



Terms and Conditions (“Terms”)

TEU Initial Coin Offering (“TEU ICO”)

Please read the Terms set out herein carefully.

DATE: 5 February 2018

YOU MUST READ THE TERMS HEREIN CAREFULLY BEFORE MAKING ANY DECISION TO PARTICIPATE IN THE TEU ICO.

No regulatory authority has examined or approved of these Terms. This document is not a prospectus nor a solicitation for investment in any jurisdiction. It does not pertain to an offering of securities in any jurisdiction, and under no circumstances does this document or any other related materials constitute an offer or solicitation in any jurisdiction in which such offer, solicitation or sale would be unlawful. TEU tokens are not intended to constitute securities in any jurisdiction. ETH Smart Contract Tech Ltd (“the Company”) does not hold itself out or consider itself as carrying out any regulated activity in any jurisdiction. By accepting these Terms and purchasing TEU tokens, you agree to be legally bound by these Terms (including the Appendixes hereto) and you expressly acknowledge and represent that you have carefully read these Terms and fully understand the risks and costs associated with the Contribution of and resulting allocation of TEU tokens. If you have any doubt, you should consult your legal, financial, tax or other professional advisor(s). If you do not agree to or question these Terms, you must not participate in the TEU ICO.

THE TEU ICO IS ONLY FOR SOPHISTICATED USERS WHO ARE KNOWLEDGEABLE OF THE FEATURES AND RISKS OF RELEVANT BLOCKCHAIN TECHNOLOGY AND SMART CONTRACTS.

The TEU ICO is governed solely by these Terms. Potential contributors should determine for themselves the relevance of the information contained in this document, and the necessity for additional enquiry, research and advice. Any decision to participate in the TEU ICO should be based upon such independent investigation and advice as deemed necessary. These Terms should not be considered a recommendation to participate in the TEU ICO.

Without limiting any of the above, you must not participate in the TEU ICO unless you have read and fully understood these Terms and all other relevant information and fully understand the purpose and process of the TEU ICO.

THE INITIAL PURPOSE OF TEU TOKENS IS TO ENHANCE THE SUPPLY CHAIN MANAGEMENT OF OCEAN BORNE FREIGHT INCLUDING CARGO CONTAINERS.



Potential Contributors should understand that the initial purpose of TEU tokens is to provide a blockchain-based solution to the cargo container industry's supply chain issues, including enforcing the discipline of confirmed shipping contracts. **TEU tokens are not designed or intended for investment or wealth management purposes.** The Company makes no assurance regarding the market value or liquidity of TEU tokens as established through trading exchanges or any other mechanism.

You must also monitor the www.300cubits.tech website for any announcements as they may relate to this TEU ICO.

These Terms may be translated into non-English. Any translation is for reference purposes only. Only this English version shall prevail in the case of any documentary inconsistency.



Contents

1.	General Principle.....	4
2.	Eligibility.....	4
3.	Assumption of risks.....	5
4.	About TEU tokens.....	5
5.	Terms of TEU ICO.....	5
6.	Contribution Rule.....	6
7.	Valid Cryptocurrency Contribution:.....	7
8.	Obligation to maintain Ethereum address.....	7
9.	Withdrawals, cancellations, rejections of Contribution and abortion of TEU ICO	7
10.	Minimum Target.....	8
11.	Return of Contribution.....	8
12.	KYC Requirement.....	9
13.	Data Privacy.....	9
14.	Representations and warranties.....	9
15.	Disclaimers.....	12
16.	Limitation of liability and indemnification.....	13
17.	Entire agreement.....	14
18.	Rules of construction.....	14
19.	Severability.....	14
20.	No assignment.....	15
21.	No waiver.....	15
22.	Taxes.....	15
23.	Governing law and jurisdiction.....	15
24.	Appendix 1 Risk factors.....	16
	24.1 Value of your Contribution is not dependent on the managerial effort of the Company.....	16
	24.2 Risks associated with TEU ICO.....	16
	24.3 Risks relating to the Escrow Wallets.....	18
	24.4 Risk associated with Forking.....	19
	24.5 Risks associated with 300cubits.....	19
	24.6 Flaw in source codes.....	21
	24.7 Risks associated with Third-party developers and suppliers.....	21
	24.8 Risk associated with newly implemented regulations.....	21
	24.9 Un-anticipated risks arising from the TEU tokens.....	22



1. General Principle

For purposes of this document, all persons contributing to the ICO are considered “Contributors”. Each Contributor must successfully pre-register at www.300cubits.tech in order to be eligible to contribute to the TEU ICO. Each Contribution Cryptocurrency will have a corresponding deposit address (“Contribution Address”) to which Contributors may contribute through the ICO. Contributors understand and accept that they make a Contribution to the Contribution Address for the intended use of TEU tokens, as described in the 300cubits Whitepaper (“the Whitepaper”). The Whitepaper on the 300cubits Project can be found at www.300cubits.tech (the “Sale Website”). ‘300cubits’ is a trademark referring to the cryptocurrency project regarding the issuance of TEU tokens and development of the TEU Ecosystem, as managed by the Company. ‘300cubits’ is not a legal entity.

