

環球股票交易申請書

GLOBAL STOCK TRADING APPLICATION FORM

致: 中國天元證券有限公司

To: China Tian Yuan Securities Limited

客戶名稱 Account Name \_\_\_\_\_

客戶號碼 Account Number \_\_\_\_\_

我/我們現申請使用環球股票交易。

I / We now apply for Global Stock Trading.

電話交易 By Telephone (Manual)

電子交易 By Electronic

美國市場交易適用 For US Market Trading:

我/我們現在提交或更新 W-8BEN 或 W-8BEN-E 表格。

I / We hereby submit or renew W-8BEN or W-8BEN-E form.

我/我們在過去三年內曾提交或更新 W-8BEN 或 W-8BEN-E 表格。

I / We have submitted or renewed W-8BEN or W-8BEN-E Form in past 3 years.

(注意: 客戶必須每三年提交或更新 W-8BEN 或 W-8BEN-E 表格才可參與美國市場。如客戶未有準時提交或更新 W-8BEN 或 W-8BEN-E 表格, 將不能參與美國市場。)

(Note: Clients must submit or renew W-8BEN or W-8BEN-E Form every 3 years in order to access the US market. If clients do not submit or renew W-8BEN or W-8BEN-E on time, they will not be allowed to access the US market.)

簽署環球股票交易申請表表示我/我們謹此聲明已詳細審閱並接受附上之環球股票交易平台風險披露條文內的所有內容。

By signing the Global Stock Trading Application Form, I / We acknowledge and accept all contents contained in the attached Risk Disclosure Statement for Global Stock Trading Platform.

客戶簽署

日期

Client Signature \_\_\_\_\_

Date \_\_\_\_\_

只供內部使用 For official use only

Received by CS / AE	Signature Verified by	Processed by	Approved by
Name	Name	Name	Name
Date	Date	Date	Date

## 環球股票交易風險披露條文

環球股票交易風險披露條文（「風險披露條文」）適用於所有有關使用環球股票交易平台的活動，亦補充客戶與中國天元證券有限公司（「中國天元證券」）簽定之客戶帳戶協議的內容。除非另有所指，否則本條文的詞彙定義跟客戶協議內的相同。

- 證券交易的風險**

證券價格有時可能會非常波動。證券價格可升可跌，甚至變成毫無價值。買賣證券未必一定能夠賺取利潤，反而可能會招致損失。客戶在作出任何投資決定之前，應須明瞭證券市場的風險情況，自行評估本身承受風險的意願及能力，需要時不妨徵詢獨立財務顧問的意見。
- 買賣創業板股份的風險**

創業板股份涉及很高的投資風險。尤其是該等公司可在無需具備盈利往績及無需預測未來盈利的情况下在創業板上市。創業板股份可能非常波動及流通性很低。客戶只應在審慎及仔細考慮後，才作出有關的投資決定。創業板市場的較高風險性質及其他特點，意味著這個市場較適合專業及其他熟悉投資技巧的投資者。有關創業板股份的最新資料只可以在香港聯合交易所有限公司所操作的互聯網網站上找到。創業板上市公司一般毋須在憲報指定的報章刊登付費公告。假如客戶對本風險披露聲明書的內容或創業板市場的性質及在創業板買賣的股份所涉風險有不明白之處，應尋求獨立的專業意見。
- 在香港以外地方收取或持有的客戶資產風險**

中國天元證券在香港以外地方收取或持有的客戶資產，是受到有關外地司法管轄區的適用法律及規例所監管的。這些法律及規例與《證券及期貨條例》(第 571 章)及根據該條例制訂的規則可能有所不同。因此，有關客戶資產將可能不會享有賦予在香港收取或持有的客戶資產的相同保障。
- 缺乏香港賠償基金保障及規則、法例監管的風險**

客戶只應在瞭解外地證券買賣的性質及風險程度的情況下才買賣外地證券。尤其要注意的是雖然中國天元證券是香港聯合交易所的參與者，但香港聯合交易所並不監管外地證券買賣，而此類證券亦不受賠償基金的保障。客戶應就本身的經驗、風險狀況及其他相關因素，小心考慮此項交易是否適合。如有任何疑問，應諮詢專業意見。

