Disclosure of Risks of Margin Trading

Article 1 Disclosure of Risks of Margin Trading

SNB Finance Holdings Limited (Trading name: Snowball-X, Snowball Securities, or 雪盈证券) is providing this document to you to provide some basic facts about purchasing Financial Products (including shares, stocks, options and futures) ("Financial Products") on margin (credit terms), and to alert you to the risks involved in trading with a margin account and of granting security to SNB over your Financial Products.

"Margin trading" means where you undertake transactions in which:

- you purchase Financial Products partially through a loan ("margin loan") provided to you by SNB (also known as a "Long Sale"), or

- you sell Financial Products partially through a securities loan provided to you by SNB or a third party introduced by SNB (also known as a "Short Sale").

To secure your obligations to SNB under margin loans (including your obligation to pay SNB interest and to repay the principal), you grant SNB security over your Financial Products and other personal property held by or through SNB.

Under SNB terms and conditions, that security also secures obligations of SNB to third parties. That means your Financial Products (and other assets) could, in some circumstances, be sold to allow SNB to meet its obligations to third parties (and also to meet your obligations to SNB). Where sold to meet SNB's obligations to third parties you would still have the right to claim the equivalent value from SNB but you would be an unsecured creditor of SNB for such amounts.

In addition, SNB can provide (directly or indirectly) your Financial Products to other parties in a practice known as "stock lending". In that case you are exposed to counter-party risk that the other borrower may fail to retransfer or deliver the Financial Products (or their equivalent) to SNB or a relevant third party (e.g. if they become insolvent).

Accordingly you assume very significant risk to your Financial Products and other personal property under these arrangements and you could suffer significant or complete loss of your Financial Products and other personal property (with a real risk that SNB may not be able to pay you the equivalent value). That's the even if you comply with all of your obligations to SNB and even if your Financial Products maintain or increase their market value.

Before trading Financial Products using a margin loan, you should carefully review the provisions for margin trading in SNB's Client Agreement ("Margin provisions") provided by SNB and you should seek professional advice as required. SNB can answers any questions you may have about margin accounts but that is not professional advice.

If you choose to borrow funds from SNB, you will open a margin account with us. The Financial Products purchased (and any other Financial Products, and other personal property, you, SNB or a third party hold through use of SNB services) are SNB's security for the loan to you. If the Financial Products in your account decline in value, so does the value of the security supporting your loan, and, as a result, SNB can take actions, such as selling Financial Products or other assets in any of your accounts held with SNB or issue a margin call (an obligation on you to pay funds to SNB), in order to maintain required equity (value) in the account.

When you sell Financial Products, you may borrow some Financial Products for sale. If you choose to borrow Financial Products from SNB or the third party through SNB, you must also have a margin account with us and abide by the rules of margin trading.

You should understand that, pursuant to the SNB Margin provisions, SNB generally will not issue margin calls, and that SNB will not credit your account to meet intraday margin deficiencies. In most circumstances SNB will liquidate Financial Products in your account in order to satisfy margin requirements without prior notice to you and without an opportunity for you to choose the Financial Products to be liquidated or the timing or order of liquidation.

In addition, it is important that you fully understand the risks involved in trading Financial Products on margin. These risks include but not limited to the following:

1.1. You could lose more funds than the value in the margin account (that is the value of Financial Products and other personal property SNB holds for you). A decline in the value of Financial Products that are purchased on margin may require you to provide additional funds to SNB or you must put up margin (deposit more funds) to avoid the forced sale of those Financial Products or other assets in your account(s).

1.2. SNB can force the sale of Financial Products or other assets in your account(s). If the equity (total value) in your account falls below the minimum margin requirements we set (directly or via relevant markets) SNB can sell the Financial Products or other assets in any of your accounts held with us to cover the margin deficiency. You also will be responsible for any shortfall in the account after such a sale.

1.3. SNB can sell your Financial Products or other assets without contacting you. Some investors mistakenly believe that a firm must contact them for a margin call to be valid, and that the firm cannot liquidate Financial Products or other assets in their accounts to meet the call unless the firm has contacted them first. This is not the case. As noted above, SNB generally will not issue margin calls and SNB reserves the right, but is not obliged, to immediately sell your Financial Products without notice to you in the event that your account has insufficient margin.