Please refer to the Term Sheet for valid contribution cryptocurrencies accepted in the TEU ICO.

By contributing ETH to the Smart Contract System, or in the case of contribution in other contribution crypto currencies to their respective Contribution Address, the Contributor expressly agrees to all of the Terms set forth in the Smart Contract System Code existing on the Ethereum blockchain (at the addresses set forth under the Contribution Rule) and in this document. The Contributor further confirms to have carefully reviewed the Smart Contract System Code, its functions and the Terms set forth in this document and to fully understand the risks and costs of creating TEU tokens and contributing into a Smart Contract System.

The Contributor furthermore understands and accepts that - as the creation of the TEU tokens as well as the assignment of the execution of the 300cubits Project are smart contract-based – the terms and conditions applicable thereon are set forth in the Smart Contract System Code, consisting of multiple interconnected software code sets, existing on the Ethereum blockchain. To the extent the Terms contained herein or in any other document or communication contradict or differ in any way to the ones set forth in the Smart Contract System, the Terms of the Smart Contract System prevail.

2. Eligibility

It is your sole responsibility to ensure that your participation in the TEU ICO is not prohibited under the applicable legal restrictions in your country of residence or domicile.



3. Assumption of risks

Your acceptance of these Terms shall be deemed to be an agreement by you to assume, wholly and unconditionally, all risks (including direct, indirect or ancillary risks) associated with the TEU ICO, the conduct of the TEU ICO via the Sale Website, the Company, and your Contribution.

4. About TEU tokens

TEU tokens are ERC20 compliant digital tokens divisible up to 18 decimal places. TEU tokens are constructed on the Ethereum network, with an ENS address of **TEUtoken.eth**.

The full name of TEU tokens deployed in the TEU Token Smart Contract is “20-footEqvUnit”.

The Total Supply of TEU tokens is fixed at 100,000,000. The TEU tokens are transferrable, cannot be minted again but un-distributed and un-sold tokens can be burned (deleted) when 300cubits management deems necessary at its own discretion. Burned tokens cannot be re-generated or made live again.

TEU tokens are designed initially to facilitate commercial transactions in the shipping industry.

It is important to note that none of the TEU token holders have any right, title or interest whatsoever in relation to the Company, nor any claim on any of its assets.

5. Terms of TEU ICO

There are different Tranches of the TEU ICO, namely, pre-Initial (“Pre-ITS”)¹ Tranche, First TEU ICO Tranche and Second TEU ICO Tranche respectively.

Two million (2,000,000) TEU tokens, 2% of Total Supply, have been distributed through the Pre-ITS Tranche for the period starting at 02:00 UTC+0 on 16 August 2017 and closing at 02:00 UTC+0 on 20 September 2017.

Eighteen million (18,000,000) TEU tokens, 18% of Total Supply, will be distributed through a First TEU ICO Tranche. The timing of the First TEU ICO Tranche is to be determined.

¹ ITS (“Initial Token Sale”) completed previously.



Twenty million (20,000,000) TEU tokens, 20% of Total Supply, will be distributed through Second TEU ICO Tranche. The timing of the Second TEU ICO Tranche is to be determined.

Six million (6,000,000) TEU tokens will be allocated to the founding team with a disposal restriction (“lock-up”) for 2 years starting 16 August 2017. A percentage of the remaining TEU tokens will be allocated to industry end users and for development purposes.

Allotment of TEU tokens to valid Contributors will be apportioned based on his/her Contribution to a given Tranche, subject to other terms stipulated in the Term Sheet of each Tranche.

Please read the Term Sheet of the respective ICO Tranche in conjunction with this Document.

Note that the Company may change the terms and structure of ICO distribution and allocation at its own discretion.

6. Contribution Rule

Ethereum Address of Contribution: As stipulated in the Term Sheet.

TEU ICO, Contribution Information, and the Contribution Address will only be available in the Sale Website and no other website or place. Contributions sent to any other address will not be recognized by Company as a valid Contribution.

If you contribute to any address other than the Sale Website, you agree and acknowledge that

- the Company shall have no obligation to deliver, and you shall have no right to receive, any TEU tokens;
- the Company shall have no obligation to provide, and you shall have no right to receive, any return of Contribution for any part of the Contributions made by you through such other website or place;
- the Company shall have no obligations in any manner or form to you in respect of such Contribution; and
- you hereby waive all rights, claims and/or causes of action (present or future) under law (including any tortious claims) or contract against the Company in connection with or arising from such Contribution, and shall further hold the Company harmless from and against any and all losses, damages, taxes, liabilities and expenses that may be incurred by the Company in connection with or arising from such Contribution.



7. Valid Cryptocurrency Contribution:

Please refer to the Term Sheet for valid contribution cryptocurrencies accepted in the TEU ICO.

No legal tender, fiat currencies, cryptocurrencies, blockchain assets or tokens other than the contribution crypto currencies defined in the Term Sheet.

