

Customer Profiling Questionnaire (CPQ) – Individual or Joint Account

客戶分析問卷 – 個人或聯名帳戶

1. This Customer Profiling Questionnaire (“Questionnaire”) is designed to base on your financial situation to help us understand your investment objective, investment horizon, level of knowledge and experience with investment products, and risk tolerance level, based on which we can conduct suitability assessment before you invest.

本問卷旨在根據閣下當前的財務狀況幫助我們了解閣下的投資目標、投資期望、投資產品知識和經驗以及風險承受能力，以便我們在閣下投資前可以進行適合性評估。

2. Your answers to this Questionnaire will provide indications of the risk profile for a typical investor who has your personal investment traits, which, however, may not accurately represent your actual risk tolerance level and the suitability of any investment product for you.

閣下在回答此問卷，將提供擁有閣下個人典型投資特徵的投資者的風險狀況的描述，但未必能準確反映閣下的實際風險承受能力及任何投資產品對閣下的適用性。

3. You acknowledge that the information provided in this Questionnaire is complete, accurate and up-to-date. It is your responsibility to notify us in a timely manner of change in your circumstances that may affect your suitability assessment.

閣下確認於此問卷中提供的信息是完整、準確和最新的。如果閣下的情況有任何轉變，閣下有責任盡快通知我們，以免有可能影響我們對閣下的適合性評估。

4. You are advised to seek independent financial advice before completing this Questionnaire should you deem necessary.

我們建議閣下如有需要，請於填寫前進行獨立財務諮詢。

5. For Joint account, please complete a CPQ for each client.

如屬聯名帳戶，每位客戶須填寫一份客戶分析問卷。

Full Name of Customer 客戶全名：_____

ID / Passport Number 身份證 / 護照號碼：_____

- HKID 香港身份證 CNID 中國身份證 Macau ID 澳門身份證
 Passport 護照 Others 其他 (Please specify 請註明：_____)

Section I: Customer Investment Knowledge

第一部分：客戶投資知識

(A) This part is designed to enable us to understand and assess your level of investment experience with non-complex investment products.

這部分旨在讓我們了解及評估閣下對非複雜性投資產品的投資經驗。

Please tick the appropriate boxes below to indicate your investment experience (in number of years) in each type of product.

請列出閣下於下列每一項投資產品的投資經驗（以年為單位）。

Investment experience 投資經驗	Nil 無經驗 (Score: 0)	Basic Experience 基礎經驗 (Score: 1)		Intermediate Experience 中度經驗 (Score: 3)	Advanced Experience 豐富經驗 (Score: 5)
		Less than 1 year of experience 少於 1 年經驗	1 year to 3 years of experience 1 年至 3 年經驗	3 years to 10 years of experience 3 年至 10 年經驗	More than 10 years of experience 10 年以上經驗
Products 投資產品					
Equities 證券	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mutual Funds/Unit Trusts 互惠基金 / 單位信託	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Fixed Income Products 固定收益產品	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Score 得分* :					
*The score is derived from the highest point which you have obtained from the above items. 得分數來自您從上述項目獲得的最高分數。					

(B) This part is designed to enable us to understand and assess your level of investment experience with complex and/or derivative products.

這部分旨在讓我們了解及評估閣下對複雜及 / 或衍生產品的投資經驗。

Please tick the appropriate boxes below to indicate your investment experience (in number of years) in each type of product.

