



# HighBlock Limited

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## Risk Disclosure Statement

Date: 28 Oct 2025

Version 2.0

**IMPORTANT NOTICE**

Please read this document carefully and keep it for future reference.

This Risk Disclosure Statement outlines certain risks associated with the Services. However, it does not disclose or discuss all possible risks or other material considerations related to conducting transactions. Nothing in this document should be construed as legal, tax, or financial advice.

We do not act as your financial advisor, and you should not rely on us in that capacity. Before entering into any transaction, you are strongly encouraged to seek advice from your own independent professional advisors. You should proceed only if you fully understand the nature of the transaction, the contractual relationship it creates, all applicable terms and conditions, and the extent of your potential exposure to loss.

If you have any questions regarding this document, or if you experience any service difficulties or interruptions, please contact us using the contact information provided below.

**HighBlock Limited** is currently in the process of applying for licences from the Securities and Futures Commission ("SFC") to carry on Type 1 (Dealing in Securities) and Type 7 (Providing Automated Trading Services) regulated activities under the Securities and Futures Ordinance. The Company is also applying for the licence to operate a Virtual Asset Trading Platform under the Anti-Money Laundering and Counter-Terrorist Financing Ordinance.

For more information, please refer to the SFC's website:

<https://www.sfc.hk/en/Welcome-to-the-Fintech-Contact-Point/Virtual-assets/Virtual-asset-trading-platforms-operators/Lists-of-virtual-asset-trading-platforms>.

We will provide updates should there be any changes to our licensing status.

**Address:** Unit 1704–1705,17/F, Universal Trade Centre,3 Arbuthnot Road, Central, Hong Kong

**Email:** support@bitv.com

**Website:** <https://www.bitv.com>

## PART 1 DEFINITIONS AND INTERPRETATION

In these Terms and Conditions, unless the context requires otherwise, the following expressions shall have the following meanings:

**“Account”** means an account that is established by us in your name for the purposes of the Services.

**“Additional Terms”** means the additional terms as set out in Part 3 of these Terms and Conditions.

**“Agreement”** means the agreement between you and us comprising these Terms and Conditions, Trading Rules, Fee Schedule, Listing Rules and any other document setting out the fees and costs that may apply to a Service, Instructions and/or Virtual Asset Transaction, and any other rules, notifications, guidelines, terms, or agreement designed by us to form part of the Agreement from time to time.

**“App”** means the mobile application or any other software that we may make available to you to enable access to the Services.

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

**“API”** means the application programming interface that we may make available to you in respect of the Services, subject to our discretion and the Additional Terms.

**“Applicable Law”** means all relevant or applicable statutes, laws, rules, regulations, court orders and rulings, judicial interpretation, directives, orders, codes, guidelines and circulars of any jurisdiction or issued by any governmental or regulatory authority or exchange of any jurisdiction, whether or not having the force of law, and shall also include tax laws and regulations, rules, requirements, customs and practices of any Infrastructure Participant, exchange, clearing house, trading registration, trade repository and central depository of any jurisdiction.

**“Company, BitV, we, or us”** means HighBlock Limited., a company incorporated in Hong Kong, is currently in the process of applying for the licenses from the SFC to carry on a virtual asset service under the Anti-Money Laundering and Counter-Terrorist Financing Ordinance and to conduct type 1 (dealing in securities) and type 7 (providing automated trading services) regulated activities. Its business address is Unit 1704-1705,17/F, Universal Trade Centre, 3 Arbutnot Road, Central, Hong Kong.

**“Custodian”** means HighBlock Custody Limited, a wholly owned subsidiary of the Company, licensed as a Trust or Company Service Provider (with license no. TC009009) established under the Hong Kong Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap. 615), that provides custodial services to your Virtual Assets.

**“DLT”** means distributed ledger technology, an immutable distributed digital ledger that chronologically records computationally verified transactions or other data or similar technology, as determined by us.