The minimal amount of Contribution per Contributor is 0.1 ETH or the equivalent of contribution crypto currencies. Please see the Tranche Term Sheet for further information regarding accepted cryptocurrency contributions.

8. Obligation to maintain Ethereum address

For purposes of your Contribution and receipt of any refund (where applicable) in the TEU ICO, you shall establish and maintain, in a fully operational, secure and valid status, an Ethereum wallet, which adheres to and supports the ERC20 Token Standard, the address of such wallet and keys to such wallet which are in your possession.

In the event of any loss, hack or theft of cryptocurrencies from any of the cryptocurrency wallets, you acknowledge and confirm that you shall have no right(s), claim(s) or causes of action in any way whatsoever against the Company.

Any obligation of the Company to provide you with any return of Contribution under these Terms shall be subject to your compliance.

9. Withdrawals, cancellations, rejections of Contribution and abortion of TEU ICO

Upon validation and verification of each Contribution for TEU tokens from the Company on the relevant blockchain under these Terms:

- such Contribution shall be deemed to be final; and
- unless otherwise required by the applicable laws, regulations or rules, you shall not be entitled to any withdrawals or cancellations of the Contribution(s), or any return of such Contributions.

The Company reserves the right, in its sole and absolute discretion, to reject any Contribution or abort the TEU ICO at any time after your acceptance of these Terms and prior to the collection of TEU tokens. In the event of any such rejection of your Contribution by the Company, or such abortion of the TEU ICO and you have made



any Contribution for such rejected Contribution of TEU tokens or such aborted TEU ICO, you acknowledge and agree, regardless of whether such Contributions are reflected as validated and verified on the relevant blockchain, that:

- provided that such Contribution is received in one of the Escrow Wallets and notwithstanding any provision in these Terms, the Company shall provide a return of Contribution in full but net of all administrative and/or third-party charges and/or other transaction fees (if any) that may be incurred in connection with such return of Contribution, in which case such administrative and/or third-party charges and/or other transaction fees (if any) incurred in connection with such return of Contribution shall be borne by you;
- save for the Company's obligation to provide such return of Contribution, the Company shall have no obligations in any form or manner whatsoever to you in respect of such Contribution; and
- save for your right to receive such return of Contribution, you hereby waive all rights, claims and/or causes of action (present or future) under law (including any tortious claims) or contract against the Company in connection with or arising from such Contribution, and shall further hold the Company harmless from and against any and all losses, damages, taxes, liabilities and expenses that may be incurred by the Company in connection with or arising from such Contribution.

10. Minimum Target

The Minimum Target of total Contributions of each TEU ICO Tranche will be stipulated in the Term Sheet of each TEU ICO Tranche. If the Minimum Target is not met, the Company shall return all Contributions according to the Return of Contribution policy below.

11. Return of Contribution

You acknowledge, agree and confirm that there shall be no return of any Contribution made by you in any form or manner unless clearly provided for under these Terms. All risks in relation to any return of Contribution made pursuant to these Terms shall be borne absolutely by you, and none by the Company, or any directors, officers, agents, employees or any other persons associated with the Company.

In each case where the Company elects, in accordance with these Terms, to provide a return of any Contribution made by you for any Contribution, the Company shall transfer:

- such number of contribution crypto currencies as may be equivalent to the number of ETH as contributed by you and received in one of the Escrow



Wallets, net of all administrative and/or third-party charges and/or other transaction fees (if any) that may be incurred in connection with such return of Contribution, to the address of the same digital wallet with which you had made your Contribution.

12. KYC Requirement

Contributors must successfully register by providing the required personal information as stipulated on the Sales Website. This personal information will be stored and reviewed for compliance with KYC ("Know-Your-Client") practices to ensure the suitability of the Contributors to contribute to the TEU ICO.

All requirements and conditions for KYC are referred to in the KYC document published on the Sales Website.

13. Data Privacy

The Company will endeavour to protect the personal data of the contributors, but makes no assurance that it can successfully do so. All personal information of Contributors will be kept off-line, once the necessary KYC reviews have been performed, in secured digital format, accessible only to authorized representatives of the Company.

14. Representations and warranties

By accepting these terms, you represent and warrant to the Company as follows:

you have read and understood the Whitepaper, these Terms and Appendix 1, and all relevant information, and sought all necessary advice, and agree to these Terms and Appendix 1;

you are permitted by the laws of any jurisdiction applicable to you to participate in the TEU ICO and are legally permitted and capable to acquire, receive and hold TEU tokens;

you are of sufficient age to participate in the TEU ICO and are person(s) with full legal capacity of conduct under the laws of the jurisdiction where you are domiciled or maintain citizenship;

you are not a citizen, resident (tax or otherwise) or green card holder of the United States of America, nor are you purchasing on behalf of one;

you are not a citizen or resident of any jurisdiction in which the Contribution, receipt and holding of TEU tokens is prohibited, restricted, curtailed, hindered, impaired or



otherwise adversely affected by any applicable law, regulation or rule, nor are you purchasing on behalf of one;

you are not a resident of the People's Republic of China, nor are you purchasing on behalf of one;

you are not buying TEU Tokens for investment purposes;

you are contributing to the TEU ICO for the intended use of the TEU token as booking deposits;

you have full power and capacity to accept these Terms and perform all your obligations hereunder and in the case where you are accepting these Terms on behalf of a corporation:

- such corporation is duly incorporated and validly existing under the applicable laws; and

- you are duly authorised to accept these Terms and procure the performance of obligations hereunder;

these Terms constitute legal, valid and binding obligations on you, enforceable in accordance with these Terms, and your Contribution, your receipt and holding of TEU tokens are not in breach or contravention of any applicable law, regulation or rule in your jurisdiction;

you acknowledge and agree that the TEU tokens are not intended to constitute securities in any jurisdiction and these Terms do not constitute a prospectus or offer document of any sort and is not intended to constitute an offer of securities in any jurisdiction or a solicitation for investment in securities;

you are fully aware of and understand the risks associated with the TEU ICO, the conduct of the TEU ICO via the Sale Website, the Company, TEU tokens, your Contribution of TEU tokens, including but not limited to the risks set out in the Appendix 1 hereto;

you are a sophisticated and experienced expert, technician and/or professional in the fields of distributed ledger technology and cryptographic tokens and you are fully aware of the risks associated with the development and use of TEU tokens and the operation and usage of the TEU Ecosystem;

your participation in the TEU ICO is entirely voluntary and the decision to participate is based wholly on your own independent judgment without being coerced, solicited or misled by anyone else. You do not require any consent, approval, order



or authorization of, or qualification, registration, declaration, designation or filing with, governmental authority or agent of any kind in relation to your participation in the TEU ICO;

you acknowledge and agree that TEU tokens are not to be construed, interpreted, classified or treated as:

- any kind of currency other than cryptocurrency;
- debentures, stocks or shares issued by the Company;
- rights, options or derivatives in respect of such debentures, stocks or shares;
- rights under a contract for differences or under any other contract the purpose or pretended purpose of which is to secure a profit or avoid a loss;
- units in a collective investment scheme;
- units in a business trust;
- derivatives of units in a business trust; or
- any other security or class of securities;

any address provided by you in accordance with “Obligation to Maintain Ethereum Wallet” is fully operational, secure and valid;

you acknowledge that the Company has no interest in influencing, and no responsibility to influence, the market value of the TEU tokens after the TEU ICO through marketing or any other means;

you have a full and comprehensive understanding of the operation, functionality, usage, storage, transmission mechanisms and other material characteristics of cryptocurrencies, blockchain assets and tokens including TEU tokens, blockchain-based software systems, cryptocurrency wallets or other related token storage mechanisms, blockchain technology and smart contract technology;

you acknowledge that no regulatory authority has examined or approved of these Terms, no such action has been or will be taken under the laws, regulatory requirements or rules of any jurisdiction and the provision of these Terms to you does not imply that the applicable laws, regulatory requirements or rules have been complied with;

no consent, approval, order or authorisation of, or registration, qualification, designation, declaration or filing with, any regulatory authority in any jurisdiction (the “Approvals”) is required on your part in connection with your Contribution of TEU tokens, or where any Approvals are required, such Approvals have been obtained and remain valid and in full force and effect;



you only use contribution crypto currencies as lawfully acquired through mining and/or trading to make any Contribution and do not participate in the TEU ICO for any money-laundering, terrorism financing, other illegal, illegitimate purpose or any other acts in breach or contravention of any applicable law, regulation or rule;

you are purchasing TEU tokens as on a principal basis and for your own benefit and you are not acting on the instructions of, or as nominee or agent for or on behalf of any other person; and

all the above representations and warranties made by you are true, accurate, complete and non-misleading on and from the date of that Contributor making a Contribution during the TEU ICO and are repeated thereafter.

The Company does not make, and hereby disclaims, any representation or warranty in any form whatsoever, including any representation or warranty in relation to the information set out on the Whitepaper, Sale Website, or any other place, relating to the Company, the TEU ICO, TEU tokens and your Contribution of TEU tokens.

15. Disclaimers

To the maximum extent permitted by the applicable law and except as otherwise provided in these Terms, the Company hereby expressly disclaims its liability and shall in no case be liable to you or any person for:

- the Contribution Cryptocurrencies used for your Contribution being obtained through any acts in connection with money laundering, terrorism financing or any other acts in breach or contravention of any applicable law, regulation or rule;
- use of TEU tokens for any purpose in connection with money laundering, terrorism financing or any other acts in breach or contravention of any applicable law, regulation or rule;
- abortion of the TEU ICO;
- failure or delay in the delivery by the Company, and receipt by you, of TEU tokens;
- failure, malfunction or breakdown of, or disruption to, the operation of the Company, the TEU Ecosystem, TEU tokens, the Escrow Wallets or any smart contract technology on which TEU Ecosystem, TEU tokens, the Escrow Wallets or the TEU ICO relies, due to occurrences of hacks, cyber-attacks, distributed denials of service, errors, vulnerabilities, defects, flaws in programming or source code or otherwise, regardless of when such failure, malfunction, breakdown, or disruption occurs;
- failure, malfunction or breakdown of, or disruption to, the operation of any blockchain, any blockchain-based software systems or any blockchain technology in connection with the operations of the Company, TEU



