

致：日發證券有限公司 / 日發期貨有限公司
香港軒尼詩道 28 號 7 樓全層
To : Rifa Securities Limited / Rifa Futures Limited
Level 7, 28 Hennessy Road, Hong Kong

衍生工具投資客戶聲明 Client Declaration for Derivative Investment

<input type="checkbox"/> 個人賬戶 Individual Account	<input type="checkbox"/> 聯名賬戶 Joint Account
個人/聯名戶口持有人姓名 Name of Individual / Joint Account Holder(s) : _____	
日發證券有限公司 Rifa Securities Limited 賬戶號碼 Account No. : _____	
身份證號碼 / 護照號碼 Identity Card Number / Passport Number : _____	

(1) 本人從以下途徑已獲得對衍生產品之認識：I have acquired knowledge of derivative products :

1. 已接受有關衍生產品之性質及風險的培訓或課程 (可選多於一項)

By undergoing training or attending courses that provide general knowledge of the nature and risks of derivatives. (Can choose more than one from the boxes below)

<input type="checkbox"/> 監管機構 Regulatory Authority	<input type="checkbox"/> 交易所 Exchange	<input type="checkbox"/> 金融機構 Financial Institution	<input type="checkbox"/> 進修學院/大專院校 Education Institution / Tertiary Institution	<input type="checkbox"/> 其他 Others _____	<input type="checkbox"/> 沒有 No
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2. 本人於金融機構(如銀行, 證券公司等)擁有與衍生工具相關的工作經驗。 (可選多於一項)

From my prior relevant work experience in financial institution(s) (e.g. banks, securities companies etc.) in relating to derivatives. (Can choose more than one from the boxes below)

<input type="checkbox"/> 經紀公司/銀行 Brokerage Firm / Bank	<input type="checkbox"/> 基金或資產管理公司 Fund House or Asset Management Firm	<input type="checkbox"/> 監管機構或交易所 Regulatory Authority or Exchange	<input type="checkbox"/> 受監管持牌人士 Regulated Licensed Person _____	<input type="checkbox"/> 其他 Others _____	<input type="checkbox"/> 沒有 No
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3. 本人相關之交易經驗, 即本人/吾等於過去三年內已進行了五次或以上有關衍生產品之交易(不論是否於交易所進行交易), 並清楚明白其風險。

From my relevant trading experience i.e. I have executed five or more transactions in derivative products (whether traded on an exchange or not) within the past three years and understand the risk in relating to derivative products.

是 Yes 否 No

(2) 評估後得出的結果 Obtain the Result of after evaluation:

「風險不符的客戶」 Risk Mismatch Client

本人已被告知以下投資產品的有關風險及被提醒以下投資產品的風險級別與本人所屬之風險級別不相符, 而該產品可能並不適合本人, 但基於以下理由, 本人仍願意作以下投資

I have been duly informed of the risks of the below investment product(s) and have been reminded that the risk level of the below investment product(s) may not be matched with my risk tolerance level and the below investment product(s) may not be suitable for me. However, I still agree to make below investment based on the following reason:

投資產品 Investment Product(s): _____ 投資原因 Reason(s) for Investment: _____
[風險不符合指產品風險評級高於客戶的風險承受水平 Risk mismatch means that the product risk rating is higher than the Client risk tolerance level.]

「容易受損的客戶」 Vulnerable Client

本人已被告知本人屬於「容易受損的客戶」, 並不宜倉卒作出投資決定, 如有需要應尋求專業意見, 但基於以下理由, 本人仍願意作出以下投資:

I have been duly informed that I belonged to "Vulnerable Client" and should not make the investment decision without careful consideration, where necessary should obtain appropriate professional advice. However, I still agree to make the below investment based on the following reason:

投資產品 Investment Product(s): _____ 投資原因 Reason(s) for Investment: _____
[包括長者(65歲或以上)或無接受教育或只具小學程度或較低學歷人士]
[Vulnerable Clients include the elderly (i.e. aged 65 or above) or the uneducated (or those with only an elementary or relatively low level of education).]

本人確認上述資料完全真實及完整

I hereby confirm that the above information provided is true and complete.

我已經按客戶明白的語言(中文/英文)清楚解釋買賣結構性或衍生產品(包括但不限於衍生認股證, 牛熊證等)的風險

I have fully explained the risks of trading in structured or derivative products (including but not limited to Derivative Warrants, Callable Bull/Bear Contracts) to the Client in a language (Chinese/English) which the Client fully understand.