**“Force Majeure Event”** means any event that is beyond our control and prevents us from performing our obligations under the Agreement, including:

- (a) acts of God;
- (b) acts of civil or military authorities;
- (c) acts of war and terrorism;

- (d) civil disturbance;
- (e) embargoes;
- (f) natural disasters such as fire;
- (g) pandemic;
- (h) strike or other labor disputes;
- (i) other catastrophe;
- (j) interruption or failure in telecommunications or internet services or network provider services and facilities;
- (k) interruption or failure of equipment and/or software or other infrastructure, systems, applications or equipment relevant to the provision and/or use of the Services;
- (l) data breaches or data-processing failures; or
- (m) adoption of or any change in Applicable Law, or the promulgation of or any change in the interpretation of Applicable Law by any relevant Government Authority, or the public statement or action by any Government Authority or its official or representative thereof acting in an official capacity.

“**Fork**” means changes in operating rules of the underlying protocols of a Virtual Asset that may result in:

- (a) more than one version of that Virtual Asset; and/or
- (b) us holding an amount (which may be an identical amount) of Virtual Assets associated with each forked network,

in each case as determined by us in our sole discretion.

“**Infrastructure Participant**” means trading venues and other financial market infrastructures that facilitate the clearing, settlement, and recording of transactions relating to Fiat Currency or Virtual Assets.

A person is “**Insolvent**” if it:

- (a) makes a general arrangement or composition with or for the benefit of its creditors;
- (b) institutes or has instituted against it any voluntary or involuntary proceeding seeking relief under any insolvency, bankruptcy or other law affecting creditors’ rights, or, has a winding-up or liquidation petition presented against it and such proceeding or petition:
  - (i) results in a judgement of insolvency or bankruptcy of the person or the entry of an order for relief or winding-up or liquidation; or
  - (ii) is not dismissed, discharged, stayed or restrained in each case within fifteen (15) days of the institution or petition (as the case may be);

- (c) is dissolved other than pursuant to a consolidation, amalgamation or merger;
- (d) is unable to pay its debts as they become due and/or admits in writing of its inability to pay its debts as they become due;
- (e) seeks or becomes subject to the appointment of an administrator, liquidator, receiver, trustee or other similar official for it or for all or substantially all of its assets;
- (f) causes or is subject to any event with respect to which, under Applicable Laws, has an effect analogous to any of the events specified in paragraphs (a) to (e); or
- (g) takes any action in furtherance of or indicating its consent to any of the events specified in paragraphs (a) to (f).

**“Network Event”** means any event (other than an Airdrop or Fork) in respect of the DLT or the smart contract that underlies a Virtual Asset that results in:

- (a) loss of control or ownership by us or a third party of any amount of the applicable Virtual Asset; or
- (b) transaction records on a DLT being altered, reversed, or otherwise invalidated, including a DLT reorganization, double spending attack, or 51-percent attack,

in each case, as determined by us in our sole discretion.

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

**“Service”** means the any service provided by us to you from time to time pursuant to the Agreement.

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

**“Virtual Asset”** means a digital representation of value or of an asset that can be digitally transferred, stored and traded, with or without conditions, and can be used for payment, investment or other purposes, as determined and approved by us from time to time for use in connection with the Services.

For the avoidance of doubt, any Virtual Asset that:

- (a) is transferred on any additional layer of a DLT relating to another Virtual Asset (also known as a “meta” layer) or any Side Chain of such a DLT; or
- (b) is a derivative of another Virtual Asset, has enhanced features or functionality that supplements or interacts with another Virtual Asset,

shall be treated as a separate distinct Virtual Asset from such other Virtual Asset and its use in connection with the Services will be subject to approval by us.

**“Virtual Asset Transaction”** means a transaction in or with respect to Virtual Assets that is an Exchange Transaction or OTC Transaction, as applicable, by you that is conducted through our Services.

**“You”** or **“your”** means the person(s) named as the applicant(s) during Registration and, where the context permits, includes any Authorized Person.

## PART 2 RISK DISCLOSURE STATEMENT

The use of our Services and the trading of Virtual Assets involve inherent risks. Set out below is a non-exhaustive list of potential risks that may result in the loss, failure, or destruction of your Virtual Assets, or other financial losses. These risks represent contingencies that may or may not materialize, and we are unable to express any view as to the likelihood of their occurrence. Additional risks and uncertainties not identified or expressly described below may also adversely affect your Virtual Assets, business, or financial condition.

You are strongly advised to carefully consider the risks outlined below before using our Services or engaging in any Virtual Asset transactions. We recommend that you seek independent professional advice before proceeding.

### 1 TRADING RISKS

#### 1.1 NATURE OF VIRTUAL ASSET

- (a) Virtual Assets are not legal tender and are not backed by any Government Authority. Virtual Assets may or may not be considered as “property” under the laws of Hong Kong. Such legal uncertainty may affect the nature and enforceability of your interest in Virtual Assets.
- (b) Virtual Assets may not be backed by physical assets and may not have an intrinsic value.
- (c) Virtual Assets may or may not be Securities. Some Virtual Assets may not circulate freely or widely and may not be listed on any secondary markets.

#### 1.2 RISK OF VIRTUAL ASSET TRADING

- (a) Virtual Assets are highly risky, and you should exercise caution in relation to Virtual Assets.
- (b) The prices of Virtual Assets may fluctuate, sometimes dramatically. The price of a Virtual Asset may move up or down or may become valueless.
- (c) The volatility and unpredictability of Virtual Assets may result in significant losses over a short period of time.
- (d) Transactions involving Virtual Assets are irrevocable. Once a transaction has been verified and recorded on a blockchain, losses due to fraudulent or accidental transactions will not be recoverable.
- (e) Some Virtual Asset Transactions may be deemed to be executed only when recorded and confirmed by the Company, which may not necessarily be the time at which you initiated the transaction or not executed at all.
- (f) Virtual Assets are relatively untested products and there is considerable uncertainty about their long-term viability which could be affected by a variety of factors including, amongst others, discovery of wrongful conduct, market manipulation, change to the nature or properties of the Virtual Asset, legislative and regulatory changes or other factors.
- (g) During the suspension of trading of the Virtual Assets, users cannot buy and sell units in the trading platform. In terms of providing a fair and orderly market with regarding the interests of users, the trading platform may suspend trading whenever it is appropriate. If the trading is suspended, the subscription and redemption of such Virtual Assets or securities may also be suspended.

### 1.3 COMPLEX PRODUCTS

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

### 1.4 MARKET, LIQUIDITY AND CONVERSION RISKS

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 permanent and total loss of value of the Virtual Assets should the market for them disappear. There is no assurance that a person who accepts a Virtual Asset as payment will continue to do so in the future.

There is a possibility that you may not be able to sell or convert your Virtual Assets immediately or, in instances where conversion is possible, this may be at a loss. Such liquidity risk may be caused by the absence of buyers, limited buy/sell activity or underdeveloped secondary markets.

### 1.5 EVENTS AFFECTING VIRTUAL ASSET TRANSACTIONS

There may be circumstances in which you may not be able to liquidate a position in the Virtual Assets. For example, Network Events, Airdrops or Forks may impact on your ability to conduct a Virtual Asset Transaction. Information in respect of such events may be difficult to ascertain ahead of time.

### 1.6 FOREIGN EXCHANGE AND FOREIGN EXCHANGE CONTROL RISKS

- (a) Where a Virtual Asset Transaction is denominated in a particular Fiat Currency other than your primary reference asset, there is a risk that if the exchange market moves against you, then prior to, or upon the closing of the position, the net proceeds may be significantly less than the initial amount in your primary reference asset, and any income or gains may be entirely negated.
- (b) You may suffer Loss as a result of depreciation of the value of the Fiat Currency paid as a result of foreign exchange controls. Repayment or payment of amounts due to you may be delayed or prevented by exchange controls or other actions imposed by Government Authority over the Fiat Currency which they control or regulate.

### 1.7 FEES AND OTHER CHARGES

All Virtual Asset Transactions executed in pursuance of your Instructions are subject to a transaction fee and any other fees, charges, commissions, and Costs that the Company from time to time may impose. Before you begin to trade on our platform, you should obtain a clear explanation of all fees and other charges for which you will be liable. These charges will affect your net profit (if any) or increase your Loss.

### 1.8 NO RIGHT UNDER STATUTORY PROTECTION SCHEMES

- (a) Virtual Asset Transactions are not covered by the protection offered by the Investor Compensation Fund established under the SFO (irrespective of the nature of the Virtual Assets).
- (b) Virtual Assets may not enjoy the same protection as that conferred on Securities under the SFO, the Securities and Futures (Client Securities) Rules (Cap. 571H) and the Securities and Futures (Client Money) Rules (Cap.

5711).

