

Pionex PROOF OF RESERVES

Agreed-Upon Procedures Report

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19 January 2023

Private & Confidential

Report of Factual Findings To Pionex (including Pionex.com and Pionex.us) Board of Directors and Platform Users,

AGREED-UPON PROCEDURES REPORT WITH REGARDS TO THE RESERVES PROCEDURES OF PIONEX (INCLUDING PIONEX.COM AND PIONEX.US) IN ACCORDANCE WITH ISRS 4400

Purpose of this Agreed-upon Procedures Report

Elite Partners CPA Limited ("Elite Partners" or "We") with assistance of Moore Blockchain and Digital Assets JHB (Pty) Limited ("Moore") has been engaged by Pionex (including Pionex.com and Pionex.us) (the "Client", or "You") to conduct an Agreed-Upon Procedures for the purpose of assisting the Pionex and Pionex platform users with a proof of Reserves Assessment.

We have performed the Procedures with assistance of Moore enumerated below as of 14:00 (HKT) on 13th December 2022 as agreed with the management of Client. The management of Client considers that the procedures performed are appropriate to meet the intended purpose of demonstrating that Pionex retained custody over a sufficient amount of in-kind assets to cover the in-scope client liabilities as observed within the database related to Pionex (including Pionex.com and Pionex.us) at the time the procedures were performed. Elite Partners confirmed all client liabilities were included in the platform Merkle database the Merkle Tree with the Root Hash: as aggregated in 45a03517514bf6526989eddf82bb5e233d35b940438679938002e88414d740ab. Elite Partners confirmed Pionex (including Pionex.com and Pionex.us) retained control over in-kind assets in excess of in-scope client liabilities as observed within the database related to Pionex's exchange platform as of 14:00 (HKT) on 13th December 2022, with the results below:

Name of Assets	Collateralisation Ratio
BTC	117.60%
ETH	110.00%
USD	102.85%
Stablecoins	103.69%
Included in the stablecoins:	
• USDT	90.02%
BUSD	316.50%
• USDC	28.15%



Responsibilities of the Management of the Client

The management of the Client have acknowledged that the agreed-upon procedures are appropriate for the purpose of the engagement.

The management of the Client are responsible for the subject matter on which the agreed-upon procedures are performed.

Practitioner's Responsibilities

We have conducted the engagement in accordance with the International Standard on Related Services 4400 (Revised) and Agreed-Upon Procedures Engagement (ISRS 4400 (Revised)). An agreed-upon procedures engagement involves performing the procedures that have been agreed with the management of the Client, and reporting the findings, which are the factual results of the agreed-upon procedures performed. We make no representation regarding the appropriateness of the agreed-upon procedures.

This agreed-upon procedures engagement is not an assurance engagement. Accordingly, we do not express an opinion or an assurance conclusion.

Professional Ethics and Quality Control

We have complied the relevant ethical and independence requirements of the Independent Regulatory Board for Auditors' Code of Professional sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards).

Detail of Procedures and Findings

The detail of procedures and findings performed by us together with assistance of Moore have been enclosed together with this report.

Elite Partners CPA Limited Certified Public Accountants Hong Kong



PROOF OF RESERVES

Agreed-Upon Procedures Report





19 January 2023

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Dear Pionex (including Pionex.com and Pionex.us) Management and Platform Users,

AGREED-UPON PROCEDURES REPORT WITH REGARDS TO THE PROOF OF RESERVES PROCEDURES OF PIONEX (INCLUDING PIONEX.COM AND PIONEX.US) IN ACCORDANCE WITH ISRS 4400.

Purpose of this Agreed-Upon Procedures Report

Moore Blockchain and Digital Assets JHB (Pty) Ltd ("Moore") (together "we" or "engagement team") has been engaged by Pionex (including Pionex.com and Pionex.us) (the "Company", the "Client", or "you") to provide Agreed-Upon Procedures for the purposes of assisting the Client with a proof of Reserves Assessment.

The intended purpose of a Proof of Reserves' assessment is to demonstrate that, at the time of the performance of the procedures, the Client retained custody over the in-kind assets and the in-kind assets are in excess of the in-scope client liabilities within the databases related to the Company's exchange.

