



SHENYIN WANGUO SECURITIES (H.K.) LIMITED

TERMS AND CONDITIONS
for Stock Options trading
(Stock Options Trading Account)

Shenyin Wanguo Securities (H.K.) Limited
Exchange Participant of The Stock Exchange of Hong Kong Limited and
A licensed corporation to carry on Type 1 (dealing in securities) regulated activity by the
Securities and Futures Commission
CE Number AAC927

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Terms and Conditions for Options traded on the Stock Exchange of Hong Kong (Stock Options Trading Account)

These Terms and Conditions for Options trading on the Stock Exchange of Hong Kong (Stock Options Trading Account) are supplemental to the Terms and Conditions relating to the sale and purchase of securities (Cash Account) and (where applicable) the Terms and Conditions for Share Margin Financing Facility (Margin Account) entered into by the Broker and the Client whereby the Client's "Account" as defined below is allowed to conduct Stock Options trading. Where any conflict arises between the Terms and Conditions relating to the sale and purchase of securities (Cash Account), the Terms and Conditions for Share Margin Financing Facility (Margin Account)(where applicable) and the Terms and Conditions for Options traded on the Stock Exchange of Hong Kong (Stock Options Trading Account), the provisions in the latter shall prevail.

1. Interpretation

1.1 In these terms and conditions, the following expressions shall have the following meanings unless the context requires otherwise:-

"Account"	means the account which the Client conducts Options trading on the SEHK via the Broker;
"Broker"	means Shenyin Wanguo Securities (H.K.) Limited;
"Broker's Group"	means the ultimate holding company of the Broker and each and every subsidiary of such holding company including without limitation, Shenyin Wanguo Futures (H.K.) Limited and Shenyin Wanguo Nominees (H.K.) Limited;
"Client"	means the person or persons who have signed an Application Form to open an Stock Options Trading Account (i.e. Account Opening Form - Stock Options Account) with the Broker and where the Account(s) is opened by more than one persons, "Client" means all of such persons collectively and any personal representative or successor in title thereof and permitted assign thereof;
"Client Agreement"	means the Terms and Conditions relating to the sale and purchase of securities (Cash Account), the Circular to Clients relating to the Personal Data (Privacy) Ordinance issued by the Broker, the Terms and Conditions for Share Margin Financing Facility (Margin Account) (where applicable) the Terms and Conditions for Options traded on the Stock Exchange of Hong Kong (Stock Options Trading Account) and the Application Form to open a Stock Options Trading Account duly signed by the Client which shall be read together as one document;
"Client Contract"	has the meaning as defined in the Options Trading Rules of the SEHK and means a contract validly made at the time when an order in respect of an option series is matched by the Options System with another order in respect of that option series and incorporates the terms and conditions of the Standard Contract for a particular option series;
"Client Securities Rules"	means the Securities and Futures (Client Securities) Rules (Chapter 571H of the Laws of Hong Kong) made by the SFC under section 148 of the Securities and Futures Ordinance as amended from time to time;
"HKEx"	means Hong Kong Exchange and Clearing Limited;
"HKSCC"	means the Hong Kong Securities Clearing Company Limited;
"Collateral"	means cash and/or securities and/or other assets as may be agreed from time to time as security

for the Client's obligation to the Broker under the Client Agreement;

"Options Trading" means the purchase, closing, exercise, settlement and discharge of long options transactions and include writing of options through the Account or otherwise creating any short open position;

"Options Trading Rules" means the Options Trading Rules of SEHK as amended from time to time;

"Rules" means all laws, rules and regulatory directions applying to the Broker (as an option exchange participant), which include the Options Trading Rules of SEHK, the Clearing Rules of SEOCH and the rules of the HKSCC;

"SEHK" means the Stock Exchange of Hong Kong Limited;

"SEOCH" means The SEHK Options Clearing House Limited; and

"Terms and Conditions" means these Terms and Conditions for Stock Options Trading (Stock Option Trading Account), the Terms and Conditions relating to the sale and purchase of securities (Cash Account), the Terms and Conditions for Share Margin Financing Facility (Margin Account)(where applicable) and the Circular to Clients relating to the Personal Data (Privacy) Ordinance issued by the Broker.