- (a) Without limiting clause 6.5 of Part 1, any Virtual Assets or Fiat Currency held in an Account are not protected deposits, and are not protected by the Deposit Protection Scheme in Hong Kong.
- (b) Any fiat currencies or Virtual Assets held by us and/or the Company's Associated Entity are not held as "deposits" within the meaning of the Banking Ordinance (Cap. 155 of the Laws of Hong Kong), nor as any other regulated product or service under Applicable Laws. Without limitation, neither the Company nor its Associated Entity is regulated by the Hong Kong Monetary Authority in respect of the foregoing.

## 1.9 RISKS OF ASSETS RECEIVED OR HELD OUTSIDE HONG KONG

Virtual Assets and Fiat Currencies received or held by the Company and/or the Custodian outside Hong Kong are subject to the Applicable Laws and regulations of the relevant overseas jurisdiction 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 other assets received or held in Hong Kong.

## 2 SPECIFIC OTC TRADING RISKS

### 2.1 OTC TRANSACTIONS

OTC Transactions may involve increased risks since it may be difficult to liquidate an existing position, determine a fair price or assess exposure to risk.

### 2.2 COUNTERPARTY RISK

You are subject to our counterparty risk under an OTC Transaction. You should cautiously consider whether it would be in your best interest to enter into OTC transactions with us and seek independent professional advice if in doubt.

## 3 VIRTUAL ASSET ISSUER RISKS

### 3.1 OFFERING DOCUMENTS OR PRODUCT INFORMATION

The offering documents or product information provided by the issuer of a Virtual Asset have not been subject to scrutiny by any Government Authority, unless expressly stated otherwise. You should exercise caution in respect of any issuance or offer of such Virtual Assets.

For any Virtual Assets that have been authorised by a regulator, authorisation does not imply any official recommendation or endorsement of the asset by the regulator, nor does it guarantee the commercial merits of the asset or its performance.

### 3.2 ISSUER DEFAULT RISKS

Users should read the applicable terms, information and risk disclosures provided by the applicable issuers carefully before entering into any virtual asset transaction. Investors should note that the offering document or product information provided by the issuer have not been subject to scrutiny by any regulatory body.

In the event that a virtual asset issuer becomes insolvent and defaults on their issued products, users will be considered as unsecured creditors and will have no preferential claims to any assets held by the issuer. Users should therefore pay close attention to the financial strength and credit worthiness of securities issuers and conduct their own assessment on the potential of their project. Since Virtual Assets are not legal tender and virtual asset products are not backed by assets or any government and authorities, in the event of issuer bankruptcy or ceasing of operations, their tokens issued may no longer have any value and investors can lose their entire investment. We make no representations or warranties about whether any virtual asset will continue to trade in the trading platform.

Any Virtual Asset is subject to delisting without prior notice in the sole discretion of us. Investors should seek independent professional advice before making any investment decision.

## **4 CYBERSECURITY AND TECHNOLOGY-RELATED RISKS**

### **4.1 DISTRIBUTED LEDGER TECHNOLOGY**

DLT used in Virtual Assets is a relatively new, untested and evolving technology. Such experimental technology poses risks including (but not limited to) technical flaws in technology and development, instability in future viability, decreased community or miner support, mining attacks, majority-mining and/or targeting by malicious persons.

### **4.2 DISRUPTION TO SERVICES DUE TO INTERNET AND TECHNOLOGY RELIANCE**

The nature of Virtual Assets means that any technological difficulties experienced by the Company may prevent you from accessing your Virtual Assets.

Virtual Asset Transactions rely heavily on the internet and other technologies. Any significant disruption in our information technology systems, or any of the DLT networks we support, could adversely impact on your ability to use our Services.

Our systems, that of our third-party service providers and partners, and certain Virtual Asset and DLT networks may experience service interruptions or degradation because of reasons such as hardware and software defects or malfunctions, distributed denial-of-service and other cyberattacks, insider threats or other events. In addition, extraordinary trading volumes or site usage could cause our computer systems to operate at a slow speed or even fail. If any of our systems, or those of our third-party service providers, are disrupted for any reason, our Services may fail resulting in, amongst others, unanticipated disruptions, slower response times, delays and failures in the execution of your Virtual Asset Transaction.

