

ETF Trading Using Agreement

Dear investors:

The innovative futures trading services for digital financial derivatives provided by ekbit Trading Platform (hereinafter referred to as "the Platform") involve certain risks. Therefore, users must carefully read and agree to this Agreement when activating and using the Innovative ETF Trading Service. Your continued use shall be deemed as full understanding and consent to both this Agreement and the risks associated with the Innovative ETF Trading Service.

preface

This agreement is designed to inform investors about the risks associated with trading innovative digital asset ETFs and to assist them in assessing their own capabilities. Given the inherent risks, investors should carefully review this agreement before initiating any transactions. They must ensure a thorough understanding of the nature and regulations governing innovative ETF trading, and make informed decisions based on their investment experience, objectives, financial status, and risk tolerance. Investors are advised to seek professional financial, legal, and other independent expert opinions prior to applying for innovative ETF trading.

Innovative ETF design concept

Innovative ETF trading represents a groundbreaking financial derivative for digital asset risk hedging. Characterized by simplicity, flexibility, and operational efficiency, this product offers investors a novel solution to manage digital asset risks. Through innovative ETFs, investors can execute directional trades with limited and controllable exposure while maintaining clear expected returns. These instruments feature diversified trading options and multiple potential profit streams, with each purchase allowing investors to clearly understand their potential gains.

As is known to all, digital assets are financial derivatives with extremely violent price fluctuations. In the current market, risk hedging financial derivatives such as contract ETF are limited by fairness, trading volume and time cost, etc., and cannot completely hedge the risks caused by the price fluctuations of digital assets.

Innovative ETF trading not only has the risk management and portfolio investment advantages of traditional financial market ETF trading nonlinear profit and loss structure, but also combines the characteristics of digital assets to provide investors with professional risk management strategies in a high-risk market.

Innovative ETF trading rules

1. The innovative ETF uses the relevant prices of two well-known digital asset exchanges in the world to generate the corresponding currency marked price. The index composition and weighting are as follows:

Weight ratio of trading platform benchmark unit

Coinbase 20% USD

Kraken 20% USD

2. The mark price becomes effective only when the valid weight exchange reaches ≥ 3 ; otherwise, it remains invalid. The platform will periodically update the index composition and weighting based on real-time trading data from the five major exchanges to ensure data validity and fairness, with adjustments announced through official notices. Note: Any changes to the index composition or weighting for innovative ETF transactions will be publicly disclosed through official adjustment announcements.

3. As price precision standards vary across the five major exchanges, the system has established unified pricing specifications for ETF products. When discrepancies occur between an exchange's pricing precision and the system's requirements, rounding rules are applied to minimize decimal places. For example: The BTC ETF maintains a 2-digit price precision. If an exchange displays a price of 9000.1234, the processed price for valid calculations is 9000.12.

4. Current ETF cycle: divided into 1 minute, 2 minutes, 3 minutes, 5 minutes, 10 minutes, 30 minutes ETF.

5. rate of return :

The expected yield on an ETF will be clear when investors buy innovative ETFs.

Users can hedge market risks on demand under the premise of determining expected returns.

For example, if you buy 100USDT 1 minute BTC call futures with a yield of 70%, if the ETF delivery result is up, you will earn 170 USDT (including principal).

6. Delivery time: The day's ETF starts at GMT time 0.

For example: 1 minute ETF start time is 00:00:00, delivery time is 00:01:00, and so on.

7. time buying

For example, the current 1-minute ETF starts at 00:30:00 and delivers at 00:31:00, and so on.

8. Abnormal Situation Handling: If data acquisition fails due to network latency or interruptions, abnormal third-party exchange data, or computational errors caused by trading system anomalies, such circumstances may result in ETF transactions failing to complete settlement. You acknowledge and agree that ETF transactions affected by these conditions will be deemed invalid. The digital assets used to purchase said ETFs will be refunded to your trading account without compensation.

9. Amount limit: There is a minimum and maximum purchase amount for each currency, and the specific amount limit is subject to the actual transaction page.

10. Delivery results: The ekbit exchange will implement the following criteria for determining the delivery of innovative ETFs starting at 00:00 (GMT+8) on January 11, 2024:

Deadline for payment	be expected to rise	be expected to fall
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1M Increase > 0.005% Decrease > 0.005%
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2M Increase > 0.03% Decrease > 0.03%
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3M Increase > 0.04% Decrease > 0.04%
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5M Increase > 0.05% Decrease > 0.05%
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10M Increase > 0.06% Decrease > 0.06%

30M Increase > 0.07% Decrease > 0.07%

At present, the types of innovative ETF transactions available are call and put. After the adjustment of the criteria, the criteria for judging the rise, fall and flat of different delivery periods will be different. Please refer to the above table.

