HONG KONG RISK DISCLOSURE STATEMENT

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 losses will be incurred rather than profit made as a result of buying and selling securities.

2. RISK OF TRADING FUTURES AND OPTIONS

   The risk of loss in trading futures contracts or options is substantial. In some circumstances, you may sustain losses in excess of your initial margin funds. Placing contingent orders, such as "stop-loss" or "stop-limit" orders, will not necessarily avoid loss. Market conditions may make it impossible to execute such orders. You may be called upon at short notice to deposit additional margin funds. If the required funds are not provided within the prescribed time, your position may be liquidated. You will remain liable for any resulting deficit in your account. You should therefore study and understand futures contracts and options before you trade and carefully consider whether such trading is suitable in the light of your own financial position and investment objectives. If you trade options you should inform yourself of exercise and expiration procedures and your rights and obligations upon exercise or expiry.

3. RISK OF TRADING IN LEVERAGED FOREIGN EXCHANGE CONTRACTS

   The risk of loss in leveraged foreign exchange trading can be substantial. You may sustain losses in excess of your initial margin funds. Placing contingent orders, such as "stop-loss" or "stop-limit" orders, will not necessarily limit losses to the intended amounts. Market conditions may make it impossible to execute such orders. You may be called upon at short notice to deposit additional margin funds. If the required funds are not provided within the prescribed time, your position may be liquidated. You will remain liable for any resulting deficit in your account. You should therefore carefully consider whether such trading is suitable in light of your own financial position and investment objectives.

4. RISK OF TRADING IN 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 gazetted newspapers.
- You should seek independent professional advice if you are uncertain of or have not understood any aspect of this risk disclosure statement or the nature and risks involved in trading of GEM stocks.

5. RISK OF CLIENT ASSETS RECEIVED OR HELD OUTSIDE HONG KONG

Client assets received or held by the licensed or registered person 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.

6. 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 the licensed or registered person 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 licensed or registered persons, 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. The licensed or registered person 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.

7. 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 licensed or registered person. 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 a financing arrangement is suitable in light of your own financial position and investment objectives.

8. 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 the licensed or registered person 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.

9. ADDITIONAL RISK DISCLOSURE FOR FUTURES AND OPTIONS TRADING

   This brief statement does not disclose all of the risks and other significant aspects of trading in futures and options. In light of the risks, you should undertake such transactions only if you understand the nature of the contracts (and contractual relationships) into which you are entering and the extent of your exposure to risk. Trading in futures and options is not suitable for many members of the public. You should carefully consider whether trading is appropriate for you in light of your experience, objectives, financial resources and other relevant circumstances.

   - **Futures**
     Effect of 'Leverage' or 'Gearing'

     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 with which you deal to maintain your position. If the market moves against your position or margin levels are increased, you may be called upon to pay substantial additional funds on short notice to maintain your position. If you fail to comply with a request for additional funds within the time prescribed, your position may be liquidated at a loss and you will be liable for any resulting deficit.

   - **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.

   - **Options**
     Variable degrees of risk

     Transactions in options carry a high degree of risk. Purchasers and sellers of options should familiarize themselves with the type of option (i.e. put or call) which they contemplate trading and the associated risks. You should calculate the extent to which the value of the options must increase for your position to become profitable, taking into account the premium and all transaction costs.

The purchaser of options may offset or exercise the options or allow the options to expire. The exercise of an option results either in a cash settlement or in the purchaser acquiring or delivering the underlying interest. If the option is on a futures contract, the purchaser will acquire a futures position with associated liabilities for margin (see the section on Futures above). 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') options 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 against him. The seller will also be exposed to the risk of the purchaser exercising the option and the seller will be obligated to either settle the options in cash or to acquire or deliver the underlying interest. If the option is on a futures contract, the seller will acquire a position in a futures contract with associated liabilities for margin (see the section on Futures above). If the option is 'covered' by the seller holding a corresponding position in the underlying interest or a futures contract or another option, the risk may be reduced. If the option is not covered, the risk of loss can be unlimited.

Certain exchanges in some jurisdictions permit deferred payment of the option premium, exposing the purchaser to liability for margin payments not exceeding the amount of the premium. The purchaser is still subject to the risk of losing the premium and transaction costs. When the option is exercised or expires, the purchaser is responsible for any unpaid premium outstanding at that time.

- **Additional Risks Common to Futures and Options**
  Terms and conditions of contracts

  You should ask the firm with which you deal about the terms and conditions of the specific futures or options which you are trading and associated obligations (e.g. the circumstances under which you may become obliged to make or take delivery of the underlying interest of a futures contract and, in respect of options, expiration dates and restrictions on the time for exercise). Under certain circumstances the specifications of outstanding contracts (including the exercise price of an option) may be modified by the exchange or clearing house to reflect changes in the underlying interest.

- **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 you have sold options, this may increase the risk of loss.

  Further, normal pricing relationships between the underlying interest and the future, and the underlying interest and the option may not exist. This can occur when, for example, the futures contract underlying the option is subject to price limits while the option is not. The absence of an underlying reference price may make it difficult to judge "fair" value.

- **Deposited cash and property**
  You should familiarize 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 risks**
  The profit or loss in transactions in foreign currency-denominated contracts (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.

- **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. 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.

- **Electronic trading**
  Trading on an electronic trading system may differ not only from trading in an open-outcry market but also 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.

- **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.

10.DISCLOSURE REGARDING HONG KONG OPTIONS

Hong Kong options are treated as normal premium options in that IB will not post changes in variation margin (profits or losses) for such options. The profit or loss will be determined at the time a position is closed and will be the difference between the opening and closing transaction prices. You should note that the end profit or loss calculation result remains identical. It is important to note that positions resulting from strategies with combined futures and options legs may require additional collateral to maintain. This is because commodity accounts must maintain a positive cash balance and adverse market movements may cause the futures portion of the strategy to generate negative cash which will not be offset by options price changes.

11.RISK DISCLOSURE REGARDING TRADING VIA CHINA CONNECT

The following describes some of the risks and other significant aspects of trading the Shanghai Stock Exchange ("SSE") and Shenzhen Stock Exchange ("SZSE") securities via China Connect through Interactive Brokers Hong Kong Limited. In light of the risks, clients should undertake such transactions only if they understand the nature of China Connect trading and the extent of their exposure to risk. Clients should carefully consider (and consult their own advisers where necessary) whether trading is appropriate for clients in light of clients' experience, objectives, financial resources and other relevant circumstances.

Clients must observe the relevant laws and regulations of Mainland China and Hong Kong as well as the rules of the exchanges. Clients must accept and agree the aforesaid and the risks related to China Connect, including but not limited to being liable or responsible for breaching the SSE Listing rules, SSE Rules, SZSE Listing Rules, SZSE Rules and other applicable laws and regulations before giving instructions. Detailed information on trading via China Connect can be referred to on HKEX's website.

- **Day trading**
  You are not allowed to carry out A-shares day trading. A-shares bought on trade day ("T-day") can only be sold on or after T+1 day.

- **OTC trading and restriction on naked short selling**
  No over-the-counter ("OTC") or manual trades are allowed. All China Connect trading must be conducted on relevant participating China Connect exchanges (i.e. currently the participating exchanges are Shanghai Stock Exchange ("SSE")/Shenzhen Stock Exchange ("SZSE")). In addition, naked short selling is currently not allowed under the rules.

- **Restriction on selling**
  Pre-trade checking is applicable to the Northbound China Connect, so if you want to sell A shares through IB, the A shares must be transferred to, and received in, your account at IB prior to market open on the day you are looking to sell the A shares, unless a Special Segregated Account ("SPSA") arrangement is in place.

