange's guidelines to reset their login passwords.

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b. The Exchange sends periodic reminders via email and Web Portal notifications to clients who have not changed their Login for a long period (e.g., six months).

c. Clients can change their Login directly only if they pass the login verification and remember their own passwords. If not, they must first provide their registered mobile phone numbers (see Section 2.1a above) and the SMS OTP received for identity verification.

d. The Login must meet the password complexity requirements (see Section 2.1 above) and must not be the same as the last three passwords used. If these requirements are not met, the reset request cannot be submitted.

2.3 System Messages

- After an order is executed, the Exchange will send a message to the client through Web Portal. The message will include the following trade details: Name of the virtual assets and RWAs involved in the transaction;

a. Amount or value of the transaction;

b. Time of the transaction; and

c. Associated fees and charges incurred by the client, including applicable exchange rates.

- In addition, the Exchange provides clients with daily and monthly statements. For more information on statements, please refer to Section 7.2 below.
- Furthermore, the Exchange notifies clients by email after the following client activities have taken place:

a. system login;

b. password reset; and

c. change to personal information or account-related information.

2.4 Document Disclosures

- During the account opening process, the Exchange will provide the following documents to clients:

a. PANTHERTRADE Client Agreement

b. PANTHERTRADE Privacy Policy Statement

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c. PANTHERTRADE Risk Disclosure and Warning Statements

d. PANTHERTRADE Perjury Statement

e. PANTHERTRADE Tax Self-Certification Statement

- The Exchange also publishes the following information on its official website (https://www.panthertrade.com/):

a. Frequently asked questions (FAQs) about PantherTrade, including its business and services, contact details, account opening methods, deposit and withdrawal processes, market models, order types, trading rules, reconciliation rules, fee structure, illustrative examples of how the fees are calculated, customer services, and other commonly used functions;

b. PantherTrade's trading rules, including the criteria for inclusion, suspension and removal of virtual assets and RWAs;

c. Relevant information for each of the virtual assets and RWAs available for trading on the Exchange;

d. PantherTrade's account opening forms and client agreement;

e. Arrangements for dealing with reconciliation failures in respect of transactions executed on the Exchange;

f. Detailed documentation regarding various connection channels, synchronous and asynchronous requirements and responses, market events, error messages, and other relevant information on the Exchange;

g. Detailed documentation regarding the simulation environment as well as constant and active simulated quote and order feed into the simulation environment;

h. Client’s liability for unauthorized virtual asset transactions;

i. The right of clients of the Exchange to terminate a pre-authorized virtual asset transfers and the procedure for initiating such a stop-payment order;

j. The circumstances under which PantherTrade may disclose client's personal information to third parties (including regulatory authorities and auditors);

PANTHERTRADE (HONG KONG) LIMITED

k. The right of clients to be notified in advance of any changes in rules, procedures, or policies;

l. PantherTrade's dispute resolution mechanisms, including the complaint procedures;

m. PantherTrade's system upgrade and maintenance procedures and schedules; and

n. Categories of services that would only be provided to professional investors.

- The Exchange will publish on its website any revisions or updates to the above information as soon as practicable. The Exchange will inform the clients of the revisions or updates by email. In the notification email, material amendments will be identified to the clients and an explanation for making such changes will also be provided to the clients. The following information on the listed virtual assets is also available on the Exchange's website:
  a. Information related to price and trading volume of virtual assets on the Exchange, including, but not limited to, the latest transaction price, price changes over the past 24 hours, opening, high, low, and closing prices, price fluctuations, trading volume, and order book;
  b. Background information of the management or development team of the virtual asset;
  c. Issuance date of the virtual asset;
  d. Material terms and characteristics of the virtual asset;
  e. Relationship, if any, between the Exchange and the issuer, management team, or development team of the virtual asset (or their key members);
  f. Link to the official website of the virtual asset (if applicable);
  g. Link to smart contract audit report and other bug reports of the virtual asset (if applicable); and
  h. Where the virtual assets have voting rights, how those voting rights will be handled by PantherTrade.