客戶同意及遵守適用於香港特別行政區、環球市場交易所及其他監管機構的不時修訂有關交易買賣之條文、規則、法例及其他相關條件。

在其他司法管轄區的市場（包括與本地市場有正式連繫的市場）進行交易，或會涉及額外的風險。根據這些市場的規例，投資者享有的保障程度可能有所不同，甚或有所下降。在進行交易前，客戶應先行查明有關你將進行的該項交易的所有規則。客戶本身所在地的監管機構，將不能迫使客戶已執行的交易所在地的所屬司法管轄區的監管機構或市場執行有關的規則。有鑑於此，在進行交易之前，客戶應先向有關商號查詢自己本身地區所屬的司法管轄區及其他司法管轄區可提供哪種補救措施及有關詳情。
- 披露客戶資料**

中國天元證券須應有關監管機構和業務代理之需要或要求，披露有關客戶之姓名，實際受益人身份及其他資料。客戶承諾，於中國天元證券指定時間內向中國天元證券披露為了中國天元證券遵從有關法律、法規、規則及/或有關的監管機構或業務代理要求的有關客戶本身之其他資料。客戶不可撤銷授權本公司作出任何該等披露。

客戶的所有個人資料可被用於有關遵守任何法律、規例、法院判決或任何監管機構之判決的任何目的及/或調查可疑交易。
- 監管機構、業務代理或中國天元證券可撤銷客戶指令**

有關的監管機構、業務代理或中國天元證券可撤銷在中國天元證券指令處理系統內的指令。當帳戶內有未完成的指令，客戶有責任與中國天元證券保持充分的聯絡，以能夠識別並重新提交被撤銷的指令。中國天元證券盡可能但沒有義務通知客戶有關撤銷的買賣指令，亦不接受由客戶就撤銷或終止買賣指令的結果所直接或間接地產生的任何損失而承擔任何責任。
- 海外稅務責任風險**

客戶必須自行確定自己是否海外居民，中國天元證券並不會為客戶確定其所居地。客戶亦應自行諮詢自己的稅務顧問，以確定客戶帳戶內任何所得收入的預扣稅款，是否符合視乎客戶所居地而定的海外稅款減免資格。

客戶須按全數彌償的基準，承擔任何相關政府，結算系統或市場施加的所有適用稅項(包括但不限於預扣稅)，徵費及所有適用印花稅。所有該等徵費及稅項，均可由中國天元證券從客戶的證券交易賬戶及客戶在任何中國天元證券集團內持有的任何其他賬戶中扣除。客戶應視乎情況尋求專業稅務意見。
- 缺乏企業行動資訊的風險**

有關客戶持有股份之企業行動資訊（例如合股、拆股、派息、派股、配股、供股、除牌、合併和收購等），中國天元證券會於合理時間內更新客戶持有資料，客戶應自行留意所持股份之所有企業行動，中國天元證券對基於該等資料或有關的錯漏或延誤而作出的任何決定或導致的損失或損害概不負責。
- 貨幣風險**

以外幣計算的證券或合約買賣所帶來的利潤或招致的虧損（不論交易是否在客戶本身所在的司法管轄區或其他地區進行），均會在須要將證券或合約的單位貨幣兌換成另一種貨幣時受到匯率波動的影響。
- 交易設施的風險**

電子交易的設施是以電腦組成系統來進行交易指示傳遞、執行、配對、登記或交易結算。然而，所有設施及系統均有可能會暫時中斷或失靈，而客戶就此所能獲得的賠償或會受制於系統供應商、市場、結算公司及/或參與者商號就其所承擔的責任所施加的限制。由於這些責任限制可以各有不同，客戶應向為你進行交易的商號查詢這方面的詳情。
- 電子交易的風險**

透過某個電子交易系統進行買賣，可能會與透過其他電子交易系統進行買賣有所不同。如果客戶透過某個電子交易系統進行買賣，便須承受該系統帶來的風險，包括有關系統硬件或軟件可能會失靈的風險。系統失靈可能會導致客戶的交易指示不能根據指示執行，甚或完全不獲執行。

