

Solowin Digital Horizon SP (BVI) Ltd.
a business company incorporated in the British Virgin Islands

Risk Disclosure Statement

PLEASE READ THIS RISK DISCLOSURE STATEMENT CAREFULLY. By accepting the terms and conditions for the issue, holding and redemption of RYTs issued by Solowin Digital Horizon SP (BVI) Ltd. (the "**Terms and Conditions**"), you acknowledge and agree that you fully understand and assume the following risks, as well as all risks not specifically described herein, any of which could result in RYTs becoming worthless or of little value. Acquisition, holding, transfer, or Redemption of RYTs does **not** constitute or represent an investment, nor does it constitute ownership, membership, equity participation, or provide any right to participate in the management, income, capital, or profits of the Company or Underlying Fund. Nothing contained herein constitutes, or should be relied upon as, investment, legal, tax, or other advice, and you should consult your own advisors before acquiring or dealing in RYTs. NOTHING IN THIS RISK DISCLOSURE STATEMENT OR ANY OTHER DOCUMENTATION ISSUED BY THE ISSUER SHALL CONSTITUTE AN OFFER OF SECURITIES OR AN INVESTMENT, OR BE DEEMED TO CREATE AN INVESTMENT CONTRACT IN ANY JURISDICTION.

Notice to Residents of Restricted Jurisdictions: RYTs are not offered or sold, and may not be offered or sold, directly or indirectly, to citizens, residents, or entities of the United States of America, the People's Republic of China (for these purposes, excluding Hong Kong, Macau, and Taiwan), or any jurisdiction in which RYT holding or transfer is prohibited or requires registration.

In this Risk Disclosure Statement, references to "Company" mean Solowin Digital Horizon SP (BVI) Ltd., and where the context permits include the Technology Service Provider, their service providers, affiliates and partners, as applicable, and capitalised terms shall have the meanings given in the Terms and Conditions.

Nature of RYTs: RYTs do not constitute, and should not be construed as, securities, certificates representing investments, rights and interests in investments or financial instruments under any applicable law. RYTs are intended solely as trust receipts or acknowledgments: each RYT serves only as a digital receipt or evidence of a potential beneficial entitlement under a bare trust declared by the Company in respect of specified Underlying Shares. RYTs do not represent, and are not intended to constitute, negotiable instruments, regulated securities, certificates representing investments, or other regulated investments. The holding or transfer of RYTs on-chain alone does not create or transfer any trust or property rights, except as and when the holding is registered by the Company in its internal register of beneficiaries in accordance with the Instrument and subject to the Company's compliance procedures. The Company's register of beneficiaries (not the blockchain record or RYT itself) is conclusive for recognition of any beneficial entitlement or any exercise of rights in respect of the trust property or distributions.

NO INVESTOR PROTECTION, REGULATORY OR INSURANCE COVERAGE

- Transactions involving the issuance, delivery, purchase, subscription, redemption or other disposal of or dealings in RYTs and any other transactions effected under or pursuant to the Terms and Conditions ("**Transactions**") do **not** benefit from any protection provided under statutory investor compensation schemes established in the British Virgin Islands, irrespective of the nature of RYTs involved. RYTs and Transactions relating to the same

are not covered by, or subject to, the Securities and Investment Business Act (as amended) ("**SIBA**") or any regulatory or governmental insurance or compensation scheme in the British Virgin Islands.

- RYTs held in accounts are not considered protected deposits and are not covered by any deposit insurance scheme in the British Virgin Islands.
- The classification of RYTs and other digital tokens under British Virgin Islands laws may vary, introducing legal uncertainties that could impact the nature and enforceability of your interests in RYTs. Transactions and RYTs may not receive the same protection as other asset classes governed by British Virgin Islands law, such as securities or "investments" under SIBA or other relevant regulations.
- Acquiring, holding or redeeming RYTs does not create any direct or indirect legal or beneficial interest in the Company or Underlying Fund, nor does it constitute ownership, membership, equity participation, or provide any right to participate in the management, income, capital, or profits of the Company or Underlying Fund. The Tokenholder's rights (if any) are limited to a beneficial entitlement, as a beneficiary of a bare trust, in the specific Underlying Shares (or proceeds thereof) held by the Company in respect of your RYT(s) strictly in accordance with the Terms and Conditions. The Tokenholder has no recourse to any other assets or property of the Company, or to any Underlying Shares held for other RYTs or Tokenholders. Except otherwise provided for in the Terms and Conditions, Tokenholders are not entitled to vote, receive dividends, attend meetings, or otherwise participate as members or shareholders of the Company, the Underlying Fund, or any other entity by virtue of holding RYTs.
- You are **not** entitled to compensation or regulatory protection in respect of any direct or indirect loss, including (but not limited to) loss resulting from ineligibility, suspension or loss of access, default, liquidation, or system failure, except to the extent that such liability cannot be lawfully excluded or limited.

