

# RISK DISCLOSURE RELATED TO MARGIN FINANCING SERVICES

# Risk Disclosure Related to Margin Financing Services

---

Before you use the Margin Financing Services (as defined below), please carefully read these Margin Financing Terms (as defined below). Please also pay attention to the risk disclosures in the Schedule of the General Business Terms. By using the Margin Financing Services, you will be deemed to have accepted these terms and conditions and be bound by them.

## 1. Definitions and Interpretation

### 1.1 Interpretation

If the Client requests and Asia Future Trading approves and agrees to provide financing to the Client, these Margin Financing Terms ("Margin Financing Terms") shall apply to the Client. These Margin Financing Terms supplement the General Business Terms and form part of the agreement between the Client and Asia Future Trading. In the event of any conflict or inconsistency between these Margin Financing Terms and any other terms, these Margin Financing Terms shall prevail.

### 1.2 Definitions

Unless otherwise defined herein, terms shall have the meanings ascribed to them in the General Business Terms. Additionally, the following terms have the following meanings:

Term	Definition
"Client Money Rules"	The Securities and Futures (Client Money) Rules (Cap. 5711 of the Laws of Hong Kong)
"Client Securities Rules"	The Securities and Futures (Client Securities) Rules (Cap. 571H of the Laws of Hong Kong)
"Financing"	The credit service provided by Asia Future Trading to the Client from time to time under these Margin Financing Terms, the General Business Terms, and any other terms agreed between Asia Future Trading and the Client for the purchase or subscription of instruments recorded in the Margin Account
"Financing Limit"	The maximum principal amount of financing provided to the Client under the financing arrangement notified to the Client, which Asia Future Trading may amend at its sole discretion at any time
"General Business Terms"	Asia Future Trading's General Business Terms

# Risk Disclosure Related to Margin Financing Services

"Instruction"	Instructions issued to Asia Future Trading under Clause 6 of the General Business Terms
"Loan"	The total principal and interest owed by the Client to Asia Future Trading at any time under the financing arrangement
"Margin Financing Terms"	These margin financing terms
"Margin Account"	One or more accounts maintained by Asia Future Trading from time to time for recording the Client's purchases or sales of instruments and contracts, and included within the definition of "Account" in the General Business Terms
"Margin Financing Services"	The services related to margin financing as described in these Margin Financing Terms
"Margin Securities"	Instruments recorded in the Margin Account belonging to the Client. For avoidance of doubt, where the term "Collateral" is used in these Margin Financing Terms, it shall include Margin Securities where the context permits
"AFTT"	Asia Future Trading
"Securities Value"	For any Margin Securities at any particular time, the market price that Asia Future Trading may, at its sole discretion, determine to be obtainable on that market at that time (net of costs), where a market for such similar instruments normally exists. For clarity, certain Margin Securities may be valued by Asia Future Trading at zero or no value

## 2. Margin Financing Services

- 2.1 The Client hereby instructs and authorizes Asia Future Trading to open and maintain from time to time one or more Margin Accounts in Asia Future Trading's books in the Client's name for the purpose of purchasing, investing, selling, trading, or otherwise dealing in all kinds of instruments in the ordinary course.
- 2.2 Unless otherwise specified by Asia Future Trading (in relevant contracts) or these Margin Financing Terms, Asia Future Trading shall act as the Client's agent only when delivering or receiving funds, share certificates, or other documents related to the fulfillment of margin financing obligations.

## Risk Disclosure Related to Margin Financing Services

---

- 2.3 All contracts in the Margin Account may be executed by Asia Future Trading on any regulated market authorized for securities trading or through any other broker Asia Future Trading may appoint at its discretion.
- 2.4 Asia Future Trading will not notify the Client of any information relating to general or special meetings of shareholders or any special information communicated by issuers of Margin Securities. Asia Future Trading has no obligation to forward any notices, communications, proxies, or other documents relating to Margin Securities to the Client.
- 2.5 Except upon a default event, Asia Future Trading will not attend such meetings. Unless the Client provides written instructions prior to any deadline, Asia Future Trading will not exercise any voting rights or other rights related to Margin Securities on the Client's behalf.
- 2.6 The Client acknowledges that the relationship with Asia Future Trading, the Margin Financing Services, or any other matter shall not impose any trust or fiduciary duties in favor of the Client, even if Asia Future Trading has greater knowledge of the market or any specific contract.