- **Restriction on selling**
  Shareholding restriction and disclosure obligation
  1. Under Mainland China laws and regulations, a single foreign investor's shareholding in a single Mainland China listed company shall not exceed 10% of the total issued shares. All foreign investors' shareholding in the A shares of a Mainland China listed company is not allowed to exceed 30% of its total issued shares. You should ensure that the shareholding percentage complies with the relevant restriction. IB have the right to "force-sell" clients' shares upon receiving the force-sale notification from the

Hong Kong Stock Exchange ("SEHK").
2. Mainland China laws also require investors to report to the relevant authorities when the percentage of shares held or controlled by the investor reaches certain level. You have to conform to the relevant rules.
3. You should also ensure that you fully understand the Mainland China rules and regulations in relation to short-swing profits as well as other disclosure obligations and ensure that they follow and complies with such rules and regulations accordingly.

- **Trading day difference**
  You can only trade China Connect Securities on a Hong Kong business day, and only if both markets in Hong Kong and Mainland are open for trading (T-day) and bank services are available in the Hong Kong and Mainland markets on the corresponding money settlement days (T+1). This arrangement is essential in ensuring that proper banking support is available to settle money obligations. So it is possible that there are occasions when it is a normal trading day on the Mainland but Hong Kong investors cannot carry out any A-shares trading through China Connect.

- **Arrangement under severe weather conditions and in cases of contingencies**
  In the case of any contingency, such as typhoon signal no. 8 or above or Black Rainstorm warning issued in Hong Kong resulting in any suspension or delay of service, IB shall have the right to cancel your orders in response to the above contingencies. Also, IB may not be able to send in your order cancellation requests in case of contingency such as when SEHK losses all its communication lines with SSE/SZSE. You should still bare the settlement obligation if the orders are matched and executed.

- **Northbound trading regulations and risks**
  1. You must understand and to fully comply the applicable laws and regulation of Mainland for Northbound trading and the applicable laws and regulation in Hong Kong. IB provides executing and clearing service and shall not be under any obligation, or responsibly to provide advices on trading rules or market requirements on northbound trading. You are advised to refer to the SEHK and the SFC website for detailed information in relation to China Connect to understand the relevant requirement (including the relevant quotas and etc) and consult professional advisors if there is any query.
  2. You must accept the risks concerned in Northbound trading, including but not limited to prohibition of trading certain SSE Securities, being liable or responsible for breaching the SSE/SZSE Listing Rules, SSE/SZSE Rules and other applicable laws and regulations.
  3. IB has the right forward your identification information to SEHK, who may transfer the relevant data to SSE/SZSE, for supervision and surveillance.
  4. If the SSE/SZSE Rules are breached, or the disclosure and other obligations referred to in the SSE/SZSE Listing Rules or SSE/SZSE Rules are breached, SSE/SZSE has the power to carry out an investigation and may, through SEHK, require IB to provide the relevant information and materials (including your identification information) to SSE/SZSE through SEHK.
  5. SSE and/or SZSE may request SEHK to require IBHK to issue warning statements (verbally or in writing) to you and/or other client, and not to extend SSE and/or SZSE trading service to you and/or any other clients.
  6. HKEX may upon SSE's or SZSE's request, require IBHK to reject orders from you. IBHK has the rights to execute the request.
  7. IBHK, HKEX, SEHK, SEHK Subsidiary, SSE, SSE Subsidiary, SZSE, SZSE Subsidiary and their respective directors, employees and agents shall not be responsible

or held liable for any loss or damage directly or indirectly suffered by the you or any third parties arising from or in connection with China Connect Northbound Trading or the order routing system (China Stock Connect System ("CSC")).

- **Not protected by Investor Compensation Fund**
  You should note that any northbound trading under China Connect, will not be covered by the Hong Kong Investor Compensation Fund or China Securities Investor Protection Fund on the Mainland.

- **Restrictions on trading Shenzhen ChiNext shares (Only eligible for Shenzhen-Hong Kong Stock Connect)**
  Trading Shenzhen ChiNext shares are limited to institutional professional investors.