

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.

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);
2. You may not be able to recover any of the money or virtual assets you paid or transferred to PANTHERTRADE if our business fails.
3. Virtual assets may or may not be considered "property" under the law, and such legal uncertainty may affect the nature and enforceability of a client's interest in such a virtual asset;
4. 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.

5. 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.
6. 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.
7. Under no circumstances shall any of PANTHERTRADE’s officers, directors, members, managers, (including any of any related entity) (“Indemnified Persons”) 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 our terms and conditions.
8. 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.

Unregulated and Decentralised Risk

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 and fall 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. 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.

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 thirdparty 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 the PANTHERTRADE's control.

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

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.

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's 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.

Transactions in Virtual Assets may be irreversible and accordingly losses due to fraudulent or accidental transfers may not be recoverable.

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

Liquidity and Conversion Risk

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 Risk

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 permanent and total loss of value of a particular Virtual Assets should the market for that Virtual Assets disappear.

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.

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.

Security Risks

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.

No Deposit Protection

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's 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 risk is not a closed or comprehensive list, there may be additional risks that PANTHERTRADE's has not foreseen or identified in this Risk Disclosure Statement. You hereby acknowledge that PANTHERTRADE's 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.