



## **HSK WHITEPAPER**

HashKey Platform Token

# CONTENTS

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1. INTRODUCTION	3
2. ABOUT HASHKEY	5
3. ABOUT HSK	7

# 1. INTRODUCTION



## A pivotal moment for mass adoption

Blockchain technology is revolutionizing the world: from internet to blockchain; the right-to-own to the right-to-use; from shareholder to stakeholder; stock trading to digital asset trading; infrastructure development to mass-adoption. The recognition of the intrinsic value of digital assets signals the strong growth potential for the industry.

2022 has been an unprecedented year for Blockchain and digital assets, particularly in the context of compliance and evolving regulations. As the industry-leading digital asset and blockchain service provider, HashKey believes that the era of licensed digital asset platforms will be a trend that dominates globally for many years to come, and that true regulatory-compliance of digital assets is the key to sustainable success.

## OUR VISION:

### **Web3 and real-world economies become one**

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At HashKey we believe that Web3 and real-world economies will eventually become one, with digital assets existing alongside all other traditional asset classes such as stocks, bonds, precious metals, and real estate. The goal is the creation of a more efficient, transparent, and inclusive financial system.

HashKey's mission is to bridge the gap between these Web3 and real-world economies. Our goal is to develop both the regulated platforms and public infrastructure that facilitate the usage of blockchain technology across existing financial infrastructure. HashKey is dedicated to bringing the potential of Web3 into everyday life and further expanding on its positive global impact.

### **Regulatory compliant products and public infrastructure in Web3 ecosystem**

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HashKey is dedicated to promoting the adoption of regulated infrastructure across the core Asian and global financial centers to drive the integration of real-world and digital assets, merging the two economies into one. By offering regulatory compliant products and public infrastructure, HashKey is well-positioned to drive mass adoption and be a key player in the rapidly evolving digital asset space.

At the forefront of this our mission is the HashKey PRO platform, a brand-new, comprehensively regulated virtual asset exchange that prioritizes compliance, safety, and security above all standards.

## 2. ABOUT HASHKEY

Founded in Asia in 2018, HashKey is a renowned Web3 ecosystem developer and leading digital asset group. Today, HashKey provides a complete ecosystem of products and services relating to digital assets including a regulated exchange, custody, brokerage, venture capital, asset management, node-validation services and as well as additional Web3 infrastructure. HashKey is committed to becoming a globally recognized and fully regulated digital asset ecosystem.<sup>1</sup>

### REGULATORY COMPLIANCE



#### Hong Kong

##### Exchange & Custody

- Type 1 (Dealing in securities) & 7 (Providing automated trading services) licenses issued by the Securities and Futures Commission (“SFC”) with approval to operate a virtual assets trading platform
- Trust or Company Service Provider Licence issued by the Companies Registry for the provision of custody services

##### Asset Management

- Type 9 (Asset management) license (with uplift approval to manage portfolios investing up to 100% in virtual assets) issued by the SFC



#### Singapore

##### Brokerage / OTC trading

- Applying for a Major Payment Institution Licence for the provision of Digital Payment Services to be issued by the Monetary Authority of Singapore (“MAS”). Currently operating under a licensing exemption under the Payment Services Regulations

##### Asset Management

- In-principle approval received for a Capital Markets Services Licence for fund management to be issued by the MAS



#### Japan

##### Brokerage & Exchange

- Registration as a crypto asset exchange service provider with the Japan Financial Services Agency

### COMPREHENSIVE ECOSYSTEM

- One-stop solution provider for digital asset trading, custody, brokerage, venture capital, asset management and node-validation services, and other Web3 infrastructure
- DeFi and CeFi strategy in place