Our report is solely to assist the Client and the users of the Client in performing the Proof of Reserves procedures, of the assets and liabilities in scope, for Pionex (including Pionex.com and Pionex.us). Accordingly, our report will be addressed to the Client, and the users of the Client, and our report may not be suitable for another purpose.

Responsibilities of the Engaging Party and the Responsible Party

You have acknowledged that the agreed-upon procedures are appropriate for the purpose of the engagement.

Pionex (including Pionex.com and Pionex.us), as identified by you, is responsible for the subject matter on which the agreed-upon procedures are performed.

Practitioner's Responsibilities

We have conducted the agreed-upon procedures engagement in accordance with the International Standard on Related Services (ISRS) 4400 (Revised), Agreed-Upon Procedures Engagements. An agreed-upon procedures engagement involves our performing the procedures that have been agreed upon with you and reporting the findings, which are the factual results of the agreed-upon procedures performed. We make no representation regarding the appropriateness of the agreed-upon procedures.

This agreed-upon procedures engagement is not an assurance engagement. Accordingly, we do not express an opinion or an assurance conclusion.

Had we performed additional procedures, other matters might have come to our attention that would have been reported.



Professional Ethics and Quality Control

Our firm applies International Standard on Quality Control (ISQC) 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements, and accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Executive Summary

To Pionex (including Pionex.com and Pionex.us) Management and Platform Users of the Company:

We have performed the procedures enumerated below as of 14:00 (HKT¹) on the 13th of December 2022. Management of the Client has agreed and acknowledged that the procedures performed are appropriate to meet the intended purpose of demonstrating that, at the time the procedures were performed, the Company retained custody over in-kind assets equal to or in excess of the in-scope client liabilities as observed within the database related to the Company's exchange.

This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are outlined in the attached sections:

- **Procedures:** Listing of all procedures requested by the Client and performed by Moore.
- **Findings and Results:** The results of the procedures performed by Moore.

We were engaged by Pionex (including Pionex.com and Pionex.us) to perform this agreed-upon procedures engagement and conducted our engagement in accordance with the standards outlined under the "Practitioners' Responsibility" heading.

This report is intended solely for the information and use of the Company's Management and Platform Users of the Client and is not intended to be and should not be used by anyone other than these specified parties. The Practitioners' report is at a specified point in time, and we have no responsibility to update the report or findings therein for subsequent points in time.

The Client has requested, to maintain confidentiality, that the exact asset and liability amounts are not disclosed in this report.

Your receipt of this report is subject to the Terms of Use and Privacy Policy of Moore Blockchain and Digital Assets JHB (Pty) Ltd which is available upon request.



PROCEDURES

We have performed the procedures described below, which were agreed upon with you, in the terms of engagement dated 02 December 2022 on the Proof of Reserves Procedures.

Phase 1: General		
Step 1	 Obtain an overview and document the results of the Company background, business model, and supported features. This is done via an inquiry of management and due diligence using publicly available information. 	
Step 2	 Obtain a list of Client Liabilities and In-kind assets in scope for the Proof of Reserves assessment from the Company's Management. 	
Step 3	• Exclude the Client's internal accounts, as identified by the Company's Management.	

Phase 2: Proving Client Account Balance Liabilities on the Clients Trading Platform

Step 4	 Inspect the tables and scripts used by the Company's Management to pull client balances and data from the underlying database, represented by the Company's Management, that is designed to pull a complete and accurate listing of client liabilities with the in-scope assets.
Step 5	• Observe the Company's Management access to the production database used to generate the Client Liability Report extract.
Step 6	 Observe the Company's Management execute the scripts from Step 4 to extract data from the production database and observe the total balance of the in-scope client liabilities from the executed scripts. Observe the Company's Management extract the Client Liability Report from the production database with the output fields including the Hashed User IDs¹ and the in-scope client liabilities.
Step 7	• Reconcile the total balance of the in-scope client liabilities and the total number of records observed in the Client Liability Report extract to the total balance and the total number of records observed in Step 6.
Step 8	 Confirm the Client internal accounts identified by management were not included within the Client Liability Report extract.

1: "Hashed User ID", refers to an individual client's record included within the Proof of Reserves assessment.