客戶簽署/獲授權人士簽署及公司印章

Client(s) Signature/Authorized Signature(s) with Company Chop

日期 Date: _____

(簽署及印章樣式需與開戶文件一致。)

(Specimen(s) of signature(s) and company chop should be identical to Account Opening Documents.)

SF-E008 07/2016

持牌代表人姓名及簽署 Name and Signature of Licensed Representative

證監會持牌人中央編號 SFC Licensed Person CE No.: _____

日期 Date: _____

期貨及期權交易的風險

買賣期貨及期權的風險可以很大。由於期貨開倉的保證金金額較期貨合約本身的價值相對為低，因而在期貨交易中發揮“槓桿”作用。市場輕微的波動也會對你投入或將要投入的資金造成大比例的影響。所以，對你來說，這種槓桿作用可說是利弊參半，因此你可能會損失全部開倉保證金及為維持本身的倉盤而向有關商號存入額外金額。如所購入的期權在到期時已無任何價值，你將損失所有投資金額，當中包括所有的期權金及交易費用。假如你擬購入極價外期權，應注意從這類期權獲利的機會相對較低。出售（“沽出”或“賣出”）期權承受的風險一般較買入期權為高，賣方雖然能獲得定期額權金，但亦可能會承受遠高於該筆期權金的損失。倘若市況逆轉，期權賣方便須投入額外保證金來補倉。

買賣牛熊證的風險

牛熊證設有固定到期日，並緊貼相關資產（例如股票、指數、商品及貨幣）的表現。牛熊證有牛證和熊證之分，客戶可以看好或看淡相關資產而分別選擇買入牛證或熊證。當相關資產價格觸及提前贖回價，發行商會收回有關牛熊證。若牛熊證的相關資產值等同上市文件所述的強制收回價／水平，牛熊證即停止買賣。屆時，投資者只能收回已停止買賣的牛熊證由產品發行商按上市文件計算出來的剩餘價值。投資者務必注意，剩餘價值可以為零。任何在強制提前贖回的事宜後才執行的交易，將不被承認並會被取消。客戶應注意牛熊證是複雜及具槓桿效應的投資，亦未必適合所有投資者。牛熊證的槓桿作用可擴大潛在的回報及虧損。在最差的情況下，客戶可能會損失全部投資資金。當牛熊證交易接近提前贖回價時，客戶應加緊留意。

即使牛熊證設有流量提供者，但投資者是不獲保證能隨時按其意願以其目標價買入或沽出牛熊證。

買賣交易所買賣基金（「ETFs」）的風險

ETFs 是被動型管理開放式基金。所有在香港交易所上市的ETFs 均為證監會認可的集體投資計劃。ETFs 主要為追蹤某些指數，市場領域或資產組別（如股票、債券或商品）的表現，ETF 經理可用不同策略而達至目標，但通常也不能在跌市中酌情採取防守策略。ETFs 可能出現追蹤誤差（即ETF及其相關指數／資產間的表現），可能是由投資策略失效、匯率、收費及支出等因素引起。投資者必須要有因為相關指數／資產的波動而蒙受損失的準備。

若ETF透過買入衍生工具(即合成ETF)或利用總回報掉期來複製相關指數／資產的表現，投資者除了要承擔相關指數／資產的風險外，也要承擔發行者有關衍生工具的交易對手本身相關的信貸風險。這類合成ETF或會因交易對手的違責或不能履行其合約承諾而蒙受損失，虧損金額可高達衍生工具的全部價值。此外，投資者亦應考慮有關該衍生工具發行人的潛在風險及其影響（例如衍生工具發行人主要是國際金融機構，因此，若合成ETF的其中一個交易對手倒閉，便可能對其他衍生工具交易對手產生「連鎖」影響）。有些合成ETFs備有抵押品以減低交易對手的風險，但仍要面對當合成ETF的抵押品被變賣時，抵押品的市值可能已大幅下跌。若合成ETF涉及的衍生工具沒有活躍於第二市場，流動性的風險會較高；而衍生工具的買賣差價較大時，亦會可能引致損失。

投資者須承受一切因有關的政治、經濟、貨幣及其他風險而影響該ETF的指數／資產。

若ETF所追蹤的指數／資產就投資者的參與設有限制，則使ETF的價格與其資產值一致的增設或贖回單位機制的效能可能會受到影響，令ETF的價格相對其資產淨值(NAV)出現溢價或折讓，ETF的交易價格可能會高於或低於其資產淨值。投資者若以溢價買入ETF或於市價較資產淨值折讓之時出售ETF，投資者可能會蒙受損失。

