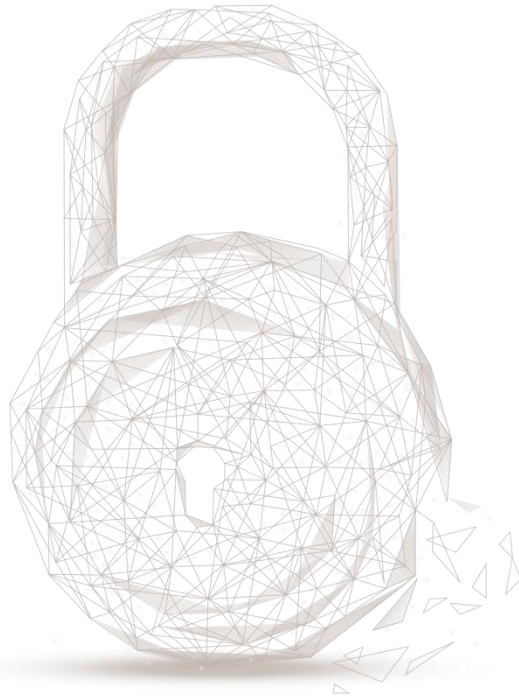




Smart contract security audit report



Audit Number: 202103042149

Smart Contract Info:

Smart Contract Name	Smart Contract Address	Smart Contract Address Link
ETHLavaRewards2	0xa33aa612101ecf533da40dad0a49ab7eb9fd3358	https://scan.hecochain.com/address/0xa33aa612101ecf533da40dad0a49ab7eb9fd3358#contracts
HBTCLavaRewards2	0x3cce6e22d7dc39f5499539a3199b29e26bc287ff	https://scan.hecochain.com/address/0x3cce6e22d7dc39f5499539a3199b29e26bc287ff#contracts
HTLavaRewards2	0xe392e82f2ddcf7642052af1b251443b96d11112b	https://scan.hecochain.com/address/0xe392e82f2ddcf7642052af1b251443b96d11112b#contracts
USDTLavaRewards2	0xc5d787ea3c0881bfc0e28c63e21c3237668c90af	https://scan.hecochain.com/address/0xc5d787ea3c0881bfc0e28c63e21c3237668c90af#contracts

Start Date: 2021.03.04

Completion Date: 2021.03.04

Overall Result: Pass

Audit Team: Beosin (Chengdu LianAn) Technology Co. Ltd.

Audit Categories and Results:

No.	Categories	Subitems	Results
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1	Coding Conventions	Compiler Version Security	Pass
		Deprecated Items	Pass
		Redundant Code	Pass
		SafeMath Features	Pass
		require/assert Usage	Pass
		Gas Consumption	Pass
		Visibility Specifiers	Pass
		Fallback Usage	Pass
2	General Vulnerability	Integer Overflow/Underflow	Pass
		Reentrancy	Pass
		Pseudo-random Number Generator (PRNG)	Pass
		Transaction-Ordering Dependence	Pass
		DoS (Denial of Service)	Pass
		Access Control of Owner	Pass
		Low-level Function (call/delegatecall) Security	Pass
		Returned Value Security	Pass
		tx.origin Usage	Pass
		Replay Attack	Pass
3	Business Security	Business Logics	Pass
		Business Implementations	Pass

Note: Audit results and suggestions in code comments

Disclaimer: This audit is only applied to the type of auditing specified in this report and the scope of given in the results table. Other unknown security vulnerabilities are beyond auditing responsibility. Beosin (Chengdu LianAn) Technology only issues this report based on the attacks or vulnerabilities that already existed or occurred before the issuance of this report. For the emergence of new attacks or vulnerabilities that exist or occur in the future, Beosin (Chengdu LianAn) Technology lacks the capability to judge its possible impact on the security status of smart contracts, thus taking no responsibility for them. The security audit analysis and other contents of this report are based solely on the documents and materials that the contract provider has provided to Beosin (Chengdu LianAn) Technology before the issuance of this report, and the contract provider warrants that there are no missing, tampered, deleted; if the documents and materials provided by the contract provider are missing, tampered, deleted, concealed or reflected in a situation that is inconsistent with the actual

situation, or if the documents and materials provided are changed after the issuance of this report, Beosin (Chengdu LianAn) Technology assumes no responsibility for the resulting loss or adverse effects. The audit report issued by Beosin (Chengdu LianAn) Technology is based on the documents and materials provided by the contract provider, and relies on the technology currently possessed by Beosin (Chengdu LianAn). Due to the technical limitations of any organization, this report conducted by Beosin (Chengdu LianAn) still has the possibility that the entire risk cannot be completely detected. Beosin (Chengdu LianAn) disclaims any liability for the resulting losses.

The final interpretation of this statement belongs to Beosin (Chengdu LianAn).