請列出閣下於下列每一項投資產品的投資經驗。

Investment experience 投資經驗	Nil 無經驗 (Score: 0)	Basic Experience 基礎經驗 (Score: 1)		Intermediate Experience 中度經驗 (Score: 3)	Advanced Experience 豐富經驗 (Score: 5)
		Less than 1 year of experience 1 年以下經驗	1 year to 3 years of experience 1 年至 3 年經驗	3 years to 10 years of experience 3 年至 10 年經驗	More than 10 years of experience 10 年以上經驗
Products 投資產品					
Warrants 認股證	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Stock Options 股票期權	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Leveraged Forex 槓桿式外匯	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Futures and Options 期貨及期權	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hedge Funds 對沖基金	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Structured Notes ¹ (e.g. DCN, ELN, KO ELN, DAC, ELI) 結構性票據 (如雙重貨幣票據、股票掛鈎票據、觸及取消股票掛鈎票據、每日累計可贖回票據、股票掛鈎投資工具)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
OTC Swap (e.g. accumulator, decumulator) 場外市場掉期 (如累積認購期權合約、累積認沽期權合約)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other Derivatives Products (including but not limited to: Callable Bull/Bear Contracts, Equity-Linked Instruments, Structured Funds, Exchange Traded Funds with Derivative Nature and Convertible Bonds etc.) 其他衍生產品 (包括但不限於：牛熊證、股票掛鈎票據、結構性基金、有衍生特性的交易所買賣基金及可換股債券等)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Score 得分* :					
*The score is derived from the highest point which you have obtained from the above items. 得分來自閣下從上述項目獲得的最高分數。					

¹ Full names of different types of structured notes: DCN=Dual Currency Notes, ELN=Equity-Linked Notes, KO ELN=Knock-Out Equity-Linked Notes, DAC=Daily Accrual Callable Notes, ELI=Equity Linked Investments.

(C) This part is designed to enable us to understand and assess your level of knowledge of derivatives products.

這部分旨在讓我們了解閣下及評估閣下對衍生產品的知識。

Do you have any knowledge on derivatives product(s)?

您對衍生產品有沒有知識?

No 沒有

Yes 有

Please choose the best description(s) on how you acquired your derivatives products' knowledge. (Can choose more than one)

請問下列哪項陳述最能表達閣下從哪種途徑獲得衍生產品的知識? (可選多項)

- Relevant trading experience i.e. executed five or more transactions in derivative products (whether traded on an exchange or not) within the past three years* 相關之交易經驗·即過去三年內已進行了五次或以上有關衍生產品之交易* (不論是否於交易所進行交易)
- Underwent training or attended courses on derivative products 曾接受有關衍生產品的培訓或修讀相關課程
(Please specify 請註明: _____)
- Current or previous work experience 現時或過去的工作經驗
(Please specify 請註明: _____)
- I am a licensed/registered person to carry out regulated activities as defined in the Securities and Futures Ordinance 本人以證券及期貨條例所定之持牌 / 註冊人之身份進行有關受規管的活動

It is suggested to provide the statement which shows at least one transaction of any one of the derivative products in Part (B) above (if applicable).

建議提供至少有一項上述 B 部分提及過的衍生產品交易的結單 (如適用)。

Assessment Result 評估結果

Based on the assessment above, the total score of your investment experience is
根據上述評估·閣下的投資經驗的總得分為:

Part (A) + Part (B)
A 部分 + B 部分

Total Score 總得分		Assessment of Investment Experience 投資經驗評估
<input type="checkbox"/>	0	No Experience 無經驗
<input type="checkbox"/>	1 – 2	Basic Experience 基礎經驗
<input type="checkbox"/>	3	Intermediate Experience 中度經驗
<input type="checkbox"/>	4	Extensive Experience 廣泛經驗
<input type="checkbox"/>	≥5	Advanced Experience 豐富經驗

Section II: Risk Tolerance Level (Total score: 40)

第二部分：風險承受能力（總得分：40）

This part is designed to enable us to assess your overall risk tolerance level.