買賣ETFs也須承擔流通性風險。儘管ETFs多於一個或以上的市場作價者，但這不能確保維持活躍的買賣。若有市場作價者違約或停

止履行職責時，投資者有機會不能進行買賣。

ETF並無保證可完全反映其基礎指數／資產，而ETF亦有可能持有非資產投資。ETF基金經理之策略及其執行有關策略時，有可能因受到若干限制，未能產生預期回報。此外，經理也擁有絕對的行使權來決定ETF之基金單位持有人的權利。

增設及贖回ETF基金單位一般只能通過參與證券商進行。在相關交易所之買賣如受到限制或暫停、結算系統之證券結算或交收受到干擾或基礎指數／資產不予編制或公布之情況下，參與證券商均無法在此期間增設或贖回基金單位。此外，由於參與證券商之數目在任何時間均有限，投資者須承受有可能無法隨時自由增設或贖回基金單位之風險。

基金單位暫停買賣期間，投資者均無法在相關交易所購入或出售基金單位。交易所會於其決定基於一個公平有序市場之利益而保障投資者之任何時間暫停基金單位買賣。倘基金單位暫停買賣，認購及贖回基金單位亦會暫停。

ETF的相關指數／資產價格可能出現波動。相關指數／資產之成分及比重或會變動。ETF之價格或會因有關變動而上升或下跌。投資ETF一般會反映其相關指數／資產價格成分之不時變動，而未必維持在你投資ETF時之價格。此外，這亦不保證ETF將於任何時間內，可準確地反映其有關指數／資產之成分。

指數提供者在決定、編制或計算相關指數時是沒有任何義務考慮ETF經理或投資者的需求。指數提供者可隨時更改或修訂各基礎指數之計算及編製方法及基準，以及任何有關公式、成分公司及系數之程式，而毋須給予事先通知。因此，無法保證指數提供者之行動不會損害有關ETF經理或投資者之利益。

ETF基金經理一般須獲各指數提供者授予特許權，可根據有關基礎指數增設ETF。如有關特許權協議終止，或有關基礎指數不獲編製或公布時，有關的ETF亦可能被終止。此外，監管機構保留撤銷授予ETF的授權或施加其認為合適的條件的權利，該等授權撤銷將導致繼續經營ETF為不合法、不能實行或不明智。

你應注意你在任何地方交易的ETFs相關資產並非以當地貨幣作計算單位，故你亦可能承受貨幣計價的匯率風險。匯率變動可能令相關資產或ETF價格帶來影響。

交易所交易票據(“ETNs”)的風險

ETN是一種由金融機構發行的無擔保債務票據，旨在為投資者提供各個市場基準的回報。ETNs的回報通常與一個市場基準或策略的表現掛鈎，並扣除適用的費用。與其他債務證券類似，ETNs有到期日，且僅以發行人信用作為支持。

你可以透過交易所買入和賣出ETNs 或於預定到期日時收取現金付款，或視乎基準指數的表現直接向發行人提早贖回ETNs，須扣除適用的費用；於贖回時可能受ETNs的提早贖回條件限制，例如沒有最少贖回數量。

對於投資者於到期日或提早回購時，這無保證可收回投資本金或任何於投資的回報。對於ETNs，正面表現的月份或無法抵銷其中某些極不利之月度表現。ETNs發行人有權隨時按回購價值贖回。若於任何時候ETNs的回購價值為零，投資者的投資則變得毫無價值。ETNs可能流通性不足，故並無保證投資者可隨時按其意願，以目標價格作買賣。

儘管ETFs與ETNs均有追蹤基準指數的特性，但ETNs屬於債務證券，並不實際擁有其追蹤的任何資產，擁有的僅是發行人承諾向投資者分配上存在的基準指數所反映的回報之承諾。它對投資組合的多元化程度有限，投資者承擔的風險須集中於特定指數及指數成

份。鑒於ETN屬無抵押品的債務工具，若ETN發行商違約或破產，最大潛在損失可能是100%投資額和無法獲得任何利潤。

即使ETN相關指數沒有變化，發行人的信用評級被下調亦會導致ETN的價值下跌。因此，買賣ETNs的投資者直接面臨發行人的信用風險，投資者只可以在發行人宣佈破產的情況下僅擁有無擔保的破產索償權。本金金額須扣除定期繳納的投資者費用或任何適用的費用，該等費用會對回報產生不利影響。你應注意ETNs的相關資產可能以ETN本身以外的貨幣計值的匯率風險。匯率變動可為你的投資帶來不利影響。

投資者在產品功能上可能會出現槓桿投資，ETNs的價值會因應其相關資產的負債比率而迅速變化。你應注意ETNs的價值可能會跌至零，有可能損失所有的投資本金。

權證交易的風險

權證的價格可升可跌，而權證持有人或會損失所有投資。權證的價值很可能隨著時間而減少。因此，權證不應視作長期投資的產品。若干事件（包括但不限於相關公司之供股發行、發行紅股或現金分派、股份拆細或合併及相關公司的重組事項）發生後發行商可能有權調整權證的條款與細則。任何調整或任何不調整的決定均可能對權證的價值有不利影響。

雖然權證的價格相當於相關股份價格的一小部分，但在屆滿期前的剩餘時間會影響權證的價值，而且權證的價值和相關的指數水平變動未必完全掛鈎。有別於股票，權證的投資期限是受期滿日限制，在最壞的情況下，權證或會於期滿時變得毫無價值。倘若相關股份在交易所暫停買賣，權證亦將同期暫停買賣。倘若相關公司清盤，權證將提早終止。因此，權證只適合有經驗而願意承擔風險及損失的投資者。

投資者是根據發行商的信譽而購買該權證，權證並無賦予權利針對組成任何相關指數。閣下須注意，評級機構一般向獲評級之公司收取費用。於評估發行商之信譽時，閣下不應完全依賴發行商或公司之信貸評級，因為：(i)信貸評級並非購買、出售或持有權證的建議；(ii)公司評級可能涉及市場競爭，新產品的成功與否及管理能力的難以量化的因素；(iii)高信貸評級不一定代表低風險。各項風險因素相加後對權證價值的影響無法估計。

流通量提供者可能是權證的唯一市場參與者。權證未必會有第二市場或第二市場可能有限的時候，閣下便難於期滿前變現權證的價值。

股票掛鈎票據的風險 (ELNs)

ELNs是由期權票據／存款的結合而成；其最大回報通常是受限於一個預先制定的金額。如相關資產的價格走勢與客戶的預期出現重大程度的相反，投資者可能損失全部的投資資金。大部份的ELNs並非低風險產品。投資者需承受發行商的信貸風險，及其相關資產價格的未來走勢的回報。ELNs是涉及衍生工具的結構性產品。其最大回報是設有上限，潛在損失可以很明顯。投資者在決定投資前應閱讀所有有關銷售文件，以了解ELNs的特性及風險，猶其重要。

人民幣(RMB)證券之風險披露聲明

RMB證券受匯率波動影響，這均能產生機會或風險。RMB兌換為港幣(HKD)或其他外幣時，可能受RMB匯率波動影響而招致損失。目前RMB並非完全可自由兌換，而通過銀行進行RMB兌換時亦受到每日限額及不時變化等其他限制。閣下應留意不時適用的兌換限制及其變動。如兌換RMB金額超過每日的限額，閣下須預留時間以備兌換。RMB證券交易的結單及成交單據所示任何與RMB兌換乃基於交易所在上午十一時正或不時規定的其他時間就該貨幣所提供的現行匯率而進行。然而，實際於交收或者其他兌換日進行的RMB兌換將根據本公司按當時市場的通行匯率而決定。

RMB證券交易和結算均以RMB作為單位。如閣下提供交收之款項為RMB以外之貨幣，本公司將根據當時市場的通行匯率決定將交收之款額兌換。如閣下希望透過銀行收取款項（例如售賣收益及股息），

你應開立RMB銀行戶口作結算之用。

所有交易相關費用（包括印花稅，證監會交易徵費及交易所交易費）均由本公司代表閣下以港幣支付予稅務局、證監會及香港交易所。在RMB交收款額中，本公司將相等於交易相關的費用款額兌換成港幣，以作交收之用。就交易相關費用的外匯兌換所產生的任何收益或虧損應由本公司（而非客戶）負責。閣下無權就上述貨幣兌換時產生的任何收益提出任何索償。

供股權益的風險

若要行使及買賣供股權益，投資者應留意有關的期限及其他時間表。未被行使的供股權益到期時將沒有任何價值。但投資者決定不行使供股權益，除非投資者打算在市場上轉讓這項權利，否則無需採取任何行動。如要轉售供股權益，應留意認購期內設有指定的買賣期，在此之後供股權益將會變得毫無價值。若投資者決定放棄供股權益，其持股比例將會因公司擴大股本而被攤薄。

違責風險及交易對手風險

所有產品都具有違責風險及/或交易對手風險。違責風險是指發行商未能根據協定而付繳款。如遇上經濟不景，發行商未必能成功借貸繼續經營或償還舊債而導致違約。信貸評級是評估結構性產品違約風險最常用的工具。信貸評級只代表信貸評級機構於某一特定時間內的評級，而信貸評級是會因應發行商的財政狀況或市場情況的改變而作出調整。

交易對手風險是指交易方無力履行其財務合約責任。雖然信貸評級的評級有一定的可靠性，投資者除了要參考發行商的信貸評級外，更要仔細留意產品的結構本身是否涉及衍生工具，以免招致財務損失。

交易所買賣衍生產品附帶的一般主要風險（包括但不限於以下所列）

發行商失責風險

在交易所買賣衍生產品的發行商如破產和未能履行對所發行產品的責任，投資者只被視為無抵押債權人，對發行商任何資產均無優先索償權。因此，投資者須特別留意交易所買賣衍生產品發行商的財力及信用。由於交易所買賣衍生產品並沒有資產擔保，若發行商破產，投資者便可能會損失其全部投資。

槓桿風險

交易所買賣衍生產品如衍生權證及牛熊證均為槓桿產品，其價值可按其相關資產的槓桿比率而快速改變。投資者須留意，交易所買賣衍生產品的價值可以跌至零，令當初的投資資金盡失。

有效期限

大部分交易所買賣衍生產品均設有到期日，到期後產品將會變得毫無價值。投資者須留意產品的到期時間，確保所選產品尚餘的有效期能配合其交易策略。（異常價格變動交易所買賣衍生產品的價格或會因為外來因素如市場供求）而有別於其理論價，因此，實際成交價可以高於亦可低於其理論價。

特殊價格變動

交易所買賣的衍生產品價格受外來因素影響（如市場供求）而有別於其理論價，因此，實際成交價可以高於或低於其理論價。

（本協議已經翻譯為中文文本，如發生任何抵觸，應以英文文本為準。）

Risk of Trading Futures and Options

The risk of trading futures contracts and options is substantial. Transactions in futures carry a high degree of risk. The amount of initial margin is small relative to the value of the futures contract so that transactions are "leveraged" or "geared". A relatively small market movement will have a proportionately larger impact on the funds you have deposited or will have to deposit: this may work against you as well as for you. You may sustain a total loss of initial margin funds and any additional funds deposited with the firm to maintain your position. If the purchased options expire worthless, you will suffer a total loss of your investment which will consist of the option premium plus transaction costs. If you are contemplating purchasing deep-out-of-the-money options, you should be aware that the chance of such options becoming profitable ordinarily is remote. Selling ("writing" or "granting") an option generally entails considerably greater risk than purchasing options. Although the premium received by the seller is fixed, the seller may sustain a loss well in excess of that amount. The seller will be liable for additional margin to maintain the position if the market moves unfavorably.

Risk of Trading Callable Bull/Bear Contracts ("CBBC")

CBBCs have a fixed expiry date and closely track the performance of an underlying asset (for example, a share, index, commodity or currency). It can be a bull or bear contract allowing the Customer to take a bullish or a bearish position on the underlying asset. A CBBC will be called by its issuer when the price of its underlying asset hits the call price. Once it is called, the contract cannot be revived and the Customer will not benefit even if the underlying asset bounces back to a favorable position. Any trades executed after this mandatory call event will not be recognized and will be cancelled. The Customer should be aware that CBBC is a complex leveraged investment which may not be suitable for all investors. With its gearing feature, it may magnify potential returns and potential losses as well. In the worst-scenario, the Customer may lose all of his investment. The Customer should exercise special caution when the CBBC is trading close to its call price.

Although CBBC have liquidity providers, there is no guarantee that investors will be able to buy or sell CBBC at their target prices any time they wish.

Risk of Trading Exchange Traded Funds (ETFs)

ETFs are passively managed and open-ended funds. All listed ETFs on the HKEx securities market are authorized by the SFC as collective investment schemes. ETFs are typically designed to track the performance of certain indices, market sectors, or groups of assets such as stocks, bonds, or commodities. ETF managers may use different strategies to achieve this goal, but in general they do not have the discretion to take defensive positions in declining markets. You may be exposed to tracking errors (i.e. the disparity in performance between an ETF and its underlying index/assets), due to, for instance, failure of the tracking strategy, currency differences, fees and expenses. You must be prepared to bear the risk of loss and volatility associated with the underlying index/assets.