Phase 3: Utilising the Merkle Tree Generator and Verifier

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Step 9	•	Utilise the Merkle Tree Generator to aggregate the Company's Client data from the Client Liability Report extracted during the assessment and determine the Merkle Root Hash.
Step 10	•	Randomly select a sample of 10 Hashed User IDs. For each sample, confirm the Hashed User IDs are included within the Merkle Tree.

Phase 4: Proving Asset Ownership (all in-kind assets in relation to the in-scope liabilities, excluding steCRV and Deposited ETH as part of the Staking Program)

Step 11	 Obtain, from the Company's Management, a complete list of all addresses hold assets in-scope and accounts holding in-kind assets for the assessment. (Includ not included in the staking program, BUSD, USDC, USDT, and USD). Verify the Company has control and ownership over all addresses/accounts lister kind assets associated with such addresses/accounts for the assessment. 	ing spot ing BTC, ETH ed and all in-
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Phase 5: Proving Asset Ownership – Staking Program: Deposited Ethereum (Lido/Curve)

Step 12	 Inquire and document Management's understanding of the DeFi protocols for which the Company's Management deposits ETH into Lido (stETH) and Curve (steCRV) as part of the Company's staking program.
Step 13	 Obtain, from the Company's Management, a complete list of all addresses holding deposited assets (ETH, and steCRV) in-scope, as part of the staking program, and accounts holding in-kind assets for the assessment. Verify the Company has control and ownership over all addresses/accounts listed and all in-kind assets associated with such addresses/accounts for the assessment.
Step 14	• Confirm the assets observed in Step 13 matched the balance of the on-chain (Ethereum Blockchain) asset balance obtained using an independent balance verification tool.
Step 15	 Independently obtain the steCRV/ETH conversion rate as of the assessment date and recalculate the equivalent ETH balance as part of the staking program.



Phase 6: Proof of Reserves Assessment

Step 16	 Query all in-kind and staked asset addresses/accounts in scope for the assessment and demonstrate to be controlled by Management. For each of the in-scope addresses/accounts received, aggregate the asset balance by adding the contribution amounts at the specified assessment time.
Step 17	• Compare the total liabilities from the Client Liability Report extracted from Management's production database as observed within Phase 2 to the total assets controlled by the Customer's custodied addresses (the In-Kind Assets) as of the specified date and time of assessment time and calculate the collateralized ratio based on the In-Kind Asset-to-Client Liability mapping provided by Management.



FINDINGS AND RESULTS

Phase 1: General

1. Obtain an overview and document the results of the Company background, business model, and supported features. This is done via an inquiry of management and due diligence using publicly available information.

Results:

Moore inquired with the Client's Management to gain an understanding of the Company's background and business model. Additionally, Moore inspected the Company's websites, www.pionex.com and www.pionex.us respectively.

The results from the procedures stated above were as follows:

The Client is a leading cryptocurrency exchange with built-in trading bots, launched in June 2019. The Company has two different platforms:

- Pionex.com: This is the global platform of the Company. It is a centralised cryptocurrency exchange that provides the following features:
 - a) Spot Trading
 - b) Spot-futures Trading
 - c) Leveraged Spot Trading
 - d) Structured Products
 - e) Staking
 - f) Deposits
- Pionex.us: This platform is a USA-specific and independent platform. Pionex.us is based in Princeton, New Jersey, and is an MSB registrant with FinCEN¹ and has provided services in 41 states in the United States with Money Transmitter Licenses or exemptions. The platform currently only provides spot trading to its users.

The scope of the Proof of Reserves assessment includes *only* client liabilities and associated collateral assets noted in Procedure 2:

- Bitcoin
- Ethereum (including Ethereum staking)
- Tether (USDT)
- USD Coin (USDC)
- Binance USD (BUSD)
- United States Dollar (USD)

1:" MSB registrant" means an entity that has registered as a Money Services Business pursuant to the Bank Secrecy Act (BSA) that is administered by the Financial Crimes Enforcement Network ("FinCEN")



2. Obtain a list of Client Liabilities and In-kind assets in scope for the Proof of Reserves assessment from the Company's Management.

Results:

Moore obtained, from the Company's Management, the full list of in-scope client liabilities as of 14:00 (HKT) on the 13th of December 2022. The Company's client liabilities were described by Management as clients' claims on assets held in the exchange's trading accounts.