客戶確認並承擔因網路擠塞或其他原因而引致通過互聯網傳送的訊息有所延誤的風險。中國天元證券不會就有關延誤所構成的後果(包括但不限於延誤向交易地點發出指示或命令，或因任何通訊設施故障而延遲向你發出執行報告，或其他不能合理地由中國天元證券控制的延誤)負責。
- 電子結算單的風險**

互聯網及其他電子媒介的接達可能因為高峰期、市場波動、系統升級或維修或因其他原因而受到限制或未能提供。透過互聯網及其他電子媒介進行的任何通信可能會受到干擾、出現傳輸中斷，及由於未能預測的互聯網通信量或因其他不受中國天元證券控制的原因而導致傳輸延誤。基於技術所



限，互聯網本身為不可靠的通信媒介。因此，可能會出現資訊傳輸及接收之延誤，以及結算單未必能傳送到指定的電郵帳號。此外，未經授權第三方可能獲得通訊及個人資料，及客戶須要完全承擔任何誤解通信或通信錯誤之風險。

13. 暫停或限制交易以及價格關係

場情況(例如市場流通量不足)及/或某些市場規則的施行(例如因價格限制或“停板”措施而暫停任何合約或合約月份的交易)，都可以增加虧損風險，這是因為投資者屆時將難以或無法執行交易或平掉/抵銷倉盤。如果客戶作出買賣後遇到這種情況，客戶須承受的虧損風險可能會增加。

14. 存放的現金及財產

如果客戶為在本地或海外進行的交易存放款項或其他財產，客戶應瞭解清楚該等款項或財產會獲得哪些保障，特別是在有關商號破產或無力償債時的保障。至於能追討多少款項或財產一事，可能須受限於具體法例規定或當地的規則。在某些司法管轄區，收回的款項或財產如有不足之數，則可認定屬於客戶的財產將會如現金般按比例分配予客戶。

15. 佣金及其他收費

在開始交易之前，客戶先要清楚瞭解必須繳付的所有佣金、費用或其他收費。這些費用將直接影響客戶可獲得的淨利潤(如有)或增加客戶的虧損。

16. 場外交易的風險

在某些司法管轄區，及只有在特定情況之下，有關商號獲准進行場外交易。為客戶進行交易的商號可能是客戶所進行的買賣的交易對手方。在這種情況下，有可能難以或根本無法平掉既有倉盤、評估價值、釐定公平價格又或評估風險。因此，這些交易或會涉及更大的風險。此外，場外交易的監管或會比較寬鬆，又或需遵照不同的監管制度；因此，客戶在進行該等交易前，應先瞭解適用的規則和有關的風險。

17. 減低風險交易指示或投資策略

即使客戶採用某些旨在預設虧損限額的交易指示(如“止蝕”或“止蝕限價”指示)，也可能作用不大，因為市況可以令這些交易指示無法執行。至於運用不同持倉組合的策略，如“跨期”和“馬鞍式”等組合，所承擔的風險也可能與持有最基本的“長”倉或“短”倉同樣的高。

18. 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繳付。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。信貸評級是評估信貸及/或結構性產品違約風險最常用的工具。信貸評級代表信貸評級機構於某一特定時間內的意見，而信貸評級往往會因應發行商的財政狀況或市場情況的改變而作出調整。

交易對手風險指交易方無力履行其財務合約責任，雖然信貸評級機構的評級有一定的可靠性，客戶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，以免招致損失。

19. 投資美國交易所上市或場外交易證券或美國衍生工具的風險

客戶在投資任何受美國法律規管市場的證券或證券相類的工具前，應先瞭解適用於該等交易的美國規例。美國法律通常適用於美國市場交易，無論客戶所屬的國家法律是否亦同時適用。有眾多(但此非指全部)股票、債券及期權均在美國證券交易所掛牌及交易。納斯達克以往是交易商之間的場外交易市場，現亦已成為一家美國交易所。就在交易所上市的股票、債券及期權而言，每家交易所會發有補充美國證券交易委員會規例的規例，以保障在該交易所進行買賣證券的個人及機構。