本部分旨在讓我們評估閣下的整體風險承受能力。

Question	Score 分數
1. Which age group do you belong to? 閣下的年齡屬於以下哪個組別？ <input type="checkbox"/> Between 18 to 20 18 歲至 20 歲 <input type="checkbox"/> Between 21 to 34 21 歲至 34 歲 <input type="checkbox"/> Between 35 to 50 35 歲至 50 歲 <input type="checkbox"/> Between 51 to 64 51 歲至 64 歲 <input type="checkbox"/> 65 or above 65 歲或以上	<input type="checkbox"/> 1 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 3 <input type="checkbox"/> 1
2. Your highest education level achieved is 閣下的學歷為 <input type="checkbox"/> Primary School or below 小學或以下 <input type="checkbox"/> Secondary School 中學 <input type="checkbox"/> Post-Secondary (including diploma and associate degree) 預科 / 專上學院 <input type="checkbox"/> Bachelor Degree/University or above 大學或以上	<input type="checkbox"/> 1 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5
3. What is your primary investment objective? 閣下的主要投資目標是？ <input type="checkbox"/> Capital preservation 資金保本 <input type="checkbox"/> Regular and stable income 定期及固定收入 <input type="checkbox"/> Moderate capital appreciation 適度資本增值 <input type="checkbox"/> Moderate to high capital appreciation 適度至高資本增值 <input type="checkbox"/> Maximum capital appreciation 最大的資本增值	<input type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5
4. What is the average percentage of your total net worth that will be allocated for investment or savings purposes (excluding real estate property)? 閣下打算用作為投資或儲蓄用途的款項平均佔閣下總資產淨值的百分比（物業除外）為多少？ <input type="checkbox"/> Less than 5% 少於 5% <input type="checkbox"/> 5% to less than 10% 5% 至少於 10% <input type="checkbox"/> 10% to less than 20% 10% 至少於 20% <input type="checkbox"/> 20% to less than 30% 20% 至少於 30% <input type="checkbox"/> 30% or above 30% 或以上	<input type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5
5. It is generally true that the longer the investment horizon, the higher the risk an investor can tolerate. What is the expected investment horizon of your entire investment portfolio? 在一般情況下，投資的年期越長，可承受的風險越高。閣下願意進行投資活動的整體投資年期為多久？ <input type="checkbox"/> Short term 短期 <input type="checkbox"/> Short to medium term 短期至中期 <input type="checkbox"/> Medium term 中期 <input type="checkbox"/> Medium to long term 中期至長期 <input type="checkbox"/> Long term 長期	<input type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5
6. Which of the following statements best describes your investment attitude? 下列哪項陳述最能表達閣下的投資取向？ <input type="checkbox"/> I am not willing to bear a price fluctuation range of more than 5% for financial investment and wish to gain a return slightly higher than the bank deposit interest rate. 本人不願意承受任何多於 5% 價格波動的金融投資，並希望獲得稍高於銀行存款利率的回報。 <input type="checkbox"/> I am willing to bear a price fluctuation range of around 5% to less than 10% for financial investment and wish to gain a return that is slightly higher than the bank deposit interest rate. 本人願意承受大概 5% 至少於 10% 價格波動的金融投資，並希望獲得稍高於銀行存款利率的回報。 <input type="checkbox"/> I am willing to bear a price fluctuation range of 10% to less than 20% for financial investment and wish to gain a return much higher than the bank deposit interest rate. 本人願意承受 10% 至少於 20% 價格波動的金融投資，並希望獲得遠高於銀行存款利率的回報。 <input type="checkbox"/> I am willing to bear a price fluctuation range of 20% to less than 30% for financial investment and wish to gain a return comparable to the average return of the stock market. 本人願意承受 20% 至少於 30% 價格波動的金融投資，並希望獲得媲美一般股票市場的回報。 <input type="checkbox"/> I am willing to bear a price fluctuation range of 30% or more for financial investment and wish to gain a return remarkably higher than the average return of the stock market. 本人願意承受 30% 或以上價格波動的金融投資，並希望獲得明顯高於一般股票市場的回報。	<input type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5

<p>7. How would you react if your portfolio fell significantly (e.g. more than 20%) within one day? 如果閣下的投資組合在一天內大幅下跌 (例如: 超過 20%)，閣下會有何反應？</p> <p><input type="checkbox"/> Do not know how to react 不懂得如何應變 <input type="checkbox"/> 1</p> <p><input type="checkbox"/> Cut loss without any strategic consideration 非策略性地進行止蝕 <input type="checkbox"/> 2</p> <p><input type="checkbox"/> Would wait to see if investment improves and may cut loss rationally 觀望該投資是否會有改善，可能會理性地進行止蝕 <input type="checkbox"/> 3</p> <p><input type="checkbox"/> Understand market fluctuations are unavoidable and will not alter the determined investments strategy 了解市場波動是難免的，會繼續進行已定下的投資策略 <input type="checkbox"/> 4</p> <p><input type="checkbox"/> Undergo in-depth analysis, reallocate your investment portfolio 進行仔細分析，重整投資組合 <input type="checkbox"/> 5</p>	
<p>8. What is your level of experience with investment products? Please refer to your investment experience assessment result in Section I. 閣下對投資產品的投資經驗屬以下哪一項？請參考第一部分的投資經驗評估結果。</p> <p><input type="checkbox"/> No experience 無經驗 <input type="checkbox"/> 0</p> <p><input type="checkbox"/> Basic experience 基礎經驗 <input type="checkbox"/> 2</p> <p><input type="checkbox"/> Intermediate experience 中度經驗 <input type="checkbox"/> 3</p> <p><input type="checkbox"/> Extensive experience 廣泛經驗 <input type="checkbox"/> 4</p> <p><input type="checkbox"/> Advanced experience 豐富經驗 <input type="checkbox"/> 5</p>	
<p>The total score of your overall risk tolerance level is 閣下的整體風險承受能力的總得分是：</p>	

Note 註：Conservative 保守 (≤8); Moderate 平穩 (9-15); Moderate High 平穩進取 (16-25); Aggressive 進取 (≥26)

Risk Tolerance Level 風險承受能力		Corresponding Investment Objective 相應的投資目標
<input type="checkbox"/>	Conservative 保守 (≤8)	You are a Conservative investor with a primary aim for capital preservation. You are not inclined to invest in products associated with any risk. 閣下是一個保守型投資者，以尋求資本保值為主要目標。閣下不傾向投資於有任何風險的產品。
<input type="checkbox"/>	Moderate 平穩 (9-15)	You are a Moderate investor and want to achieve a return higher than the inflation rate and moderate growth of capital. In general, you prefer to take medium investment risk and accept moderate fluctuation of capital values with the possibility of facing occasional high short-term losses. 閣下是一個平穩型投資者，希望達致高於通脹率的回報及溫和資本增長。一般來說，閣下傾向選擇中度投資風險及接受溫和的資本值波動和能面對偶爾短期高損失之可能性。
<input type="checkbox"/>	Moderate High 平穩進取 (16-25)	You are a Moderate High risk tolerant investor. You aim to earn returns substantially higher than the inflation to pursue high capital appreciation. You can accept high fluctuation of capital values and tolerate the risk of your capital falling substantially below your original investment. 閣下是一個平穩進取型投資者，尋求賺取遠高於通脹的回報以達致高資本增值。閣下能接受資本值大幅波動，亦能承受資本可能跌至遠低於原本投資額的風險。
<input type="checkbox"/>	Aggressive 進取 (≥26)	You are an Aggressive investor and are eager to earn the highest potential returns. Risk minimization is not your primary concern. You can accept leveraged investment and bear significant capital loss if the products potentially offer very high return. 閣下是一個進取型投資者，渴望追求最大的潛在回報。把風險減至最低並非閣下的首要考慮。只要產品有非常高的潛在回報，閣下能接受槓桿式投資並可承受重大資本損失。

Section III: Client Confirmation

第三部分：客戶確認

Please choose either one 請選擇其一：

I confirm that my Risk Tolerance Level is correctly stated above and the information I provided is accurate and complete.
本人確認本人的風險承受能力已正確地陳述於上，而本人所提供的資料屬正確及完整。

Or 或

The investment objective mentioned in the above Risk Tolerance Level is not consistent with my investment risk requirement and investment objective, and I consider my Risk Tolerance Level should be

上述風險承受能力所提及的投資目標與本人的投資風險要求和投資目標不符，本人認為本人的風險承受能力應為：

Conservative 保守 Moderate 平穩 Moderate High 平穩進取 Aggressive 進取

Please specify the reason 請說明原因：

NOTE: Your Risk Tolerance Level Assessment Result is valid for 12 months from the date of this assessment. If your Risk Tolerance Level Assessment Result is expired, you may not be able to purchase certain products. If you believe your Risk Tolerance Level Assessment Result within the past 12 months is no longer valid, please contact your Wealth Manager and complete a new CPQ for reassessment purposes.

註：你的可承受風險程度取向有效期為十二個月(由此評估日計起)。如果你的可承受風險程度已經過期，你可能不可購買部份產品。如果你認為你過去十二個月內評估的可承受風險程度取向不再有效，請聯繫您的客戶經理並重新完成一份新的風險承擔能力問卷。

I confirm that I have been reminded and am aware that I should have adequate liquid funds to meet foreseen and unforeseen events.

本人確認本人已被提醒及了解到本人應有足夠流動資金去應付可預見及不能預見的事件。

I hereby authorize, and give my consent to China Everbright Securities International Company Limited and each and every subsidiary company, associated company and affiliate of China Everbright Securities International Company Limited, including but not limited to Everbright Securities International (HK) Limited and its subsidiaries (jointly and individually referred to "EBSI", as the context may require) to use the information provided by me in this form for the purposes of (i) opening and maintaining any and all of my account(s) held with or to be held with EBSI; (ii) comply with any legal or regulatory requirements; and (iii) fulfilling all other aspects set out in the relevant personal data schedule of the Client Agreement and Schedules applicable to the relevant account. 本人授權並同意中國光大證券國際有限公司、其每一間子公司、聯營公司及有聯繫公司，包括但不限於光大證券國際(香港)有限公司及其子公司(「統稱及各別稱作「光大證券國際」，視文意而定)使用本人於此問卷內提供的資料，作為(i) 開立或維持任何及所有本人於光大證券國際持有或將會持有之帳戶；(ii) 符合任何法律或法規之要求；及(iii) 所有適用於相關帳戶之「客戶協議及附件」內的個人資料附件所載之其他用途。

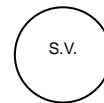
I confirm that my knowledge of derivative products and is correctly stated above and that the information I supplied is accurate and complete.

本人確認本人上述的衍生產品知識已正確地陳述，而本人所提供的資料屬正確及完整。

I have read and fully understood the Risks Disclosure Statements involving derivative products in the Client Agreement(s) and Schedules concerned provided by EBSI in a language of my choice (English or Chinese).

本人已仔細閱讀及完全明白由光大證券國際提供，並以本人所選擇之語言(英文或中文)附載於相關「客戶協議及附件」所涉及衍生產品的風險披露聲明。

Customer Signature(s) 客戶簽署：_____



Customer Name 客戶姓名：_____ Date 日期：_____

Internal Use Only: Assessment by Wealth Manager

Signed by: _____ Name & SFC CE No.:	Approved by (Sales Management): _____ Name:	Input by (OPD): _____ Name:	Input checked by (OPD): _____ Name:
For Office Use Only: ** has to be completed if the above answers from client were obtained via recorded office phone			
**Called by: _____	**Voice record checked by: _____	Input by (OPD): _____	Input checked by (OPD): _____
**Name & SFC CE No.:	**Name:	Name:	Name:
**Call date & time:		**Channel no.:	

Confirmation Letter

Name of Client/Company: _____

Account No.: _____

Re: Knowledge of Trading Derivative Products

This letter is written in furtherance to the answer that I/we provided in Part (C), Section 1 of the Customer Profiling Questionnaire (“CPQ”) concerning my/our knowledge of derivative products, in which I/we indicated that I/we do not have knowledge of derivative products.

I/We confirm and acknowledge that I/we am/are aware that, in the event that any client does not have knowledge of derivative products, China Everbright Securities International Company Limited and its subsidiaries and affiliates (collectively referred to as “EBSI”), will prohibit EBSI’s staff, agents or Wealth Managers from soliciting the client to enter into any transaction involving any derivative product, or from making any recommendation to the client to enter into such transaction. I/We confirm that I/we have received no such solicitation or recommendation and I/we undertake and agree that should such occur, I/we will report it to GeneralResponse@EBSHK.com.

I/We understand that I/we may, at my/our own volition, wish to enter into a transaction involving one or more derivative products, and EBSI may agree to assist me/us to enter into such transaction if EBSI has assurance that I/we understand the nature and risks associated with the transaction and I/we have sufficient net worth to be able to assume the risks and to bear the potential losses associated with the transaction. I/We acknowledge and understand that if I/we request EBSI to assist me/us to enter into any transaction involving one or more derivative products, I/we will have carefully considered my/our investment objectives, financial resources and other factors that are relevant to my/our circumstances. I/We acknowledge and understand that all derivative products carry potential substantial risk, which may result in total or significant loss of my/our investment. I/We understand that, unless I/we am/are a professional investor within the meaning of the Securities and Futures Ordinance, I/we will not be permitted to trade in unlisted derivative products until I/we have demonstrated the requisite level of knowledge and/or experience.

I/We acknowledge and confirm that EBSI has provided me/us with explanations of the relevant risks associated with trading derivative products, including the Risk Disclosure Statements accompanying this letter as Appendix I, which I/we have read and fully understood, or which I/we forthwith undertake to read in full. I/We confirm that I/we have been given ample opportunity to ask questions and seek independent professional advice concerning the contents of this letter and Appendix I and I/we will further consult EBSI and/or seek independent professional advice should I/we require clarification of any matter.

Client/Director/Authorized Person’s signature

Name of Director/Authorized Person (if applicable)

Client/Director/Authorized Person’s ID or Passport no.

Company no. (if applicable)

Date

APPENDIX I
RISK DISCLOSURE STATEMENTS

This risk disclosure statement does not purport to disclose or discuss all of the risks, or other significant aspects, of trading in derivatives products. In light of the risks involved, you (i.e. Client) should undertake a transaction only if you understand its nature, the contractual relationship into which you are entering, and the nature and extent of your exposure to risk. You should also consider whether a transaction is appropriate for you in light of your experience, objectives, financial resources and other relevant circumstances. While EBSI proposes to give this general risk warning, it is not acting as your financial advisor and you must not regard EBSI as so acting. You should consult your own independent legal, tax or financial advisors prior to entering into any transaction.

RISKS OF TRADING IN EXCHANGE-TRADED STRUCTURED PRODUCTS (“STRUCTURED PRODUCTS”) E.G. DERIVATIVE WARRANTS (“WARRANTS”), CALLABLE BULL/BEAR CONTRACTS (“CBBC”)

1. 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 corporate website of the Hong Kong Stock Exchange (“**HKEx**”).

2. Uncollateralized product risk

Uncollateralized 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 uncollateralized.

3. 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.

4. 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.

5. 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.

6. 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.

7. 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

1. 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.

2. 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.

3. 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

1. 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.

2. 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.

3. 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 recognized 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>)

RISK OF TRADING IN OPTIONS CONTRACTS ("OPTIONS") (INCLUDING BUT NOT LIMITED TO STOCK OPTIONS, INDEX OPTIONS, FUTURES OPTIONS, ETC.) AND FUTURES CONTRACTS ("FUTURES")

The risk of loss in trading in futures and/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 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.

This brief statement does not disclose all of the risks and other significant aspects of trading in futures and/or 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/or 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.

1. FUTURES:

Transactions in futures carry a high degree of risk. The amount of initial margin is small relative to the value of the futures contract so that transactions are "leveraged" or "geared". A relatively small market movement will have a proportionately larger impact on the funds you have deposited or will have to deposit: this may work against you as well as for you. You may sustain a total loss of initial margin funds and any additional funds deposited with the firm to maintain your position if the market moves against your position. In the event that 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 the 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.

2. OPTIONS:

Variable degree 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.

Warning to option holders

- Some options may only be exercised on an expiry day (European-Style Exercise) and other options may be exercised at any time before expiration (American-Style Exercise). I/We understand that upon exercise, some options require delivery and receipt of the underlying securities, and that other options require a cash payment.
- An option is a wasting asset and there is a possibility that as an option holder I/we may suffer the loss of the total premium paid for the option.

I/We acknowledge that, as an option holder, in order to realize a profit it will be necessary to either exercise the option or close the long option position in the market. Under some circumstances it may be difficult to trade the option due to lack of liquidity in the market. I/We acknowledge that you have no obligation either to exercise a valuable option in the absence of my/our instruction, or to give to me/us prior notice of the expiration date of the option.

Warning to option writers

- As a writer of an option I/we may be required to pay additional margin at any time. I/We acknowledge that as an option writer, unlike an option holder, I/we be liable for unlimited losses based on the rise or fall of the price of the underlying securities and my/our gains are limited to the option premium.
- Additionally, writers of American-Style Call (Put) Options may be required at any time before expiry to deliver (or pay for) the underlying securities to the full value of the strike price multiplied by the number of underlying securities. I/we recognize that this obligation may be wholly disproportionate to the value of premium received at the time the options were written and may be required at short notice.

