uSMART RISK DISCLOSURE STATEMENT

MARGIN TRADING

uSMART Securities (Singapore) Pte. Ltd. ("**uSMART**") and/or the relevant clearing, custodial and settlement services firm (collectively the "**Firm**") are furnishing this disclosure to the Client to provide some basic facts about the purchase and sale of Marginable Securities on margin, and to alert the Client to the risks involved with the trading of Marginable Securities in a margin account. This Risk Disclosure Statement should be read in conjunction with the Client Agreement, in particular, the Client should carefully review Part 2 of the Client Agreement in relation to Securities Margin Trading.

When the Client purchases Securities, the Client may pay for the Securities in full or borrow part of the purchase price from uSMART, if the Securities to be purchased are Marginable Securities. If the Client chooses to borrow funds from uSMART, the Client must have a Margin Account with uSMART. The Marginable Securities Purchased will be the Firm's collateral for the loan to the Client. If the Securities in the Client's Margin Account decline in value, so does the value of the Collateral supporting the Client's Loan, and, as a result, the Firm can take action, such as the issue of a margin alert/notification/call and/or sale of all or any of the Collateral in order to maintain the required equity in the Margin Account.

The Client should understand that pursuant to the terms and conditions of the provision of a Margin Facility by uSMART, that uSMART generally will not issue margin calls, and may liquidate positions in the Client's Account(s) in order to satisfy margin requirements without prior notice to the Client and without opportunity for the Client to choose the positions to be liquidated or the timing or order of liquidation. The liquidation will incur a fee plus the broker commission.uSMARTuSMART

The Client should also understand that risk of loss in leveraged trading or financing a transaction by deposit of Collateral may be significant. The Client may sustain losses in excess of the Collateral. Market conditions may make it impossible to execute contingent orders, such as "stop-loss" or "stop-limit" orders. Client may be forced liquidated within a short period, which may not be sufficient to make any additional margin deposit/fund, upon receiving margin alert/notification. Moreover, the Client will remain liable for any resulting deficit in the Margin Account and interest charged thereon. The Client should therefore carefully consider whether such a financing arrangement is suitable in light of the Client's own financial position and investment objectives or to obtain advice from a licensed independent financial advisor.

The Client should be aware that the high degree of leverage that is often obtainable in margin trading can work against the Client as well as for the Client due to fluctuating market conditions. The Client may sustain large losses as well as gains in response to a small market movement. While the Collateral required to enter into a transaction may be small relative to the value of the transaction, a relatively small market movement may have a proportionately larger impact.

In addition, it is important that the Client fully understands the risks involved in trading Marginable Securities on margin. These risks include, but are not limited to, the following:

1. **The Client can lose more funds than is deposited in the Margin Account.** A decline in the value of the securities that are purchased on margin may require the Client to provide additional fund to the Firm to avoid the forced sale of those Securities, other Securities and/or Collateral in the Client's Account(s).

2. **The Firm can force the sale of the Collateral in the Client's Account(s).** If the equity in the Client's Margin Account falls below the requirement, or uSMART's higher "house"

requirements, uSMART can sell the Collateral (including Securities) in any of the Client's accounts held at the Firm to cover the margin deficiency. The Client will also be responsible for any shortfall in the Margin Account after such a sale.

3. **The Firm can sell the Client's Collateral without contacting the Client.** Some investors mistakenly believe that a firm must contact them for a margin alert/notification/call to be valid, and that the firm cannot liquidate Collateral (including Securities) in their Accounts to meet the alert/notification/call unless the firm has contacted them first. This is not the case. Most firms will attempt to notify their Clients of margin alert/notification/calls, but they are not required to do so. However, even if a firm has contacted a Client and provided a specific date by which the Client can meet a margin alert/notification/call, the firm can still take necessary steps to protect its financial interests, including immediately selling or buying back securities without notice to the Client. As mentioned above, uSMART can immediately sell the Client's Collateral (including Securities without prior notice to the Client in the event that the equity in Client's account falls below requirement level. Please note that pursuant to the uSMART Client Agreement, uSMART reserves its rights to force liquidate all or any Client's positions.

4. **The Client is not entitled to choose which Collateral in the Client's Account(s) are liquidated or sold to meet margin requirement.** The Collateral (including Securities) are collateral for the margin loan, the Firm has the right to decide which Collateral (including Securities) to sell or liquidate to protect its financial interests.

5. **uSMART can increase its "house" margin requirements at any time and is not required to provide the Client with advance written notice.** These changes in the Firm's policy often take effect immediately and may result in additional requirement of Collateral. The Client's failure to satisfy the requirement may cause the Firm to liquidate or sell Collateral (including Securities) in the Client's Account(s). The Client should be aware that because margin requirements are determined using sophisticated mathematical calculations and theoretical values that must be calculated from market data, it may be more difficult for the Client to predict the size of future margin deficiencies in a Margin Account. This is particularly true in the case of Client who does not have access to specialised software necessary to make such calculations or who do not receive theoretical values calculated and distributed periodically by an approved vendor of theoretical values.

6. **The Client is not entitled to an extension of time to meet margin requirement.** While an extension of time to meet margin requirements may be available to Clients under certain conditions such as if uSMART chooses to issue margin alert/notification/call rather than immediately liquidating under margin positions, the Client does not have the right to an extension.

uSMART Securities (Singapore) Pte. Ltd.
3 Phillip Street #12-04 Royal Group Building Singapore 048693
Co. Reg. No. 202110113K