交易商可以繼續利用交易所掛牌或非交易所掛牌的工具進行場外交易。就未有在交易所掛牌的證券，其交易可以透過在場外電子交易板或載有代理(非真正的)交易商報價之交易商之間的粉紅價單進行。這些交易設施是在納斯達克以外設置。

證券期權受美國證券交易委員會及該期權掛牌的證券交易所之規例管轄。期貨合約或商品例如小麥或黃金的期權受美國商品期貨交易委員會之規例管轄。商業期權例如房地產期權則不受美國證券交易委員會或美國商品期貨交易委員會之規則限制。

無論客戶意欲投資在美國交易所掛牌的證券、場外交易證券或衍生工具(如期權或期貨)，客戶應瞭解監管擬進行交易之市場的有關規例。投資於沒有須在交易所掛牌要求的衍生工具會傾向使風險增加及衍生工具市場的性質傾向使風險進一步增加。

場外電子交易板的莊家不能使用電子媒介與其他交易商溝通以執行交易。他們必須以手動方式與市場溝通，即使用標準電話線與其他交易商溝通以執行交易，此舉可能會引致延遲與市場溝通。若在同時交易量增加，可引致場外電子交易板的證券價格波幅擴大及遲誤延長執行時間。客戶落盤時應加倍審慎，並完全了解有關場外電子交易板交易的風險。市場數據如報價，交易量及市場大小可能或未必與納斯達克或掛牌證券預期一樣保持現況更新。

因參與場外證券市場的莊家數目可能較少，該證券的流通量可能大幅較在市場掛牌證券的流通量低。因此，客戶的指示可能只獲部分執行，甚至全部不獲執行。此外，落市價盤所收到的價格可能與輸入買賣盤時的報價有明顯的不同。當某一證券的股份交易減少，可引致賣出/買入價的差距增加及造成價格波動。在某些情況下，未必能在合理時間內為場外證券平倉。

場外交易證券的發行商並無責任向投資者提供資訊、與證券交易委員會維持登記或向投資者提供定期報告。

倘以上條文的中英文版本出現任何分歧，則概以英文版為準。

### **Risk Disclosure Statement for Global Stock Trading**

The Risk Disclosure Statement for Global Stock Trading (“Risk Disclosure Statement”) applies to any activities related to using the Global Stock Trading Platform. It supplements the Client’s Account Agreement entered into between the Client and China Tian Yuan Securities Limited (“CTYS”). Terms defined in the Client Agreement have the same meanings in this Statement unless stated otherwise.

