

OTC Securities Trading Risk Disclosure Statement

Before you invest, you should carefully read the OTC Securities Trading Risk Disclosure Statement (the "Risk Disclosure Statement") provided by SNB Finance Holdings Limited (Trading name: Snowball-X, Snowball Securities, or 雪盈证券, "SNB").

SNB accepts orders to trade certain symbols from OTC Markets^[1] (the "OTC Securities"). The Risk Disclosure Statement is to provide the necessary information concerning the OTC Securities trading and assist you in making an informed assessment of the risks and uncertainties associated. In light of these risks, you should undertake such transactions only if you understand nature of the transactions and the extent of your risk exposure. Not all clients are suitable for OTC Securities trading; therefore, you should carefully consider whether it is appropriate in the light of your experience, objectives, financial resources, risk tolerance, and other relevant factors. You should carefully read the terms and conditions of OTC Securities and rules associated and relevant responsibilities before you decide to invest. If in any doubt, you should seek professional advice. It would be best if you also read the other risk disclosure statements concerning stock trading.

1. About OTC Securities

SNB enables its clients to trade certain OTC Securities. Not all OTC Securities are available to trade. Before you invest, you should determine whether a symbol is available as it may influence your investment objectives.

Investment in OTC Securities is speculative and involves a high degree of risk, this is because some OTC Securities are not subject to financial reporting standards or disclosure requirements. Additionally, reliable information regarding issuers of OTC Securities, their prospects, and risks associated with the business of any particular issuer or an investment in the issuer's stocks may not be available. As a result, it may not be easy to value an investment in OTC securities properly.

OTC Securities are suitable for professional and sophisticated investors with a high risk-tolerance for trading stocks which have limited information available and limited regulatory oversight. Some OTC Securities are typically penny stocks, low-priced shares of small companies or shell companies, shares of distressed companies not willing or able to disclose information, delisted symbols, or foreign equity issues unqualified to list on New York Stock Exchange or Nasdaq.

By trading in OTC securities, you accept the risk that you may lose all or part of your initial investment amount. Given that OTC Securities disclosure requirements are less stringent, OTC Securities are frequent targets of market manipulation. Some market participants may dominate the market and set prices that are not based on competitive forces. Some market participants may create fraudulent markets and control the sudden sharp increase or collapse in share price.

2. Market Liquidity

Many OTC Securities are relatively illiquid. Illiquid stocks are often difficult for investors to buy or sell without dramatically affecting the quoted price. Fewer market participants can lead to less liquidity and more volatile price fluctuations. In some cases, the liquidation of a position in OTC Securities may not be possible within a reasonable period of time. You may find it hard selling OTC Securities with little or no value in the open market.

3. Counter-party Risk

The presence of counter-party risk should be considered when assessing OTC transactions. OTC Securities are unlike exchange traded securities, to the extent that the participants in such markets are typically not subject to the same level of credit requirement and regulatory oversight as are members of the regular "exchange based" markets. This may expose you to the risk of counter-party(ies) not fulfilling the relevant settlement obligations in accordance with the terms and conditions of the transaction. Possible reasons for such failures may include, but are not limited to, a dispute over the terms of the transaction or a credit / liquidity problem of the counter-party(ies). Counter-party risk may be accentuated for transactions where the settlement date is further away from the execution date and/or upon any event that may incentivize the counter-party(ies) to default or jeopardize the ability to fulfill the relevant settlement obligation.

4. Trading Commission

As a brokerage firm, SNB does not solicit or recommend transactions in OTC Securities. Because accounts with SNB are self-directed, please perform your own 'due diligence' before investing in any stock. In all OTC Securities transactions, the commission charged is published on the SNB official website.

5. Trading Hours and Trading Unit

You can only trade OTC Securities during regular trading hours that last from 9:30 AM to 16:00 PM US Eastern Standard Time. Pre-market and extended trading are not available. On a half trading day, the trading hours will last from 9:30 AM to 14:00 PM US Eastern Standard Time.

The minimum trading unit of OTC Securities is 1 share. You may place at tick size of US\$ 0.01. Margin trading and short selling are available for some OTC Securities, and such availability may be modified by SNB from time to time without prior notice.

6. Available Order Types and Limitation

You should note that due to the volatile nature of OTC Securities, currently you may only place limit price orders and stop-loss limit orders when trading OTC Securities, and the available order types may be updated from time to time without prior notice to you. You must understand that your order may be delayed due to large order volume.

7. Market Quotation and Additional Fees

By trading in OTC securities, you accept that real-time quotations for OTC Securities is not available. The market price displayed is the market price 15 minutes before. For some OTC Securities, additional fees may be charged to your account due to transfer and custody issues.

This Risk Disclosure Statement is for reference purposes only and is neither an offer nor a solicitation to purchase or sell any financial product or service. None of the information provided in this Risk Disclosure Statement constitutes a recommendation that any product or service is suitable for any person. This Risk Disclosure Statement does not purport to disclose or discuss all of the risks and other significant aspects of any transaction. In light of the risks, you should undertake such transactions only if you understand the nature of the above financial products, the contracts that you are entering into, and the extent of your exposure to risk. You should therefore consult with your own legal, tax, and financial advisers before entering into any particular transaction.

[1] <https://www.otcmarkets.com/>