Please note that all leveraged token liabilities on the platform, and their underlying assets intended to collateralise those liabilities, are excluded from the scope of the engagement.

In-Scope Client Liabilities for Proof of Reserves as of Time of Assessment:

Liability	Description
BTC	Bitcoin held in custody on hehalf of clients of the Company
	Bittoin neid in custody on benan of clients of the company.
ЕТН	• Ethereum held in custody on behalf of clients of the Company.
USDT	Tether held in custody on behalf of clients of the Company.
BUSD	• Binance USD held in custody on behalf of clients of the Company.
USDC	USD Coin held in custody on behalf of clients of the Company.
МВТС	• A millibitcoin, which represents 0.001 Bitcoin, held in custody on behalf of the clients of the Company.
МЕТН	• A milliethereum, which represents 0.001 Ethereum, held in custody on behalf of the clients of the Company.
USD	 The United States Dollar liabilities held in custody on behalf of the clients of the Company.

Additionally, Moore obtained from the Company's Management, the full list of in-scope in-kind assets as of 14:00 (HKT) on the 13th of December 2022. The Company's Management described in-kind assets as assets held on behalf of platform users.

Liability	Description
втс	Bitcoin held in the Company's custody.
ЕТН	Ethereum held in the Company's custody.



USDT	Tether held in the Company's custody.
BUSD	Binance USD held in the Company's custody.
USDC	USD Coin held in the Company's custody.
USD	• The United States Dollar's held in the Company's custody.
steCRV	 This represents a share in the Curve steCRV (staking Ethereum) pool, fees earned on ETH deposited on behalf of the users participating in the staking program. These assets are attributable to the Ethereum staking platform, which is converted to Ethereum (ETH) by way of an exchange rate. This is a form of collateral for the ETH client liabilities.

As the Client is a liquidity aggregator, the Company holds multiple accounts with whom they obtain liquidity. Moore obtained a complete listing of the sub-accounts relating to the platform accounts held with the various platforms. These were mapped to the corresponding assets in the Asset Report provided by the Company's Management. The in-kind assets in-scope included all corresponding assets in relation to the in-scope liabilities listed above.

3. Exclude the Client's internal accounts, as identified by the Company's Management.

Results:

The script to exclude the Company's internal accounts with non-custodial balances was inspected. Moore observed the script used to exclude specific accounts identified by the Client's Management to be the Company's internal accounts that hold non-custodial (ie: non-client) balances.

All identified internal accounts of the Client were excluded from the assessment. Moore observed the script that the Company's Management used to extract and aggregate the customers' liabilities report, it was noted that a function ("users_black_list") was applied to the script to extract the information from the database. This function contains a rule set, as identified by the Company's Management, that identifies and excludes all the internal user IDs during the process.

Phase 2: Proving Client Account Balances on the Company's Trading Platform

4. Inspect the tables and scripts used by the Company's Management to pull client balances and data from the underlying database, represented by the Company's Management, that is designed to pull a complete and accurate listing of client liabilities with the in-scope assets.

Results:

On the 13th of December 2022, Moore met with the Company's Management to gain an understanding of the scripts and tables used to extract the client liability balance data for the Client Liability Report extract used within the Proof of Reserves Assessment.



Moore observed the following scripts used to derive the client liability balance data:

- The scripts and tables used for obtaining the snapshot of the customers' balance as of the agreed snapshot time and date. (14:00 HKT on the 13th of December 2022)
- The script and tables used for aggregating the customers' balances and generating the Customer Liability Report using a Hashed User ID¹ and appropriate asset balances.

Moore then inspected the scripts used to extract the data from the observed tables to compile the data into the Client Liability Report extract used for the Proof of Reserves Assessment. Moore observed the following **key functions used in the script** to compile the Client Liability Report:

- Total Assets: The script used to obtain the total assets per Client for all assets on the platform.
- User Blacklist: The script used to exclude all of the Company's internal accounts with non-custodial balances.
- Filter for Assets: The script is used to filter for only in-scope liabilities.
- Incorporate Hashed User ID: The script used to include the Hashed User IDs related to each client account.
- 5. Observe the Company's Management access to the production database used to generate the Client Liability Report extract.

Results:

On the 13th of December 2022, Moore observed the Company's Management access the production database and the underlying tables used to generate the Client Liability Report extract.

Moore observed the Company's Management execute the scripts observed in Procedure 4 to generate the client liability data within the production database and observed the relevant columns and total record account.

As of Time: 14:00 (HKT) on the 13th of December 2022

The Contribution of each In-Scope Client Liabilities to the Total Balance of the In-Scope Client Liabilities:

The USD value of each liability was calculated as of the snapshot date and each liability is represented as a percentage of the total in-Scope USD liabilities of the Client.

Liability	Percentage of In-Scope Liabilities (USD Denominated)
BTC (including MBTC)	29.14%
ETH (including METH)	29.09%
Stablecoins:	37.96%
Included in stablecoins:	
• BUSD	2.93%
• USDT	32.71%
USDC	2.32%
USD	3.81%
Total	100%

The total USD balance of the in-scope client liabilities represents 79.60% of the total USD liabilities on the Company's platform as of time 14:00 (HKT) on the 13th of December 2022.



6. Observe the Company's Management execute the scripts from Step 4 to extract the client liability report data from the production database, (with the output fields including Hashed Record ID and the in-scope client liabilities) and observe the total balance of the in-scope client liabilities from the executed scripts.

Results:

Moore observed the Company's Management execute the scripts observed in Procedure 4 to generate the client liability data within the production database and observed the relevant columns and total record account. Moore then observed the Company's Management sum the client liability data within the production replica database.

On the 13th of December 2022, Moore observed the Company's Management extract the client liability data from the production replica database with parameters including the Proof of Reserves Record ID and the Client's account platform balances for the in-scope liabilities observed within Procedure 4. Moore observed the data extracted from the production replica database as a CSV file as well as a txt file and observed the Company's Management save the file on the Client's Management desktop. Subsequently, Moore observed the Company's Management upload the data extract to a secure file-sharing portal.

7. Reconcile the total balance of the in-scope client liabilities and the total number of records observed in the client liability report extract to the total balance and total number of records observed in Step 6.

Results:

Moore observed the total record count and summed total asset balances from the Client Liability Report extract and confirmed the totals reconciled to the total record count and asset balances observed in the production replica database during the observation with the Company's Management.

8. Confirm the Client internal accounts identified by management were not included within the Client Liability Report extract.

Results:

Additionally, to confirm the Company's non-custodial internal accounts were not included within the Client Liability Report extract, Moore queried the Client Liability Report extract with its list of the Company's non-custodial internal account Hashed User IDs and confirmed the queried the Company's non-custodial internal accounts were **not** included within the Client Liability Report extract.

Phase 3: Utilising the Merkle Tree Generator and Verifier

9. Utilise the Merkle Tree Generator to aggregate the Company's Client data from the Client Liability Report extracted during the assessment and determine the Merkle Root Hash.

Results:

Moore prepared the Client Liability Report extract for Merkle Tree generation. Subsequent to the assessment date, Moore utilised the Client Liability Report extract provided by the Company's Management as of 14:00 (HKT) on the 13th of December 2022. Moore noted the total record count and balances of the in-scope client liabilities observed in Procedures 5-7.



The Contribution of each In-Scope Client Liabilities to the Total Balance of the In-Scope Client Liabilities:

The USD value of each liability was calculated as of the snapshot date and each liability is represented as a percentage of the total in-Scope USD liabilities of the Client.

Liability	Percentage of In-Scope Liabilities (USD Denominated)
BTC (including MBTC)	29.14%
ETH (including METH)	29.09%
Stablecoins:	37.96%
Included in stablecoins:	
BUSD	2.93%
• USDT	32.71%
USDC	2.32%
USD	3.81%
Total	100%

The total USD balance of the in-scope client liabilities represents 79.60% of the total USD liabilities on the Company's platform as of time 14:00 (HKT) on the 13th of December 2022.

A Merkle Tree Verifier enables clients to cryptographically verify client account details were included within the Proof of Reserves Assessment by cryptographically linking each individual Client's Merkle Leaf (which is a client's hashed Proof of Reserves Record ID) to the Merkle Root. The Merkle Root is an aggregation of all client liability account balances in-scope for the Proof of Reserves Assessment truncated into a single summary hash.

Moore then utilised the Merkle Tree Generator to generate a Merkle Tree from the Client Liability Report extracted during the assessment and determined the Root Hash to be:

45a03517514bf6526989eddf82bb5e233d35b940438679938002e88414d740ab

Moore confirmed the additional information outputs generated from the Merkle Tree Generator, such as total record count and asset balances, reconciled to the total record count and asset balances from the Client Liability Report.

10. Randomly select a sample of 10 Hashed User IDs. For each sample, confirm the Hashed User IDs are included within the Merkle Tree.

Results:

Subsequent to the assessment date, Moore randomly selected a sample of 10 Hashed User IDs and queried the Merkle Tree to confirm the sample Proof of Reserves Record IDs, and the balances were included within the Merkle Generator output.

Moore confirmed that all 10 samples were found within the Merkle Tree.



Phase 4: Proving Asset Ownership (all in-kind assets in relation to the in-scope liabilities, excluding steCRV and Deposited ETH as part of the Staking Program)

11. Obtain, from the Company's Management, a complete list of all addresses holding spot assets in-scope and accounts holding in-kind assets for the assessment (including BTC, ETH not included in the staking program, BUSD, USDC, USDT, and USD). Verify the Company has control and ownership over all addresses/accounts listed and all in-kind assets associated with such addresses/accounts for the assessment.

Results:

As of the 13th of December 2022, Moore obtained a list of the Company's addresses holding BTC, ETH (not included in the staking program), BUSD, USDC, USDT, and USD as regarded as in-scope for the assessment.

The Contribution of each In-Scope Asset in-kind to the Total Balance of the In-Scope Assets:

The USD value of each asset was calculated as of the snapshot date and each asset is represented as a percentage of the total USD in-scope, in-kind assets of the Client.

Asset	Percentage of In-Scope Assets (USD Denominated)
BTC	31.28%
ETH	28.30%
Stablecoins:	35.93%
Included in stablecoins:	
• BUSD	8.45%
• USDT	26.88%
• USDC	0.60%
USD	3.58%
steCRV	0.91%
Total	100%

The total USD balance of the in-scope assets represents 80.57% of the total USD assets on the Company's platform as of time 14:00 (HKT) on the 13th of December 2022.

Due to the nature of how the Company obtains liquidity and custodies assets, Moore performed the following procedures to prove ownership of the assets.

- Moore inquired with the Company's Management about which third-party exchanges are used to generate the liquidity for their platform. Additionally, Moore obtained a list of sub-accounts held with each of the liquidity providers.
- Moore obtained, from the Company's Management, a reconciliation and mapping of the various subaccounts per liquidity provider.
- Moore observed the Company's Management access each of the sub-accounts, via the applicable platform's website, and log into their wallets using the appropriate usernames and passwords.
- Moore observed the Client obtain the two-factor authentication codes required to obtain access to the platforms.
- Moore then observed Management access each of the sub-accounts and obtained evidence of the balances of the assets in each respective account.



Phase 5: Proving Asset Ownership - Staking Program: Deposited Ethereum (Lido/Curve)

12. Inquire and document Management understanding of the DeFi protocols for which the Company's Management deposits ETH into Lido (stETH) and Curve (steCRV) as part of the Company's staking program.

Results:

The stETH/ETH pool on Curve Finance is a liquidity pool containing stETH and ETH. Users can interact with these pools to purchase stETH or ETH with low slippage. Any transactions that take place within this pool are paid out to liquidity providers via trading fees in CRV. Users who provide their liquidity to this pool will receive Liquidity Pool tokens in return. They can then stake their Liquidity Pool tokens into the Curve gauge to receive trading fees in CRV alongside the newly proposed incentivised rewards: LDO and CRV.

The Client's staking program invests assets, on behalf of users, in the Lido/Curve program without using any leverage. The platform allows users to stake ETH and earn income. The Company's ETH staking fully invests the assets in the smart contracts of the decentralised blockchain, on behalf of users.

13. Obtain, from the Company's Management, a complete list of all addresses holding deposited assets (ETH and steCRV) in-scope and accounts holding in-kind assets for the assessment, as part of the ETH staking program. Verify the Company has control and ownership over all addresses/accounts listed and all in-kind assets associated with such addresses/accounts for the assessment.