### REGULATORY COMPLIANCE

### COMPREHENSIVE ECOSYSTEM

### SECURITY FIRST

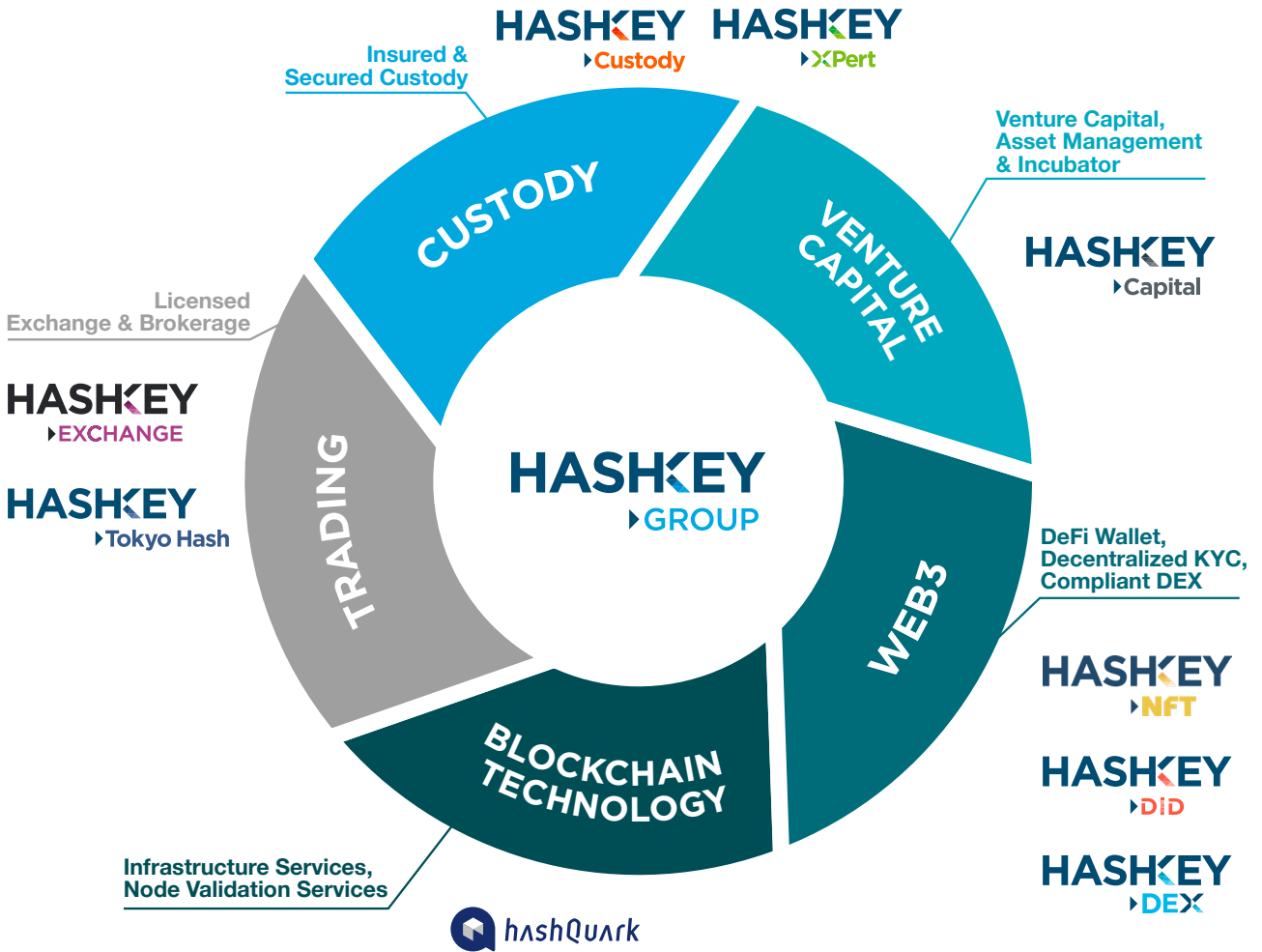
### SECURITY FIRST

- ISO 27001 certification for HashKey PRO (Information security management)
- ISO 27701 certification (Privacy Information Management System) for Exchange and Brokerage businesses
- Smart contracts for Hashkey’s token projects independently audited by Xiamen SlowMist Technology Co., Ltd.
- Proof of Reserves for HashKey PRO
- KPMG & PwC audited (Internal control, security, and group level financials)
- Client funds are protected by institutional custody grade insurance

<sup>1</sup> HashKey may at its discretion change the scope and availability of its services and products. Please refer to HashKey’s official communications channels for the most updated guidance.