1.2 All references to the term "Account" in the Client Agreement shall, where appropriate, upon the opening of the Stock Options trading Account, and for the purposes of the Client Agreement and this Terms and Conditions include an Account in respect of which the Client conduct Options Trading on the SEHK via the Broker.

1.3 Where the context allows, references to terms defined in the Client Agreement shall have the same meaning when used in these Terms of Business but references to numbered clauses shall be to clauses of these Terms of Business.

1.4 Words and phrases not defined will have the meaning given to them in the Options Trading Rules and the Options Clearing Rules of SEOCH, and references to clauses in this Terms and Conditions shall refer to clauses contained in this Terms and Conditions, unless the context otherwise requires.

1.5 The heading to the clauses are inserted for convenience only and do not affect their interpretation and construction.

2. Confidentiality

The Broker will keep information relating to the Account confidential, but may provide any such information to the Securities and Futures Commission, SEHK, HKEx and other relevant regulator.

3. Client's Representation and Warranties

3.1 The Client confirms that:-

- (a) the Account is operated solely for the Client's account and benefit, and not for the benefit of any other person; or
- (b) the Client has disclosed to the Broker in writing the name of the person(s) for whose benefit the Account is being operated; or
- (c) the Client have requested the Broker to operate the Account as an Omnibus Account, and will immediately notify the Broker, on request, of the identity of any person(s) ultimately beneficially interested in Client Contacts.

3.2 The Client confirms that he/she is not an employee of any Options Exchange Participant of the SEHK and that no employee of any Options Exchange Participant will have a beneficial interest in the Account.

4. Applicable Rules

4.1 All Exchange Traded Options Business shall be effected by the Broker in accordance with the Rules; and in particular, SEOCH has authority under the Rules to make adjustments to the terms of Contracts, the Broker should notify the Client of

any such adjustments which affect Client Contracts to which the Client is a party, and all actions taken by the Broker, by SEHK, by SEOCH, by HKSCC in accordance with such Rules shall be binding on the Client.

4.2 The Client agrees that the terms of the Standard Contract for the relevant option series shall apply to each Client Contracts with the Broker, and that all Client Contracts shall be created, exercised, settled and discharged in accordance with the Rules.

5. Collateral

5.1 The Client agrees to provide the Broker with Collateral as may be agreed from time to time, as security for his/her obligations to the Broker under the Client Agreement and maintain Collateral. Such Collateral should be paid or delivered as demanded by the Broker from time to time, and the amounts required by way of Collateral should not be less than, but may exceed, the amounts as may be required by the Rules in respect of the Client's open positions and delivery obligations, and further Collateral may be required to reflect changes in market value. The Broker may change any Collateral in its sole discretion and at any time without prior notice to the Client. If the Broker determines that additional Collateral is required, the Client agrees to deposit with the Broker such additional Collateral forthwith upon demand. No previous Collateral shall establish any precedent.

5.2 If the Broker accepts securities by way of Collateral, the Client will on request provide the Broker with such authority as the Broker may require under the Rules to authorize the Broker to deliver such securities, directly or through an Options Exchange Participant, to SEOCH as SEOCH Collateral in respect of Exchange Traded Options Business resulting from the Client's instructions to the Broker; and the Broker does not have any further authority from the Client to borrow or lend the Client's securities or otherwise part with possession (except to the Client or on the Client's instructions) of any of the Client's securities for any other purpose.

5.3 The Broker will collect Collateral and Premium in accordance with the Rules.

5.4 Without prejudice to Clauses 5.1 to 5.2, calls or demands for Collateral must be met or satisfied by the Client forthwith upon demand by the Broker. The Client shall on demand put the Broker in funds or moneys or arrange for the Broker to be put in funds or moneys in time to enable the Broker to discharge any liability incurred or to be incurred in connection with Options Trading transaction effected in relation to the Account. The Client shall on demand reimburse the Broker for all costs and expenses incurred by it in connection with Options Trading transaction effected in relation to the Account and/or pay or settle any outstanding amount under the Account.

