

APPENDIX 4 – VIRTUAL ASSETS TRADING

This Appendix relating to virtual assets trading (“**this Appendix**”) is additional and supplemental to the Client Agreement entered into by VCL and the Client to which this Appendix is annexed whereby the Account is allowed to conduct Virtual Assets Trading (as defined hereinbelow).

Where any conflict or inconsistency arises between any provisions of the Client Agreement and any provisions of this Appendix, VCL has absolute discretion to determine which terms and conditions shall prevail.

1. DEFINITIONS AND INTERPRETATION

- 1.1 In this Appendix, unless redefined herein or the context requires otherwise, words and expressions not otherwise defined herein shall have the same meanings as are given to them in the AMLO, the SFC VA T&C and the Client Agreement.
- 1.2 In this Appendix, the following expressions, shall have the following meanings:

"AMLO" means the [Anti-Money Laundering and Counter-Terrorist Financing Ordinance \(Cap. 615\)](#);

"Client Asset" means Client VAs and Client Money;

"Client Money" means any money received or held by or on behalf of VCL, which is so received or held on behalf of the Client or in which the Client has a legal or equitable interest, and includes any accretions thereto whether as capital or income.

"Client VAs" means any Virtual Asset received or held by or on behalf of VCL, which is so received or held on behalf of the Client or in which the Client has a legal or equitable interest.

"Qualified VA" means a Virtual Asset that:

- (a) has not been associated with a wallet address that is or has been blacklisted or otherwise identified by a governmental body or relevant authority as being related to a breach or potential breach of the Applicable Regulations pertaining to money laundering, terrorism financing and/or sanctions;
- (b) is not otherwise associated with suspicious or illicit activities, including the dark web or ransomware cases;
- (c) has no restrictions on its transfer, withdrawal or deposit (e.g. including restrictions due to "time lock" features); or
- (d) is otherwise deemed by VCL and the VATP to be a Qualified VA.

in each case, as determined by VCL in its sole discretion, having regard to Applicable Regulations, VCL's and the VATP's internal policies and any other relevant considerations.

"Retail Client" means any person other than a Professional Investor.

"SFC VA T&C" means the [Terms and Conditions for Licensed Corporations or Registered Institutions Providing Virtual Asset Dealing Services under An Omnibus Account Arrangement](#) issued by SFC.

"VA Account" means an Account with VCL through which the Client may obtain VA Services and/or effect and record VA Transactions from time to time.

"VA Services" means any virtual asset dealing activities including any incidental services, provided or to be provided by VCL to the Clients.

"VA Transactions" means any transactions, dealing, agreement, action or service involving VAs.

"VA(s)" means any virtual assets as defined in section 53ZRA of the AMLO.

"VATP" means a virtual asset trading platform operator licensed with the SFC.

1.3 Unless the context requires otherwise, any references in the Client Agreement:

1.3.1 to an Account includes a VA Account;

1.3.2 to an Investment Product includes a VA; and

1.3.3 to a Transaction includes a VA Transaction.

2. VA SERVICES

2.1 VA Services: VCL may (but is not obliged to) provide to the Client the VA Services. The VA Services shall only be provided through the VA Account.

2.2 Account opening: VCL may refuse any application to open a VA Account or a Client's access to any VA Services if VCL is of the view that the Client does not satisfy all Applicable Regulations and/or does not fulfil any requirements or complete all procedures imposed by VCL from time to time.

2.3 No financial accommodation: VCL will not provide any financial accommodation to facilitate the Client in any VA Transactions. Appendix 1 of the Client Agreement shall not be applicable in any VA Transactions. The Client shall ensure that there are sufficient fiat currencies or VAs in the Client's VA Account to meet the Client's obligations under a proposed trade (inclusive of any applicable fees and charges) at the time when the trading order is submitted.

2.4 Solicitation or recommendation: In the provision of any VA Services, if VCL solicits the sale of or recommends any product including any VAs to a Client, the product must be reasonably suitable for the Client, having regard to the Client's financial situation, investment experience and investment objectives. No other provision of the Client Agreement, this Appendix or any other document VCL may ask the Client to sign and no statement VCL may ask the Client to make shall derogate from this clause. However, unless VCL specifies otherwise, VCL will not solicit any sale of, recommend or provide any advice on any such product to the Client.

2.5 Account closing: The Account may be closed by VCL or by the Client at any time and for any reason forthwith upon written notice being given in accordance with the terms and conditions to the other provided that all acts performed by VCL in accordance with the Client's Instructions prior to VCL receiving written notice of such termination shall be valid and binding on the Client and the Client's personal representatives or successors in title. VA Services shall only be provided to the Client that shall be, and remain at all times, the Client in respect of VCL's business in Type 1 regulated activity (dealing in securities), which means the Client's VA account will also be closed if the Client's Securities Account is closed.