# Comprehensive Ecosystem Across the Digital Asset Landscape

Headquartered in Hong Kong with operations in Singapore and Tokyo, HashKey offers a comprehensive ecosystem across the digital asset landscape:



## 3. ABOUT HSK

### 3.1 HSK Overview

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**Name**

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HSK – HashKey Platform Token

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**Blockchain protocol**

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Ethereum

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**Standard**

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ERC-20

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**Total supply**

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1,000,000,000 HSK (1 billion)

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**Distribution mechanism**

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- Incentive-based fair distribution to ecosystem users and contributors
- Not sold via private or public sales for fund raising purposes

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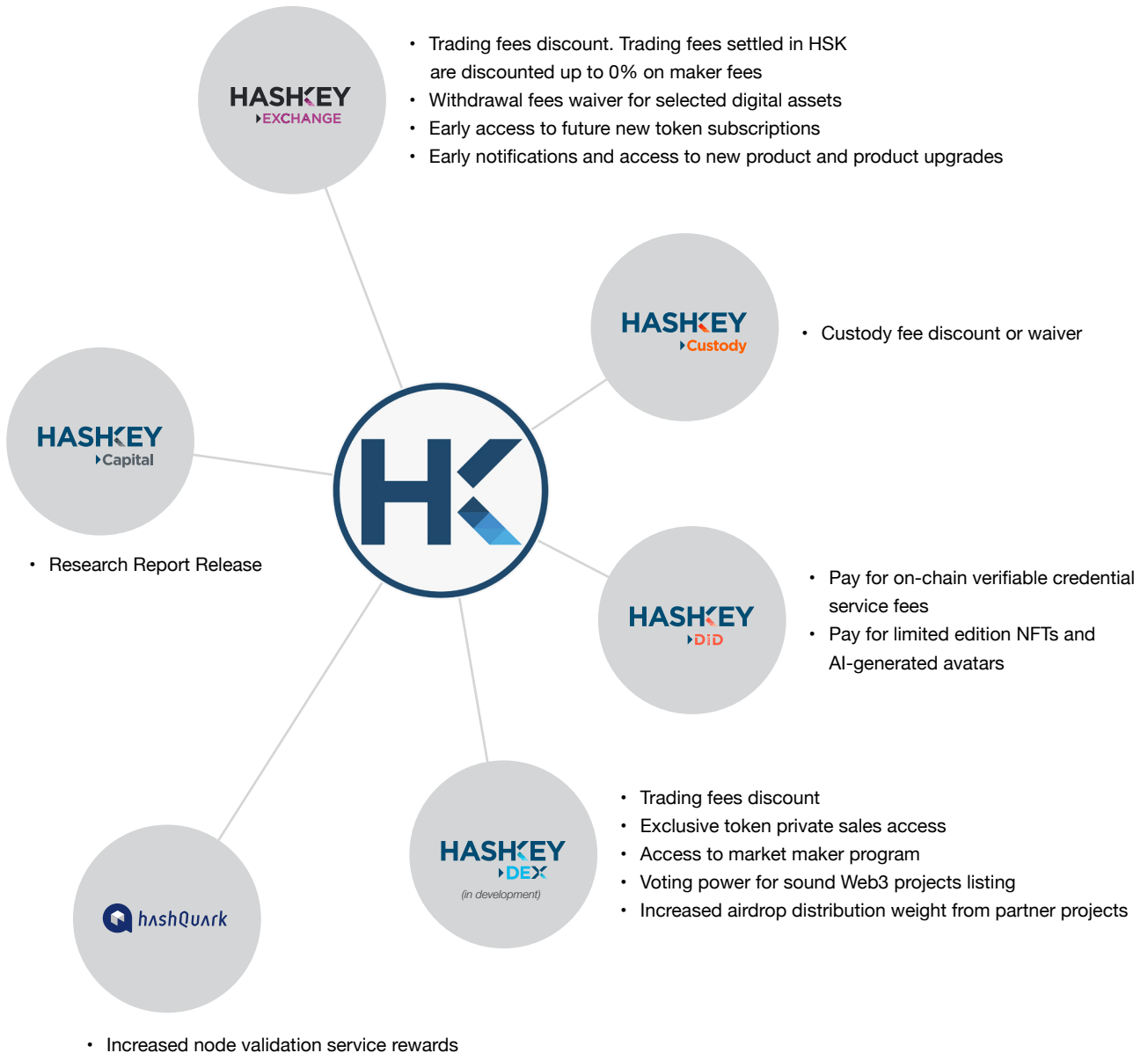
HSK powers the entire HashKey ecosystem, with its utility expanding in the future via various usage benefits across HashKey's current and future business lines.