5.5 The Broker is not liable to pay interest on the moneys or funds paid to or received by the Broker in respect of the Account whether on deposit or however described. The Broker is entitled to retain for its own benefit any interest or other realized income or increase in value earned or received in respect of such moneys or funds. The Broker is entitled to charge and the Client agrees to pay interest to the Broker in respect of any deficit or any moneys or funds otherwise owing to the Broker at any time at such rates and on such other terms as the Broker notifies the Client from time to time as determined by the Broker from time to time. Interest shall be payable on the last day of each calendar month or forthwith upon demand by the Broker.

5.6 The Client shall monitor the Account so that at all times the Account shall contain a sufficient account balance to meet the Collateral. The Broker may modify such Collateral for the Client at any time in the Broker's absolute and sole discretion. The Broker may reject any Instructions or order of the Client if the Client does not have a sufficient account balance to meet the Collateral and may delay the processing of any Instructions or order while determining the correct collateral status of the Account. The Client shall maintain, without notice or demand from the Broker, a sufficient account balance at all times so as to continuously meet the Collateral. The Client must at all times satisfy whatever Collateral calculated by the Broker.

5.7 The Broker has no obligation to notify the Client of any failure to meet the Collateral in the Account prior to the Broker exercising its rights, powers, discretion and remedies under the Client Agreement. The Client understands and accepts that the Broker generally will not issue call or demand on the Collateral, that the Broker generally will not credit the Account to meet any deficiency on the Collateral, and that the Broker is authorized to exercise any of its rights under (a) section headed

“Default” in Terms and Conditions for Share Margin Financing Facility (Margin Account), (b) section headed “Event of Default” in Terms and Conditions relating to the sale and purchase of securities (Cash Account) and/or (c) Clause 6.8 in order to satisfy the Collateral without prior notice to the Client.

- 5.8 In the event that the balance of the Account has zero equity or is in deficit at any time, or the Account does not have a sufficient account balance to meet the Collateral, the Broker shall have the right, in its sole discretion, but not the obligation, to exercise any of its rights under (a) section headed “Default” in Terms and Conditions for Share Margin Financing Facility (Margin Account), (b) section headed “Event of Default” in Terms and Conditions relating to the sale and purchase of securities (Cash Account) and/or (c) Clause 6.8 at any time and in such manner and in any market as the Broker deems necessary, without prior notice demand or call to the Client. The Client agrees to be responsible for, and promptly pay to the Broker, any deficiency in the Account that arises from such exercise of rights or remain after such exercise of rights. The Broker shall not have any liability to the Client for any losses or damages sustained by the Client in connection with such exercise of rights (or if the Broker experiences a delay in exercising, or does not exercise such rights).
- 5.9 The Client expressly waives and relinquishes any rights to receive prior notice or demand from the Broker and agrees that any prior demand, notice, announcement or advertisement shall not be deemed a waiver of the Broker’s right to exercise any of its rights under (a) section headed “Default” in Terms and Conditions for Share Margin Financing Facility (Margin Account), (b) section headed “Event of Default” in Terms and Conditions relating to the sale and purchase of securities (Cash Account) and/or (c) Clause 6.8. The Client understands that, in the event that the Broker exercise such rights, the Client shall have no right or opportunity to determine the manner of exercising such rights by the Broker. The Broker may, in its absolute and sole discretion, exercise such rights on any Exchange or market, and the Broker or any of the Broker Group Company may take the other side of any closing out, liquidating or settlement transaction. In the event that the Broker exercise such rights, such exercise of rights shall establish the amount of the Client’s gain or loss and indebtedness to the Broker, if any. The Client shall reimburse and hold the Broker harmless for all actions, inaction, costs, expenses, fees (including, but not limited to, legal costs), penalties, losses, claims or liabilities associated with any exercise of such rights by the Broker. The Client shall be liable to and responsible for all resulting losses, notwithstanding the Broker’s delay in or failure to exercise such rights. If the Broker executes an order for which the Client did not have sufficient funds, the Broker has the right, without notice to the Client, to liquidate the Options Trading transaction and the Client shall be responsible for any loss as a result of such liquidation, including any costs.
- 5.10 The Client irrevocably and unconditionally authorizes the Broker to transfer, debit or deduct any money in the Account and/or any other account opened, maintained and operated by the Client with the Broker from time to time for use in connection with the purchase, sales, holdings or other dealing in Securities and other financial products effected through the Broker on behalf of the Client so as to pay, discharge, satisfy the Client’s indebtedness, obligations and liabilities to the Broker arising from, incurred under and relating to the Client Agreement, including but not limited to the outstanding purchase moneys, fees (including but not limited to market data fees), charges, expenses, commissions and interests payable by the Client under and pursuant to the Client Agreement. The Client acknowledges and agrees that such deductions may affect the amount of money in the Account to be applied against the Collateral. The Broker may exercise any of its rights under (a) section headed “Default” in Terms and Conditions for Share Margin Financing Facility (Margin Account), (b) section headed “Event of Default” in Terms and Conditions relating to the sale and purchase of securities (Cash Account) and/or (c) Clause 6.8 if deduction of commissions, fees or other charges causes the Account to have an insufficient balance to satisfy the Collateral.
- 5.11 If the Broker issues a call or demand for Collateral to the Client, the Client must satisfy such call or demand immediately. The Client agrees to satisfy any call or demand for Collateral issued by the Broker by immediately depositing cleared funds in the Account to pay, in full, the under-margined open position.
- 5.12 If any one of the following occurs,
- (a) if any dispute arises concerning any trading or Options Trading transaction of the Client;
 - (b) upon the Client’s failure to timely discharge its obligations to the Broker;
 - (c) upon the Client’s insolvency or filing of a petition in bankruptcy or for protection from creditors;