Looking up: the corresponding currency has risen relative to the price at the beginning of the transaction, and the absolute value of the increase exceeds the percentage shown in the table;

Bearish: a decline in the value of the corresponding currency relative to the initial price at the time of delivery, and an absolute decline in the value of the decline exceeding the percentage shown in the table;

Note: Those who buy ETF before the implementation of this new standard will still settle the delivery according to the original rules. There are risks

1、 The risk of price fluctuations

As a specialized digital asset financial derivative with investment value, innovative ETF trading is subject to multiple influencing factors and exhibits significant price volatility. Investors often find it challenging to fully grasp these dynamics in practical operations, which may lead to potential investment errors. If risks are not effectively managed, substantial losses could occur, and investors would be solely responsible for all resulting consequences.

2、 dealing risks

(1) Once the transaction submitted by the investor in the trading system of this platform is completed, it cannot be revoked, and the investor must accept the risks that may be brought by this method.

(2) The Platform does not make profit guarantee to investors, and will not share profits with investors or share any risks.

3、 Policy regulatory risk

Innovative ETF trading may face policy and regulatory risks in different countries or regions. Investors should understand the regulatory policies of the trading region before trading, and make prudent judgments under this premise.

4、 Other possible risks

(1) The relevant trading rules for innovative ETFs, including but not limited to index composition and weighting adjustments, to

Terms of service, product rules, and other provisions may be modified based on actual business operations. Should the Platform need to adjust relevant trading rules due to special circumstances, such changes shall be deemed fulfilled upon the release of adjustment notices. Users must promptly review and adjust their trading strategies accordingly. Any gains or losses arising from or potentially resulting from these adjustments shall be borne solely by the users themselves.

(2) There are risks associated with using Internet-based transaction systems, including but not limited to failures of software, hardware and Internet links. The Platform cannot control the reliability and availability of any Internet connection and shall not be liable for network distortion, delays or link failures.

(3) All transaction calculation results will be verified by the platform, and all calculation methods have been published on the platform website. However, the platform can not guarantee that the use of the website will not be disturbed or error-free.
special remarks :

1. Innovative ETF trading constitutes a high-risk financial derivative in the digital asset market. Investors must thoroughly understand fundamental derivatives principles, associated risks, and operational regulations before engaging. Participants shall carefully review and accept both the "ekbit User Agreement" and "ETF Trading Terms", expressly acknowledging their full understanding and independent assumption of all transaction risks arising from volatile digital asset prices.

II. The aforementioned risk matters are for illustrative purposes only and do not comprehensively list all risk factors associated with digital asset derivatives trading. Before investing in such transactions, investors should thoroughly understand and familiarize themselves with other potential risk factors. Should the Platform reasonably determine that you have violated this Agreement, or if your use of the Platform's services is prohibited under applicable laws in your country/region, or if you engage in illegal activities through the Platform's services, the Platform reserves the right to temporarily or permanently freeze your account, or suspend/terminate your access to all or part of the digital asset trading services provided by the Platform.

III. The effective pricing mechanism requires that the valid weighted exchange must have a minimum of three active trading volumes. Failure to meet this requirement may result in futures contracts failing to complete delivery. You acknowledge and agree that any ETF transactions affected by such circumstances will be deemed invalid, and the digital assets used to purchase these ETFs will be automatically refunded to your trading account. The platform will periodically adjust index components and weights based on real-time trading data from the five major exchanges to ensure data validity and fairness, with corresponding adjustments announced through official notices.

IV. All opinions, messages, discussions, analyses, prices, suggestions, chat room content, information, and KOL articles on this platform constitute general market commentary and do not constitute investment advice. The platform shall not be liable for any direct or indirect losses incurred by users relying on such information, including but not limited to profit losses.

V. Prohibition of Malicious Market Manipulation, Unfair Trading, and All Other Illegal Activities. The Platform reserves the right to take preventive measures such as issuing warnings, imposing trading restrictions, or suspending accounts for users who engage in unethical or illegal activities including price manipulation or malicious interference with trading systems. The Platform shall not be held liable for any consequences arising from such actions and retains the right to pursue legal action against relevant parties.

VI. Monitoring of transactions

The platform will set and adjust the daily transaction and withdrawal limit according to security and actual transaction conditions;

If a frequent concentration of transactions occurs in a registered user, or if a transaction or some transactions are unreasonable, the professional team of the Platform will evaluate and determine whether they are suspicious transactions;

When the Platform determines that a transaction or certain transactions are suspicious transactions by its own judgment, the Platform may take restrictive measures such as suspending such transactions, refusing such transactions, or even canceling such transactions that have occurred, and report to the competent authorities without issuing separate notices;

The Platform reserves the right to reject registration applications from investors in jurisdictions that do not comply with international anti-money laundering standards or from individuals who may be considered politically exposed persons (PSOs). Furthermore, based on its reasonable commercial judgment, the Platform reserves the right to suspend or terminate any suspicious transactions at any time without incurring any liability or obligation.