

PAYWARD LTD

CRYPTO ASSET RISK DISCLOSURE

HashKey Platform Token (HSK)

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Disclaimer

Please note that this risk disclosure is not exhaustive of all risks associated with trading HSK. Investors should perform their own assessment to determine the appropriate level of risk for their personal circumstances. Be sure to do your own research and due diligence while taking into account your own financial situation and risk tolerance. Please review the [Risk Summary](#) for additional discussion of general risks associated with the assets made available in the platform. These materials are for general information purposes only and are not investment advice or a recommendation or solicitation to buy, sell or hold any crypto asset or to engage in any specific trading strategy. The information contained in this risk disclosure is based on publicly available information that may be inaccurate, incomplete, or change at any time.

What is HashKey Platform Token and how does it work?

The HashKey Platform Token (HSK) is the platform token of HashKey Group. It is issued on Ethereum as an ERC-20 token and is intended to support utilities across HashKey's businesses. HSK is used for platform benefits such as trading fee payments/discounts on HashKey's exchange services and other value-added features inside the group's ecosystem. HSK will also serve as the native gas token on HashKey Chain, a Layer-2 network built to extend scalability and reduce transaction costs. Periodic buyback-and-burn using a portion of group net profits to repurchase and permanently remove HSK from circulation (a supply-reduction policy controlled by the team)

HSK is a multi-utility token that powers the HashKey ecosystem. On the exchange, it provides trading fee discounts, VIP perks, and access to Launchpad sales. On HashKey Chain (its Ethereum Layer-2), HSK is the native gas token and rewards validators and developers. Holders can lock HSK into veHSK for governance voting, boosted rewards, and ecosystem influence. It also fuels liquidity mining, trading incentives, referrals, and airdrop campaigns, and can be used for NFTs and credentials. Finally, HashKey commits 20% of net profits to buy back and burn HSK, creating a deflationary supply model that supports long-term value.

Who is behind the project?

HSK is issued for use across the HashKey Group ecosystem. HashKey Group is a digital-asset financial services group founded in 2018 and headquartered in Hong Kong.

Tokenomics of HashKey Platform Token (HSK)

The total supply of HSK is fixed at 1 trillion tokens. The token allocation is as follows:

Category	Allocation (%)
Ecosystem Growth (rewards, incentives, marketing/liquidity, business development)	65%
Team (staff incentives; subject to lock and vesting)	30%
Reserve (contingency and user protection)	5%

General Risks

Like all other digital assets, there are some general risks to investing in PRO. These include short history risk, volatility risk, liquidity risk, demand risk, forking risk, code defects, cryptography risk, regulatory risk, concentration risk, electronic trading risk and cyber security risk. For more information on general risks associated with smart contracts and digital assets, see Kraken's Risk Statement.

Risks specific to HashKey Platform Token (HSK)

Competition

HashKey faces competition from other exchange and platform tokens, as well as Ethereum Layer-2 network tokens, such as BNB, OKB, CRO, and ARB. HSK's value derives from the project's broader adoption across the HashKey Exchange, HashKey Chain, and its regulated ecosystem. If HSK fails to achieve sufficient adoption compared to these alternatives in the market, this could negatively impact the value of HSK.

HSK operates in a crowded field of platform and ecosystem tokens. Tokens such as BNB, OKB, and CRO provide similar exchange-linked functions. If these alternatives continue to attract stronger adoption, HSK demand could decline.

Due Diligence

Prior to listing on the Kraken platform, Kraken performed due diligence on HashKey Platform Token (HSK) and determined that Kraken was permitted to make HashKey Platform Token (HSK) available for trading to UK users, in compliance with UK law. This process generally consists of reviewing publicly available information on the following:

- The creation, governance, usage and design of HashKey Platform Token (HSK), including the source code, security and roadmap for growth in the developer community and, if available, the background of the developer(s) that created HashKey Platform Token (HSK);
- The supply, demand, maturity, utility and liquidity of HashKey Platform Token (HSK);
- Material technical risks associated with HashKey Platform Token (HSK), including any code defects, security breaches and other threats concerning HashKey Platform Token (HSK) and its supporting blockchain (such as the susceptibility to hacking and impact of forking), or the practices and protocols that apply to them; and
- Legal and regulatory risks associated with HashKey Platform Token (HSK), including (i) any pending, potential, or prior civil, regulatory, criminal, or enforcement action relating to the issuance, distribution, or use of HashKey Platform Token (HSK), and (ii) consideration of statements made by any regulators or securities regulatory authorities in the UK, other regulators of the International Organization of Securities Commissions, or the regulator with the most significant connection to HashKey Platform Token (HSK) about whether HashKey Platform Token (HSK), or generally about whether the type of crypto asset, is a security and/or derivative.

Don't invest unless you're prepared to lose all the money you invest. This is a high-risk investment and you should not expect to be protected if something goes wrong. [Take 2 mins to learn more.](#)

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