- (d) upon the appointment of a receiver, or
- (e) whenever the Broker, in its absolute and sole discretion, deems necessary or advisable for the protection of the Broker and/or any of the Broker Group Company, the Broker shall have the right to exercise any of its rights under (a) section headed "Default" in Terms and Conditions for Share Margin Financing Facility (Margin Account), (b) section headed "Event of Default" in Terms and Conditions relating to the sale and purchase of securities (Cash Account) and/or (c) Clause 6.8 without prior notice to the Client in the same manner as provided above.

5.13 Any failure by the Client to comply with this Clause 5 shall constitute an Event of Default under section headed "Event of Default" in Terms and Conditions relating to the sale and purchase of securities (Cash Account) and section headed "Default" in Terms and Conditions for Share Margin Financing Facility (Margin Account).

6. Contracts

6.1 In respect of all options contracts effected on the Client's instructions, the Client will pay the Broker, within the time period notified by the Broker, Premium, the Broker's commission and any other charges, and applicable levies imposed by SEHK, as have been notified to the Client; and the Broker may deduct such Premium, commissions, charges and levies from the Account or any other account of the Client with the Broker or any subsidiary, affiliated or associated company of the Broker.

6.2 The Broker may place **limits on the open positions** or delivery obligations that the Client may have at any time.

6.3 The Client acknowledges that:-

- (a) the Broker may be required to close out Client Contracts to comply with position limits imposed by SEHK; and
- (b) if the Broker goes into default, the default procedures of SEHK may result in Client Contracts being closed out, or replaced by Client Contracts between the Client and another Options Exchange Participant(s) of the SEHK.

6.4 On exercise of a Client Contract by or against the Client, the Client will perform his/her delivery obligations under the relevant contract, in accordance with the Standard Contract and as the Client has been notified by the Broker.

6.5 At the request of the Client, the Broker may agree to the Client Contracts between itself and the Client being replaced, in accordance with the Rules, by Client Contracts between such client and another Options Exchange Participant(s) of SEHK.

6.6 The Client acknowledges that although all Options Contracts are to be executed on SEHK, the Client and the Broker or the relevant Options Exchange Participant shall contract as principals under Client Contracts.

