

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

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

6.RISK OF MARGIN TRADING

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

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

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

8.DEPOSITED CASH AND PROPERTY

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

9.COMMISSION AND OTHER CHARGES

I.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.

10.TRANSACTIONS IN OTHER JURISDICTIONS

I.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.

11.CURRENCY RISK

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

12.RISK OF SECURITIES IN CUSTODY

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

13. RISK OF ELECTRONIC TRADING

i. Electronic trading facilities are supported by computer-based component systems for the order-routing, execution, matching, registration or clearing of trades. As with all facilities and systems, they are vulnerable to temporary disruption or failure. Your ability to recover certain losses may be subject to limits on liability imposed by the system provider, the market, the clearing house and/or participant firms. Such limits may vary: you should ask the firm with which you deal for details in this respect.

ii. 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.

iii. Access to the Internet or other electronic devices may be limited or unavailable during periods of peak demand, market volatility, systems upgrades or maintenance or for other reasons. Transactions conducted through the Internet or other electronic devices may be subject to interruption, transmission blackout, and delayed transmission due to unpredictable traffic congestion and other reasons beyond GUOSEN's control. Internet is, due to technical limitation, an inherently unreliable medium of communication. As a result of such unreliability, there may be delays in the transmission and receipt of Instructions and other information and that this may result in delays in the execution of Instructions and/or the execution of Instructions at prices different from those prevailing prices at the time the instructions were given. Moreover, communications and personal data may be accessed by unauthorized third party; and there are risks of misunderstanding or errors in any communication. You shall not usually be possible to cancel your instruction after it has been given.

14. OFF-EXCHANGE TRANSACTIONS

I. 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.

15. RISK OF TRADING HONG KONG LISTED DERIVATIVE WARRANTS

I. Dealing in warrants involves risks, and are subject to a number of risks, which may include interest, foreign exchange, time value, and/or political risks. Prospective purchasers of warrants should recognize that their warrants may expire worthless. The price of warrants may fall in value as rapidly as they may rise and purchasers should be prepared to sustain a total loss of the purchase price of their warrants.

Fluctuations in the value of the relevant underlying asset may affect the value of the warrants. Purchasers of warrants therefore risk losing their entire investment if the value of the relevant underlying basis of reference does not move in the anticipated direction.