Audit Results Explained:

Beosin (Chengdu LianAn) Technology has used several methods including Formal Verification, Static Analysis, Typical Case Testing and Manual Review to audit three major aspects of smart contracts HBTCLavaRewards2, ETHLavaRewards2, HTLavaRewards2 and USDTLavaRewards2, including Coding Standards, Security, and Business Logic. **The HBTCLavaRewards2, ETHLavaRewards2, HTLavaRewards2 and USDTLavaRewards2 contracts passed all audit items. The overall result is Pass.**

The smart contract is able to function properly.

1. Coding Conventions

Check the code style that does not conform to Solidity code style.

1.1 Compiler Version Security

- Description: Check whether the code implementation of current contract contains the exposed solidity compiler bug.
- Result: Pass

1.2 Deprecated Items

- Description: Check whether the current contract has the deprecated items.
- Result: Pass

1.3 Redundant Code

- Description: Check whether the contract code has redundant codes.
- Result: Pass

1.4 SafeMath Features

- Description: Check whether the SafeMath has been used. Or prevents the integer overflow/underflow in mathematical operation.
- Result: Pass

1.5 require/assert Usage

- Description: Check the use reasonability of 'require' and 'assert' in the contract.
- Result: Pass

1.6 Gas Consumption

- Description: Check whether the gas consumption exceeds the block gas limitation.
- Result: Pass

1.7 Visibility Specifiers

- Description: Check whether the visibility conforms to design requirement.
- Result: Pass

1.8 Fallback Usage

- Description: Check whether the Fallback function has been used correctly in the current contract.
- Result: Pass

2. General Vulnerability

Check whether the general vulnerabilities exist in the contract.

2.1 Integer Overflow/Underflow

- Description: Check whether there is an integer overflow/underflow in the contract and the calculation result is abnormal.
- Result: Pass

2.2 Reentrancy

- Description: An issue when code can call back into your contract and change state, such as withdrawing HT.
- Result: Pass

2.3 Pseudo-random Number Generator (PRNG)

- Description: Whether the results of random numbers can be predicted.
- Result: Pass

2.4 Transaction-Ordering Dependence

- Description: Whether the final state of the contract depends on the order of the transactions.
- Result: Pass

2.5 DoS (Denial of Service)

- Description: Whether exist DoS attack in the contract which is vulnerable because of unexpected reason.
- Result: Pass

2.6 Access Control of Owner

- Description: Whether the owner has excessive permissions, such as malicious issue, modifying the balance of others.
- Result: Pass

2.7 Low-level Function (call/delegatecall) Security

- Description: Check whether the usage of low-level functions like call/delegatecall have vulnerabilities.

- Result: Pass

2.8 Returned Value Security

- Description: Check whether the function checks the return value and responds to it accordingly.
- Result: Pass

2.9 tx.origin Usage

- Description: Check the use secure risk of 'tx.origin' in the contract.
- Result: Pass

2.10 Replay Attack

- Description: Check whether the implement possibility of Replay Attack exists in the contract.
- Result: Pass

2.11 Overriding Variables

- Description: Check whether the variables have been overridden and lead to wrong code execution.
- Result: Pass

3. Business Security

In this project, Four "stake rewards" smart contracts were implemented based on the same code structure, namely HBTCLavaRewards2, ETHLavaRewards2, HTLavaRewards2 and USDTLavaRewards2. The code logic of each smart contract implementation code is the same, except for the name and address. The following screenshots are based on HBTCLavaRewards2,

3.1 Stake Initialization

- Description: The "stake-reward" mode of the contract needs to initialize the relevant parameters (*rewardRate*, *lastUpdateTime*, *periodFinish*), call the *notifyRewardAmount* function by the specified reward distribution manager address *rewardDistribution*, and enter the initial reward used to calculate the *rewardRate*, initialize the stake and reward related parameters. This function can be called by the specified address *rewardDistribution* at any time to control the reward rate and the key time judgment condition, even if the *rewardRate* is updated when the *checkhalve* modifier executes the logic, it can still be modified by entering the specified value reward in this function. If the value is too small, the user's reward will not match expectations.


```
function notifyRewardAmount(uint256 reward)
    external
    onlyRewardDistribution
    updateReward(address(0))
{
    if (block.timestamp >= periodFinish) {
        rewardRate = reward.div(DURATION);
    } else {
        uint256 remaining = periodFinish.sub(block.timestamp);
        uint256 leftover = remaining.mul(rewardRate);
        rewardRate = reward.add(leftover).div(DURATION);
    }
    lastUpdateTime = block.timestamp;
    periodFinish = block.timestamp.add(DURATION);
    emit RewardAdded(reward);
}
```

Figure 1 source code of notifyRewardAmount

- Related functions: *notifyRewardAmount*, *rewardPerToken*, *lastTimeRewardApplicable*
- Result: Pass