1.4. You are not entitled to choose which Financial Products or other assets in your account(s) that are liquidated or sold to meet a margin call. SNB has the right to decide which Financial Products to sell in order to protect its interests.

1.5. SNB can increase the minimum margin requirements at any time and is not required to provide you with advance written notice. These changes often take effect immediately. Your failure to maintain adequate margin in the event of an increased margin rate generally will cause SNB to liquidate or sell Financial Products in your account(s).

1.6. If SNB chooses to issue a margin call rather than immediately liquidating under-margined Financial Products, you are not entitled to an extension of time on the margin call. As a holder of a margin account at SNB, you shall have sufficient equity in your margin account to satisfy the margin required by the relevant exchange and regulators.

1.7. The Margin Facility is a non-standard margin lending facility because you must transfer to SNB (or a third party we select) all your rights, title, and interest in your Financial Products Securities as security for your obligations (and also as security for SNB's obligations to third parties). When you transfer Financial Products to us or a third party, those Financial Products will be held in either our name or the name of third party together with other financial products held in relation to the Margin Facility provided to other clients.

1.8. SNB is authorised to transfer those Financial Products to any person in the ordinary course of and for the purposes of our business under an arrangement commonly known as a 'stock lending' arrangement which requires that person to undertake to retransfer or deliver the Financial Products (or their equivalent) to us. If SNB (or third parties) enters into such stock lending arrangements, you are exposed to counter-party risk that the borrower may fail to retransfer or deliver the Financial Products (or their equivalent) to us or a relevant third party (e.g. if they become insolvent).

1.9. Also, we may not be able to fulfil a request to deliver the Financial Products (or their equivalent) to you if the market for the Financial Products becomes illiquid resulting in it being impossible to obtain equivalent securities to transfer to you.

1.10. In the event of SNB's insolvency, you will be an unsecured creditor. Accordingly, there is the risk that SNB may not be able to retransfer the Financial Products or equivalent securities back to you as contemplated above. This might arise, for example, if we have not discharged our obligations under the stock lending arrangements, or if the Financial Products are used to secure the indebtedness of SNB.

Article 2 Disclosure of Risks for Short Sales

There are some special close-out risks for the Short Sale in margin accounts.

Customers holding short positions in Financial Products are at risk of having these Financial Products bought-in and closed out by SNB with little or no advance notice. This is a risk inherent to short sales and is generally outside your control. It is also subject to regulatory rules which dictate the time frames by which we must act. While similar in their effect, the term “buy-in” refers to an action taken by a third party with a “close-out” being one taken by SNB. These actions typically result from one of the following three events：

(1) The shares required to be delivered when a short sale settles cannot be borrowed.
When stock is sold short, the broker must arrange for the shares to be borrowed at settlement, which in the case of U.S. Financial Products is the second business day following the date of the trade (T+2). Prior to executing the short sale, SNB must make a good faith determination that shares will likely be available for borrowing when needed and this is accomplished by verifying their current availability. Note that in the absence of a pre-borrow arrangement, there is no assurance that shares available to be borrowed on the date of trade will remain available to be borrowed thereafter and the short sale may be subject to forced close-out if they are not. The processing timeline for determination of close-out is as follows:

A. T+2 (all times in ET)

14:30 – If SNB is far unable to borrow shares to meet settlement and anticipates a substantial likelihood that it will not be able to borrow shares to meet settlement, a communication will be sent, on a best-efforts basis, notifying you of the potential close-out. You will have until the end of extended hours trading that day to close out the short Final Products(s) on their own to avoid forced close-out. If at any time SNB is able to borrow shares, an attempt will be made to communicate that information to you.

15:15 – A communication will be sent, on a best-efforts basis, in the event you have not closed out the short position(s) and SNB has not borrowed shares. You will still have until the end of extended hour trading that day to close out the short position(s) to avoid forced close-out.

16:50 – If SNB was unable to borrow shares to meet settlement, you will be sent, on a best-efforts basis, a communication informing you that SNB was unable to borrow shares by close of business on T+2 and that a final attempt will be made up until 09:00 on T+3.