Where an ETF invests in derivatives (i.e. synthetic ETF) or by using total return swaps to replicate the underlying index/assets performance, customers are exposed to the credit risk of the counterparties who issued the derivatives, in addition to the risks associated with the underlying index/assets. A synthetic ETF may suffer losses equal to the full value of the derivatives issued by the counterparty upon its default or if such counterparty fail to honor their contractual commitments. Further, potential contagion and concentration risks of the derivative issuers should be taken into account (e.g. since derivative issuers are predominantly international financial institutions, the failure of one derivative counterparty of a synthetic ETF may have a "knock-on" effect on other derivative counterparties of the synthetic ETF). Some synthetic ETFs have collateral to reduce the counterparty risk, but there may be a risk that the market value of the collateral has fallen substantially when the synthetic ETF seeks to realize the collateral. A higher liquidity risk is

involved if a synthetic ETF involves derivatives that do not have an active secondary market. Wider bid-offer spreads in the price of the derivatives may result in losses.

You are exposed to the political, economic, currency and other risks related to the synthetic ETF's underlying index/assets.

Where the index/assets that the ETF tracks is subject to restricted access, the efficiency in unit creation or redemption to keep the price of the ETF in line with its net asset value (NAV) may be disrupted, causing the ETF to trade at a higher premium or discount to its NAV. If you would buy an ETF at a premium or sells when the market price is at a discount to NAV, you may sustain losses.

Trading in ETFs is also subject to liquidity risk. Although most ETFs are supported by one or more market makers, there is no assurance that active trading will be maintained. In the event that the market makers default or cease to fulfill their role, investor may not be able to buy or sell the product.

There can be no guarantee that an ETF will fully replicate its underlying index/assets and may hold non-asset investments. The ETF manager's strategy, the implementation of which is subject to a number of constraints, may not produce to the intended results. In addition, the manager has absolute discretion to exercise unit holders' rights with respect to the constituents of the ETF.

The creation and redemption of units of an ETF may only be effected through participating dealers. Participating dealers will not be able to create or redeem units during any period when, among other things, dealings on the relevant exchange are restricted or suspended, settlement or clearing of securities through the clearing system is disrupted or the underlying index/assets is not compiled or published. In addition, the number of participating dealers at any given time will be limited, there is a risk that investors may not always be able to create or redeem units freely.

You will not be able to buy, nor will you be able to sell, units on the relevant exchange during any period in which trading of the units is suspended. An exchange may suspend the trading units whenever it determines that it is appropriate in the interests of a fair orderly market to protect investors. The subscription and redemption units may also be suspended if the trading of units is suspended.

The underlying index/assets of an ETF is subject to fluctuations. Composition of and weightings in the underlying index/assets may change. The price of the ETF units may rise or fall as a result of such changes. An investment in units will generally reflect the underlying index/assets as its constituents change from time to time, and not necessarily the way it is comprised at the time of an investment in the units. In addition, there can be no guarantee that a particular ETF will at any given time accurately reflect the composition of the relevant underlying index/assets.

The index providers do not have any obligation to take the needs of the ETF manager or investors into consideration in determining, composing or calculating the relevant underlying index. The process and the basis of computing and compiling each underlying index and any of its related formulae, constituent companies and factors may at any time be changed or altered by the index providers without notice. Consequently, there can be no guarantee that the actions of an index provider will not prejudice the interests of the relevant ETF, manager or investors.

As an ETF manager is normally granted a license by each of the index providers to use the relevant underlying index, an ETF may be terminated if the relevant license agreement is terminated or if the relevant underlying index ceases to be compiled or published. Further, a regulator reserves the right to withdraw the

authorization granted to an ETF or impose such conditions as it considers appropriate and such withdrawal may make it illegal, impractical or inadvisable to continue an ETF.

Where you trade ETFs with underlying assets not denominated in local currencies, you are also exposed to exchange rate risk. Currency rate fluctuations can diversely affect the underlying asset value, also affecting the ETF price.

Risk of Trading Exchange Traded Notes (ETNs)

ETN is a type of unsecured, unsubordinated debt security issued by an underwriting bank, designed to provide investors access to the returns of various market benchmarks. The returns of ETNs are usually linked to the performance of a market benchmark or strategy, minus applicable fees. Similar to other debt securities, ETNs have a maturity date and are backed only by the credit of the issuer.

