

## **[Risk Disclosure Statement]**

**2025-04-08**

## **[Risk Disclosure Statement Updates]**

**Latest Revised Time: 2025-04-08 (UTC+8)**

This Risk Disclosure Statement provides you with information about some risks associated with the use of the "StellarExchange" platform (hereinafter referred to as the "Platform") and services (hereinafter referred to as the "Services") offered by StellarExchange. The information presented in this Risk Disclosure Statement is not exhaustive and does not reflect all of the risks (or other important factors) you should consider before using the Services. You must make your own decision whether to access or use the Services and should seek any advice that you consider necessary or desirable (including financial and/or legal advice) from independent advisers.

Use of or access to any platform or service provided by StellarExchange is conclusive evidence that you fully understand the risks listed below and accept that StellarExchange shall not be responsible for any loss or damage howsoever suffered (whether directly or indirectly) in using or accessing the Platform or Services as aforesaid.

### **1. Financial Risks**

#### **1.1 Trading Risk**

You use the Services provided by StellarExchange at your own risk,. There can be no assurance that the use of the Services will generate a positive return or profit, that significant losses will not be incurred, or that your objectives will be achieved..

You should only trade with funds that you own and can afford to lose. It is possible that you may lose a substantial proportion or all of your capital.. Therefore, you should deliberate on whether you can afford the risks of loss involved in using the Services.

#### **1.2 Price Volatility**

The price of digital assets can be highly unpredictable and volatile when compared to other assets such as stocks, bonds, and other tradeable instruments. You should not deal in digital assets unless you understand their nature and the extent of your exposure to risk.

#### **1.3 Liquidity Risk**

Digital assets may be riskier, less liquid, more volatile, and more vulnerable to economic, political, market, industry, regulatory, and other changes. The liquidity of the market for digital assets will depend on, among other factors, supply and demand on the Platform and the commercial and speculative interest in the market for these digital assets.. A lack of liquidity in any market for digital assets may result in a loss of the value (whether partially or entirely) of such digital assets (and your corresponding capital) .

#### **1.4 Asset Deposit and Withdrawal Risk**

You are obligated to ensure that you use the correct details provided to you for any deposit, withdrawal, or transfer of funds.

In terms of digital assets, you are obligated to ensure that the address you use is a valid address for the digital asset that you intend to transfer, and that StellarExchange accepts as a deposit. Any inaccuracy in a designated address, or in the digital asset that you attempt to transfer between addresses, may result in total loss of the digital assets concerned.

Any digital assets transferred to or between your account(s) will only be available for utilising on the Platform when it has been credited to your account. Digital assets will be credited to your account after a suggested number of block confirmations in respect of the relevant blockchain, according to our policies and procedures, and StellarExchange reserves the right to determine in its sole discretion whether to credit any transfer of digital assets to your account.

The period between block confirmations and between any block confirmation and account credit is variable and depends on a number of factors, including factors that are not within our control. We do not offer any assurance or guarantee in relation to the timeframe for a deposit or transfer to be credited or for a withdrawal to be confirmed.

For example, deposits and/or withdrawals may not be credited or may be delayed in the following cases:

- There are delays, high demand, or technological issues affecting the relevant network;
- The allocated network fee for the transaction is insufficient to ensure that your transaction is confirmed according to your expectations (any network fee that we may deduct or our recommended network fee for withdrawals is not a recommendation or assurance in respect of the processing time of any transaction(s));
- The variable processing time in the system may be increased due to high demand, technological issues, or other conditions;
- You are believed to be engaged in any suspicious activity or a breach of our Terms of Service.

You may be at risk of loss if a deposit is not credited to your account and you fail to manage the risk of a position or order.

The protocol underlying a digital asset may change or otherwise cease to operate due to changes made to its underlying technology or changes resulting from an attack. These changes may include but are not limited to a “fork”, a “rollback”, or an “airdrop”. Any such change, or any failure in any applicable protocol, may dilute the value of your digital asset(s) and/or your positions and may result in total loss. StellarExchange will not support any such change (unless the company chooses to do so at its own discretion), and any asset (or other digital token or asset) that you may expect to be distributed or transferred to you in respect of any wallet balance may not be credited to your account or transferred to you, resulting in a total loss of, without any right to claim or request compensation for, that asset.

### 1.5 Information Accuracy Risk

While StellarExchange endeavours to keep the information provided as accurate as possible, there is a risk that the information may not be the latest, complete, updated, or accurately translated.