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2.5 Access to Information of Virtual Assets and RWAs

- All users (i.e. Platform Account holders) and clients (i.e. Trading Account holders) can view the information of the virtual assets and RWAs available on the exchange.
- Only Clients who have completed and passed the professional investor assessment can trade all virtual assets available on the Exchange. However, TMMF is also available for trading by retail clients.

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3. Trading Management

3.1 Trading Channels

All users and clients can access the Exchange through the following two channels:

- Web Portal: Clients can view virtual assets and RWAs information, account balance, market data, order information, transaction history, deposit and withdrawal history.
- Application Programming Interface (API): provides services for account asset inquiry, market data subscription, order placement, and order status inquiry. More information on API service policy and procedure can be found in Section 14 below.

3.2 Type of Trading Account

All Trading Accounts are cash accounts.

3.3 Trading Hours

The Exchange supports 7*24 hours of trading.

Note: Services are available on weekends and public holidays.

3.4 Order Types

- Order Types:
  - Limit Order (LMT): Allows a client to buy or sell virtual assets and RWAs at a specified price.
    - Limit orders on our exchange are GTC (Good-Till-Cancelled) orders by default,which means that an order remains valid until cancelled or fully executed.
    - The Exchange provides "Post Only" option for Limit Order, which ensures the limit order is added to the order book as a maker order rather than being immediately executed as a taker order.
  - Market Order: Allows a client to to buy or sell immediately at the best available current price.
    - Market orders on our exchange are FOK (Fill or Kill) orders by default, which means that an order can be filled only with the specified quantity.

PANTHERTRADE (HONG KONG) LIMITED

If the specified quantity is currently unavailable in the market, the order will be cancelled.

3.5 Trading Mechanism and Order Operations

3.5.1 Trading Mechanism

The Exchange uses a real-time automated trading system where funds or virtual assets and RWAs obtained from selling virtual assets and RWAs can be used to buy virtual assets and RWAs on the same day, and virtual assets and RWAs bought can be sold on the same day. There is no limit on the number of trades per day.

3.5.2 Order Operations

- Order Submission: Clients can submit buy or sell orders through their Trading Accounts by specifying the trading pair, order type, quantity and price.
- Confirmation: Before submitting an order, a message will prompt up requiring the clients to confirm the trade details. The information to be confirmed includes:
  - Order type
  - Buy/sell direction
  - Trading pair
  - Price, quantity and/or value depending on order types.
- Cancellation by Client:
  - Clients can cancel orders at any time before the orders are executed, though the Exchange does not guarantee that cancellation requests will be successful. Orders that have been executed or closed cannot be cancelled.
  - No fees are charged for the cancelled portion of the order.
- Cancellation by the Exchange: The Exchange reserves the right to cancel outstanding, unexecuted, or completed orders in the following circumstances:
  - Orders placed by clients engaging in abnormal trading behavior on the Exchange.
  - Orders placed by clients before the virtual assets and RWAs was delisted, but the orders are not completed and the clients have not cancelled the orders.
  - Under abnormal circumstances, the Exchange confirms that there are obvious errors in price, quantity or other relevant parameters of the order.

PANTHERTRADE (HONG KONG) LIMITED

- When it is necessary due to technical reasons.

3.6 Trading Pairs and Minimum Asset Tick Size

- The Exchange supports spot trading pairs between virtual assets and another virtual asset or fiat currency (USD or HKD, etc.). The list of virtual assets available for trading on the Exchange will be disclosed on the Exchange's official website and will be updated as and when there are any changes to the virtual assets listed on the Exchange.
- Minimum Asset Tick Size: The smallest unit of quantity change, which is determined by the Minimum Quantity of the Exchange. The Exchange reserves the right to make adjustments according to the circumstances. Information on the minimum tick size will be available on the Exchange's official website.

3.7 Trading Restriction Rules

In order to ensure a fair and orderly operation of the Exchange, the Exchange has implemented buying and selling restrictions as well as position limits. These trading restrictions are defined by established rules, and the Exchange will regularly review and modify them based on market conditions. Information regarding these trading restrictions will be displayed on the Exchange's official website, and any changes will be communicated to clients via email.