RISKS RELATING TO BLOCKCHAIN TECHNOLOGY AND TOKENS

- **Cryptographic and Consensus Risks:** Transactions involving RYTs rely on blockchain and smart contract technology, which carry inherent risks of software bugs, coding errors, and vulnerabilities. RYTs are susceptible to validator attacks and consensus failures—these include, but are not limited to: double-spend, 51%/majority, selfish-miner, network reorganisation, "bribery", or denial-of-service attacks. Any successful exploitation could affect the operation, transfer, redemption or functionality of RYTs, and may lead to permanent loss or invalidity.
- **Fork Risk:** The blockchain or protocol underlying RYTs may be subject to community-led changes ("forks"). Forks can lead to multiple, conflicting versions of a blockchain or asset. In the event of a blockchain fork, copy, or wrapper, the Company will, in its sole discretion, determine which (if any) version of the Protocol, RYT, or related blockchain it recognises for rights of Tokenholders. The Company is under no obligation to support any specific fork, and only RYTs recognised by the Company as supported shall be considered valid. Forks may disrupt or delay functionality, transfer, or redemption of RYTs. The Company

accepts no liability for any loss arising out of use of unsupported or forked chains, tokens, or protocols.

- **Network and Protocol Events:** Network issues, congestion, protocol changes, or other "Network Events" may disrupt the functionality or cause irretrievable loss of RYTs or failure to process Transfers or Redemptions, all outside the Company's control.

RISK OF LOSING ACCESS TO TOKENS

- **Wallet and Private Key Risks:** Access to RYTs depends on your ability to securely store your private keys, wallet credentials, and back-up phrases. Loss or compromise of such credentials—whether through hacking, technical failure, carelessness, or the misconduct of third parties—will result in permanent and irretrievable loss of access to RYTs. Neither the Company nor any Technology Service Provider can recover, replace or reimburse lost RYTs.
- **Invalid or Incompatible Wallets:** It is solely your responsibility to ensure compatibility of your digital wallet with RYTs and Protocol. The Company is not responsible for losses resulting from use of incompatible wallets.
- **Use of Third-party Platforms:** Use of RYTs through third-party platforms, wallets or exchanges is at your sole risk. The Company assumes no responsibility for loss or misdelivery of RYTs, or for operational, regulatory, technological or fraud risks, when RYTs are held, transferred or redeemed using any third-party service.
- **No Insurance:** Unlike regulated financial products, RYTs are not insured by any public compensation scheme or private arrangement. The Company does not provide insurance for any loss relating to RYTs under any circumstance.

CYBERSECURITY AND FRAUD RISKS

- **Malicious Attacks:** The Protocol, RYTs, and associated software and platforms may be subject to cyberattacks including, but not limited to, phishing, hacking, malware, distributed denial-of-service, or other forms of malicious behaviour. The Company does not guarantee that security measures will be sufficient at all times.
- **Fraud and Impersonation:** The risk of fraud, including impersonation, phishing, and scam websites, is significant. You should take all reasonable measures to independently verify communications and avoid providing credentials to unauthorised parties. The Company disclaims all liability for losses resulting from fraud or your failure to verify legitimacy.

TRANSACTION, TRANSFERABILITY AND LIQUIDITY RISKS

- **RYT Issue Risk:** RYTs are only minted after, and in respect of, the acquisition by the Company of corresponding Underlying Shares for the account of the Tokenholder. If, for any reason, underlying assets are not acquired when expected, the Company's maximum liability is limited as set out in the Terms and Conditions.

- **Irrevocability of Transfer:** Transactions in RYTs on the blockchain are generally irreversible. Errors or unauthorised transactions, including as a result of mistake, theft or fraud, cannot be rectified or cancelled by the Company, the Technology Service Provider or any other third party.
- **No Guarantee of Liquidity or Value:** RYTs are intended to serve as digital proof of the beneficial interest (as beneficiary of the relevant bare trust) corresponding to the Underlying Shares and are not designed or marketed as an investment product. There may be limited or no secondary market or trading venue for RYTs, and their liquidity or value may at any time be substantially diminished or nil. The Company does not undertake to provide, support, or otherwise ensure the existence of any secondary market, liquidity, or value for RYTs.
- **No Investment Characteristics:** RYTs do not constitute "investments", securities, or regulated financial products under British Virgin Islands law or any other applicable law, and no expectation of profit or other investment return should be attached to holding RYTs.

UNDERLYING INTEREST, REDEMPTION, AND ISSUER RISKS

- **Redemption Proceeds Contingent on Underlying Shares:** The value (if any) and ability to redeem RYTs depend solely on the performance, value and liquidity of the Underlying Shares as held by the Company as bare trustee. There is no guarantee or assurance that Underlying Shares will be redeemable or capable of realisation, or that any value or proceeds will be received or passed on to any Tokenholder. In particular, redemption and payment of proceeds are at all times subject to the actual receipt by the Company of redemption, distribution, or other proceeds from the relevant Underlying Shares. The Company does not guarantee the timing or amount of any proceeds.
- **Counterparty and Default Risk:** Any act, omission, insolvency, winding-up, or other default by or affecting the Underlying Fund may result in some or all of your RYTs becoming worthless, irredeemable or non-transferrable. The Company bears no liability for such outcomes.
- **Third-Party and Service Provider Risks:** Service providers (including the Technology Service Provider) or counterparties may themselves face technical or insolvency events, causing loss or disruption to holders of RYTs, outside the control of the Company. The Company shall not be liable for the acts or omissions of service providers, counterparty platforms, exchanges or third parties, or for the results of any regulatory action, government policy change, or force majeure event affecting RYTs or Underlying Shares.