## 2. Regulatory Risk

### 2.1 General Regulatory Risk

The regulatory environment concerning cryptocurrencies and other digital assets is evolving. The application and interpretation of existing laws and regulations are often largely untested and there is a lack of certainty as to how they will be applied. New laws and regulations will be promulgated in the future that applies to blockchain technologies and digital assets, and related services

providers, yet no assurance can be given that any such changes will not adversely affect digital assets generally or the Services. It is not possible to predict how such changes would affect the price and liquidity of digital assets or the Services.

Regulatory actions could negatively impact cryptocurrencies and other digital assets in various ways, including, for purposes of illustration only, through a determination (with retrospective or prospective effect) that digital assets are regulated financial instruments requiring registration or licensing in certain jurisdictions. StellarExchange would have to disallow users based on their citizenship, residence, or location from engaging in any transactions on the Platform. Such acts are commercially unsustainable or legally prohibited, which could materially affect the price and liquidity of cryptocurrencies.

You understand that ultimately it is your responsibility to make sure that you comply with any and all local regulations, directives, restrictions, and laws in your place(s) of residence before using the Services. We strictly declare that we do not permit the use of the Services by users from any jurisdiction in which the use of such Services is not permitted (including, without limitation, any restricted jurisdictions which are from time to time listed in international sanctions lists such as OFAC, FATF and others as being of unacceptable money-laundering or terrorist financing risk.) We are not offering or soliciting the use of the Services to any person located in any of the abovementioned restricted jurisdictions or any jurisdiction in which the specific use of the Services is not authorized or is otherwise prohibited by local laws.

You are obligated to manage your own tax and legal affairs, including the submission of any regulatory documents and payments and compliance with applicable laws and regulations. We do not provide any regulatory, tax, or legal advice.

### **3. Cyber Risks**

#### **3.1 Risks Related to Cybersecurity**

Malicious individuals, groups, or organizations may attempt to interfere with the Platform in a variety of ways, including, but not limited to, malware attacks, denial of service attacks, coordinated attacks, account takeovers, and submitting fake transactions (including spoofing) which could negatively affect the operation of the platform, the availability of the Services.

With the increased use of technologies and the dependence on computer systems to perform necessary business functions, digital assets and the Services are susceptible to operational and information security risks. In general, cyber incidents can result from deliberate attacks or unintentional events. Cyberattacks include but are not limited to gaining unauthorized access to digital systems for purposes of misappropriating assets or sensitive information, corrupting data, or causing operational disruption. Cyberattacks may also be carried out in a manner that does not require gaining unauthorized access, such as causing denial of service attacks on infrastructure. Cyber security failures or breaches of the third-party service providers (including, but not limited to, software providers, cloud services providers, index providers, the administrator, and transfer agent) could have a negative impact on digital assets and the Services.

It is your responsibility to ensure (i) that your access credentials are kept secure and confidential, including your email, username, and password, as well as access to or use of any two-factor authentication hardware, software, or password, and (ii) the security and integrity of any systems (both hardware and software) or services that you use to access the Services.

#### **3.2 Risks Related to Platform IT Maintenance**

StellarExchange may, from time to time, perform routine or other maintenance on the Platform. This may lead to platform downtime and lack of access to the Platform, potentially resulting in a

delay or cancellation of a pending order and orders created during maintenance or downtime, and the inability for a user to submit new or change existing orders.

#### **4. Access Risk**

There are a series of inherent risks with the use of web-based trading technology such as latency in the prices provided, and other issues that are a result of connectivity. Prices displayed on the Platform are solely an indication of the executable rates and may not reflect the actual executed or executable price of an order.

The Platform utilizes public communication network circuits for the transmission of messages. StellarExchange shall not be liable for any and all circumstances in which you experience a delay in price quotation or an inability to trade caused by network transmission problems or restrictions or any other problems outside our direct control, which include but are not limited to the strength of the network signal, network latency, or any other issues that may arise between you and any internet service provider, phone service provider or any other service provider.

StellarExchange may require users to download and install the latest version of the web browser they are using to access the Platform. Failure to do so might render some of the Services (including trading functions) inaccessible to users until an update has been successfully downloaded and installed. Performance issues and security risks may arise if StellarExchange Platform are used on devices with customized or otherwise non-standard operating software or if other software is installed on such devices.

#### **5. Language of Use**

This StellarExchange Risk Disclosure Statement may be published in different languages. In case of any discrepancy, please refer to the English version.