3. TRADING OF VIRTUAL ASSETS

- 3.1 Omnibus account arrangement: VCL may establish and maintain omnibus accounts with one or more VATPs. All VA Transactions will only be executed on a VATP on an omnibus basis. Please refer to <https://www.vbkr.com/> for the name and website of the VATPs through which the Client's VA Transactions may be executed and settled.
- 3.2 Execution of Instruction: The Client hereby agrees that the Client only acts as a principal rather than a nominee for any person to place VA trading Instruction. The Client authorises VCL to instruct such VATP as VCL may in its absolute discretion deem fit to execute any VA Transactions and acknowledges that the terms of business and the applicable rules of the relevant VATP through which such VA Transactions are executed and settled shall apply to such VA Transactions.
- 3.3 Qualified VAs: VCL may, at its absolute discretion, determine which, if any, VAs are Qualified VAs. The Client acknowledges and accepts that the Client may not be able to trade in all VAs that are made available for trading on a VATP, and VCL is under no obligation to provide the Client with any reasons in respect of any determination. If the Client is classified as Retail Client, the Client will only be able to trade those VAs which are open for retail trading on the VATP and classified as Qualified VA by VCL.
- 3.4 Return of VAs
- 3.4.1 VCL shall have absolute discretion to reject and/or return any VA deposits if they are not Qualified VAs. In case of a return, the Client shall provide VCL with an external address under the Client's control which is capable of receiving and holding the relevant VAs and, subject to Applicable Regulations, VCL's policies and the VATP's policies, VCL will return such VAs to that external address.
- 3.4.2 In the event that any VAs are seized, or VCL and/or the VATP is unable to access or return any VAs to the Client, VCL shall not be held liable or responsible for the same.
- 3.4.3 We reserve the right to deduct a fee or other administrative charge in respect of the return of any VAs.
- 3.5 Right to refuse Instruction: VCL may, in its absolute discretion, refuse to provide any VA Services to the Client and/or impose any limits, restrictions or conditions related to the VA Account or the provision of VA Services to the Client. VCL shall, to the extent permitted and required by Applicable Regulations, notify the Client if VCL has decided to impose any limits, restrictions or conditions. VCL shall not be liable to the Client for any loss whatsoever arising out of or in connection with VCL's refusal to provide any VA Services to the Client and/or imposition of any limits, restrictions or conditions related to the VA Account or the provision of VA Services to the Client, or VCL's omission to give notice of the aforementioned limits, restrictions or conditions.
- 3.6 Distribution of VAs: The Client acknowledges that the actual distribution date of any VAs may differ due to various factors including, but not limited to, the discretion exercised by the issuer of such VAs, and the custodial/trust institutions entrusted by VCL, as well as the transfer procedures of relevant VATP.
- 3.7 Trading hours: The acceptance and execution of all Instructions relating to VA Transactions are subject to the cut-off/trading times, rules and requirements set by the VATP and/or VCL.
- 3.8 No short selling: The Client acknowledges and accepts that short selling of VAs is prohibited.
- 3.9 Average price: The Client agrees VCL to include average price per unit for the purchase or sale of the same description of VAs in the statement in respect of relevant VA Transaction has been entered between VCL and the Client.
- 3.10 Compliance: The Client acknowledges and accepts that VCL acts as the Client's agent for the Client's sole risk and account. For any VA Transaction with or through any VATP or counterpart, the Client appreciates that VCL's Client

Agreement may expressly provide that as against the Client that VCL acts as principal or that VCL's rights and obligations are not transferable. However, such provisions will not affect VCL's capacity as the Client's agent in the Client's VA Transaction with VCL. The Client agrees that the relevant VA Transaction with each VATP or counterpart will be subject to the rules, terms and conditions as stipulated for the Client.

4. RISK DISCLOSURES AND ACKNOWLEDGEMENT

Each Client shall be deemed to acknowledge and agree to the following by instructing VCL in respect of any VA Transactions.

- 4.1 The Client has read and understood the relevant VA related risk disclosure and explanatory materials provided to the Client by VCL and the Client agrees to accept the risks of trading VAs in the Client's VA Account.
- 4.2 Should any of this clause 4 or any representations that the Client has provided under the Client Agreement cease to be true in any manner at any time, the Client must notify VCL immediately.