1. **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 loss will be incurred rather than profit made as a result of buying and selling securities. The Client shall therefore understand the risk involved in securities market, evaluate his/her own preference and capabilities on risk tolerance, and seek for independent financial consultant advice (if necessary) before he/she places Instruction(s).
2. **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. Client 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 gazetted newspapers. Client should seek independent professional advice if he/she is uncertain or does not understand any aspect of this risk disclosure statement or the nature and risks involved in trading of GEM stocks.
3. **Risks of client assets received or held outside Hong Kong**  
Client assets received or held by CTYS 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 client assets may not enjoy the same protection as that conferred on client assets received or held in Hong Kong.
4. **Risks of lacking Compensation Fund and Regulation by rules and laws in Hong Kong**  
The Client should trade non-local securities only if he/she understands its nature and degree of risks associated. Please be aware that non-local securities are not regulated under Hong Kong Stock Exchange regardless of CTYS being the participant of the Exchange, and such securities are not covered by Compensation Fund. He/She shall therefore carefully consider whether such transaction is suitable in light of his/her own investment experience, risks condition or other relevant factors. He/She shall seek for professional advice if any doubts arise.  
The Client agrees and complies with applicable provisions, rules, laws and otherwise which are amended from time to time by Hong Kong SAR, Overseas Exchanges and other regulatory authorities.  
Transactions on markets in other jurisdictions, including markets formally linked to a domestic market, may expose the Client to additional risk. Such markets may be subject to regulation which may offer different or diminished investor protection. Before the Client trades he/she should enquire about any rules relevant to his/her particular transactions. His/Her local regulatory authority will be unable to compel the enforcement of the rules of regulatory authorities or markets in other jurisdictions where his/her transactions have been effected. The Client should ask the firm with which he/she deals for details about the types of redress available in both his/her home jurisdiction and other relevant jurisdictions before he/she starts to trade.
5. **Disclosure of the Client’s Information**  
CTYS shall upon the request of relevant regulators and Correspondent Agents disclose the name, beneficial identity and such other information concerning the Client as they may request or require. The Client undertakes to disclose such other information concerning itself to CTYS within the time CTYS specified as may be required for CTYS to comply relevant regulators, and/or the requirements of relevant regulators or Correspondent Agents. The Client irrevocably authorizes CTYS to make any disclosure.  
All personal data concerning the Client may be used for any purposes relating to or in connection with compliance with any law, regulation, court order or order of any regulatory body and/or investigating suspicious transactions.
6. **Order Withdrawal by Relevant Regulators, Correspondent Agents or CTYS**  
Relevant regulators, correspondent agents or CTYS may withdraw an order from the order processing system. It is the Client’s responsibility to maintain sufficient contact with CTYS while there is an outstanding order on the Client’s withdrawn order. While CTYS may endeavor to notify the Client of a withdrawn order, CTYS is under no obligation to do so and accepts no responsibility for any loss incurred directly or indirectly by the Client as a result of the withdrawal or expiry of an order.
7. **Risks of foreign tax liability**  
The Client is required to give declaration if he/she is overseas residents and the Company shall not verify his/her residence or nationality. The Client shall consult the tax advisor to determine his/her income withholding taxes and the eligibility for tax relief, if appropriate.  
The Client is liable on a full indemnity basis for all applicable taxes, levies, imposed by any Government, relevant Clearing System, or Market and all applicable stamp duties. All such taxes (including but not limited to withholding taxes), levies and duties may be deducted by us from the Securities Account and any other Accounts maintained by the Client with any of the CTYS Group. The Client shall seek professional tax advice, where appropriate.
8. **Risks of lacking information about corporate action**  
In respect of the actions taken by corporation which the Client held stocks with (such as partnership formation/ dissolution, interests/ stocks distribution, stocks allotment, rights issue, licensing revoke, mergers and acquisitions etc), he/she shall be primarily aware of the aforesaid actions although CTYS shall update he/she the stocks position within a reasonable period of time. CTYS shall not bear any responsibilities for loss(s) or damage(s) arising from any decision made on inaccurate or omitted information provided.
9. **Currency risks**  
The profit or loss in transactions in foreign currency-denominated securities investments or contracts (whether they are traded in the Client’s 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 securities investments or contract to another currency.
10. **Risk of failure of the trading facilities**  
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. The Client’s 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: he/she should ask CTYS with which his/her deal for details in this respect.
11. **Risk of failure of the electronic trading system**  
Trading on an electronic trading system may differ from trading on other electronic trading systems. If the Client undertakes transactions on an electronic trading system, he/she 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 his/her order is either not executed according to his/her instructions or is not executed at all.

Client acknowledges and bears the risk that messages sending over the internet may be delayed due to internet traffic congestion or other reasons. CTYS shall not be responsible for any consequences of these delays, including without limitation delays in the transmission of instructions/orders to the place of execution or the transmission of reports of execution to the Client due to any failure of communication facilities, or any other delays beyond the reasonable control of CTYS.

12. Risk of E-Statement Service

Access to the internet or other electronic medium may be limited or unavailable during periods of peak demand, market volatility, systems upgrades or maintenance or for other reasons. Any communication through the internet or other electronic medium may be subject to interruption, transmission blackout, and delayed transmission due to unpredictable traffic congestion and other reasons beyond CTYS's 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 information. The statements may not be sent to the designed email address at all. Moreover, communications and personal data may be accessed by unauthorized third parties, and there are risks of misunderstanding or error in any communication and that such risks shall be absolutely borne by the Client.

13. Suspension or restriction of trading and pricing relationships

Market conditions (e.g. illiquidity) and/or the operation of the rules of certain markets (e.g. the suspension of trading in any contract or contract month because of price limits or "circuit breakers") may increase the risk of loss by making it difficult or impossible to effect transactions or liquidate/offset positions. If the Client has bought or sold, this may increase the risk of loss.