3.7.1 Trading Restrictions

- Quantity Limits: Every order has a maximum and minimum limit. The Exchange imposes minimum and maximum quantity restrictions on each buy and sell order for virtual assets and RWAs.

  Please refer to https://www.panthertrade.com/en/support/topic17.
- Price Limits: To prevent significant price fluctuations and protect clients from substantial deviations in their order execution prices compared to market prices, the Exchange will reject orders for a trading pair if the price is higher or lower than the latest market price by a certain percentage. The Exchange will monitor the volatility level on a daily basis and will adjust the threshold as and when necessary.

  Please refer to https://www.panthertrade.com/en/support/topic19.

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- Pre-funding: The Exchange shall prevent the order from being placed if the client does not have sufficient funds or virtual assets in their account.
- Self-Trade Prevention: The Exchange will automatically cancel existing open orders that would match with new orders from the same client.
- Trading Restrictions for Retail Clients and PI Clients: The Exchange distinguishes between the virtual assets tradable by retail clients and PI clients through its system settings, ensuring that retail clients are permitted only to sell, not to buy, PI virtual assets, while PI clients can trade PI virtual assets.
- Virtual Asset Holding Limits: The Exchange imposes a maximum holding limit on the value of the virtual asset for each client. If the value of a client's virtual asset holding on the Exchange exceeds the holding limit, the client will not be allowed to purchase additional virtual assets.

3.7.2 Unavailable Products and Services

- The Exchange does not offer any products or services considered to be of high leverage or high risk, including but not limited to derivatives.

3.8 Trade Errors Handling

Trading errors refer to incorrect execution of transactions, including but not limited to erroneous transmission of client instructions between systems or incorrect retention of trade details that do not reflect the original instructions. The Exchange emphasizes diligence and skilled operations by its staff, and endeavors to minimize the occurrence of such incidents. For more details about the Trade Errors Handling, please refer to Section 12.3 of the *Compliance Manual*.

3.9 Management of Trading Account Status

- Dormant Accounts: An account is defined as a dormant account if there is no account activity within last 12 months. For more details, please refer to Section 4.16 of the *AML and CFT Policy*.
- Frozen Accounts: If the Exchange detects any of the following circumstances during market surveillance:
  - Regulatory requirements;
  - Suspected manipulative or abusive trading activities (as described in

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PantherTrade's *Market Surveillance Policy*);

- Exceeding the position limits prescribed by the Exchange;
- Discovery of client's involvement in illegal activities (e.g., identity theft);
- Relocation to a region where trading virtual assets and RWAs is prohibited by law; or
- Non-response to inquiries regarding abnormal activities issued by the Exchange.

The Exchange may consider taking measures to prevent such activities from continuing, such as temporarily freezing the account. The client will be notified by email and via Web Portal message, explaining the reason for the freeze and providing solutions. After the Compliance Department investigates and verifies the account's operations and trading activities, and confirms that there is no abnormality, the freeze will be lifted.

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4. Order Book and Matching Rules

The Exchange employs an aggregated central limit order book system, ensuring shared trading liquidity for all clients and guaranteeing fairness, transparency, and justice in trading.

4.1 Order Book Rules

The Exchange's order book follows the following rules:

- Queueing Rule: Orders in the order book are arranged based on the "price/time priority" rule. Each order is assigned a unique and orderly index when stored in the database to ensure orderly and proper placement.
- Update Rule:
  - New Orders: new orders are inserted and the queue is updated according to the queueing rule mentioned above. If the matching conditions are met, trades are executed according to the trade matching rules.
  - Order Cancellation: When a cancellation instruction is received for an order in the queue that has not yet been executed or is pending execution, the Exchange will remove the corresponding order. The other orders will be re-ordered according to the queuing rule mentioned above.

4.2 Order Matching Rules

Trades of virtual assets and RWAs on the Exchange are matched based on the "price/time priority" rule.

- Price Priority Rule: Buy orders with higher prices are given priority over buy orders with lower prices, and sell orders with lower prices are given priority over sell orders with higher prices.
- Time Priority Rule: If there are buy or sell orders with the same price, the order that is received earlier is given priority over the one received later, based on the time when the Exchange accepts the instruction.

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5. Trading Fees

The Exchange uses Maker-Taker to determine trading fee. Following the execution of a trade, a taker or maker fee will be charged to the client based on whether the order acted as a taker or a maker.

- Taker: Taker refers to an order created by the client and is immediately matched with an open order in the order book (e.g. a market or limit order that can be filled immediately).
- Maker: Maker refers to a limit order created by the client and is not immediately matched with an open order in the order book (e.g., a buy limit order that is 5% below the current market price). The order will enter to the order book waiting to be matched.

The Exchange will adjust the fee rates depending on the market situation at appropriate times.

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6. Opening Price and Quote

- Opening Price: The opening price is determined as the price of the first executed trade on the exchange. If no trading has commenced, the opening price will be null.
- Quote: The quote is corresponding to each trading pair. The Exchange supports quoting virtual assets against another virtual asset, or virtual assets against fiat currency.

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7. Reconciliation Rules

7.1 Workflow

- Trading

1. Clients initiate trades and submit orders to the Exchange for matching execution;
2. After the matching process is completed on T day, the transaction report will be sent back to the clients;
3. The transaction report is synchronized with the Exchange's asset system to update the corresponding changes in the assets of the counterparties of the trade (i.e. buyer and seller) in real time.

- Reconciliation

    1. On T+1 day, the reconciliation system retrieves all transaction details from the trading system, wallets, blockchain event system, and manual asset adjustment system for T day, and the account asset balance for T day from the asset system.
    2. The reconciliation system calculates the reconciliation result based on the T-1 day account asset balance stored in the reconciliation system and the T day transaction details. The calculated result is then compared with the T day account asset balance retrieved from the asset system.
    3. If the comparison shows consistency, it indicates a correct reconciliation, and then the reconciliation result will be confirmed automatically. If discrepancies arise, the reconciliation system will display the discrepancy accounts and values on the corresponding page and notify the Reconciliation & Error Handling staff from Operation Department, to investigate and resolve the issue.
    4. The Reconciliation & Error Handling staff investigates the reasons for the reconciliation discrepancies, then confirms and implements the adjustment plan. After the adjustment is completed, the reconciliation is triggered again until the system shows consistency.

PANTHERTRADE (HONG KONG) LIMITED

5. The Reconciliation & Error Handling staff confirms the reconciliation result, and based on the reconciliation outcome, offline settlement is conducted.

7.2 Statement Generation

Data will be presented to clients in the form of statements after reconciliation confirmation. PantherTrade offers both daily and monthly statements to clients.

- The daily statement is sent on T+1 day.

- The monthly statement is sent within the first seven business days of each month, containing the monthly summary of the previous month.

- Clients will receive monthly or daily statements under either of the following circumstances:

  1. If there are funds/assets in the client's account, a monthly statement will be sent (no later than the end of the seventh business day after the end of the monthly accounting period).

  2. If there were any transaction activities on T day (i.e. trading, fund transfer), a daily statement will be sent on T+1 day (no later than the end of the second business day after the activity took place).

- Each statement includes the following information:
  1. Basic information about the client and account;
  2. Asset quantities and changes at the beginning/end of the period;
  3. End-of-period virtual asset prices and market valuations;
  4. Details of fund/asset changes for the current period, including trades, fees, deposits and withdrawals.

- Clients can access statements via the Web Portal or receive them via email.

PANTHERTRADE (HONG KONG) LIMITED

8. Trade Surveillance

- The Exchange strictly prohibits clients from engaging in any form of market manipulation or any other abusive trading activities. Market manipulation refers to actions that deceive the market through trades or orders to influence the supply and demand or prices of virtual assets and RWAs.
- PantherTrade employs a market surveillance system that continuously monitors trading activities on the Exchange. This system analyzes trading behaviors and alerts if it detects suspicious market manipulation and abusive trading. The system monitors the following types of manipulative and abusive behaviors:
  - Wash trading;
  - False trading;
  - High volatility trades in execution price;
  - High-frequency repetitive buying and selling;
  - Frequent order cancellations;
  - Cross trading;
  - Frequent order placement and order modification.
- Once potential abusive trading behavior has been identified, it should be thoroughly investigated by the Exchange. Appropriate actions should be taken, such as suspension of trading account or making a report to the regulator.