Results:

As the staking program is an investment on behalf of clients staking Ethereum, Moore undertook to perform the following procedures to prove asset ownership for deposited ETH as part of the ETH staking program:

- Moore obtained evidence, from the Company's Management, that all staked Ethereum is held in an account on Fireblocks which is controlled by the Client.
- Moore observed, as per the snapshot date, the Company's Management access their Fireblocks account to prove ownership of these assets. During the observation, Moore observed the Client's login process using their unique username and password. Additionally, Moore observed the Client perform the two-factor authentication process to gain access to the applicable accounts held by the Company.
- Moore observed the Client access their account on Fireblocks and obtained evidence of the balances held in the accounts which relate to deposited ETH as part of the Ethereum staking program.

14. Confirm the assets observed in Step 13 matched the balance of the on-chain (Ethereum blockchain) asset balance obtained using an independent balance verification tool.

Results:

The steCRV balance, which is visible on the Ethereum blockchain, is held in the smart contract. Moore obtained both the wallet address and the contract address from the Company's Management. Moore, using a verifier tool, input the information obtained and independently obtained the balance of the liquidity pool deposited on the Curve protocol (steCRV), on the Ethereum blockchain, as of 14:00 (HKT) on the 13th of December 2022.

Moore confirmed the information outputs generated from the on-chain verification tool reconciled to the total asset balances observed.



15. Independently obtain the steCRV/ETH conversion rate as of the assessment date and recalculate the equivalent ETH balance, as part of the staking program.

Moore obtained the conversion rate of steCRV to Ethereum, from the Company's Management, applied the rate to the balance held in the Client's contract addresses, and recalculated the equivalent balance of ETH.

Phase 6: Proof of Reserves Assessment

16. Query all in-kind and staked asset addresses/accounts in scope for the assessment and demonstrate to be controlled by Management. For each of the in-scope addresses/accounts received, aggregate the asset balance by adding the contribution amounts at the specified assessment time.

Results:

Moore retrieved, from the respective platform accounts, the balances of all addresses/keys in-scope for the assessment and tested in the procedures above. Moore obtained the in-scope asset balances as of 14:00 (HKT) on the 13th of December 2022 and documented the results below:

The USD value of each asset was calculated as of the snapshot date and each asset is represented as a percentage of the total USD in-scope, in-kind assets of the Client.

Asset	Percentage of In-Scope Assets (USD Denominated)
BTC	31.28%
ETH	28.30%
Stablecoins:	35.93%
Included in stablecoins:	
• BUSD	8.45%
• USDT	26.88%
• USDC	0.60%
USD	3.58%
steCRV	0.91%
Total	100%

The total USD balance of the in-scope assets represents 80.57% of the total USD assets on the Company's platform as of time 14:00 (HKT) on the 13th of December 2022.



17. Compare the total liabilities from the Client Liability Report extracted from Management's production database as observed within Phase 2 to the total assets controlled by the Customer's custodied addresses (the In-Kind Assets) as of the specified date and time of assessment time and calculate the collateralized ratio based on the In-Kind Asset-to-Client Liability mapping provided by Management.

Results:

Moore confirmed all in-scope records of the Company's exchange client liabilities were included in the client database as aggregated in the Merkle Tree with the Merkle Root Hash:

45a03517514bf6526989eddf82bb5e233d35b940438679938002e88414d740ab

Moore confirmed the Client retained control over in-kind assets in excess of client liabilities as observed within the database related to the Company's exchange as of 14:00 (HKT) on the 13th of December 2022, with the results below:

Asset	Collateralisation Ratio
втс	117.60%
ЕТН	110.00%
USD	102.85%
Stablecoins:*	103.69%
Included in the stablecoins:	
• USDT	90.02%
• BUSD	316.50%
• USDC	28.15%

Results:

*Please note that the stablecoins represented is the aggregation of the items listed under "Included in Stablecoins"



Yours sincerely

Moore Blockchain + Delgital assets JHB

MOORE BLOCKCHAIN AND DIGITAL ASSETS JHB (PTY) LTD Gauteng, South Africa Date: 19 January 2023