3.2 Stake HBTC tokens

- Description: The contract implements the *stake* function to stake the HBTC tokens. The user need to *approve* the contract address in advance. By calling the *transferFrom* function in the HBTC contract, the contract address transfers the specified amount of HBTC tokens to the contract address on behalf of the user; This function restricts the user to call only after the "stake-reward" mode is turned on (the specified time is reached); each time this function is called to *stake* tokens, the reward related data is updated through the modifier *updateReward*. (It should be noted here that the rewardRate will be reduced by half in the second cycle, and there will be no rewards in the future)

```
// stake visibility is public as overriding LPTokenWrapper's stake() function
function stake(uint256 amount) public updateReward(msg.sender) checkhalve checkStart{
    require(amount > 0, "Cannot stake 0");
    super.stake(amount);
    emit Staked(msg.sender, amount);
}
```

Figure 2 source code of stake function(1/2)

```
function stake(uint256 amount) public {
    _totalSupply = _totalSupply.add(amount);
    _balances[msg.sender] = _balances[msg.sender].add(amount);
    y.safeTransferFrom(msg.sender, address(this), amount);
}
```

Figure 3 source code of stake function(2/2)

```
modifier checkhalve(){
    if (block.timestamp >= periodFinish) {
        if(halveTimes > 0){
            initreward = initreward.mul(50).div(100);
            rewardRate = initreward.div(DURATION);
            periodFinish = block.timestamp.add(DURATION);
            halveTimes = halveTimes.sub(1);
            emit RewardAdded(initreward);
        }
        else{
            rewardRate = 0;
        }
    }
    _;
}
```

Figure 4 source code of modifier checkhalve

- Related functions: *stake*, *rewardPerToken*, *lastTimeRewardApplicable*, *earned*, *balanceOf*
- Result: Pass

3.3 Withdraw HBTC tokens

- Description: The contract implements the *withdraw* function to withdraw the HBTC tokens. By calling the *transfer* function in the token contract, the contract address transfers the specified amount of HBTC tokens to the user; This function restricts the user to call only after the "stake-reward" mode is turned on (the specified time is reached); each time this function is called to stake tokens, the reward related data is updated through the modifier *updateReward*. (It should be noted here that the rewardRate will be reduced by half in the second cycle, and there will be no rewards in the future)

```
function withdraw(uint256 amount) public updateReward(msg.sender) checkhalve checkStart{
    require(amount > 0, "Cannot withdraw 0");
    super.withdraw(amount);
    emit Withdrawn(msg.sender, amount);
}
```

Figure 5 source code of withdraw function(1/2)


```
function withdraw(uint256 amount) public {  
    _totalSupply = _totalSupply.sub(amount);  
    _balances[msg.sender] = _balances[msg.sender].sub(amount);  
    y.safeTransfer(msg.sender, amount);  
}
```

Figure 6 source code of withdraw function(2/2)

- Related functions: *withdraw*, *rewardPerToken*, *lastTimeRewardApplicable*, *earned*, *balanceOf*
- Result: Pass

3.4 Withdraw rewards (lava)

- Description: The contract implements the *getReward* function to withdraw the rewards (lava). By calling the *transfer* function in the Lava contract, the contract address transfers the specified amount (all rewards of caller) of lava to the user; This function restricts the user to call only after the "stake-reward" mode is turned on (the specified time is reached); each time this function is called to stake tokens, the reward related data is updated through the modifier *updateReward*. (It should be noted here that the *rewardRate* will be reduced by half in the second cycle, and there will be no rewards in the future)

```
function getReward() public updateReward(msg.sender) checkhalve checkStart{  
    uint256 reward = earned(msg.sender);  
    if (reward > 0) {  
        rewards[msg.sender] = 0;  
        lava.safeTransfer(msg.sender, reward);  
        emit RewardPaid(msg.sender, reward);  
    }  
}
```

Figure 7 source code of function getReward

- Related functions: *getReward*, *rewardPerToken*, *lastTimeRewardApplicable*, *earned*, *balanceOf*
- Result: Pass

3.5 Exit the stake participation

- Description: The contract implements the *exit* function to close the participation of "stake-reward" mode. Call the *withdraw* function to withdraw all stake Lava, call the *getReward* function to receive all rewards. The user address cannot get new rewards because the balance of HBTC tokens already staked is empty.

```
function exit() external {  
    withdraw(balanceOf(msg.sender));  
    getReward();  
}
```

Figure 8 source code of function exit

- Related functions: *exit*, *withdraw*, *getReward*, *rewardPerToken*, *lastTimeRewardApplicable*, *earned*, *balanceOf*

- Result: Pass

3.6 Reward related data query function

- Description: Contract users can query the earliest timestamp between the current timestamp and the *periodFinish* by calling the *lastTimeRewardApplicable* function; calling the *rewardPerToken* function can query the gettable rewards for each stake HBTC; calling the *earned* function can query the total claimable stake rewards of the specified address.

- Related functions: *lastTimeRewardApplicable*, *rewardPerToken*, *earned*

- Result: Pass

4. Conclusion

Beosin(ChengduLianAn) conducted a detailed audit on the design and code implementation of the smart contracts HBTCLavaRewards2, ETHLavaRewards2, HTLavaRewards2 and USDTLavaRewards2. The HBTCLavaRewards2, ETHLavaRewards2, HTLavaRewards2 and USDTLavaRewards2 contracts passed all audit items, The overall audit result is Pass.



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