

## **Extended Hours Trading Risk Disclosure Statement**

Before you trade, you should carefully read the Extended Hours Trading Risk Disclosure Statement (“Risk Disclosure Statement”) provided by SNB Finance Holdings Limited (Trading name: Snowball-X, Snowball Securities, or 雪盈证券).

SNB enables you to trade in the trading session other than during regular trading hours (the “Extended Hours”). The objective of this Risk Disclosure Statement is to provide basic information of Extended Hours trading and to assist you to make an informed assessment of the associated risks and uncertainties. This Risk Disclosure Statement cannot disclose all the potential risks or other significant aspects of Extended Hours trading. In light of the risks associated with Extended Hours trading, you should undertake such transactions only if you understand the nature of the transactions and the extent of your risk tolerance and acceptable exposure to risk. Not all clients are suitable for trading in Extended Hours, therefore you should carefully consider whether such trading 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 and trading rules associated and relevant responsibilities before you decide to trade. If in any doubt, you should seek professional advice.

### **1. About Extended Hours**

Extended Hours refer to the trading hours other than regular trading hours which are from 9:30 AM to 4 PM US Eastern Time. Except for official exchange and market holidays, SNB provides following Extended Hours:

- from 4AM to 9:30 AM US Eastern Time and from 4 PM to 8 PM US Eastern Time; or
- from 4AM to 9:30AM US Eastern Time and from 1 PM to 5 PM US Eastern Time, in case of half trading days.

You can trade exchange-listed stocks and exchange-traded funds in the Extended Hours. Securities quoted on OTC Markets and options are not available. Market quotation is displayed in a real-time manner. It is possible, at any time, that trading in any number of these securities may not be available due to a lack of trading interest. SNB reserves the right, at any time and without notice, to suspend trading in any or all securities in Extended Hours regardless of pending client orders.

### **2. Lower Liquidity and Higher Volatility**

Liquidity refers to the ability of market participants to buy and sell securities. Generally, the more orders that are available in a market, the greater the liquidity. Liquidity is

important because with greater liquidity it is easier for investors to buy or sell securities, and as a result, investors are more likely to pay or receive a competitive price for securities purchased or sold. Compared to the regular trading hours, there may be less market participants and thus lower liquidity in Extended Hours. As a result, your orders may only be partially executed or not executed due to the lower liquidity. You may not be able to buy or sell the securities at your preferred price or quantity.

Volatility refers to the changes in price that securities undergo when trading. Generally, the higher the volatility of a security, the greater its price swings. There may be greater volatility in Extended Hours than in regular trading hours. As a result, your order may only be partially executed or not executed. Potentially you may sustain loss since sometimes you may receive an inferior price when engaging in Extended Hours trading than you would during regular trading hours.

### **3. Risk of Changing Prices**

The prices of securities traded in Extended Hours may not reflect the prices either at the end of regular trading hours or upon market opening of the next trading day. As a result, you may receive an inferior price when engaging in Extended Hours trading than you would during regular trading hours.

### **4. Available Order Types and Charges**

Not all order types are available during Extended Hours. You can place limit order and market order during Extended Hours. Your order will remain valid before your cancel it. Your day order placed during Extended Hours will be automatically canceled when market closes. Commissions and fees are publicly demonstrated on the official website of SNB, and the fee schedule may be modified from time to time without prior notice.

### **5. Order Handling and Trade Settlement**

SNB will attempt to ensure that all orders received for execution are executed in a timely manner. However, because the bid and offer prices of orders reflected in quotations are subject to change, there is no guarantee that your orders will be executed. Sometimes your orders will be partially executed or not executed. In addition, delays or failures in communications or other computer system problems may delay or prevent order execution.

The trade date for orders entered will be the order execution date. Such trades will normally settle in accordance with the customary settlement time applicable to the market in which orders were executed.

## **6. Risk of Unlinked Markets**

Depending on the Extended Hours trading system or the time of day, the prices displayed on a particular Extended Hours trading system may not reflect the prices in other operating systems dealing in the same securities. Accordingly, you may receive an inferior price in one Extended Hours trading system than you would in another Extended Hours trading system.

## **7. Risk of Issuer Announcements**

Normally, issuers make announcements that may affect the price of their securities before or after regular trading hours. Similarly, important financial information is frequently announced outside of regular trading hours. In Extended Hours trading, these announcements may be released during your trading, and if combined with lower liquidity and higher volatility, may cause an exaggerated and unsustainable effect on the price of a security. You may sustain loss from Extended Hours trading.

## **8. Lack of Market Data**

For certain derivatives, an updated underlying index value or intraday indicative value may not be calculated or publicly disseminated during the Extended Hours. An investor who is unable to calculate implied values for certain derivatives in those sessions may be at a disadvantage to professional market participants. Many Extended Hours traders are professionals with large institutions, such as mutual funds, who may have access to more information than individual investors.

## **9. Wider Spreads**

The spread refers to the difference in price between what you can buy a security for and what you can sell it for. Lower liquidity and higher volatility in Extended Hours may result in wider than normal spreads for a particular security.

## 10. **Conclusion**

This Risk Disclosure Statement do not purport to disclose or discuss all of the risks and other significant aspects of Extended Hours trading. In light of the risks associated with extended hours trading, you should undertake such transaction only if you understand the nature of the transactions you are entering into and the extent of your exposure to risk. You should therefore consult your own legal, tax, and financial advisers before entering into any particular transaction. SNB offering Extended Hours trading service does not constitute a recommendation or conclusion that Extended Hours trading is appropriate for you. You are responsible for familiarizing yourself with the Extended Hours trading of the relevant markets upon which you trade and for determining when to place orders for particular securities, how you wish to direct those orders, and what types of orders to use.

SNB may, from time to time, modify the Risk Disclosure Statement without prior notice.