You can buy and sell the ETNs on the exchange or receive a cash payment at the scheduled maturity or may early redeem the ETNs directly with the issuer based on the performance of the underlying index less applicable fees, with redemption restrictions, such as the minimum number of ETNs for early redemption, may apply.

There is no guarantee that investors will receive at maturity or upon an earlier repurchase, investors' initial investment back or any return on that investment. Significant adverse monthly performances for investors' ETNs may not be offset by any beneficial monthly performances. The issuer of ETNs may have the right to redeem the ETNs at the repurchase value at any time. If at any time the repurchase value of the ETNs is zero, investors' investment will expire worthless. ETNs may not be liquid and there is no guarantee that you will be able to liquidate your position whenever you wish.

Although both ETFs and ETNs are linked to the return of a benchmark index, ETNs as debt securities do not actually own any assets they are tracking, but just a promise from the issuer to pay investors the theoretical allocation of the return reflected in the benchmark index. It provides limited portfolio diversification with concentrated exposure to a specific index and the index components. In the event that the ETN issuer defaults, the potential maximum loss could be 100% of the investment amount and no return may be received, given ETN is considered as an unsecured debt instrument.

The value of the ETN may drop despite no change in the underlying index, instead due to a downgrade in the issuer's credit rating. Therefore, by buying ETNs, investors get direct exposure to the credit risk of the issuer and would only have an unsecured bankruptcy claim if the issuer declares bankruptcy. The principal amount is subject to the periodic application of investor fee or any applicable fees that can adversely affect returns. Where you trade ETNs with underlying assets not denominated in local currencies are also exposed to exchange rate risk. Currency rate fluctuations can adversely affect the underlying asset value, also affecting the ETN price.

Investors may have leveraged exposure to the underlying index, depending on the product feature. The value of ETNs can change rapidly according to the gearing ratio relative to the underlying assets. You should be aware that the value of an ETN may fall to zero resulting in a total loss of the initial investment.

Risk of Trading Warrants

Prices of warrants may fall in value as rapidly as it may rise and holders may sustain total loss of their investment. The value of a warrant is likely to decrease over time. Therefore, it should not be viewed as products for long-term investments. Certain events (including, without limitation, a right issue, bonus issue or cash distribution by the issuer, a subdivision or consolidation of the underlying shares and a restructuring event of the issuer) may entitle the issuer to adjust the terms and conditions of the warrant. Any adjustment or decision not to make any adjustment may

adversely affect the value of the warrants.

Although the cost of a warrant may cost a fraction of the value of the underlying shares, the value of the warrants may not correlate with the movements of the underlying index level and may be affected by the time remaining to expiry. Unlike stocks, the warrants have a limited life and will expire at the expiry date. In the worst case, the warrants may expire with no value. If trading in the underlying shares is suspended on the exchange, trading in the warrants will be suspended for a similar period. Warrants will terminate early in the event of liquidation of the companies. Therefore, warrants are only suitable for experienced investors who are willing to accept the risk that they may lose all their investment.

If you purchase the warrants, you rely on the creditworthiness of the issuer and have no rights under the warrants against companies comprising any underlying indices. You should note that rating agencies usually receive a fee from the companies that they rate. When evaluating the creditworthiness of the issuer, you should not solely rely on the issuer or companies' credit ratings because: (i) a credit rating is not a recommendation to buy, sell or hold the warrants; (ii) ratings of companies may involve difficult-to-quantify factors such as market competition, the success or failure of new products and markets and managerial competence; and (iii) a high credit rating is not necessarily indicative of low risk. The effect on the value of the warrants by any combination of risk factors cannot be predicted.

The liquidity provider may be the only market participants for the warrants. There may not be a secondary market or the secondary market is limited and you may be difficult for you to realize the value in the warrants prior to expiry.

Risk relating to Equity-linked Notes (ELNs)

ELNs combine notes/deposits with options and its return component is based on the performance of the underlying asset. The maximum return is usually limited to a predetermined amount of cash. You may stand to lose all his investment capital if the price of the underlying asset moves substantially against his view. Most ELNs are not low risk products. You will be taking on the credit risk of the issuer and his investment return depends primarily on the future price movement of the underlying asset(s). ELNs are structured products involving derivatives. Their maximum return is capped but the potential loss can be significant. It is important that you read all the relevant offer documents to fully understand the features and risks of an ELNs before deciding to invest.

