

## USPL RISK DISCLOSURE STATEMENT

### FRACTIONAL SHARE TRADING

uSmart Securities (Singapore) Pte. Ltd. (“USPL”) allows the Client to purchase certain stocks (“Shares”) in fractional Shares rather than whole Share quantities. This Risk Disclosure Statement outlines the unique features, limitations, and risks associated with trading in and holding fractional Shares.

- 1. Capacity.** In connection with any fractional Share component of any purchase or sale transaction, USPL will generally act as a counterparty and will execute that portion of the trade as principal or riskless principal. For orders that contain both whole and fractional Shares, USPL will act in a mixed capacity: as agent for the whole Share portion and as principal (or riskless principal) for the fractional Share portion of the order. The Client will always be the beneficial owner of any fractional Shares in their account and all fractional Shares owned by the Client are segregated in USPL’s books and records in the same manner and to the same extent as whole shares owned by such Client.
- 2. Transfer of Fractional Shares.** While clients maintain complete day-to-day control of any fractional Shares in their account, fractional shares are not transferable to another broker. If the Client wants to transfer the holdings in an account to another brokerage firm, the fractional Share holdings cannot be transferred and will need to be liquidated before transfer, which may have tax consequences and will result in commission charges. To effect a request for a transfer, USPL will purchase the fractional Shares from the Client's account using the pricing mechanism described above and charge commissions on these closing trades, then transfer the remaining whole Share quantities.
- 3. Available Order Types.** USPL will only accept certain types of orders for fractional Shares (e.g., market orders, limit orders, stop orders, stop limit orders, etc.). In the event that the Client chooses to place an unmarketable limit order with a fractional Share component, the fractional component may not execute until the order becomes marketable (and therefore may not execute at all), even if the order might have executed earlier if submitted for a whole Share quantity.

4. **Voting Rights.** The Client will not have voting rights for any of the fractional Shares held in their account, will not be able to make voluntary elections on any corporate action (including, without limitation, any tender offers or rights offerings) with respect to such fractional Shares, and USPL cannot provide clients any other shareholder documentation for any holdings of less than one Share. The Client will, however, receive payments of dividends, or in some cases in connection with stock dividends, either dividend shares or value commensurate to the dividend Shares, and will otherwise participate normally in any stock splits, mergers or other mandatory corporate actions.
  
5. **Four-Decimal Place Recording.** USPL records the quantity of fractional Shares traded or otherwise held in an Account down to four decimal places as long as the value of the order is at least US\$1.00.