Ecosystem, TEU tokens or the Escrow Wallets, due to occurrences of hard-forking, hacks, cyber-attacks, distributed denials of service, errors, vulnerabilities, defects, flaws in programming or source code or otherwise, regardless of when such failure, malfunction, breakdown, or disruption occurs;

- any virus, error, bug, flaw, defect or otherwise adversely affecting the operation, functionality, usage, storage, transmission mechanisms, transferability or tradability (after TEU tokens have been made available for trading on a cryptocurrency exchange) and other material characteristics of TEU tokens;
- decreases or volatility in traded prices or trading volume of TEU tokens (after TEU tokens have been made available for trading on a cryptocurrency exchange), in case you want to liquidate your surplus TEU tokens that are in excess of your operational needs as booking deposits;
- failure or unfitness of TEU tokens for any specific purpose;
- the manner of utilisation of contribution crypto currencies received by the Company from the TEU ICO;
- failure to disclose information relating to the progress of the TEU ICO;
- loss or destruction of the private keys to the cryptocurrency wallets referred to in “Obligation to Maintain Ethereum Wallet”;
- failure or delay in the availability of TEU tokens for trading on a cryptocurrency exchange;
- any rejection of trading of TEU tokens by a cryptocurrency exchange;
- any prohibition, restriction or regulation by any government or regulatory authority in any jurisdiction of the operation, functionality, usage, storage, transmission mechanisms, transferability or tradability (after TEU tokens have been made available for trading on a cryptocurrency exchange) or other material characteristics of TEU tokens;
- any risks associated with the Whitepaper, the Sale Website, the 300cubits Website, the Company, 300cubits, the TEU ICO, TEU tokens, your Contribution of TEU tokens and the TEU Ecosystem, including but not limited to the risks set out in Appendix 1 hereto; and
- all other risks, direct, indirect or ancillary, whether in relation to the Whitepaper, Sale Website, the 300cubits Website, the Company, 300cubits, the TEU ICO, TEU tokens, your Contribution of TEU tokens, the TEU Ecosystem which are not specifically or explicitly contained in or stated in these Terms or set out in Appendix 1 hereto.

16. Limitation of liability and indemnification

To the maximum extent permitted by the applicable laws:

- the Company shall not be liable for any direct, indirect, special, incidental, consequential or other losses of any kind, in tort, contract or otherwise



(including but not limited to loss of revenue, income or profits, and loss of use or data), arising out of or in connection with the Contribution, use, receipt or holding of TEU tokens by you;

- In any event, the aggregate liability of the Company, in tort, contract or otherwise, arising out of or in connection with the Contribution, use, receipt or holding of TEU tokens by you shall be limited to the amount paid by you for your Contribution hereunder; and
- you hereby agree to waive all rights to assert any claims under the applicable laws, regulations and rules and you may make claims based only on these Terms.

To the maximum extent permitted by the applicable laws, you shall indemnify, defend, and hold the Company and/or its subsidiaries, related companies, affiliates, directors, officers, employees, agents, successors, and permitted assignees (“Indemnified Persons”) harmless from and against any and all claims, damages, losses, suits, actions, demands, proceedings, expenses, and/or liabilities (including but not limited to reasonable legal fees incurred and/or those necessary to successfully establish the right to indemnification) filed/incurred by any third party against any of the Indemnified Persons arising out of a breach of any warranty, representation, or obligation on your part hereunder.

17. Entire agreement

These Terms contain the entire agreement and the understanding between the Parties and supersedes all prior agreements, understandings or arrangements (both oral and written) in relation to the TEU ICO and your Contribution of TEU tokens.

In the event that the Company discovers that you, in your participation in the TEU ICO, have engaged in unfair, excessive or abusive usage or conduct, the Company reserves the right to take such actions as may be necessary, to the fullest extent possible under law, to protect the Company from losses, damages, harm or degradation of any form and manner.

18. Rules of construction

No rule of construction applies to the disadvantage of a party because that party was responsible for the preparation of, or seeks to rely on, this document or any part of it.

19. Severability

If the whole or any part of a provision of these Terms is void, unenforceable or illegal in a jurisdiction, it is severed for that jurisdiction. The remainder of this document



has full force and effect and the validity or enforceability of that provision in any other jurisdiction is not affected. This clause has no effect if the severance alters the basic nature of this document or is contrary to public policy.

20. No assignment

Subject to these Terms, only you and no other person shall have the right to any claim against the Company in connection with your Contribution hereunder. You shall not assign, trade or transfer, or attempt to assign, trade or transfer, your right to any such claim. Any purported assignment or transfer shall not impose any obligation or liability on the Company in favour of the assignee or transferee.