For more details, please refer to *PantherTrade's Market Surveillance Policy and Procedure*.

PANTHERTRADE (HONG KONG) LIMITED

9. Trading Suspension, Halt, and Resumption

To ensure fair trading for clients and maintain market fairness, the Exchange reserves the right to stop trading services at specific moments in accordance with our internal policies on trading suspensions, halts, and resumptions.

In the case of system maintenance or upgrades requiring a trading suspension, the following procedure should be followed:

1. Evaluate the actual impact scope, start time and estimated end time of the event;
2. Notify clients three business days in advance through web portal or official website announcements and email, provided that: (a) for scheduled maintenance of extended duration, web portal or official website announcements and email notifications are mandatory; (b) for brief maintenance pauses of minimal duration (e.g., second-level interruptions), official website announcements or email notification to clients shall be deemed sufficient. Provide details of the suspension's reason, the scope of impact, start time, estimated end time, and the arrangement of outstanding orders;
3. Trading services for relevant trading pairs, including order placement, modification, and cancellation would be suspended during the system interruptions;
4. The Customer Services & Complaint Team would be ready and responsible for any customers enquiries upon the disruptions;
5. The Exchange will cancel outstanding orders in the order book, including unfilled and partially unfilled orders;
6. Timely inform clients of the restoration of trading services; and
7. Resume trading services for relevant trading pairs.

PANTHERTRADE (HONG KONG) LIMITED

10. Handling of Trading Anomalies

10.1 Unexpected Events

The unexpected circumstances that disrupt trading activities include:

- Force majeure events;
- Unforeseen incidents;
- Major technical malfunctions involving, but not limited to, the settlement processes of fiat currency or virtual assets and RWAs;
- Significant human errors;
- Market anomalies;
- Detection of significant security vulnerabilities;
- Identification of any market manipulation or abusive trading behavior; or
- Other situations deemed by the Exchange to undermine market fairness and justice.

10.2 Trading or Market Disruptions

If circumstances arise that prevent buying or selling virtual assets and RWAs or interrupt market data transmission, the Exchange will promptly notify clients through Web Portal announcements and email. The cause of the disruption will be investigated, and remedial measures will be taken immediately. If the interruption is not an isolated case, the Exchange will consider suspending trading services. If applicable, the procedures outlined in Section 9 above will be followed.

10.3 Response Measures

After evaluating the nature of the unexpected incident, the extent of trading anomalies and their impact on other services, the security of clients' assets, and the risks of continuing operations, the Exchange may implement one or more of the following measures below. For more details, please refer to *PantherTrade's Business Continuity and Disaster Recovery Plan*.

- Cancel affected transactions or all transactions during a certain period of time;
- Cancel all unfilled or pending orders;
- Suspend trading activities;

PANTHERTRADE (HONG KONG) LIMITED

- Temporarily halt trading services;
- Temporarily suspend deposits and withdrawals;
- Temporarily suspend account logins;
- Temporarily interrupt API connections;
- Suspend all services and customer account functions.

10.4 Communication with Clients

10.4.1 Announcements

The Exchange will announce the decision to implement measures as described in Section 10.3 above.

- For disruptions caused by unexpected system malfunctions, the Exchange will notify clients the cause and expected duration within half an hour of the disruption through Web Portal announcements and email.
- Once the anomaly handling is completed, the Exchange may decide to resume trading and will promptly announce the resumption on the website, Web Portal, or by email.

***10.4.2** Emergency Contact Information*

Contact information, such as customer service hotline and email address, will be provided on the official website or social media platforms, enabling clients to make urgent contact if necessary.

***10.4.3** Compensation Policy*

If clients suffer financial losses due to a service interruption on the trading platform, the Exchange usually compensates based on the principle of "customer interest first". The Exchange will do its best to ensure clients' right to information and interests, and resolve clients' problems.

PANTHERTRADE (HONG KONG) LIMITED

11. Conflict of Interest

The Exchange adopts the following measures to manage conflict of interest issues:

- Categorizing information into inside information and confidential information;
- Implementing the Chinese Wall policy and procedure;
- Managing watchlists and restriction lists;
- Managing conflict of interest; and
- Declaring and managing personal interest.