At HashKey we believe in the shared value created by adopting a versatile business model, which can all serve different purposes in helping Web3 businesses engage and support its loyal user base over time, creating a true stakeholder economy.

HSK is designed to fuel the regulated products and infrastructure across the HashKey ecosystem, which can be accomplished via establishing an open-source community, incentivizing developers and users to contribute to the community's growth in a decentralized and trustless setting. As the platform loyalty reward, HSK will be used to create real usage benefits in HashKey's exchange and further across HashKey's ecosystem.

## 3.2 HSK's Utility

Through providing various use cases for HSK across our ecosystem, HSK is designed to incentivize contributors to the HashKey ecosystem, including its users and partners. Potential benefits holders of HSK will be entitled to include:



\* The above is for illustrative purposes. We make no representation or warranty on HSK being distributed to users of these potential services and products. The availability of these utility is subject to our future official announcements.



## 3.3 HSK's Supply

### Supply Model

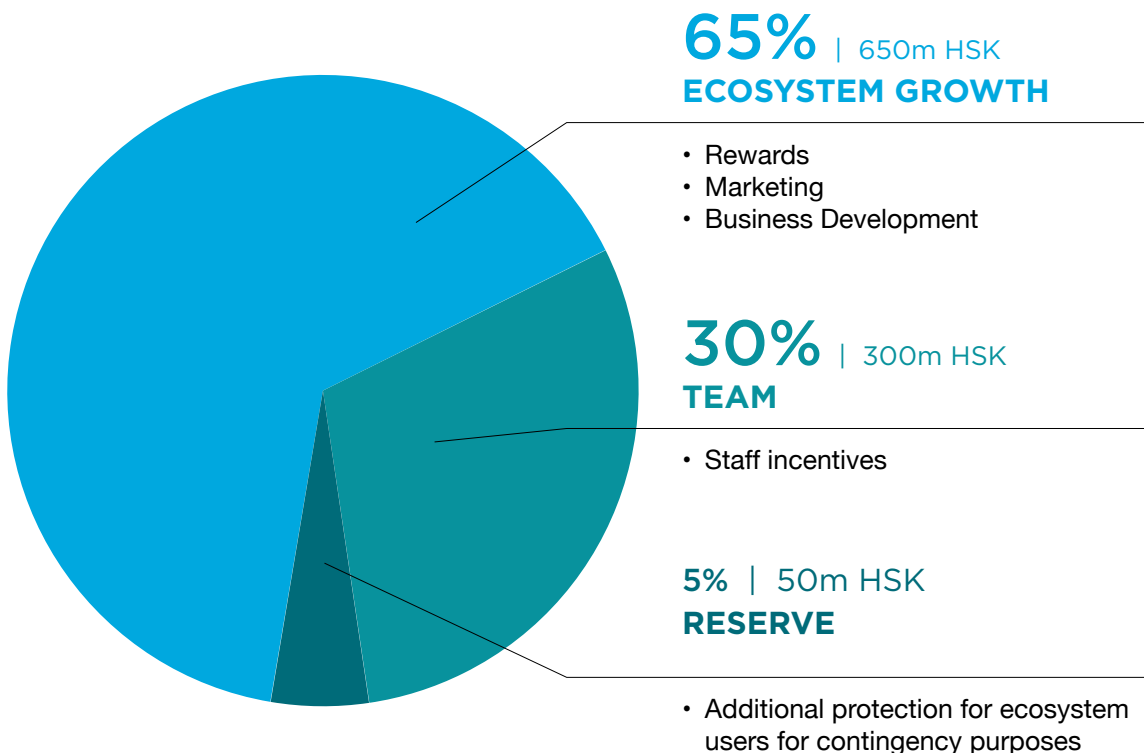
HSK has a supply capped at 1 billion units. HSK's supply model is designed on a simple principle: issue new HSK only in relation to real economic activity.