14. Deposited cash and property

The Client should familiarize him/herself with the protections given to money or other property he/she deposits for domestic and foreign transactions, particularly in the event of a firm insolvency or bankruptcy. The extent to which he/she may recover his/her money or property may be governed by specific legislation or local rules. In some jurisdictions, property which had been specifically identifiable as his/her own will be pro-rated in the same manner as cash for purposes of distribution in the event of a shortfall.

15. Commission and other charges

Before the Client begins to trade, he/she should obtain a clear explanation of all commission, fees and other charges for which he/she will be liable. These charges will affect his/her net profit (if any) or increase his/her loss.

16. Risk of off-exchange transactions

In some jurisdictions, and only then in restricted circumstances, firms are permitted to effect off-exchange transactions. The firm with which the Client deals may be acting as his/her 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 the Client undertakes such transactions, he/she should familiarize himself/herself with applicable rules and attendant risks.

17. Risk-reducing orders or strategies

The placing of certain orders (e.g. "stop-loss" orders, or "stop-limit" orders) which are intended to limit losses to certain amounts may not be effective because market conditions may make it impossible to execute such orders. Strategies using combinations of positions, such as "spread" and "straddle" positions may be as risky as taking simple "long" or "short" positions.

18. Default Risks & Counterparty Risks

Every investment product 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 default risk of credit and/or structured products. 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, the Client should not only refer 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.

19. Risk relating to Trading in US Exchange-listed or Over-the-counter (OTC) Securities or Derivatives

The Client should understand the US rules applicable to trades in security or security-like instrument in markets governed by US law before undertaking any such trading. US law could apply to trading in US markets irrespective of the law applicable in the Client's home jurisdiction. Many (but by no means all) stocks, bonds and options are listed and traded on US stock exchanges. NASDAQ, which used to be an OTC market among dealers, has now also become a US exchange. For exchange-listed stocks, bonds and options, each exchange promulgates rules that supplement the rules of the US Securities & Exchange Commission ("SEC") for the protection of individuals and institutions trading in the securities listed on the exchange.

OTC trading among dealers can continue in exchange-listed instruments and in instruments that are not exchange-listed at all. For securities that are not listed on any exchange, trading can continue through the OTC bulletin board or through the inter-dealer "pink sheets" that carry representative (not actual) dealer quotes. These facilities are outside of NASDAQ.

Options on securities are subject to SEC rules and the rules of any securities exchange on which the options are listed. Options on futures contracts on commodities like wheat or gold are governed by rules of the US Commodity Futures Trading Commission ("CFTC"). There are also commercial options, like options on real estate, that are governed neither by SEC nor CFTC rules.

Whether the Client is intending to trade in US exchange-listed securities, OTC securities or derivatives, he/she should understand the particular rules that govern the market in which the Client is intending to trade. An investment in any of these instruments tends to increase the risk and the nature of markets in derivatives tends to increase the risk even further.

Market makers of OTC bulletin board are unable to use electronic means to interact with other dealers to execute trades. They must manually interact with the market, i.e. use standard phone lines to communicate with other dealers to execute trades. This may cause delays in the time it takes to interact with the market place. This, if coupled with increase in trade volume, may lead to wide price fluctuation in OTC bulletin board securities as well as lengthy delays in execution time. The Client should exercise extreme caution when placing orders and fully understand the risks associated with trading in OTC bulletin board. Market data such as quotes, volume and market size may or may not be as up-to-date as expected with NASDAQ or listed securities.

As there may be far fewer market makers participating in OTC securities markets, the liquidity in that security may be significantly less than those in listed markets. As such, the Client may receive a partial execution or the order may not be executed at all. Additionally, the price received on a market order may be significantly different from the price quoted at the time of order entry. When fewer shares of a given security are being traded, larger spreads between bid and ask prices and volatile swings in price may result. In some cases, the liquidation of a position in an OTC security may not be possible within a reasonable period of time.

Issuers of OTC securities have no duty to provide any information to investors, maintain registration with the SEC or provide regular reports to investors.

In case of discrepancies between the English and Chinese versions of the above statements, the English version shall prevail.