For the detailed procedure regarding conflict of interest, please refer to the section on Chinese Wall and Conflict of Interest in the *Compliance Manual*.

PANTHERTRADE (HONG KONG) LIMITED

12. Custody Management

The PantherTrade should only hold client assets on trust for its clients through its associated company Panthertrade Holdings Limited (the “AE”). The AE establishes a clear structure that governs the management of Wallets used to hold virtual assets. It includes the Client Wallet and the House Wallet, which contain hot wallet and cold storage for different purposes respectively. The Company and AE should hold virtual assets that are the same as those virtual assets that are owed to or held on behalf of its clients and in the same amount. The Client Wallet and the House Wallet are not co-mingled with each other and operate independently. There are no other transfer transactions in the House Wallet except for handling network fee reconciliations.

Custodial risks primarily encompass the potential for financial loss due to theft, fraud, or other misappropriation of assets.

For more details, please refer to *Custody of Client Virtual Assets Policy and Procedure*.

12.1 Virtual Assets Deposit and Withdrawal

Please refer to *Custody of Client Virtual Assets Policy and Procedure* for details of virtual assets deposit and withdrawal.

12.2 Fiat Currency Deposit and Withdrawal

PantherTrade holds client money through the segregated bank account of its AE maintained with the authorized financial institution. For more details of the fiat currency deposit and withdrawal process, please refer to the *ANTI-MONEY LAUNDERING AND COUNTER-TERRORIST FINANCING POLICY*.

PANTHERTRADE (HONG KONG) LIMITED

13. Arrangements of TMMF

Applicability of Sections 1 – 12

Unless otherwise specified in this Section 13, all provisions set out in Sections 1 to 12 of these Rules shall apply to trading activities in respect of TMMF conducted on the Exchange. Notwithstanding the foregoing, the following provisions shall not apply to TMMF trading:

(a) Market Orders under Section 3.4, as TMMF trading only supports Limit Orders;

(b) Price Limits under Section 3.7.1, Since TMMF operates under the Volatility Control Mechanism dynamic price limit for limiting trade execution prices.

(c) Virtual Asset Holding Limits under Section 3.7.1, as TMMF does not fall under the category of Virtual Assets; and

(d) any other provisions as may be expressly excluded by the Exchange from time to time.

13.1 Eligibility Criteria of Token Market Makers

1. Financial Stability

   (1) A Token Market Maker shall maintain adequate paid-up capital or net asset value as may be reasonably determined by the Platform Operator to be sufficient for the Token Market Maker to carry out its market making activities.

   (2) A Token Market Maker shall provide audited financial statements for a reasonable number of recent financial years prepared in accordance with generally accepted accounting principles applicable in its jurisdiction of incorporation. Where the Token Market Maker has been in operation for an insufficient period to provide such financial statements, it shall provide audited financial statements since its date of incorporation and such other financial information as the Platform Operator may reasonably require.

   (3) A Token Market Maker shall not be subject to any ongoing bankruptcy, insolvency, winding-up, or similar proceedings, nor shall it have any material contingent liabilities that, in the reasonable opinion of the

PANTHERTRADE (HONG KONG) LIMITED

Platform Operator, may impair its ability to perform market making activities.

(4) A Token Market Maker shall maintain adequate liquidity reserves sufficient to support its market making obligations, and shall demonstrate to the Platform Operator's reasonable satisfaction that it has access to sufficient funding sources to sustain continuous quoting obligations.

2. Risk Management

(1) A Token Market Maker shall implement and maintain a comprehensive risk management framework that addresses, at a minimum, market risk, credit risk, operational risk, and liquidity risk in connection with its market making activities.

(2) A Token Market Maker shall establish and enforce internal risk limits, including position limits, exposure limits, and loss thresholds, and shall ensure that such limits are monitored in real time and adjusted as market conditions warrant.

(3) A Token Market Maker shall maintain a documented business continuity plan and disaster recovery plan to ensure the continuity of its market making activities in the event of system failures, cyber incidents, or other material disruptions.