5. CUSTODIAL ARRANGEMENTS

- 5.1 Custodians: The Client agrees that any Client VAs will be held on trust in segregated accounts established and maintained with a VATP or an authorized financial institution (or a subsidiary of a locally incorporated authorized financial institution) which meets the expected standards of VA custody issued by the Hong Kong Monetary Authority from time to time.
- 5.2 Custody through omnibus accounts: The Client acknowledges that VCL will generally maintain an omnibus account with a VATP appointed by VCL.
- 5.3 Information Related to Custodian Arrangements: The Client acknowledges and agrees that:
 - 5.3.1 the Client VAs may not enjoy the same protection as that conferred on "client securities" under the SFO and the Securities and Futures (Client Securities) Rules (Cap. 571H);
 - 5.3.2 the Client Money pays to VCL in relation to the VA Services may not enjoy the same protection as that conferred on "client money" under the SFO and the Securities and Futures (Client Money) Rules (Cap. 571I); and
 - 5.3.3 the Client's rights and entitlement in respect of the Client VAs are subject to VCL's policy on the treatment of the Client VAs and their respective rights and entitlements upon events such as voting, hard forks and airdrops occurring, which are made available on VCL's website from time to time and are subject to the terms of business of the VATP.

6. STANDING AUTHORITIES

- 6.1 Standing Authorities: In addition to any standing authority and any other authority that the Client has previously granted to VCL in respect of any asset held or received on the Client's behalf, by opening a VA Account, and in consideration of obtaining the VA Services, the Client hereby agrees to the terms and conditions set out in, and grants the additional standing authority as set out in, this clause 6. The Client also confirms that the Client has read, understood and accepted the contents of this clause 6 and the standing authority herein.

- 6.2 Client Assets: This clause 6 covers Client VAs and Client Money.
- 6.3 Authority: The Client hereby authorises VCL, in its sole discretion, to:
- 6.3.1 transfer any sum of Client Money and/or any number of Client VAs (if permitted by SFC regulations) at any time to the omnibus account maintained with the VATPs in accordance with an Instruction or in order to meet the Client's obligations, whether existing at the time of transfer or contemplated in the future, in respect of any VA Transaction that the Client carries out or intends to carry out;
 - 6.3.2 deposit any sum of Client Money into, or transfer any sum of Client Money interchangeably between, any segregated accounts (and other accounts outside Hong Kong) opened and maintained at any time by VCL (or any member of the Valuable Capital Group) and the omnibus account maintained by VCL with any VATPs, even in the absence of any Instruction for any VA Transaction;
 - 6.3.3 transfer any number of Client VAs (if permitted by SFC regulations) interchangeably between any omnibus accounts opened and maintained at any time by VCL with any VATPs;
 - 6.3.4 debit any or all segregated accounts maintained at any time by VCL with such amount of Client Money and/or Client VA (if permitted by SFC regulations) as may be required for settling any liabilities and/or meeting any obligations of the Client under or pursuant to any agreement and/or documents between the Client on the one part and VCL and/or any member of the Valuable Capital Group on the other part;
 - 6.3.5 transfer the whole or any part of the Client Money into the Client's designated bank account, or transfer the whole or any part of the Client VAs (if permitted by SFC regulations) to the Client's designated wallet address; and
 - 6.3.6 return, without notice, any third party payment of money or VAs received into the Client's Account (if permitted by SFC regulations) from time to time to their source.
- 6.4 In addition to clause 6.3 of this Appendix, the Client agrees to give such standing authorities as required, and in such form as specified, by VCL from time to time in connection with, but not limited to, the terms and conditions for licensed corporations or registered institutions providing VA dealing services under an omnibus account arrangement, so that VCL is authorised to deal with the Client's assets, including Client VAs (if permitted by SFC regulations) and Client Money relating to the VA Services.
- 6.5 Discretion to act: VCL may, at any time and from time to time, do any or more or all of the things set out in clause 6.3 of this Appendix in VCL's sole discretion and without having to provide the Client with any prior notice or to obtain the prior confirmation of the Client and/or direction.
- 6.6 Without prejudice: The standing authority given in this clause 6 is given in addition to and without prejudice to any other authority or right which VCL or any member of the Valuable Capital Group may, now or hereafter, have in relation to the Client Money and/or Client VAs.
- 6.7 Indemnity: The Client hereby agrees to indemnify, and to keep indemnified, VCL from and against all and any losses, damages, interests, costs, expenses, actions, demands, claims and/or proceedings of whatsoever nature which VCL may incur, suffer and/or sustain as a consequence of any act, transfer and/or transaction done or undertaken pursuant to the standing authority granted under this clause 6.

- 6.8 Validity period: The standing authority granted in this clause 6 is valid for a period of 12 months from the date of the opening of the VA Account. If the Client is a Professional Investor, this period does not apply and any standing authority, once given, will remain in effect unless and until it is specifically revoked in writing by the Client.
- 6.9 Renewal: The standing authority granted herein, which is not revoked prior to its expiry:
- 6.9.1 may be renewed for one or more further periods not exceeding 12 months (in the case that the Client is not a Professional Investor) at any one time, with the written consent of the Client; or
- 6.9.2 shall be deemed to have been automatically renewed for next 12 months, if at least 14 days before the expiry of the standing authority granted in this clause 6, VCL sent a notice to the Client stating that such standing authority shall be deemed to be automatically renewed upon expiry upon the same terms and conditions as specified in the standing authority unless the Client objects, and the Client does not object to the renewal before its expiry.
- 6.10 Revocation: On condition that there are no outstanding Liabilities, the Client may revoke the standing authority granted in this clause 6 by giving not less than 5 Business Days prior notice to VCL.