6.7 The Client acknowledges that on the expiry day but only on the expiry day, the Options System will automatically generate exercise instructions in respect of all open long positions which are in-the-money by or above the percentage prescribed by SEOCH from time to time. The Client may instruct the Broker to override such an "automatically generated exercise instruction" before the System Closure on the expiry day in accordance with the Operational Clearing Procedures of SEOCH.

6.8 Without prejudice to the Broker's rights under this Agreement, the Broker may, without the Client's consent, close all or any of the Client's positions if the Broker is of the opinion that there has been a change or development involving a prospective change:

- (a) in the local, national or international monetary, financial, economic or political conditions or foreign exchange controls which has resulted or is in the opinion of the Broker likely to result in a material or adverse fluctuation in the stock market or stock options market in Hong Kong and/or overseas; or
- (b) which is or may be of a material adverse nature affecting the condition or operations of the Client.

7. Reportable Position

The Client shall be responsible for notifying the SEHK or other relevant regulators if the Client holds a reportable position (as defined in the Securities and Futures (Contract Limits and Reportable Positions) Rules (Cap.571Y of the Laws of Hong Kong) or other applicable rules or regulations).

8. Disclosure of interests

The Client acknowledges that, subject to the provisions of the Securities and Futures Ordinance and other laws, the Broker may take the opposite position to the Client's order in relation to any exchange traded options contract(s), whether on the Broker's own account or for the account of any member of the Broker's Group or their respective officers, employees or representatives or other clients of the Broker or any member of the Broker's Group, provided that the trading is executed competitively on or through the facilities of the SEHK in accordance with the rules, regulations and procedures of the SEHK or the facilities of any other commodity, futures or options exchange in accordance with the rules and regulations of such other exchange.

9. Default

- 9.1 If the Client fail to comply with any of his/her obligations and/or to meet his/her liabilities under any of the provisions of the Client Agreement, including without limitation failure to provide Collateral, the Broker may:-
- (a) decline to accept further instructions from the Client in respect of Exchange Traded Options Business;
 - (b) close out some or all of Client Contracts with the Broker;
 - (c) enter into Contracts, or into transactions in securities, futures or commodities in order to settle obligations arising or to hedge the risks to which the Broker is exposed in relation to the Client's failure; and/or
 - (d) dispose of Collateral, and apply the proceeds thereof to discharge the Client's liabilities to the Broker; and any proceeds remaining after discharge of all the Client's liabilities to the Broker should be paid to the Client.
- 9.2 In the event that there is any deficiency arising after the sale or disposal of the Collateral, the Client agrees to make good and pay on demand to the Broker such deficiency.
- 9.3 The Client agrees to pay interest on all overdue balances (including interest arising after a judgment debt is obtained against the Client) at such rates and on such other terms as the Broker has notified to the Client from time to time.
- 9.4 The Client agrees that the Broker shall not be in any way responsible for any loss arising out of any action taken pursuant to Clause 9.1, howsoever such loss may have been caused or arisen, and whether or not a better price could or might have been obtained on such action, by either deferring or advancing the date of taking such action.

10. Indemnity

The Client agrees to indemnify the Broker, and the Broker's employees and agents, against all losses and expenses resulting from breach of the Client's obligation under any provision of the Client Agreement, including costs reasonably incurred in collecting debts from the Client, and in closing the Account.

11. General

- 11.1 If the Broker fails to meet its obligations to the Client pursuant to these Terms and Conditions, the Client shall have a right to claim under the Investor Compensation Fund established under the SFO, subject to the terms of the Investor Compensation Fund from time to time.
- 11.2 The Client understands and acknowledges that the Broker is an Options Exchange Participant.
- 11.3 In compliance with section 5 of the Client Securities Rules, relevant securities collateral from time to time received on the Client's behalf will be deposited in safe custody in a segregated account maintained in Hong Kong for the purpose of holding such securities collateral with an authorized financial institution, a custodian approved by the Commission or another intermediary licensed for dealing in securities, or deposited in an account in the name of the Broker or its associated entity with an authorized financial institution, a custodian approved by the Commission or another intermediary licensed for dealing in securities, or registered in the Client's name or in the name of the Broker or its associated entity.
- 11.4 Upon request, the Broker agrees to provide the Client with (i) the product specifications for Options Contracts and any

prospectus or other offering document covering such Options Contracts and (ii) the HKEx' s booklet "Understanding Stock Options (and their Risks)" .

- 11.5 The Broker refers the Client to the Risk Disclosure Statements for Stock Options Trading in the account opening documents.
- 11.6 The Client confirms that he/she have read and agree to the terms of the Client Agreement. The Client further confirms that he/she has read the Risk Disclosure Statements for Stock Options Trading and fully understands the risks involved in Options Trading.
- 11.7 The Broker will notify the Client of material changes in respect of the Broker' s business which may affect the services of the Broker provided to the Client.
- 11.8 The Options Client Agreement is governed by, and may be enforced in accordance with, the laws of the Special Administrative Region of Hong Kong.

(11/2011)

RISK DISCLOSURE STATEMENTS FOR STOCK OPTIONS TRADING

有關股票期權交易的風險披露聲明

The following risk disclosure statement are provided pursuant to the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission.

以下風險披露聲明根據證券及期貨事務監察委員會持牌人或註冊人操守準則而制訂：

1. Risk of trading futures and options 期貨及期權交易的風險

The risk of loss in trading futures contracts or options is substantial. In some circumstances, I/we may sustain losses in excess of my/our 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. I/We may be called upon at short notice to deposit additional margin funds. If the required funds are not provided within the prescribed time, my/our position may be liquidated. I/we will remain liable for any resulting deficit in my/our account. I/We should therefore study and understand futures contracts and options before I/we trade and carefully consider whether such trading is suitable in the light of my/our own financial position and investment objectives. If I/we trade options I/we should inform myself/ourselves of exercise and expiration procedures and my/our rights and obligations upon exercise or expiry.

買賣期貨合約或期權的虧蝕風險可以極大。在若干情況下，你所蒙受的虧蝕可能會超過最初存入的保證金數額。即使你設定了備用指示，例如“止蝕”或“限價”等指示，亦未必能夠避免損失。市場情況可能使該等指示無法執行。你可能會在短時間內被要求存入額外的保證金。假如未能在指定的時間內提供所需數額，你的未平倉合約可能會被平倉。然而，你仍然要對你的帳戶內任何因此而出現的短欠數額負責。因此，你在買賣前應研究及理解期貨合約及期權，以及根據本身的財政狀況及投資目標，仔細考慮這種買賣是否適合你。如果你買賣期權，便應熟悉行使期權及期權到期時的程序，以及你在行使期權及期權到期時的權利與責任。

2. Additional risk disclosure for futures and options trading 關於期貨及期權買賣的額外風險披露

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, I/we should undertake such transactions only if I/we understand the nature of the contracts (and contractual relationships) into which I/we are entering and the extent of my/our exposure to risk. Trading in futures and options is not suitable for many members of the public. I/We should carefully consider whether trading is appropriate for me/us in light of my/our experience, objectives, financial resources and other relevant circumstances.

本聲明並不涵蓋買賣期貨及期權的所有風險及其他重要事宜。就風險而言，你在進行任何上述交易前，應先瞭解將訂立的合約的性質(及有關的合約關係)和你就此須承擔的風險程度。期貨及期權買賣對很多公眾投資者都並不適合，你應就本身的投資經驗、投資目標、財政資源及其他相關條件，小心衡量自己是否適合參與該等買賣。

3. Risk of providing an authority to repledge my/our securities collateral etc 提供將你的證券抵押品等再質押的授權書的風險

There is risk if I/we provide the licensed or registered person with an authority that allows it to apply my/our securities or securities collateral pursuant to a securities borrowing and lending agreement, repledge my/our securities collateral for financial accommodation or deposit my/our securities collateral as collateral for the discharge and satisfaction of its settlement obligations and liabilities.