### 3. Instructions and Authorization

- 3.1 To use Margin Financing Services, the Client must give instructions to Asia Future Trading.
- 3.2 Asia Future Trading is authorized to deposit, purchase, sell Margin Securities, handle receivables or payables in or related to the Margin Account, in compliance with applicable Client Money Rules and Client Securities Rules.

### 4. Credit Limit

- 4.1 Asia Future Trading has the sole discretion to provide financing to the Client. Asia Future Trading may allow the Client to obtain or subscribe to instruments through the Margin Account without receiving specific instructions, subject to margin requirements and other terms Asia Future Trading may impose.
- 4.2 The financing term is less than six (6) calendar months from the signing date of these Margin Financing Terms ("Financing Term"). Before expiry, Asia Future Trading will reassess the Client's creditworthiness and may extend the term or terminate financing at its discretion.
- 4.3 Asia Future Trading may, at its discretion and after notifying the Client, cancel or terminate financing at any time and demand immediate repayment of all amounts due.
- 4.4 Asia Future Trading will not provide any advance that would cause the financing to exceed the limit or fail margin requirements.
- 4.5 The Client must pay fees or interest on amounts exceeding the financing limit as determined by Asia Future Trading.

## Risk Disclosure Related to Margin Financing Services

---

- 4.6 The Client may borrow again only if it does not cause financing to exceed the limit and financing is not terminated.

### 5. Securities

- 5.1 As consideration for granting or continuing financing, the Client pledges collateral to Asia Future Trading as the beneficial owner.
- 5.2 All collateral is subject to a general lien in favor of Asia Future Trading.
- 5.3 The security created under these provisions is a continuing security to guarantee payment and performance of the Client's obligations.

### 6. Margin Calls

- 6.1 The Client is responsible for ensuring it does not exceed the financing limit and must provide additional collateral promptly if a margin call is made.
- 6.2 Asia Future Trading may vary margin requirements, value collateral, require additional collateral, liquidate positions, or take other measures as deemed appropriate.
- 6.3 Applicable provisions of the General Business Terms apply to Margin Accounts.

### 7. Margin Securities

- 7.1 Certain General Business Terms provisions apply with modifications.
- 7.2 Asia Future Trading's obligations regarding delivery or custody of securities may be satisfied by delivering equivalent securities.

### 8. Repledging

Subject to applicable laws and market rules, Asia Future Trading may sell, pledge, re-pledge, transfer, invest, or otherwise dispose of any Margin Securities.

# Risk Disclosure Related to Margin Financing Services

---

## 9. Client Acknowledgments and Confirmations

- 9.1 The Client confirms it has read, understood, and accepted the risk disclosures.
- 9.2 The Client is the sole beneficial owner of collateral and maintains ownership free of third-party interests.
- 9.3 The Client agrees to execute further documents to perfect Asia Future Trading's security interest.
- 9.4 These Terms are written in English and Chinese; in case of conflict, the English version prevails.

## 10. Suspension, Termination, and Closure of Margin Accounts

- 10.1 Asia Future Trading may suspend or terminate margin financing services at any time without notice.
- 10.2 Asia Future Trading may terminate Margin Accounts upon at least 30 days' prior written notice.
- 10.3 Asia Future Trading may terminate and close Margin Accounts immediately upon default without notice.
- 10.4 The Client may terminate Margin Accounts with at least 30 days' prior written notice.
- 10.5 Upon termination, all loans and amounts payable become immediately due.
- 10.6 These Terms continue to apply to obligations outstanding after termination or suspension.