This principle ensures that HSK is issued only when HashKey's underlying businesses are performing. For example, new HSK will be issued into the overall HSK circulating supply via a Total Rewards Pool. The size of this Total Rewards Pool in USD terms is capped in relation to net profits generated by HashKey's related businesses – a "Reward Value Cap". The Reward Value Cap will be set based on a multiple of generated net profits. This measure helps to ensure that new issuance is done in a fiscally responsible way.

HashKey will evaluate the multiple and the value of this Reward Value Cap on a frequent basis in response to market conditions and communicate all circulating supply changes to HSK holders regularly.

HSK's supply model also adopts a burn mechanism. HashKey will have the discretion to take 20% of net profits earned from HSK-participating businesses and use these funds to purchase HSK, then burn the acquired HSK from the outstanding supply. Longer-term, this supply model is designed so that the pace of burning has the potential to exceed the pace of new issuance, leading to a more deflationary asset model in the future.

HSK's supply increases mostly from two allocation pools: the Ecosystem Growth Pool and the Team Pool. The Ecosystem Growth Pool is further sub-divided into different distribution programs.



## Ecosystem Growth Pool

total quantity  
**650,000,000 HSK**

Business Growth	520m HSK	52.0%
Partnership Reservation	78m HSK	7.8%
Release Incentives	36m HSK	3.6%
Genesis VIP Incentives	16m HSK	1.6%

## Ecosystem Reward Programs

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HSK will be allocated to reward users who have contributed to the growth of the HashKey ecosystem.

For example, HSK will be minted and distributed from the Ecosystem Growth Pool for:

**Early user incentive rewards:** incentivize early users that sign up and transact on HashKey Exchange

**Trading and liquidity rewards:** incentivize users that trade and provide liquidity on HashKey Exchange

**Other Contributor's rewards:** rewards users who contribute to the growth of the business

## Marketing

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HSK will be allocated for marketing activities to drive brand awareness, user acquisition and community growth.

## Business Development

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HSK will be used to incentivize the growth of the ecosystem with new partners and projects.

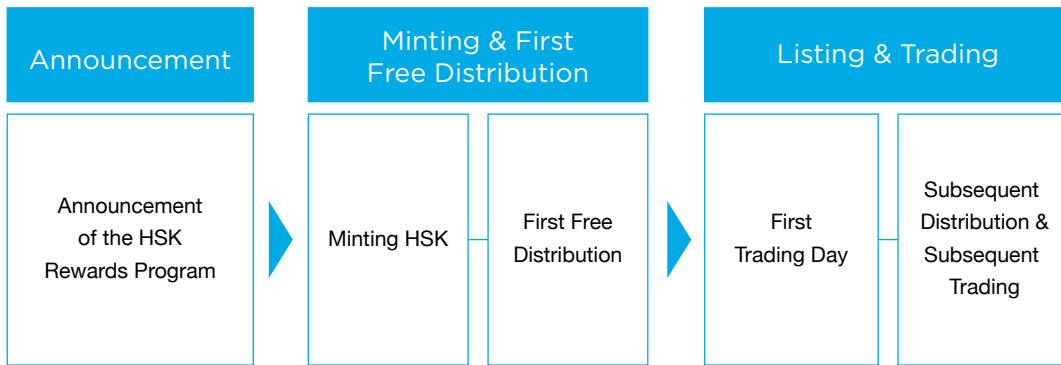
## Team Pool

HSK will be distributed as rewards to HashKey staff that contribute to the business growth.