If my/our securities or securities collateral are received or held by the licensed or registered person in Hong Kong, the above arrangement is allowed only if I/we consent in writing. Moreover, unless I/we am/are a professional investor, my/our authority must specify the period for which it is current and be limited to not more than 12 months. If I/we are a professional investor, these restrictions do not apply.

Additionally, my/our authority may be deemed to be renewed (i.e. without my/our written consent) if the licensed or registered person issues me/us a reminder at least 14 days prior to the expiry of the authority, and I/we do not object to such

deemed renewal before the expiry date of my/our then existing authority.

I/we am/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 me/us or to allow my/our securities or securities collateral to be lent to or deposited as collateral with third parties. The licensed or registered person should explain to me/us the purposes for which one of these authorities is to be used.

If I/we sign one of these authorities and my/our securities or securities collateral are lent to or deposited with third parties, those third parties will have a lien or charge on my/our securities or securities collateral. Although the licensed or registered person is responsible to me/us for securities or securities collateral lent or deposited under my/our authority, a default by it could result in the loss of my/our securities or securities collateral.

A cash account not involving securities borrowing and lending is available from most licensed or registered persons. If I/we do not require margin facilities or do not wish my/our securities or securities collateral to be lent or pledged, I should not sign the above authorities and ask to open this type of cash account.

向持牌人或註冊人提供授權書，容許其按照某份證券借貸協議書使用你的證券或證券抵押品、將你的證券抵押品再質押以取得財務通融，或將你的證券抵押品存放為用以履行及清償其交收責任及債務的抵押品，存在一定風險。

假如你的證券或證券抵押品是由持牌人或註冊人在香港收取或持有的，則上述安排僅限於你已就此給予書面同意的情況下方有效。此外，除非你是專業投資者，你的授權書必須指明有效期，而該段有效期不得超逾12個月。若你是專業投資者，則有關限制並不適用。

此外，假如你的持牌人或註冊人在有關授權的期限屆滿前最少14日向你發出有關授權將被視為已續期的提示，而你對於在有關授權的期限屆滿前以此方式將該授權延續不表示反對，則你的授權將會在沒有你的書面同意下被視為已續期。

現時並無任何法例規定你必須簽署這些授權書。然而，持牌人或註冊人可能需要授權書，以便例如向你提供保證金貸款或獲准將你的證券或證券抵押品借出予第三方或作為抵押品存放於第三方。有關持牌人或註冊人應向你闡釋將為何種目的而使用授權書。

倘若你簽署授權書，而你的證券或證券抵押品已借出予或存放於第三方，該等第三方將對你的證券或證券抵押品具有留置權或作出押記。雖然有關持牌人或註冊人根據你的授權書而借出或存放屬於你的證券或證券抵押品須對你負責，但上述持牌人或註冊人的違責行為可能會導致你損失你的證券或證券抵押品。

大多數持牌人或註冊人均提供不涉及證券借貸的現金帳戶。假如你毋需使用保證金貸款，或不希望本身證券或證券抵押品被借出或遭抵押，則切勿簽署上述的授權書，並應要求開立該等現金帳戶。

4. Risk of Stock Options Trading 股票期權交易的風險

(a) Variable degree of risk 不同風險程度

Transactions in options carry a high degree of risk. Purchasers and sellers of options should familiarise themselves with the type of option (i.e. put or call) which they contemplate trading and the associated risks. I/We should calculate the extent to which the value of the options must increase for my 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, I/we will suffer a total loss of my investment which will consist of the option premium plus transaction costs. If I/we am/are contemplating purchasing deep-out-of-the-money options, I/we 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 unfavourably. 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 option 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.