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 purchased options expire worthless, you understand that 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.

Under some circumstances it may be difficult to trade the option due to lack of liquidity in the market. You acknowledge that EBSI has no obligation either to exercise a valuable option in the absence of your instruction, or to give to you prior notice of the expiration date of the option.

Selling (“writing” or “granting”) an option generally entails considerably greater risk than purchasing options. Although the premium received by the seller is fixed; the seller may sustain a loss well in excess of that amount. The seller will be liable for additional margin to maintain the position if the market moves unfavorably. 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 “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.

3. Additional Risks Common to Futures and/or Option

(a) Terms and conditions of contracts

You should ask EBSI about the terms and conditions of the specific futures and/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.

(b) 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. You acknowledge that if you have sold options, this may increase the risk of loss.

Further, normal pricing relationships between 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.

(c) 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’s 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.

(d) 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. By commencing any trading activities with EBSI, you acknowledge that you have been so informed by EBSI.

(e) 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 understand that you should ask the firm with which you deal for details in this respect.

(f) Electronic trading

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.

(g) 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.

(h) 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.

(i) 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 DERIVATIVE BASED EXCHANGE TRADED FUND (“ETF”) – (INCLUDING BUT NOT LIMITED TO SYNTHETIC ETF)

Trading in the ETF(s) may not be suitable for all investors. You are advised to carefully consider whether trading in the ETF(s) is/are appropriate for you in your understanding of the product nature and characteristics, your own investment objectives, skills and experience, financial resources, risk tolerance and other relevant circumstances prior to making any decision. There are a number of risks associated with the ETFs that investors should be aware of when considering to invest. These risks include (but not limited to) the following:

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.

Passive investments risk

ETF is not "actively managed" and therefore, when there is a decline in the underlying index, the ETF that tracks the index will also decrease in value. The ETF Manager will not take defensive positions in declining markets; investors may lose a significant part of their respective investments if the underlying Index falls.

Counterparty Risk

Synthetic ETF typically 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, which thus may amplify the relevant risk). Some Synthetic ETFs have collateral to reduce the counterparty risk, but there may be a risk that the market value of the collateral has fallen substantially when the Synthetic ETF seeks to realize the collateral.

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. Depending on its particular strategy, an ETF may not hold all the constituent securities of an underlying index in the same weightings as the constituent securities of the index. Therefore, the performance of the securities underlying the ETF as measured by its NAV may outperform or under-perform the index.

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.

ETF Termination Risk

An ETF may be terminated early under certain circumstances, for example, where the index is no longer available for benchmarking or if the size of the ETF falls below a pre-determined NAV threshold as set out in the constitutive documents and offering documents. Investors should refer to the section in the offering document relating to termination for further details. Investors should also note that the trading of ETF units may be adversely affected in the secondary market as the creation of units will cease once the termination of the ETF is announced. As a result, the trading price of such ETF units may become very volatile resulting in substantial losses to investors.

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 IN LEVERAGED AND INVERSE PRODUCTS ("L&I PRODUCTS")

L&I Products are issued in the form of Exchange traded Funds ("ETFs") as a type of collective investment schemes but they are in fact derivative products. Leveraged Products typically aim to deliver a daily return equivalent to a multiple of the underlying index return that they track. Inverse Products typically aim to deliver the opposite of the daily return of the underlying index that they track. In overseas markets, they are commonly known as Leveraged and/ or Inverse ETFs. To produce the specified leveraged or inverse return, L&I Products have to rebalance their portfolios, typically on a daily basis. As such, they do not share the buy-to-hold characteristics of conventional ETFs. Investors should understand how the performance of L&I Products is likely to be affected when they are held for more than one trading day and its compounding effect. They should be aware that any small variation in the underlying index return may have a large effect on the value of the product you hold.

Investors should note the following salient features about L&I Products:

- It is not advisable to hold L&I Products for longer than the rebalancing interval, typically one day;
- L&I Products are designed as a trading tool for short-term market timing or hedging purposes, and are not intended for long term investment;
- L&I Products are only suitable for sophisticated trading-oriented investors who constantly monitor the performance of their holdings on a daily basis; and
- the performance of L&I Products, when held overnight, may deviate from the underlying indices.