7. COMPLIANCE WITH LOCAL LAW

- 7.1 It is the responsibility of the Client to abide by local laws in relation to the legal usage of the VA Services in their local jurisdiction. The Clients must also consider, to the extent relevant under their local law, all aspects of taxation, the withholding, collection, reporting and remittance to their appropriate tax authorities.
- 7.2 All Clients of the VA Services acknowledge and declare that the source of their funds comes from a legitimate manner and are not derived from illegal activities. VCL maintains a stance of cooperation with law enforcement authorities globally and will not hesitate to seize, freeze, or terminate the Client's VA Account and funds of Clients which are flagged or investigated by legal mandate.

8. EXCLUSION OF LIABILITY

- 8.1 Limitation: To the maximum extent permitted by Applicable Regulations, VCL is not liable to the Client for loss arising from or attributable to the insolvency of any VATP or sub-custodians, in the event of hacking or otherwise caused by the action, inaction or default of the VATP or sub-custodians, where VCL has not failed to exercise reasonable care and diligence in the selection, appointment and ongoing monitoring of the VATP or sub-custodians, except:
- 8.1.1 such loss arising from the wilful default or fraud of VCL, or
- 8.1.2 to the extent prohibited under Applicable Regulations.
- 8.2 Recovery of assets: Notwithstanding any other provisions of the Client Agreement and this Appendix and subject to clause 8.3 below, in the absence of either:
- 8.2.1 a failure by VCL to exercise reasonable care and diligence in the selection, appointment and ongoing monitoring of the VATP or sub-custodians, or
- 8.2.2 wilful default or fraud on the part of VCL,

VCL will only be obliged to return Client VAs and Client Money held for the Client with the VATPs or sub-custodians who are insolvent, or which VAs and money have otherwise been subject to loss due to an event of hacking, embezzlement, or theft at the VATP or sub-custodians or which losses are otherwise caused by the default of the VATP, solely if and to the extent that those money, VAs or equivalent value are recovered by VCL from the VATP or sub-custodians, or any relevant insurer.

- 8.3 Maximum recovery: In respect of the assets belonging to the Client that are recovered under this clause 8, under no circumstances will VCL be required to return any Client Money or Client VAs that is more than the amount of money and VAs that VCL can recover and actually receive from the VATP and sub-custodian, or any relevant insurers, on behalf of the Client.
- 8.4 Agree not to sue: Unless otherwise provided under the Applicable Regulations, the Client agrees not to bring any action or make any claim against VCL arising from, or in connection with, the use of the VA Services, save for wilful default or fraud of VCL.
- 8.5 No refund: The Client is not entitled to any refund of any costs, fees or interest have been paid, including where the Client cancels a VA Transaction, or where VCL refuses to provide any VA Services to the Client due to the inconsistency of such VA Services with Applicable Regulations and/or VCL's policies and/or the VATP's policies, or where the Client Agreement is terminated in part or in full.
- 8.6 VCL shall not be responsible for checking, verifying or confirming the legality, suitability and appropriateness of any VA Instruction and/or VA Transactions.
- 8.7 The Client shall be bound by all VA Transactions entered into by VCL, and VCL shall not in any way be liable for the payment or other obligations in respect of such VA Transactions.
- 8.8 VCL shall incur no liability whatsoever in exercising any or all of VCL's right or for taking or not taking any action (including any legal action or proceeding) in connection with any VA Transactions.
- 8.9 System and applications: The Client accept the related system and applications "as is" (whether they are provided by VCL, or by VATP, or by any third party) and without warranties, express or implied, including but not limited to the implied warranties of merchantability or fitness for a particular use, purpose or application, timeliness, free from interruption, or any implied warranties arising from trade usage, course of dealing or course of performance. Under no circumstances shall VCL, VATP and relevant third party be liable for any punitive, indirect, incidental, special or consequential loss or damages, including loss of business, profits or goodwill. VCL, VATP and relevant third party shall not be liable to the Client by reasons of delays or interruptions of services or transmissions, or failure of performance of any system, applications or other services related to VA Transactions.
- 8.10 VATP: The Client acknowledges that VCL may deposit Client Assets related to the Client's trade with VATP. The Client will be exposed to credit risks of such VATP, and VCL will not be responsible for any defaults of such VATP.