In addition, the public nature of the internet means that parts of the internet or the entire internet may be unreliable or unavailable at any given time. No authentication, verification or computer security technology is completely secure or safe. The internet or other electronic media are an inherently unreliable form of communication, and such unreliability may be beyond our control. Any information transmitted, or communication or transaction made, over the internet or through other electronic media may be subject to security breaches. In case security is compromised, the information transmitted, communication or transaction may be exposed and result in reputational, monetary and other harm. Reliance on the internet also means that the information transmitted, communication and transaction may be vulnerable to interruption, transmission blackout, delayed transmission due to data volume, internet traffic, market volatility or incorrect data

transmission or stoppage of price data feed.

### **4.3 CYBERATTACKS AND FRAUDULENT ACTIVITY**

The nature of Virtual Asset Transactions and our Services means that they may be the target of malicious cyberattacks and exposes them to an increased risk of fraud and cyberattacks.

These risks include (but not limited to) distributed denial of service, sybil attacks, phishing, social engineering, hacking, smurfing, malware, double spending, majority-mining, misinformation campaigns and spoofing.

Although we have developed systems and processes designed to protect the data we manage, prevent data loss and other security breaches, there can be no assurance that these security measures will provide absolute security or prevent breaches or attacks. Any fraudulent activity, cyberattack or technological difficulty may affect have an adverse impact on your Virtual Assets or information relating to you.

### **4.4 FORKS AND ATTACKS**

Virtual Assets may be subject to Forks or attacks on the security, integrity or operation of the networks including Network Events. Such events may affect the features, functions, operation, use or other properties of any Virtual Asset, network or platform.

Virtual Assets may also be vulnerable to exploitation of vulnerabilities in smart contracts and other code, as well as to human error.

The events may 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 Asset.

### **4.5 CONCENTRATION RISK**

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

### **4.6 FRAUDULENT TRANSACTIONS IN VIRTUAL ASSETS ARE NOT RECOVERABLE**

Malicious entities may target you in an attempt to steal or to claim any asset you may hold. This may involve unauthorized access to your Account or any Account-related details, as well as unauthorized access to your computer or other devices that you may use.

You are solely responsible for protecting yourself against such actions. Transactions involving Virtual Assets are irrevocable. Lost or stolen Virtual Assets generally will not be retrievable.

### **4.7 LOSS OF PRIVATE KEY IS PERMANENT AND IRREVERSIBLE**

You are solely responsible for safeguarding your private key in respect of any address with respect to Virtual Assets

not received nor held by us and/or the Custodian 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 Custodian 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.

## **4.8 CRYPTOGRAPHIC ADVANCEMENTS**

Developments in cryptographic technologies and techniques pose security risks to all cryptography-based systems including the Virtual Assets, your Account, our Services and any of the Agreed Communication Methods. Applying these technologies and techniques may result in theft, loss, disappearance, destruction, devaluation or other compromises of the Virtual Assets, the Account, the Services, any of the Agreed Communication Methods or your data (as applicable).

## **5 TAX RISKS**

The tax treatment of Virtual Asset Transactions is uncertain and may be subject to the tax laws and regulations in the relevant jurisdiction. As the tax treatment of Virtual Assets is relatively new and untested, you should seek independent professional advice in case of uncertainty.

## **6 REGULATORY RISKS**

### **6.1 REGULATORY RISKS IN RESPECT OF VIRTUAL ASSET TRANSACTIONS**

Residents, Tax residents or persons having a relevant connection with certain jurisdictions may be excluded from carrying out Virtual Asset Transactions. Changes in the Applicable Law may adversely affect the use, transfer, exchange and value of Virtual Assets or 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 in case of changes to the Applicable Law.

### **6.2 REGULATORY RISKS IN RESPECT OF DLT**

The regulatory regimes that govern DLT and Virtual Assets are uncertain and new regulations or policies may materially affect the development and value of the Virtual Assets. Regulations are also likely to evolve rapidly depending on the interest of Government Authorities and the rigor of regulations varies significantly among jurisdictions. 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.

## **7 CONFLICT OF INTEREST**

We may be acting as agents for you as well as principals against you. We may facilitate the initial distribution of Virtual Assets, secondary market trading, or both, in manners similar to a traditional exchange, alternative trading system or

securities broker. If these operations are not under the purview of any Government Authority, it would be difficult to detect, monitor and manage conflicts of interest.

## 8 INFLATION RISKS

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

## 9 COUNTRY RISKS

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

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