21. No waiver

Any failure of the Company to enforce these Terms or to assert any right(s), claim(s) or causes of action against you under these Terms shall not be construed as a waiver of the right of the Company to assert any right(s), claim(s) or causes of action against you.

22. Taxes

You shall be fully responsible for determining your tax position according to your own personal circumstances and report to the appropriate tax authorities where appropriate. You shall be solely liable for all obligations, penalties, claims, fines, punishments, or other liabilities arising from the non-fulfilment or non-performance to any extent of any of your obligations in relation to your tax position.

The Company shall not be responsible for any matter whatsoever related to your tax position with the relevant tax authorities.

23. Governing law and jurisdiction

These Terms shall be governed by, and construed in accordance with, the laws of the Hong Kong Special Administrative Region of the People's Republic of China. Any dispute relating to these Terms or the ICO shall be subject to the exclusive jurisdiction of the courts of the Hong Kong Special Administrative Region of the People's Republic of China.



24. Appendix 1 Risk factors

You should carefully consider and evaluate each of the following risk factors and all other information contained in the Terms before deciding to participate in the TEU ICO. To the best of the Company's knowledge and belief, we expect the following risk factors may be material to some of you in making an informed judgement to participate in the TEU ICO have been set out below. The Company makes no claim as to the accuracy, relevance and completeness of these risk factors, either individually or in aggregate, as they pertain to you or any other Contributor. If any of the following considerations, uncertainties or material risks develops into actual events, the business, financial position and/or results of operations of the Company and the maintenance and level of usage of the TEU Ecosystem could be materially and adversely affected. In such cases, the industrial utility of TEU tokens (in the case where they are listed on a cryptocurrency exchange) could be negatively impaired due to any of these considerations, uncertainties or material risks, and you may lose all or part of your TEU tokens. Unless the context requires otherwise, all references to "TEU tokens" in this Appendix 1 are to be construed as references.

24.1 Value of your Contribution is not dependent on the managerial effort of the Company

The Company identified a business need in the container shipping industry, which could be addressed by a cryptocurrency and thus invented the TEU token. The value of TEU tokens will depend solely on the adoption and utilisation by participants in the container shipping industry and through recognition within cryptocurrency trading systems. While the Company perceives incentives among the industry players to utilize the TEU tokens in their operation because of their need to solve the industry pain points as outlined in the Whitepaper, the valuation of TEU tokens does not depend on the managerial efforts of the Company. It is our expectation that the incentives of the industry players to use TEU tokens is self-born and self-realizing, and container liners and cargo owners could use the TEU tokens through their own user interface instead of 300cubits' TEU Ecosystem. But we cannot guarantee that our expectations will materialise.

24.2 Risks associated with TEU ICO

No established market of TEU tokens

The TEU ICO is intended for addressing a business need in the container shipping industry by providing TEU tokens as booking deposits. Nevertheless, contributors may at any stage have surplus TEU tokens in excess of their operational requirements and wish to liquidate some of their TEU tokens on a market, or that they may want to acquire more TEU tokens to meet their operational needs. We will try to create a platform on certain exchanges to make this possible. However, the



First and/or Second TEU ICO may not result in an active or liquid market for the TEU tokens.

There is no assurance that exchanges that list TEU tokens will continue to list them. Furthermore, even if listing of cryptocurrency exchange is ongoing, there is no assurance that an active or liquid trading market for the TEU tokens will develop or if developed, be sustained after the TEU tokens have been made available for trading on such cryptocurrency exchange.

A TEU token is not a currency that is issued by any central bank or national, supra-national or quasi-national organization, nor is it backed by any hard assets or other credit. The Company is not responsible for the circulation and trading of TEU tokens on the market. Trading of TEU tokens merely depends on the consensus of its value between relevant market participants, and no one is obliged to purchase any TEU token from any holder of the TEU token, including the Contributors, nor does anyone, including the Company, guarantee the liquidity, performance or market price of TEU tokens to any extent at any time. Accordingly, the Company does not ensure that there will be any demand or market for TEU tokens, or that the Conversion Rate is indicative of the market price of TEU tokens after they have been made available for trading on a cryptocurrency exchange.

For those who may in future want to liquidate surplus TEU tokens, they should be mindful that future sales of the TEU tokens could materially and adversely affect the market price of TEU tokens.

Any future sale of the TEU tokens would increase the supply of TEU tokens in the market and this may result in downward price pressure on the TEU tokens. The sale or distribution of a significant number of TEU tokens outside of the Token Sale (including but not limited to the sales of TEU tokens undertaken after the Token Sale, issuance of TEU tokens to persons other than contributors for purposes of promotion of TEU tokens' early adoption, business development, academic research, education, or issuance of TEU tokens to any other party by the Company or its founders), or the perception that such further sales or issuance may occur, could adversely affect the market price of the TEU tokens. Therefore, you may not be able to liquidate your surplus TEU tokens at a price you wish.