(4) A Token Market Maker shall ensure that its risk management policies and procedures are reviewed and updated on a regular basis, and that any material changes are promptly notified to the Platform Operator.

3. API Integration

(1) A Token Market Maker shall demonstrate the technical capability to integrate with the Token Trading Platform's API, including the ability to submit, modify, and cancel orders programmatically in accordance with the Platform Operator's API specifications and rate limits.

PANTHERTRADE (HONG KONG) LIMITED

(2) A Token Market Maker shall implement automated systems for quote generation, order management, and risk control that are compatible with the Token Trading Platform's trading infrastructure and protocols

(3) A Token Market Maker shall complete integration testing with the Platform Operator's test environment to the Platform Operator's reasonable satisfaction prior to commencing live market making activities, and shall cooperate with the Platform Operator in any subsequent system upgrades or API changes.

(4) A Token Market Maker shall maintain a satisfactory level of system uptime during required market making hours and shall implement appropriate failover mechanisms to minimise downtime in the event of technical failures.

4. General Provisions

(1) The Platform Operator reserves the right to request additional information or documentation from a Token Market Maker as may be reasonably necessary to assess its eligibility under this Schedule 4.

(2) A Token Market Maker shall promptly notify the Platform Operator of any material change in circumstances that may affect its compliance with the eligibility criteria set out herein.

(3) The Platform Operator may, at its sole discretion, waive or modify any of the above criteria on a case-by-case basis, provided that any such waiver or modification shall be communicated in writing to the Token Market Maker and the Manager.

5. Incentives or Remunerations to Token Market Makers

Panthertrade and the product provider may provide incentives or remunerations to token market makers, including, but not limited to, trading fee waivers, management fee rebates, commission fee rebate, market making fees or fixed remuneration. Such incentives or remunerations may be subject to futures changes as determined by Panthertrade and/or the product provider.

PANTHERTRADE (HONG KONG) LIMITED

13.2 Information on The Secondary Trading Arrangements

1. fee schedules

- Taker fee: taker fee is a fee charged by PT to investors who remove liquidity from the order book by executing trades that are immediately matched with existing orders.
- Maker fee: maker fee is a fee charged by PT to investors who add liquidity to the orderbook by placing limit or stop-limit orders that aren't instantly matched with an existing order.

Market makers receive a rebate (i.e., a negative fee) on maker orders that add liquidity to the order book. The rebate amount is calculated as a multiple of the notional value of executed maker orders.

Apart from the abovementioned taker fee and maker fee, PT does not charge any other commission fees. The taker fee and maker fee are published on the Exchange's official website at https://www.panthertrade.com/en/support/categories/2248 and may be reviewed and updated from time to time.

2. bid-ask spread

   The difference between the ask price and the bid price divided by the mid price in each product series shall for Market Maker Orders should less than 2%. All orders, including market maker orders, shall be subject to the Dynamic Price Limit under the Volatility Control Mechanism as described in Section 13.3.

3. Connecting Brokers

   Clients may participate in TMMF trading through connecting brokers that have established connectivity with the Exchange. The latest list of approved connecting brokers is set out below:

   Futu Securities International (Hong Kong) Limited.

PANTHERTRADE (HONG KONG) LIMITED

4. Indicative Net Asset Value (iNAV)

- The Exchange publishes the Indicative Optimized Portfolio Value (IOPV), also referred to as the Indicative Net Asset Value (iNAV), for each TMMF available for trading on the Platform.
- The iNAV is calculated based on the underlying assets of the fund in accordance with the fund's prescribed valuation methodology.
- The iNAV is updated at a minimum interval of 15 seconds.

13.3 Volatility Control Mechanism (Cooling-off Period) for TMMF

1. Applicable Tokens

Applicable Tokens shall cover all tokenized money market funds managed by the product provider that are available for trading on the Exchange. All such tokens are subject to the volatility control mechanism as set out in this Section 13.3.2.