B. T+3

09:00 – If SNB is unable to borrow shares by 09:00, close-out will commence upon the market open at 09:30 ET. The close-out will be reflected within the Tiger Trade APP trades window at an indicative price.

09:30 – SNB initiates close-out using a volume weighted average price order (VWAP) scheduled to run over the entire trading day. The indicative price reflected within the Tiger Trade APP trades window will be updated with the actual price upon completion of the close-out.

(2) Once a short sale has been settled (i.e., stock has been borrowed and used to deliver the sales sold short to the buyer), the lender (which might be SNB or the third party) of the shares reserves the right to request their return at any time. Should a recall occur, SNB will attempt to replace the previously borrowed shares with those from another lender. If shares cannot be borrowed, the lender reserves the right to issue a formal recall which allows for a buy-in in your name to take place in the event SNB doesn't return the recalled stock. Given the volume of formal recalls which we receive but are not later acted upon, SNB does not provide you with advance warning of these recall notices.

(3) A failure to deliver with the clearinghouse occurs.
A failure to deliver occurs when a broker has a net short settlement obligation with the clearinghouse and does not have the shares available within its own inventory or cannot borrow them from another broker in order to meet the delivery obligation. SNB will close-out your holding short positions to satisfy the delivery obligation.

You should note that on any day on which you have been closed out, you are required to end the day as a net purchaser in aggregate across all of your account(s) with SNB of at least the number of shares you were closed out on (in the security you were closed out on). For the remainder of the trading day on which you were closed out, you will not be permitted to (i) short sell the stock you were closed out in, (ii) write in-the-money call options on the stock you were closed out in, or (iii) exercise put options on the stock you were closed out in (the "Trading Restrictions"). If you nevertheless do not end the day as a net purchaser of the required number of shares for the stock you have been closed out in (for example, as the result of being assigned on call options previously written)—in aggregate across all of your accounts with SNB, SNB will perform another close-out in the account on the next trading day for the number of shares that, when added to your aggregate net trading activity in such stock on the close-out date, would make you a net purchaser of the required number of shares of such stock that day, and you will again be required to remain a net purchaser across all of your accounts of that many shares and again subject to the Trading Restrictions for the remainder of that day.

You should be aware that based on the manner in which SNB is required to execute a close-out and a third party is allowed to execute a buy-in, significant differences between the price at which the transaction was executed and the prior day's close may happen. These differences may be especially pronounced in the case of illiquid Financial Products. You should be aware of these risks and manage your portfolio accordingly.

Article 3 Introduction of the Margin System

An automated electronic system ("Margin System") by SNB is designed to set, renew and enforce margin requirements, and operate with respect to margin transactions in your account.

SNB's Margin System provides pre- and post-execution controls by:

(1) testing your orders to ensure that your account holds enough equity to support the execution of the order, rejecting the order if equity is insufficient or directing the order to an execution destination if equity is sufficient; and

(2) continuously updating your account's equity and margin requirements and, if your account's equity falls below its minimum margin requirements, issuing liquidating orders in a sequence generally intended to minimize the impact on account equity.

(3) Protections in the SNB Margin System prevent you from withdrawing an intraday amount which would cause your account equity to fall below the applicable margin requirements for any position in Financial Products in the account or the minimum available equity level set by SNB, any exchange or other regulator.

Recognizing that you are an experienced investor, SNB expects you to manage your positions proactively. SNB provides credit manager software in the SNB Terminals for you to monitor your account equity on a real-time or near real-time basis through your trading screens, and you are obligated to monitor your account equity and manage your trading risks.

I HAVE READ AND ACKNOWLEDGED THE RISKS OF MARGIN TRADING AND OF SECURITY GRANTED TO SNB, AND I AGREE TO BEAR ALL THE RISKS, LOSSES AND RESPONSIBILITIES OF MARGIN TRADING AND THE RELATED GRANTING OF SECURITY.

I ACKNOWLEDGE THAT MY ACCEPTANCE OF THE CONTENTS OF THIS DISCLOSURE IS THE EQUIVALENT OF MY HAND-WRITTEN SIGNATURE.

Signature:

Date: