

天风国际证券与期货有限公司(“天风国际证券与期货”)经营的是证券交易及期货合约交易业务,并根据证券及期货条例获发牌经营第一类(证券交易)及第二类(期货合约交易)受规管活动(中央编号:BAV573)。

\* 尊敬的客户,请您仔细阅读以下声明。

## 证券交易的风险

证券价格有时可能会非常波动。证券价格可升可跌,甚至变成毫无价值。买卖证券未必一定能够赚取利润,反而可能会招致损失,客户在做出任何投资决定之前,应须明了证券市场的风险情况,自行评估本身承受风险的意愿及能力,并有必要征询独立的财务意见。

## 买卖创业板股份的风险

创业板股份涉及很高的投资风险。尤其是该等公司可在无需具备盈利往绩及无需预测未来盈利的情况下在创业板上市。创业板股份可能非常波动及流通性很低。

你只应在审慎及仔细考虑后,才做出有关的投资决定。创业板市场的较高风险性质及其他特点,意味着这个市场较适合专业及其他熟悉投资技巧的投资者。现时有关创业板股份的资料有可能只可以在香港联合交易所有限公司所操作的互联网站上找到。创业板上市公司一般毋须在宪报指定的报章刊登付费公告。因此,你知悉你须获取经由创业板网页发布的创业板上市公司的最新资料。

假如你对本风险披露声明的内容或创业板市场的性质及在创业板买卖的股份所涉风险有不明之处,应寻求独立的专业意见。

## 在香港以外地方收取或持有的客户资产的风险

天风国际证券与期货在香港以外地方收取或持有属于你的资本,是受到有关海外司法管辖区的适用法律及规例所监管的。这些法律及规例与(证券及期货条例)(第571章)及根据该条例制订的规则可能有所不同。因此,有关的资产可能不会享有赋予在香港收取或持有的资产的不同保障。

## 提供将你的证券抵押品等再质押的授权书的风险

向天风国际证券与期货提供授权书,容许其按照某份证券借贷协议书使用你的证券或证券抵押品、将你的证券抵押品再质押以取得财务通融,或将你的证券抵押品存放为用以履行及清偿其交收责任及债务的抵押品,存在一定风险。

假如你的证券或证券抵押品是由天风国际证券与期货在香港收取或持有的,则上述安排仅限于你已就此给予书面同意的情况下方有效。此外,除非你是专业投资者,你的授权书必须指明有效期,而该段有效期不得超逾12个月。若你是专业投资者,则有关限制并不适用。

此外,假如天风国际证券与期货在有关授权的期限届满前最少14日向你发出有关授权将被视为已续期的提示,而你对于在有关授权的期限届满前以此方式将该授权延续不表示反对,则你的授权将会在没有你的书面同意下被视为已续期。

现时并无任何法例规定你必须签署这些授权书。然而,天风国际证券与期货需要授权书,以便例如向你提供保证金贷款或获准将你的证券或证券抵押品借出予第三方或作为抵押品存放于第三方。天风国际证券与期货向你阐释将为何种目的而使用授权书。

倘若你签署授权书,而你的证券或证券抵押品已借出予或存放于第三方,该等第三方将对你的证券或证券抵押品具有留置权或作出押记。虽然天风国际证券与期货根据你的授权书而借出或存放属于你的证券或证券抵押品须对你负责,但天风国际证券与期货的违责行为可能会导致你损失你的证券或证券抵押品。

天风国际证券与期货有提供不涉及证券借贷的现金账户。假如你毋需使用保证金贷款,或不希望本身证券或证券抵押品被借出或遭抵押,则切勿签署上述的授权书,并要求开立该等现金账户。

## 提供代存邮件或将邮件转交第三方的授权书的风险

假如你向天风国际证券与期货提供授权书,允许天风国际证券与期货代存邮件或将邮件转交第三方,那么你必须尽快亲身收取所有关于你账户的成交单据及结单,并加以详细阅读,以确保可及时侦察到任何差异或错误。

## 保证金买卖的风险

籍存放抵押品而为交易取得融资的亏损风险可能极大。你所蒙受的亏损可能会超过你存放于天风国际证券与期货作为抵押品的现金及任何其他资产。市场情况可能使备用指示,例如“止损”或“限价”等指示无法执行。你可能会在短时间内被要求存入额外的保证金金额或缴付利息。假如你未能在指定的时间内支付所需的保证金金额或利息,你的抵押品可能会在未经你的同意下被出售。此外,你将要为你的账户内因此出现的任何短欠额及需缴付的利息负责。因此,你应根据本身的财政状况及投资目标,仔细考虑这种融资安排是否适合你。

## 在香港联合交易所有限公司买卖纳斯达克-美国证券交易所证券的风险

按照纳斯达克-美国证券交易所试验计划(试验计划)挂牌买卖的证券是为熟悉投资技巧的投资者而设的。你在买卖该项试验计划的证券之前,应先咨询天风国际证券与期货的意见和熟悉该项试验计划。你应知悉,按照该项试验计划挂牌买卖的证券并非以香港联合交易所有限公司的主板或创业板作第一或第二上市的证券类别加以监管。

## 存放的现金及财产

如果你为在本地或海外进行的交易存放款项或其他财产,你应了解清楚该等款项或财产将获得哪些保障,特别是在有关商号破产或无力偿债时的保障。至于能追讨多少款项或财产一事,可能须受限于具体法例规定或当地的规则。在某些司法管辖区,收回的款项或财产如有不足之数,则可认定属于你的财产将会如现金般按比例分配予你。

## 佣金及其他收费

在开始交易之前，你先要清楚了解你必须缴付的所有佣金、费用或其他收费。这些费用将直接影响你可获得的净利润(如有)或增加你的亏损。

## 在其它司法管辖区进行交易

在其他司法管辖区的市场(包括与本地市场有正式连系的的市场)进行交易，或会涉及额外的风险。根据这些市场的规例，投资者享有的保障程度可能有所不同，甚或有所下降。在进行交易前，你应先行查明有关你将进行的该项交易的所有规则。你本身所在地的监管机构，将不能迫使你已执行的交易所在地的所属司法管辖区的监管机构或市场执行有关的规则。有鉴于此，在进行交易之前，你应先向有关商号查询你本身地区所属的司法管辖区及其他司法管辖区可提供哪种补救措施及有关详情。

## 货币风险

以外币计算的合约买卖所带来的利润或招致的亏损(不论交易是否在你本身所在的司法管辖区或其他地区进行)，均会在需要将合约的单位货币兑换成另一种货币时受到汇率波动的影响。

## 证券托管的风险

客户确认并明白，将证券托管于天风国际证券与期货，天风国际证券与期货的受托人或代理人，授权天风国际证券与期货代理客户将其证券作为抵押用以贷款，或授权天风国际证券与期货借贷证券，均存在风险；天风国际证券与期货无须为因证券托管而形成的任何损失以及任何独立受托人或第三方的行为，违约以及疏忽承担责任。客户将承担因证券托管和抵押所带来的风险。

## 电子交易风险

电子交易的设施是以计算机组成系统来进行交易指示传递、执行、配对、登记或交易结算。然而，所有设施及系统均有可能暂时中断或失灵，而你就此所能获得的赔偿或受制于系统供货商、市场、结算公司及 / 或参与者商号就其所承担的责任所施加的限制。由于这些责任限制可以各有不同，你应向为你进行交易的商号查询这方面的详情。

透过某个电子交易系统进行买卖，可能会与透过其他电子交易系统进行买卖有所不同。如果你透过某个电子交易系统进行买卖，便须承受该系统带来的风险，包括有关系统硬件或软件可能会失灵的风险。系统失灵可能会导致你的交易指示不能根据指示执行，甚或完全不获执行。

在交易高峰，市场波动，系统升级及维护或其他时间，互联网或其他电子设施的进入可能会受到限制甚至无法进入。通过互联网或其他电子设施进行的交易可能会因不可预测的流量堵塞和其他因素无法控制的原因而受到干扰，传输中断，以及传输延误。由于技术上的制约，互联网是一种不完全可靠的通讯媒介。由于有这种不可靠性，交易指令及其他信息的传输和接收可能会有所延误，而这会导致交易指令在执行上的延误，或者交易执行的价格已不同于指令发出时的市场价格。而且，通信和个人资料可能会被未经授权的第三方取得，且在通信上会存在误解或错误的风险，而这些风险将完全由客户承担。客户确认并同意，交易指令一旦发出通常不可能取消。

## 场外交易

在某些司法管辖区，及只有在特定情况之下，有关商号获准进行场外交易。为你进行交易的商号可能是你所进行的买卖的交易对手方。在这种情况下，有可能难以或根本无法平掉既有仓盘、评估价值、厘定公平价格又或评估风险。因此，这些交易或会涉及更大的风险。此外，场外交易的监管或会比较宽松，又或需遵照不同的监管制度；因此，你在进行该等交易前，应先了解适用的规则和有关的风险。

## 衍生交易所买卖之结构性产品(「结构性产品」)(例如:衍生权证(「权证」), 牛熊证)的一些相关风险

### ★ 发行商失责风险

倘若结构性产品发行商破产而未能履行其对所发行证券的责任，投资者只被视为无抵押债权人，对发行商任何资产均无优先索偿权。因此，投资者须特别留意结构性产品发行商的财力及信用。

注意: 香港交易所公司网站的「衍生权证」及「牛熊证」内的「发行商与流通量提供者数据」均载列「发行商之信贷评级」，显示个别发行商的信贷评级。

### ★ 非抵押产品风险

非抵押结构性产品并没有资产担保。倘若发行商破产，投资者可以损失其全数投资。要确定产品是否非抵押，投资者须细阅上市文件。

### ★ 杠杆风险

结构性产品如权证及牛熊证均是杠杆产品，其价值可按相对相关资产的杠杆比率而快速改变。投资者须留意，结构性产品的价值可以跌至零，届时当初投资的资金将会尽失。

### ★ 有效期的考虑

结构性产品设有到期日，到期后的产品即一文不值。投资者须留意产品的到期时间，确保所选产品尚余的有效期限能配合其交易策略。

### ★ 特殊价格移动

结构性产品的价格或会因为外来因素(如市场供求)而有别于其理论价，因此实际成交价可以高过亦可以低过理论价。

### ★ 外汇风险

若投资者所买卖结构性产品的相关资产并非以港币为单位，其尚要面对外汇风险。货币兑换率的波动可对相关资产的价值造成负面影响，连带影响结构性产品的价格。

### ★ 流通量风险

联交所规定所有结构性产品发行商要为每一只个别产品委任一名流通量提供者。流通量提供者的职责在为产品提供两边开盘方便买卖。若有流通量提供者失责或停止履行职责，有关产品的投资者或就不能进行买卖，直至有新的流通量提供者委任出来止。并无保证投资者可随时以其目标价买卖结构性产品。

## 买卖权证的一些额外风险

### ★ 时间损耗风险

假若其他情况不变，权证愈接近到期日，价值会愈低，因此不能视为长线投资。

## ★ 波幅风险

权证的价格可随相关资产价格的引伸波幅而升跌，

## ★ 市场风险及成交额

除了决定权证理论价格的基本因素外，权证价格亦会受权证本身在市场上的供求影响，尤其权证在市场上快将售罄又或发行商增发权证时。权证成交额高不应认作为其价值会上升，除了市场力量外，权证的价值还受其他因素影响，包括相关资产价格及波幅、剩余到期时间、利率及预期股息。

## 买卖权证的一些额外风险

### ★ 强制收回风险

投资者买卖牛熊证，须留意牛熊证可以即日「取消」或强制收回的特色。若牛熊证的相关资产值等同上市文件所述的强制收回价/水平，牛熊证即停止买卖。届时，投资者只能收回已停止买卖的牛熊证由产品发行商按上市文件所述计算出来的剩余价值（注意：剩余价值可以是零）。

### ★ 融资成本

牛熊证的发行价已包括融资成本。融资成本会随牛熊证接近到期日而逐渐减少。牛熊证的年期愈长，总融资成本愈高。若一天牛熊证被收回，投资者即损失牛熊证整个有效期的融资成本。融资成本的计算程序载于牛熊证的上市文件。

### ★ 接近收回价时的交易

相关资产价格接近收回价时，牛熊证的价格可能会变得更加波动，买卖差价可能会转阔，流通量亦可能减低。牛熊证随时会被收回而交易终止。由于强制收事件发生的时间与牛熊证实际停止买卖之间可能会有一些时差。有一些交易或会在强制收回事件发生后才达成及被交易所参与者确认，但任何在强制收事件后始执行的交易将不被承认并会被取消。因此投资者买卖接近收回价的牛熊证时需额外小心。有关权证及牛熊证的进一步资料，请浏览香港交易所公司网站：「产品及服务」的「衍生权证」产品专栏([http://www.hkex.com.hk/chi/prod/secprod/dwrc/dw\\_c.htm](http://www.hkex.com.hk/chi/prod/secprod/dwrc/dw_c.htm))「产品及服务」的「牛熊证」产品专栏([http://www.hkex.com.hk/chi/prod/secprod/cbbc/intro\\_c.htm](http://www.hkex.com.hk/chi/prod/secprod/cbbc/intro_c.htm))

## 买卖合成交易所买卖基金(ETFs)的风险

有别于传统型交易所买卖基金，合成ETFs并购买相关基准的成分资产，一般都是透过金融衍生工具去复制相关基准的表现。投资合成ETFs涉及高风险，并非人皆适合，投资者买卖合成ETFs前必须清楚明白及考虑以下的风险。

### ★ 市场风险

交易所买卖基金主要为追踪某些指数、行业/领域又或资产组别（如股票、债券或商品）的表现。投资者会承受ETFs相关指数/资产有关的政治、经济、货币及其他风险。投资者必须要有因为相关指数/资产的波动而受损失的准备。

### ★ 交易对手风险

若合成ETFs投资于衍生工具以追踪指数表现，投资者除了会承受与指数有关的风险外，亦会承受发行有关衍生工具的交易对手的信贷风险。此外，投资者亦应考虑有关衍生工具发行人的潜在连锁影响及集中风险（例如由于衍生工具发行人主要是国际金融机构，因此若合成ETFs的其中一个衍生工具且交易对手倒闭，便可能对该合成ETFs的其他衍生工具交易对手产生「连锁」影响）。有些合成ETFs备有抵押品以减低交易对手风险，但仍要面对当合成ETFs的抵押品被变现时，抵押品的市值可能已大幅下跌的风险。

### ★ 流动性风险

交易所买卖基金虽然在相关交易所上市买卖，但这并不保证该基金必定有流通的市场。若合成ETFs涉及的衍生工具没有活跃的第二市场，流动性风险会更高。较大的衍生工具的买卖差价亦会引致亏损。而要提早解除这些工具的合约比较困难、成本也较高，尤其若市场设有买卖限制、流通量也有限，解除合约便更加困难。

### ★ 追踪误差风险

ETFs及相关指数的表现可能不一致。原因，举例来说，可能是模拟策略失效、汇率、收费及支出等因素。

### ★ 以折让或溢价买卖

若ETFs所追踪的指数/市场就投资者的参与设有限制，则为使ETFs的价格与其资产净值一致的增设或赎回单位机制的效能可能会受到影响，令ETF的价格相对其资产净值出现溢价或折让。投资者若以溢价买入ETF，在基金终止时可能无法收回溢价。

### ★ 外汇风险

若投资者所买卖的交易所买卖基金的相关资产并非以港币为单位，其尚要面对外汇风险。货币兑换率的波动可对相关资产的价值造成负面影响，连带影响交易所买卖基金的价格。

## 买卖人民币证券或投资于人民币投资的风险

### ★ 外汇风险及每日兑换限制等

现时人民币不可自由兑换及可能在中国大陆以外只有有限的人民币供应。以人民币计值的证券存有兑换风险，并且就兑换金额可能有每日或其他限制。如在香港买卖人民币，阁下可能需要容许足够时间以避免超过该等限制。此外，以人民币计值的证券带有流动性风险，特别是如果该等证券没有交投畅旺的第二市场及他们的价格有大额买卖差价。投资于以人民币计值的证券须承受汇率风险。人民币对任何其他外币的汇价会波动并且受到中国大陆及国际政治及经济状况及多个其他因素影响。与其他货币相比人民币结算金额的价值将因应现行市场汇率而变更。就人民币产品但并非以人民币计值或带有并非以人民币计值的相关投资而言，该等产品因作投资及出售投资而须承受多重货币兑换成本，还须承受为履行赎回要求及其他资本规定（例如结算营运开支）而卖出资产时出现的人民币汇率波动及买卖差价。

### ★ 以人民币计值的相关投资的有限供应

就没有途径于中国大陆直接投资的人民币产品而言，他们在中国大陆以外又以人民币计值的相关投资的可供选择可能有限。该限制可能导致人民币产品之回报及表现受到不利影响。

### ★ 无保证的预期回报

如果人民币投资产品附有阐释性质的声明说明回报而该回报（部份）并无保证，你应特别注意有关无保证回报（或回报之部份，视属何情况而定）的任何披露及该等说明所依据的假设，例如包括任何未来分红或股息分派。

### ★ 对投资产品的长期承担

就涉及长时间投资的人民币产品而言，你应特别注意如果你于到期日前或禁售期（如适用）期间赎回阁下之投资，在赎回收益实质上低于投资额时阁下可能会招致重大本金损失。你应注意提早退保发还 / 退出计划的费用及收费，如有，及因于到期日前或禁售期间赎回而导致损失花红（如适用）。

★ **交易对手的信贷风险**

你应特别注意人民币产品中涉及的交易对手之信贷风险。在人民币产品可能投资于不受任何抵押品支持的人民币债务工具的范围内，该等产品须全面承受相关交易对手之信贷风险。当人民币产品投资于衍生工具时，亦可能出现交易对手风险，因为衍生工具发行人违规行为可能导致人民币产品之表现受到不利影响而引致重大损失。

★ **利率风险**

就属于人民币债务工具或可能投资于人民币债务工具的人民币产品而言，你应注意该等工具可能容易受利率波动的影响而导致人民币产品之回报及表现受到不利影响。

★ **流动性风险**

你应注意与人民币产品相关的流动性风险，及在适用情况下，注意在出售产品本身所投资的相关投资时，人民币产品可能蒙受重大损失的可能性，特别是如果该等投资没有交投畅旺的第二市场及他们的价格有大额买卖差价。

★ **赎回时并非收取人民币的可能性**

就人民币产品中有相当部份为以非人民币计值的相关投资而言，你应注意赎回时并非全数收取人民币的可能性。当人民币的外汇管制及限制导致发行人不能及时取得足够的人民币款额，这种情况便可能出现。

★ **与杠杆交易相关的附加风险**

进行人民币产品的杠杆交易之前，你应确保已经明白及接受借贷安排之风险和条款及条件。杠杆放大可能遭受的亏损，因而提高投资风险。你应注意在哪些情况下你可能被要求在短时间内存入额外的保证金及阁下之抵押品可能在未经你的同意下被出售。你应小心市场情况可能使备用交易指示，例如「止蚀」指示，无法执行的风险。另外，你应留意阁下须承受利率风险，特别是你之借贷成本可能因利率变动而增加。

TFI Securities and Futures Limited ('TFI Securities and Futures' in short) is carrying the business of dealing in securities and dealing in futures contracts, and is licensed under the SFO to carry on type 1 and 2 regulated activities) (CE Number: BAV573)

\* Dear Customer, please read the following carefully

## RISK OF SECURITIES TRADING

The prices of securities fluctuate, sometimes dramatically. The price of a security may move up or down, and may become valueless. It is as likely that losses will be incurred rather than the profit made as a result of buying and selling securities. You should understand the risks of investment in stock market before they make investment decisions. You shall also assess your abilities and willingness in assuming such risks. You are also advised to seek independent financial advice if you wish.

## RISK OF TRADING GROWTH ENTERPRISE MARKET STOCKS

- Growth Enterprise Market (GEM) stocks involve a high investment risk. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. GEM stocks may be very volatile and illiquid.
- You should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.
- Current information on GEM stocks may only be found on the internet website operated by The Stock Exchange of Hong Kong Limited. GEM Companies are usually not required to issue paid announcements in nominated newspapers. You understand that you may have to rely on the GEM website in order to obtain the latest information concerning the GEM Companies.
- You should seek independent professional advice if you are uncertain of or have not understood any aspect of these risk disclosure statements or the nature and risks involved in trading of GEM stocks.

## RISKS OF CLIENT ASSETS RECEIVED OR HELD OUTSIDE HONG KONG

Assets of yours which are received or held by us outside Hong Kong are subject to the applicable laws and regulations of the relevant overseas jurisdiction which may be different from the Securities and Futures Ordinance (Cap. 571) and the rules made thereunder. Consequently, such assets may not enjoy the same protection as the conferred on those assets which are received or held in Hong Kong.

## RISK OF PROVIDING AN AUTHORITY TO REPLEDGE YOUR SECURITIES COLLATERAL ETC.

- There is risk if you provide the licensed or registered person with an authority that allows it to apply your securities or securities collateral pursuant to a securities borrowing and lending agreement, repledge your securities collateral for financial accommodation or deposit your securities collateral as collateral for the discharge and satisfaction of its settlement obligations and liabilities.
- If your securities or securities collateral are received or held by the licensed or registered person in Hong Kong, the above arrangement is allowed only if you consent in writing. Moreover, unless you are a professional investor, your authority must specify the period for which it is current and be limited to not more than 12 months. If you are a professional investor, these restrictions do not apply.
- Additionally, your authority may be deemed to be renewed (i.e. without your written consent) if TFI Securities and Futures issues you a reminder at least 14 days prior to the expiry of the authority, and you do not object to such deemed renewal before the expiry date of your then existing authority.
- You are not required by any law to sign these authorities. But an authority may be required by TFI Securities and Futures, for example, to facilitate margin lending to you or to allow your securities or securities collateral to be lent to or deposited as collateral with third parties. TFI Securities and Futures should explain to you the purposes for which one of these authorities is to be used. You are not required by any law to sign these authorities. But an authority may be required by TFI Securities and Futures, for example, to facilitate margin lending to you or to allow your securities or securities collateral to be lent to or deposited as collateral with third parties. TFI Securities and Futures should explain to you the purposes for which one of these authorities is to be used.
- If you sign one of these authorities and your securities or securities collateral are lent to or deposited with third parties, those third parties will have a lien or charge on your securities or securities collateral. Although the licensed or registered person is responsible to you for securities or securities collateral lent or deposited under your authority, a default by it could result in the loss of your securities or securities collateral.
- A cash account not involving securities borrowing and lending is available from most licensed or registered persons. If you do not require margin facilities or do not wish your securities or securities collateral to be lent or pledged, do not sign the above authorities and ask to open this type of cash account.

## RISK OF PROVIDING AN AUTHORITY TO HOLD MAIL OR TO DIRECT MAIL TO THIRD PARTIES

If you provide us with an authority to hold mail or to direct mail to third parties, it is important for you to promptly collect in person all contract notes and statements of your account and review them in detail to ensure that any anomalies or mistakes can be detected in a timely fashion.

## RISK OF MARGIN TRADING

The risk of loss in financing a transaction by deposit of collateral is significant. You may sustain losses in excess of your cash and any other assets deposited as collateral with the dealer or securities margin financier. Market conditions may make it impossible to execute contingent orders, such as "stop-loss" or "stop-limit" orders. You may be called upon at short notice to make additional/margin deposits or interest payments. If the required margin deposits or interest payments are not made within the prescribed time, your collateral may be liquidated without your consent. Moreover, you will remain liable for any resulting deficit in your account and interest charged on your account. You should therefore carefully consider whether such as financing arrangements is suitable in light of your own financial position and investment objectives.

## RISK OF TRADING NASDAQ-AMEX SECURITIES AT THE STOCK EXCHANGE OF HONG KONG LIMITED

The securities under the Nasdaq-Amex Pilot Program (PP) are aimed at sophisticated investors. You should consult your dealer and become familiarized with the PP before trading in the PP securities. You should be aware that the PP securities are not regulated as a primary or secondary listing on the Main Board or the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited.

## DEPOSITED CASH AND PROPERTY

You should familiarise yourself with the protections given to money or other property you deposit for domestic and foreign transactions, particularly in the event of a firm insolvency or bankruptcy. The extent to which you may recover your money or property may be governed by specific legislation or local rules. In some jurisdictions, property which had been specifically identifiable as your own will be pro-rated in the same manner as cash for purposes of distribution in the event of a shortfall.

## COMMISSION AND OTHER CHARGES

Before you begin to trade, you should obtain a clear explanation of all commission, fees and other charges for which you will be liable. These charges will affect your net profit (if any) or increase your loss.

## TRANSACTIONS IN OTHER JURISDICTIONS

Transactions on markets in other jurisdictions, including markets formally linked to a domestic market, may expose you to additional risk. Such markets may be subject to regulation which may offer different or diminished investor protection. Before you trade you should enquire about any rules relevant to your particular transactions. Your local regulatory authority will be unable to compel the enforcement of the rules of regulatory authorities or markets in other jurisdictions where your transactions have been effected. You should ask the firm with which you deal for details about the types of redress available in both your home jurisdiction and other relevant jurisdictions before you start to trade.

## CURRENCY RISK

The profit or loss in transactions in foreign currency-denominated securities (whether they are traded in your own or another jurisdiction) will be affected by fluctuations in currency rates where there is a need to convert from the currency denomination of the contract to another currency.

## RISK OF SECURITIES IN CUSTODY

The Customer acknowledges and understands that there are risks in leaving Securities in the safe custody of TFI Securities and Futures, TFI Securities and Futures' nominee or agent or in authorizing TFI Securities and Futures to deposit Securities as collateral for loans or advances made to us or authorizing TFI Securities and Futures to borrow or loan Securities; and that TFI Securities and Futures will not be responsible for any damage or loss arising in connection with such safe custody nor any act, default or negligence of any independent nominee, or other third party(ies) and the Client accepts that any Securities placed and pledged with any of them are at the Client's own risk.

## RISK OF ELECTRONIC TRADING

- Electronic trading facilities are supported by computer-based component systems for the order-routing, execution, matching, registration or clearing of trades. As with all facilities and systems, they are vulnerable to temporary disruption or failure. Your ability to recover certain losses may be subject to limits on liability imposed by the system provider, the market, the clearing house and/or participant firms. Such limits may vary: you should ask the firm with which you deal for details in this respect.
- Trading on an electronic trading system may differ from trading on other electronic trading systems. If you undertake transactions on an electronic trading system, you will be exposed to risks associated with the system including the failure of hardware and software. The result of any system failure may be that your order is either not executed according to your instructions or is not executed at all.
- Access to the Internet or other electronic devices may be limited or unavailable during periods of peak demand, market volatility, systems upgrades or maintenance or for other reasons. Transactions conducted through the Internet or other electronic devices may be subject to interruption, transmission blackout, and delayed transmission due to unpredictable traffic congestion and other reasons beyond TFI Securities and Futures' control. Internet is, due to technical limitation, an inherently unreliable medium of communication. As a result of such unreliability, there may be delays in the transmission and receipt of Instructions and other information and that this may result in delays in the execution of Instructions and/or the execution of Instructions at prices different from those prevailing prices at the time the instructions were given. Moreover, communications and personal data may be accessed by unauthorized third party; and there are risks of misunderstanding or errors in any communication. You shall not usually be possible to cancel your instruction after it has been given.

## OFF-EXCHANGE TRANSACTIONS

In some jurisdictions, and only then in restricted circumstances, firms are permitted to effect off-exchange transactions. The firm with which you deal may be acting as your counterparty to the transaction. It may be difficult or impossible to liquidate an existing position, to assess the value, to determine a fair price or to assess the exposure to risk. For these reasons, these transactions may involve increased risks. Off-exchange transactions may be less regulated or subject to a separate regulatory regime. Before you undertake such transactions, you should familiarize yourself with applicable rules and attendant risks.

## RISKS OF TRADING IN EXCHANGE-TRADED STRUCTURED PRODUCTS ("Structured Products") e.g. Derivative Warrants ("Warrants"), Callable Bull/Bear Contracts ("CBBC")

### ★ Issuer default risk

In the event that a Structured Product issuer becomes insolvent and defaults on their listed securities, 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 structured product issuers.

Note: "Issuers Credit Rating" showing the credit ratings of individual issuers is now available under the Issuer and Liquidity Provider Information sub-section under Derivative Warrants and under CBBCs section on the HKEx corporate website.

★ **Uncollateralised product risk**

Uncollateralised Structured Products are not asset backed. In the event of issuer bankruptcy, investors can lose their entire investment. Investors should read the listing documents to determine if a product is uncollateralised.

★ **Gearing risk**

Structured Products such as Warrants and CBBCs 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 a Structured Product may fall to zero resulting in a total loss of the initial investment.

★ **Expiry considerations**

Structured Products have an expiry date after which the issue 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 a Structured 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.

★ **Foreign exchange risk**

Investors trading Structured Products with underlying assets not denominated in Hong Kong dollars are also exposed to exchange rate risk. Currency rate fluctuations can adversely affect the underlying asset value, also affecting the Structured Product price.

★ **Liquidity risk**

The Exchange requires all Structured Product issuers to appoint a liquidity provider for each individual issue. The role of liquidity providers is to provide two way quotes to facilitate trading of their products. In the event that a liquidity provider defaults or ceases to fulfill its role, investors may not be able to buy or sell the product until a new liquidity provider has been assigned. There is no guarantee that investors will be able to buy or sell their Structured products at their target price any time they wish.

## SOME ADDITIONAL RISKS INVOLVED IN TRADING WARRANTS

★ **Time decay risk**

All things being equal, the value of a Warrant will decay over time as it approaches its expiry date. Warrants should therefore not be viewed as long term investments.

★ **Volatility risk**

Prices of Warrants can increase or decrease in line with the implied volatility of underlying asset price. Investors should be aware of the underlying asset volatility.

★ **Market Risk and Turnover**

Other than basic factors that determine the theoretical price of a Warrant, Warrant price are also affected by all prevailing market forces including the demand for and supply of the Warrants. The market forces will be greatest when a Warrant issue is almost sold out and when issuers make further issues of an existing Warrant issue. High turnover should not be regarded as an indication the price of a Warrant will go up. The price of a Warrant is affected by a number of factors in addition to market forces, such as the price of the underlying assets and its volatility, the time remaining to expiry, interest rates and the expected dividend on the underlying assets.

## SOME ADDITIONAL RISKS INVOLVED IN TRADING CBBCs

★ **Mandatory call risk**

Investors trading CBBCs should be aware of their intraday "knockout" or mandatory call feature. A CBBC will cease trading when the underlying asset value equals the mandatory call price/level as stated in the listing documents. Investors will only be entitled to the residual value of the terminated CBBC as calculated by the product issuer in accordance with the listing documents. Investors should also note that the residual value can be zero.

★ **Funding costs**

The issue price of a CBBC includes funding costs. Funding costs are gradually reduced over time as the CBBC moves towards expiry. The longer the duration of the CBBC, the higher the total funding costs. In the event that a CBBC is called, investors will lose the funding costs for the entire lifespan of the CBBC. The formula for calculating the funding costs are stated in the listing documents.

★ **Trading of CBBC Close to Call Price**

When the underlying asset is trading close to the call price, the price of a CBBC may be more volatile with wider spreads and uncertain liquidity. CBBC may be called at any time and trading will terminate as a result. However, the trade inputted by the investor may still be executed and confirmed by the Exchange participants after the Mandatory Call Event ("MCE") since there may be some time lapse between the MCE time and suspension of the CBBC trading. Any trades executed after the MCE will not be recognised and cancelled. Therefore, investors should be aware of the risk and ought to apply special caution when the CBBC is trading close to the call price.

For more information on warrants and CBBCs, please visit the HKEx corporate website:

Derivative Warrants, Products & Services Section (<http://www.hkex.com.hk/eng/prod/secprod/dwrc/dw.htm>)

Callable Bull/Bear Contracts, Products & Services Section (<http://www.hkex.com.hk/eng/prod/secprod/cbbc/Intro.htm>)

## RISKS OF TRADING IN SYNTHETIC EXCHANGE TRADED FUNDS ("ETFs")

Unlike traditional Exchange traded Funds ("ETFs"), Synthetic ETFs do not buy the assets in their benchmark. Instead, they typically invest in financial derivative instruments to replicate the benchmark's performance. Investment in Synthetic ETFs involves high risk and is not suitable for every investor. Investors should understand and consider the following risks before trading Synthetic ETFs.

★ **Market Risk**

ETFs are typically designed to track the performance of certain indices, market sectors, or group of assets such as stocks, bonds, or commodities. Investors are exposed to the political, economic, currency and other risks related to the ETF's underlying index/assets it is tracking. Investment must be prepared to bear the risk of loss and volatility associated with the underlying index/asset.

## ★ Counterparty Risk

Where a Synthetic ETF invests in derivatives to replicate the index performance, investors are exposed to the credit risk of the counterparties who issued the derivatives, in addition to the risks relating to the index. Further, potential contagion and concentration risks of the derivatives issuers should be taken into account (e.g. since derivative issuers are predominantly international financial institutions, the failure of one derivative counterparty of Synthetic ETF may have a "knock-on" effect on other derivative counterparties of the Synthetic ETFs). 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 realise the collateral.

## ★ Liquidity Risk

There is no assurance that a liquid market exists for an ETF. A higher liquidity risk is involved if a Synthetic ETF involves derivatives which do not have an active secondary market. Wider bid-offer spreads in the price of derivatives may result in losses. Therefore, they can be more difficult costly to unwind early, when the instruments provide access to a restricted market where liquidity is limited.

## ★ Tracking Error Risk

There may be disparity between the performance of the ETFs and the performance of the underlying index due to, for instance, failure of the tracking strategy, currency differences, fees and expenses.

## ★ Trading at a Discount or Premium

Where the index/ market that the ETF tracks is subject to restricted access, the efficiency in unit creation or redemption to keep the price of the ETFs 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. Investors who buy an ETF at a premium may not be able to recover the premium in the event of termination.

## ★ Foreign exchange Risk

Investors trading ETFs with underlying assets not denominated in Hong Kong dollars are also exposed to exchange rate risk. Currency rate fluctuations can adversely affect the underlying asset value, also affecting the ETFs price.

## RISKS OF TRADING RENMINBI SECURITIES OR INVESTING IN RENMINBI INVESTMENTS

### ★ Exchange risks and Daily Conversion Limit, etc.

Renminbi (RMB) is currently not freely convertible and there may at any given time be limited availability of RMB outside Mainland China. There is conversion risk in RMB denominated securities, and daily or other limits may apply to conversion amounts. If converting to or from RMB in Hong Kong, you may have to allow sufficient time to avoid exceeding such limits. In addition, there is a liquidity risk associated with RMB denominated securities, especially if such securities do not have an active secondary market and their prices have large bid/offer spreads. Investment in RMB denominated securities is subject to exchange rate risks. The value of the RMB against any other foreign currencies fluctuates and is affected by changes in Mainland China and international political and economic conditions and by many other factors. The value of RMB settlement amounts compared to other currencies will vary with the prevailing exchange rates in the market. For RMB products which are not denominated in RMB or with underlying investments which are not RMB-denominated, such products will be subject to multiple currency conversion costs involved in making investments and liquidating investments, as well as the RMB exchange rate fluctuations and bid/offer spreads when assets are sold to meet redemption requests and other capital requirements (e.g. settling operating expenses).

### ★ Limited availability of underlying investments denominated in RMB

For RMB products that do not have access to invest directly in Mainland China, their available choice of underlying investments denominated in RMB outside Mainland China may be limited. Such limitation may adversely affect the return and performance of the RMB products.

### ★ Projected returns which are not guaranteed

If the RMB investment product is attached with a statement of illustrative return which is (partly) not guaranteed, you should pay particular attention to any disclosure relating to the return (or the part of the return, as the case may be) which is not guaranteed and the assumptions on which the illustrations are based, including, e.g., any future bonus or dividend declaration.

### ★ Long term commitment to investment products

For RMB products which involve a long period of investment, you should pay particular attention to the fact that if you redeem your investment before the maturity date or during the lock-up period (if applicable), you may incur a significant loss of principal where the proceeds may be substantially lower than their invested amount. You should beware of the early surrender/withdrawal fees and charges, if any, as well as the loss of bonuses (where applicable) as a result of redemption before the maturity date or during the lock-up period.

### ★ Credit risk of counterparties

You should pay particular attention to the credit risk of counterparties involved in the RMB products. To the extent that the RMB products may invest in RMB debt instruments not supported by any collateral, such products are fully exposed to the credit risk of the relevant counterparties. Where a RMB product may invest in derivative instruments, counterparty risk may also arise as the default by the derivative issuers may adversely affect the performance of the RMB product and result in substantial loss.

### ★ Interest rate risk

For RMB products which are, or may invest in, RMB debt instruments, you should pay attention to the fact that such instruments may be susceptible to interest rate fluctuations, which may adversely affect the return and performance of the RMB products.

### ★ Liquidity Risk

You should pay attention to the liquidity risk associated with the RMB products, and where applicable, the possibility that the RMB products may suffer significant losses in liquidating the underlying investments, especially if such investments do not have an active secondary market and their prices have large bid/offer spreads.

### ★ Possibility of not receiving RMB upon redemption

For RMB products with a significant portion of non-RMB denominated underlying investments, you should pay attention to the possibility of not receiving the full amount in RMB upon redemption. This may be the case if the issuer is not able to obtain sufficient amount of RMB in a timely manner due to the exchange controls and restrictions applicable to the currency.



★ **Additional risks associated with leveraged trading**

Prior to conducting leveraged trading of RMB products, you should make sure that you understand and accept the risks and the terms and conditions of the borrowing arrangement. Leveraging heightens the investment risk by magnifying prospective losses. You should pay attention to the circumstances under which you will be required to place additional margin deposits at short notice and that your collateral may be liquidated without your consent. You should beware of the risk that market conditions may make it impossible to execute contingent orders, such as "stop-loss" orders. In addition, you should be mindful of your exposure to interest rate risk, and in particular, your cost of borrowing may increase due to interest rate movements."