The risk of loss in trading in L&I Products is substantial. In particular, they are not suitable for investors who are unfamiliar with the features and risks of L&I Products, as they are designed for daily investment results, and/or investors who are looking for a long-term investment and cannot actively monitor their holdings. Therefore, L&I Products are normally not suitable for many members of the public who wish to invest in collective investment schemes or ETFs as a low risk exchange-listed product in order to diversify their investment risks. The regulatory authorities have, taking into account their special risk profile, prohibited and/ or discouraged the use of margin finance for investment in L&I Products. Investors must carefully consider whether trading is appropriate for you in light of your experience, objectives, financial resources and other relevant circumstances. Whilst they are listed, there is no assurance that a liquid market always exists for the L&I Products concerned. A higher liquidity risk is involved if the product involves derivatives which do not have an active secondary market. Wider bid-offer spreads in the price of the products may result in losses. Therefore, they can be more difficult and costly to unwind early, when the instruments provide access to a restricted market where liquidity is limited. There may be disparity between the performance of the L&I Product concerned and the performance of the underlying indices due to, for instance, failure of the tracking strategy, currency differences, fees and expenses. L&I Products may currently be traded, cleared and settled in Hong Kong dollars, Renminbi and/or US dollars. Investors trading 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 product price. Like ETFs, the risk of L&I Products can include counterparty risk, market risk, tracking errors, trading at discount or premium, and liquidity risk.

The specific risks presented by L&I Products necessarily depend upon the terms of the issued product and your circumstances. In general, however, they all involve some combination of market risk, credit risk, funding risk and operational risk.

1. Market risk is the risk that the value of a transaction will be adversely affected by fluctuations in the level or volatility of or correlation or relationship between one or more market prices, rates or indices or other market factors or by illiquidity in the market for the relevant transaction or in a related market.
2. Credit risk is the risk that a counterparty will fail to perform its payment or other obligations when due.
3. Funding risk is the risk that, as a result of mismatches or delays in the timing of cash flows due from or to the counterparties in the relevant transaction in question or related hedging, trading, collateral or other transactions, the parties or a party to the relevant transactions will not have adequate cash available to fund current obligations.
4. Operational risk is the risk of loss arising from inadequacies in or failures of the issuer's and/or your internal systems and controls for monitoring and quantifying the risks and contractual obligations associated with the transaction in question, for recording and valuing the portfolio and related transactions, or for detecting human error, systems failure or management failure.

Although L&I Products are listed as ETFs, the Hong Kong Stock Exchange does not endorse any product or bear any responsibility and/or liability for any of their existence or performance.

You should therefore study and understand L&I Products before you trade and carefully consider whether such trading is suitable in the light of your own financial position and investment objectives.

This brief statement does not disclose all of the risks and other significant aspects of trading in L&I Products. 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. You should not construe this generic disclosure statement as business, legal, tax or accounting advice or as modifying applicable law. You should consult your own business, legal, tax and accounting advisers with respect to proposed L&I Product transactions and you should refrain from entering into any transaction unless you have fully understood the terms and risks of the transaction, including the extent of your potential risk of loss.

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.

RISKS OF TRADING RIGHTS ISSUE

A rights issue is a one-time offering of shares in a company to existing shareholders, allowing them an opportunity to maintain their proportional ownership without being diluted by buying additional new shares at a discounted price on a stated future date. Until the date at which the new shares can be purchased, investors may trade the rights to the market the same way they would trade ordinary shares. If the investors do not exercise their rights within the specified period of time, the rights will expire. If the investors do not intend to exercise their rights, they can sell them on the open market. Once exercised, the rights cannot be used again.

Risks associated with Rights Issue

1. It is easy to be enticed by shares offered at a discount, but you should not assume that you are getting a bargain. An informed decision should be made by looking at the rationale behind the fund raising exercise.
2. A company may use a rights issue to cover debt, especially when they are unable to borrow money from other sources. You should be concerned with whether or not the management is addressing any underlying problems.
3. If you decide not to take up the rights your overall shareholding in the company will be diluted as a result of the increased number of shares in issue.
4. If you do not participate in the rights issue within the specified time-frame your nil-paid rights will lapse.

Investments and income arising from them can fall in value and you may get back less than you originally invested.