期權交易的風險非常高。投資者不論是購入或出售期權，均應先瞭解其打算買賣的期權類別(即認沽期權或認購期權)以及相關的風險。你應計入期權金及所有交易成本，然後計算出期權價值必須增加多少才能獲利。

購入期權的投資者可選擇抵銷或行使期權或任由期權到期。如果期權持有人選擇行使期權，便必須進行現金交收或購入或交付相關的資產。若購入的是期貨產品的期權，期權持有人將獲得期貨倉盤，並附帶相關的保證金責任(參閱上文“期貨”一節)。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，應注意你可以從這類期權獲利的機會極微。

出售(“沽出”或“賣出”)期權承受的風險一般較買入期權高得多。賣方雖然能獲得定額期權金，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。此外，期權賣方還需承擔買方可能會行使期權的風險，即期權賣方在期權買方行使時有責任以現金進行交收或買入或交付相關資產。若賣出的是期貨產品的期權，則期權賣方將獲得期貨倉盤及附帶的保證金責任(參閱上文“期貨”一節)。若期權賣方持有相應數量的相關資產或期貨或其他期權作“備兌”，則所承受的風險或會減少。假如有關期權並無任何“備兌”安排，虧損風險可以是無限大。

某些國家的交易所允許期權買方延遲支付期權金，令買方支付保證金費用的責任不超過期權金。儘管如此，買方最終仍須承受損失期權金及交易費用的風險。在期權被行使又或到期時，買方有需要支付當時尚未繳付的期權金。

(a) Terms and conditions of contracts 合約的條款及細則

I/We should ask the firm with which I/we deal about the terms and conditions of the specific futures or options which I/we am/are trading and associated obligations (e.g. the circumstances under which I/we 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.

你應向替你進行交易的商號查詢所買賣的有關期貨或期權合約的條款及細則，以及有關責任(例如在什麼情況下你或會有責任就期貨合約的相關資產進行交收，或就期權而言，期權的到期日及行使的時間限制)。交易所或結算公司在某些情況下，或會修改尚未行使的合約的細則(包括期權行使價)，以反映合約的相關資產的變化。

(b) Suspension or restriction of trading and pricing relationships 暫停或限制交易及價格關係

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 I/we have sold options, this may increase the risk of loss. Further, normal pricing relationships between the underlying interest and the futures, 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”.

市場情況(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。如果你賣出期權後遇到這種情況，你須承受的虧損風險可能會增加。此外，相關資產與期貨之間以及相關資產與期權之間的正常價格關係可能並不存在。例如，期貨期權所涉及的期貨合約須受價格限制所規限，但期權本身則不受其規限。缺乏相關資產參考價格會導致投資者難以判斷何謂“公平價格”。

(c) Deposited cash and property 存放的現金及財產

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

如果你為在本地或海外進行的交易存放款項或其他財產，你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，則可認定屬於你的財產將會如現金般按比例分配予你。

(e) Commission and other charges 佣金及其他收費

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

在開始交易之前，你先要清楚瞭解你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你可獲得的淨利潤(如有)或增加你的虧損。

(f) Transactions in other jurisdictions 在其他司法管轄區進行交易

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

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，你應先行查明有關你將進行的該項交易的所有規則。你本身所在地的監管機構，將不能迫使你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，你應先向有關商號查詢你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。

(g) Currency risks 貨幣風險

The profit or loss in transactions in foreign currency-denominated contracts (whether they are traded in my/our 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.

以外幣計算的合約買賣所帶來的利潤或招致的虧損(不論交易是否在你本身所在的司法管轄區或其他地區進行)，均會在需要將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。

(h) Trading facilities 交易設施

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. My/Our 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: I/we should ask the firm with which I/we deal for details in this respect.

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，而你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，你應向為你進行交易的商號查詢這方面的詳情。

(i) Electronic trading 電子交易

Trading on an electronic trading system may differ from trading on other electronic trading systems. If I/we undertake transactions on an electronic trading system, I/we 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 my/our order is either not executed according to my/our instructions or is not executed at all.

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。如果你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，包括有關係統硬件或軟件可能會失靈的風險。系統失靈可能會導致你的交易指示不能根據指示執行，甚或完全不獲執行。

(j) Off-exchange transactions 場外交易

In some jurisdictions, and only then in restricted circumstances, firms are permitted to effect off-exchange transactions. The firm with which I/we deal may be acting as my/our 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 I/we undertake such transactions, I/we should familiarise myself/ourselves with applicable rules and attendant risks.

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。為你進行交易的商號可能是你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，你在進行該等交易前，應先瞭解適用的規則和有關的風險。

(11/2011)