Risk relating to Securities denominated in Renminbi (RMB)

RMB securities are subject to exchange rate fluctuations that may provide both opportunities and risks. The fluctuation in the exchange rate of RMB may result in losses in the event that you convert RMB into Hong Kong dollars ("HKD") or other foreign currencies. RMB is not fully and freely convertible and conversion of RMB through banks is subject to a daily limit and other limitations as applicable from time to time. You should take note of the limitations and changes thereof as applicable from time to time and allow sufficient time for exchange of RMB from/to another currency if the RMB amount exceeds the daily limit. Any RMB conversion in relation to a RMB securities transaction shown in statements and contract notes is based on the prevailing exchange rate provided by the Exchange at 11:00am or other time as stipulated by the Exchange on the relevant trade day from time to time. However, actual RMB conversion upon settlement or on any other conversion day will be based on an exchange rate determined by the Company as a principal according to the prevailing exchange rate.

RMB securities will be traded and settled in RMB. If you provide a settlement sum in a currency other than RMB, the Company will convert the settlement sum to RMB at the exchange rate determined by the Company as a principal according to the prevailing exchange rate. You should open RMB bank accounts for money settlement purpose if you wish to receive payments

(such as sales proceeds and dividends) in RMB via banks.

All trading related fees (including stamp duty, SFC transaction levy and exchange trading fees) shall be payable to Inland Revenue Department, SFC and Exchange, as the case may be, by the Company on behalf of the Customer in HKD. Of the settlement sum in RMB, the Company shall convert an amount equivalent to the trading related fees into HKD to settle the trading related fees. Any gain or loss arising from the currency exchange regarding the trading related fees shall be for the account of the Company instead of you. You shall not have any rights to claim any gain arising from such currency conversion.

All trading related fees (including stamp duty, SFC transaction levy and exchange trading fees) shall be payable to Inland Revenue Department, SFC and Hong Kong Stock Exchange, as the case may be, by the Company on behalf of the Customer in HKD. Of the settlement sum in RMB, the Company shall convert an amount equivalent to the trading related fees into HKD to settle the trading related fees. Any gain or loss arising from the currency exchange regarding the trading related fees shall be for the account of the Company instead of you. You shall not have any rights to claim any gain arising from such currency conversion.

Risk relating to Rights Issue

For exercising and trading of the right issue, investors have to pay attention to the deadline and other timelines. Rights issues that are not exercised will have no value upon expiry. But if investors decide to let the rights lapse, then investors will not need to take any action unless investors want to sell the rights in the market. In that case, the rights must be sold during the specified trading period within the subscription period, after which they will become worthless. If investors pass up the rights, the shareholding in the expanded capital of the company will be diluted.

Default Risks & Counterparty Risks

Every investment products contains default risks and/or counterparty risks. Default risk could come from the issuer's failure to make payments as agreed. At time of market downturn, an issuer may default due to their inability to raise new debt to roll over or repay old one. Credit ratings are the most common tools used for assessing bond default risk. A rating represents the opinion of the rating agency at a particular point of time and may change over time, due to either changes in the financial status of the issuers or changes in market conditions.

Counterparty risk refers to the failure of the trading party in fulfilling their financial contractual obligations. While ratings by credit agencies represented quality assurances, investors should not only reference to the credit ratings of the product issuers, but also seek full understanding of the product structure and its exposure to the financial derivatives in order to avoid financial loss.

General Major Risks associated with Exchange-traded Derivative Products (including but not limited to the following)

Issuer default risk

In the event that an exchange-traded derivative product issuer becomes insolvent and defaults on their issued products, investors will be considered as unsecured creditors and will have no preferential claims to any assets held by the issuer. Investors should therefore pay close attention to the financial strength and credit worthiness of exchange-traded derivative product issuers. Since exchange-traded derivative products are not asset backed, in the event of issuer bankruptcy, investor can lose their entire investment.

Gearing risk

Exchange-traded derivative products such as derivative warrants and callable bull/bear contracts are leveraged and can change in value rapidly according to the gearing ratio relative to the

underlying assets. Investors should be aware that the value of an exchange-traded derivative product may fall to zero resulting in a total loss of the initial investment.

Limited Life

Most of the exchange-traded derivative product issuer has an expiry date after which the products may become worthless. Investors should be aware of the expiry time horizon and choose a product with an appropriate lifespan for their trading strategy.

Extraordinary price movements

The price of an exchange-traded derivative product may not match its theoretical price due to outside influences such as market supply and demand factors. As a result, actual traded prices can be higher or lower than the theoretical price.

(This Agreement may be translated into Chinese language, but in event of any conflict, the English version shall prevail.)