Negative publicity

Negative publicity involving the Company, the TEU Ecosystem, the TEU tokens or any of the key personnel of the Company may materially and adversely affect the market perception or industrial utility of the TEU tokens, whether or not it is justified.

Price Volatility of the TEU tokens following the Token Sale



The market on which you wish to liquidate your surplus TEU tokens, or acquire additional TEU tokens for your operational needs may be volatile. The prices of cryptographic tokens in general tend to be volatile, and can fluctuate significantly over short periods of time. The demand for, and corresponding market price of, the TEU tokens may fluctuate significantly and rapidly in response to, among others, the following factors, all of which are beyond the control of 300cubits and the Company:

- new technical innovations;
- analysts' speculations, recommendations, perceptions or estimates of the TEU token's market price or 300cubits's financial and business performance;
- changes in market valuations and token prices of entities with businesses similar to that of 300cubits that may be listed on the same cryptocurrency exchanges as the TEU tokens;
- fluctuations in market prices and trading volume of cryptocurrencies on cryptocurrency exchanges;
- legal or regulatory action against firms (including the Company) that issue, use or are interested in cryptocurrencies; and

changes in conditions affecting the blockchain or financial technology industry, the general economic conditions or market sentiments, or other events or factors.

The funds raised in the TEU ICO are exposed to risks of theft

The Company will endeavour to ensure that the contributions received from the TEU ICO will be securely held in the Escrow Wallets, which is an address with access thereto by private key held by the directors of the Company during each TEU ICO Tranche. Notwithstanding such security measures, there is no assurance that there will be no theft of the cryptocurrencies as a result of hacks, sophisticated cyber-attacks, distributed denials of service or errors, vulnerabilities or defects on the Sale Website, in the smart contract(s) on which the Escrow Wallet and the TEU ICO relies, on the Ethereum or any other blockchain, or otherwise. Such events may include, for example, flaws in programming or source code leading to exploitation or abuse thereof. In such event, even if the TEU ICO is completed, the Company may not be able to receive the ETH raised and the Company may not be able to utilise such funds for the development of the TEU Ecosystem, and the launch of the TEU Ecosystem might be temporarily or permanently curtailed.

24.3 Risks relating to the Escrow Wallets

The private keys to the Escrow Wallets may be compromised and the cryptocurrencies may not be able to be disbursed.

Standard digital wallets capable of holding contribution crypto currencies respectively have been chosen as the Escrow Wallets. Paper wallets will be used and secured in 2 safe locations at which access is authorized only to 2 founders ("Johnson Leung" and "Jonathan Lee") of the Company. Both founders will use all reasonable



efforts to safeguard the Escrow Wallets, but in the unlikely event that any keys to the Escrow Wallets are, for any reason whatsoever, lost, destroyed or otherwise compromised, the funds held by the Escrow Wallets may not be able to be retrieved and disbursed, and may be permanently unrecoverable. In such event, even if the TEU ICO is successful, the Company will not be able to receive the funds raised and will not be able to utilise such funds for the development of the TEU Ecosystem, and the launch of the TEU Ecosystem might be temporarily or permanently curtailed.

24.4 Risk associated with Forking

TEU tokens are developed on the Ethereum blockchain, which is an open source protocol. Once released to the open source community, anyone may develop a patch or upgrade for the source code of Ethereum without prior permission by anyone else. The acceptance of patches or upgrades by a significant, but not necessarily overwhelming percentage of the Ethereum holders could result in a “fork” in the Ethereum blockchain.

The temporary or permanent existence of forked blockchains could adversely impact the operation of the Company and the utility of TEU. Such a fork can undermine the sustainability of 300cubits ecosystem, and may destroy or frustrate the TEU Ecosystem. While a fork in the blockchain could possibly be rectified by community-led efforts to re-merge the two separate branches, success is not guaranteed and could take an undetermined amount of time to achieve. Any forking may adversely affect the industrial utility of the TEU tokens.

24.5 Risks associated with 300cubits

The TEU Ecosystem is operated and maintained by 300cubits. Any events or circumstances which adversely affect 300cubits may have a corresponding adverse effect on the TEU Ecosystem if such events or circumstances affect 300cubits’s ability to maintain the TEU Ecosystem.

300cubits may be materially and adversely affected if it fails to effectively manage its operations as its business develops and evolves, which would have a direct impact on its ability to maintain the TEU Ecosystem and consequently the utility of the TEU tokens.