REGULATORY AND TAX RISKS

- **Changing Law and Regulation:** The regulatory regime and tax treatment applicable to RYTs is evolving and may change without notice. Laws and regulations (including restrictions, reporting requirements or outright prohibitions) can impact the holding, transfer, or redemption of RYTs, or may require actions such as suspension or cancellation of RYT access by the Company or Technology Service Providers. For the avoidance of doubt, the RYT is not being offered as, nor is it intended to constitute, a

security or investment as defined under the SIBA and is not subject to regulation by the British Virgin Islands Financial Services Commission.

- **Eligibility and Sanctions:** The Company may suspend, refuse or terminate access to RYTs for compliance reasons, including where you or any beneficial owner is a Prohibited Person or subject to any applicable sanctions regime.
- **Tax Treatment:** The tax treatment of RYTs (including their redemption and transfer) varies by jurisdiction and is highly uncertain. You are solely responsible for all tax obligations and reporting arising from your Transactions and should obtain independent tax advice. No representation is made with regard to the tax treatment of RYTs under British Virgin Islands law or under the law of any other jurisdiction.

OPERATIONAL AND SYSTEM RISKS

- **Service Interruptions:** Transactions and services involving RYTs may be interrupted or delayed due to system failures, cyberattacks, overload, service provider failure, force majeure or other unforeseen events. This may delay or prevent the redemption, transfer, or usability of your RYTs.

UNANTICIPATED/UNKNOWN RISKS

- **Novel Asset and Technology Risks:** RYTs are a novel, technology-based product and are not intended as an investment. Additional risks, combinations of risks, or unforeseen developments may arise, including through regulatory, technological or market changes, that could render RYTs worthless or unusable, result in loss of access, or otherwise adversely affect your interests.

No Guarantee of Value, Return, or Redemption: Neither the Company nor any Technology Service Provider, Underlying Fund or third party represents or warrants any return, performance, value, or redemption for RYTs, or that any proceeds will be or can be paid.

Limited Duties of the Company: The Company acts as bare trustee in relation to the Underlying Shares held for the benefit of Tokenholders, strictly in accordance with the Terms and Conditions and applicable British Virgin Islands law. The Company does not owe, and shall not be deemed to owe, any duty other than as strictly provided under the laws of the British Virgin Islands or as expressly set out in the Terms and Conditions. To the fullest extent permitted by law, the Company has no fiduciary or advisory duty to Tokenholders. The Company's total aggregate liability to any Tokenholder is limited as set out in the Terms and Conditions, including a cap at the value or proceeds of the Underlying Shares held as bare trustee, or the amount of subscription monies as applicable. Nothing herein or in the Terms and Conditions shall operate to exclude or limit liability for fraud, wilful misconduct, or any liability that cannot, as a matter of British Virgin Islands law, be excluded or limited.

Potential for Cross-Liability: The Company establishes a separate bare trust for each RYT and limits your recourse as a Tokenholder to the Underlying Shares (or proceeds thereof) corresponding to your RYT(s), as detailed in the Terms and Conditions. These arrangements are intended to ensure that the assets held on trust for each Tokenholder are segregated and are not available to satisfy the claims of other Tokenholders or general creditors of the Company. Although the Company will maintain its records (including, where applicable, by attaching

metadata to RYTs or using “colouring” to identify the Underlying Shares corresponding to each RYT) to facilitate the identification and allocation of trust assets, in practice, assets may be held in commingled or omnibus accounts alongside other trust assets for operational, technological or custodial reasons. As a result, the Company cannot guarantee that the assets and proceeds attributable to one trust will always be factually segregated from those held for other Tokenholders, trusts, or third parties. If the Company fails to maintain adequate identification, segregation, or administration of trust assets, or in the event of insolvency, court order, or administrative or operational error, there remains a risk that assets or proceeds held on trust for one Tokenholder could, in exceptional circumstances, be exposed to the claims or liabilities of other Tokenholders, creditors of the Company, or be commingled or applied to obligations beyond the intended trust. The Company seeks to mitigate this risk through diligent record-keeping and operational processes, but this risk cannot be entirely eliminated by contract, trust declaration, or the use of metadata.

No Advice: This Risk Disclosure Statement and the Terms and Conditions do not constitute investment, legal, tax, or other advice and should not be relied upon as such. You are strongly encouraged to seek independent legal, financial and tax advice, taking your own circumstances and jurisdiction into account, before acquiring, holding, or redeeming RYTs.