## Reserve Pool

The reserve pool provides additional protection for ecosystem users for contingency purposes.

### 3.4 Launch Timeline



### 3.5 RoadMap

Phase 1	Nov 2023	<b>HSK Tokenomics Update</b> <ul style="list-style-type: none"> <li>• Token allocation rules</li> </ul>
Phase 2	Nov 2023	<b>HSK Minting and Distribution</b> <ul style="list-style-type: none"> <li>• Complete HSK ERC-20 minting</li> <li>• Complete on-chain distribution</li> </ul>
Phase 3	Q4 2023	<b>HSK Incentive Program Announcement</b> <ul style="list-style-type: none"> <li>• Initiate Fee Discount Program</li> <li>• Allocate trading incentive reward pool</li> <li>• Release Initial Purchase Criteria for Premium Assets and HSK Holder Participation Program</li> <li>• HSK Buyback Anticipated in H2 2024</li> </ul>
Phase 4	Q2-Q3 2024	<b>HSK Release Plan</b> <ul style="list-style-type: none"> <li>• Roadmap Announcement</li> <li>• Initiate Preparations in Legal, Compliance, Market, and Other Aspects</li> </ul>
Phase 5	H2 2024	<b>HSK Going Live and Release</b> <ul style="list-style-type: none"> <li>• Facilitating listing of HSK</li> <li>• HSK airdrop to early HashKey Exchange contributors</li> </ul>

### 3.6 Burning

HashKey implements an offsetting issuance mechanism (burning) to protect HSK holders from the dilutionary impact of rewards-based increases in HSK circulating supply.

To implement this mechanism, HashKey will have the discretion to purchase an amount of HSK equal to 20% of net profits generated from specified HashKey platform businesses and then permanently burn the purchased HSK from HSK’s supply. At launch, these specified businesses will include HashKey’s licensed exchange (HashKey Exchange), with additional business lines and products to follow.

## Legal Notice

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THIS WHITEPAPER COMPRISES INFORMATION ON THE HASHKEY PLATFORM TOKEN (“HSK”). BEFORE MAKING ANY DECISION AND ENTERING INTO ANY TRANSACTION IN RELATION TO OR UTILISING HSK, YOU SHOULD TAKE STEPS TO ENSURE THAT YOU UNDERSTAND THE TRANSACTION AND HAVE MADE AN INDEPENDENT ASSESSMENT OF THE APPROPRIATENESS OF THE TRANSACTION. YOU SHOULD MAKE SURE THAT YOU HAVE SUFFICIENT INFORMATION AVAILABLE IN RELATION TO HSK BEFORE MAKING ANY DECISION IN RELATION TO HSK.

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The HashKey entities have determined that HSK:

1. could be “digital payment tokens” as defined in the Payment Services Act 2019 of the Laws of Singapore.
2. would not be “capital markets products” as defined in the Securities and Futures Act 2001 of the Laws of Singapore;
3. would not be “capital markets products” as defined in the Securities and Futures Act 2001 of the Laws of Singapore; and
4. would not be “securities” as defined in the Securities and Futures Ordinance (Chapter 571) of the Laws of Hong Kong.

## Warning

The contents of this whitepaper have not been reviewed by any regulatory authority in Singapore or Hong Kong. You are advised to exercise caution in relation to the information in this whitepaper and any transaction that you intend to carry out involving HSK. If you are in any doubt about any of the contents of this whitepaper, you should obtain independent professional advice.

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Prior to making any decision regarding HSK, you should conduct such investigation and analysis regarding HSK as you deem appropriate. To the extent that you deem necessary, you should consult your professional advisers.

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