The financial technology and cryptocurrency industries, and the markets in which 300cubits competes have grown rapidly over the history of 300cubits’s operations and continue to evolve in response to new technological advances, changing business models and other factors. As a result of this constantly changing environment, 300cubits may face operational difficulties in adjusting to the changes, and the sustainability of 300cubits will depend on its ability to manage its operations and ensure that it hires qualified and competent employees, and



provides proper training for its personnel. As its business evolves, 300cubits must also expand and adapt its operational infrastructure. 300cubits's business relies on its blockchain-based software systems, cryptocurrency wallets or other related token storage mechanisms, blockchain technology and smart contract technology, and to manage technical support infrastructure for the TEU Ecosystem effectively, 300cubits will need to continue to upgrade and improve its data systems and other operational systems, procedures and controls. These upgrades and improvements will require a dedication of resources, are likely to be complex and increasingly rely on hosted computer services from third parties that 300cubits does not control. If 300cubits is unable to adapt its systems and organisation in a timely, efficient and cost-effective manner to accommodate changing circumstances, its business, financial condition and results of operations may be adversely affected. If the third parties whom 300cubits relies on are subject to a security breach or otherwise suffer disruptions that impact the services 300cubits utilises, the integrity and availability of its internal information could be compromised, which may consequently cause the loss of confidential or proprietary information, and economic loss. The loss of financial, labour or other resources, and any other adverse effect on 300cubits's business, financial condition and operations, would have a direct adverse effect on 300cubits's ability to maintain the TEU Ecosystem.

300cubits may experience system failures, unplanned interruptions in its network or services, hardware or software defects, security breaches or other causes that could adversely affect 300cubits's infrastructure network, and/or the TEU Ecosystem.

300cubits is not able to anticipate when there would be occurrences of hacks, cyber-attacks, distributed denials of service or errors, vulnerabilities or defects in the 300cubits App, TEU Ecosystem, the smart contracts on which the Company or the TEU Ecosystem relies or on the Ethereum or any other blockchain. Such events may include, for example, flaws in programming or source code leading to exploitation or abuse thereof. 300cubits may not be able to detect such hacks, cyber-attacks, distributed denials of service errors vulnerabilities or defects in a timely manner, and may not have sufficient resources to efficiently cope with multiple service incidents happening simultaneously or in rapid succession.

300cubits's network or services, which would include the TEU Ecosystem, could be disrupted by numerous events, including natural disasters, equipment breakdown, network connectivity downtime, power losses, or even intentional disruptions of its services, such as disruptions caused by software viruses or attacks by unauthorised users, some of which are beyond 300cubits's control. Although 300cubits has taken steps against malicious attacks on its appliances or its infrastructure, which are critical for the maintenance of the TEU Ecosystem and its other services, there can be no assurance that cyber-attacks, such as distributed denials of service, will not be



attempted in the future, that 300cubits's enhanced security measures will be effective. 300cubits may be prone to attacks on its infrastructure intended to steal information about its technology, financial data or user information or take other actions that would be damaging to 300cubits and users of the TEU Ecosystem.

24.6 Flaw in source codes

While the Company adopts quality assurance procedures to help ensure the source codes as accurately as possible reflect their intended operation, the flawlessness of the source codes cannot be guaranteed. They may contain bugs, defects, inconsistencies, flaws or errors, which may disable some functionality, create vulnerabilities or cause instability. Such flaws may compromise the predictability, usability, stability, and/or security of the TEU and TEU Ecosystem. Open source codes rely on transparency to promote community-sourced identification and solution of problems within the code. Any flaw in coding may adversely affect the industrial utility of the TEU tokens.

24.7 Risks associated with Third-party developers and suppliers

In creating the TEU Ecosystem, 300cubits will aggregate systems and contents from third parties. Therefore, the TEU Ecosystem will act as an open-access platform to accommodate various types of de-centralized applications, smart contract programs and ancillary services. Some or all of these applications, programs or services may connect into or be set up on TEU Ecosystem without any restriction, vetting, authorization or control. The Company neither intends nor has the capabilities to act as an authority to scrutinize to any extent any applications, programs or services to be developed on, connected to or otherwise associated with the TEU Ecosystem. Any improper Third-party developer and supplier behaviour may adversely affect the industrial utility of the TEU tokens.

24.8 Risk associated with newly implemented regulations

Numerous regulatory authorities across jurisdictions have been outspoken about considering the implementation of regulatory regimes which govern cryptocurrency or cryptocurrency markets. The Company or the TEU tokens may be affected by newly implemented regulations relating to cryptocurrencies or cryptocurrency markets, including having to take measures to comply with such regulations, or having to deal with queries, notices, requests or enforcement actions by regulatory authorities, which may negatively impact the use of TEU tokens in general. Further, it is difficult to predict how or whether governments or regulatory authorities may implement any changes to laws and regulations affecting distributed ledger technology and its applications, including the TEU tokens. The Company may also have to cease operations in a jurisdiction that makes it illegal to operate in such jurisdiction, or make it commercially un-viable or un-desirable to obtain the necessary regulatory approval(s) to operate in such jurisdiction. In



scenarios such as the foregoing, the industrial utility of TEU tokens may be adversely affected or TEU tokens may cease to be traded.

24.9 Un-anticipated risks arising from the TEU tokens

Cryptographic tokens such as the TEU tokens are a relatively new and dynamic technology. In addition to the risks included in this Appendix 1, there are other risks associated with your Contribution, holding and use of the TEU tokens, including those that the Company and 300cubits cannot anticipate. Such risks may further materialise as un-anticipated variations or combinations of the risks discussed in this Appendix 1.