2. Reference Price

The Reference Price is the benchmark used to determine the dynamic price limits and is updated as follows:

- Normal Trading: During regular trading hours, the Reference Price shall be the most recent valid price event occurring five minutes prior to the current time. Valid price events include (a) secondary market trade executions, and (b) primary market Net Asset Value (NAV) updates. The Reference Price is updated every minute.
- Cooling-off Period: During a cooling-off period, the Reference Price shall be fixed at the Reference Price of the minute in which the cooling-off period was triggered.
- Post-Cooling-off Period: Upon expiry of the cooling-off period:
  - If at least one secondary market trade occurred during the cooling-off period, the first trade execution price shall serve as the new Reference Price.
  - If no secondary market trade occurred during the cooling-off period, the system shall suspend price limit monitoring until the next valid price event (trade execution or NAV update) occurs, at which point that price shall

become the new Reference Price.

3. Dynamic Price Limit

For all Applicable Tokens, the system calculates a dynamic price limit every minute as follows:

- Upper Price Limit = Reference Price × (1 + Trigger Threshold (currently set at 4%))
- Lower Price Limit = Reference Price × (1 − Trigger Threshold (currently set at 4%))

4. Triggering of Cooling-off Period

During regular trading hours, if a trade execution price exceeds the dynamic price limit:

- The incoming taker order shall be rejected with an error message.
- A five-minute cooling-off period shall be triggered immediately from the second the order is rejected.

5. Trading Rules During Cooling-off Period

During the five-minute cooling-off period, trading in the affected token remains permitted, but orders must be placed within the fixed price band based on the Reference Price at the time the cooling-off period was triggered:

- Fixed Upper Limit = Reference Price at trigger × (1 + Trigger Threshold (currently set at 4%))
- Fixed Lower Limit = Reference Price at trigger × (1 − Trigger Threshold (currently set at 4%))

Any buy order above the Fixed Upper Limit or sell order below the Fixed Lower Limit shall be rejected by the system immediately.

6. Post-Cooling-off Period

Following the expiry of the cooling-off period, price limit monitoring shall resume in accordance with the Reference Price rules set out in Section 3 above.

13.4 Cash Withdrawal Arrangement for TMMF

1. Withdrawal Methods

Clients may withdraw funds from their accounts through the following channels:

2. Same-Bank Transfers (Instant Settlement)

Where the client's designated withdrawal bank account is held with the same bank as the Platform's designated settlement bank, withdrawals shall be processed via same-bank transfer. Such transfers are not subject to any pre-set limit and shall be credited to the client's account on a real-time basis.

Withdrawal fee details: https://www.panthertrade.com/en/support/categories/2248

3. Cross-Bank Transfers

Where the client's designated withdrawal bank account is held with a bank other than the Platform's designated settlement bank, withdrawals shall be processed via cross-bank transfer.

- Fiat Withdrawals to Hong Kong Banks
  - USD withdrawals: Withdrawal requests are processed exclusively via Real-Time Gross Settlement (RTGS) on business days from 9:00 to 17:30. Funds are typically credited within 1 business day.
  - HKD withdrawals: Withdrawal requests are processed via FPS and credited instantly, 24/7, provided that both the single withdrawal amount is below HKD 1,000,000 and the aggregate amount of withdrawals via PT on the same day is below HKD 10,000,000. These FPS eligibility thresholds may be revised subject to approval of the bank. All other withdrawals are processed via RTGS on business days from 9:00 to 17:30 and are typically credited within 1 business day.
- Fiat Withdrawals to Non-Hong Kong Banks

Withdrawals requests are processed on business days from 9:00 to 17:30, exclusively via bank Telegraphic Transfer (TT). and funds are typically credited within 1–3 business days.

For more information, please refer to: https://www.panthertrade.com/en/support/categories/2634.

4. General Terms

- All withdrawal requests must be made to the client's pre-registered designated bank account in the client's own name. Third-party withdrawals are not permitted.
- The Platform reserves the right to impose additional verification or review procedures for withdrawal requests that exceed certain thresholds or exhibit unusual patterns, in accordance with the Platform's Anti-Money Laundering and Counter-Terrorist Financing Policy.

Withdrawal processing times may vary depending on the banking system's operational hours and any maintenance schedules.

PANTHERTRADE (HONG KONG) LIMITED