

Risk Disclosures in relation to trading in “ST Shares” and “Shares under Delisting Arrangement”

These Risk Disclosures in relation to trading in “ST Shares” and “Shares under Delisting Arrangement” should be read in conjunction with the Risk Disclosure Statements, and the Client should seek independent advice as needed. The Risk Disclosures in relation to trading in “ST Shares” and “Shares under Delisting Arrangement” are only an overview of some of the risks and do not purport to disclose all the risks and other significant aspects of trading in “ST Shares” and “Shares under Delisting Arrangement”. The Client should undertake its own research and studies on the trading of “ST Shares” and “Shares under Delisting Arrangement” before commencing any trading activities.

The Client shall refer to the STANDARD TERMS AND CONDITIONS and GLOBAL TRADING APPENDIX. Unless otherwise defined, capitalized terms shall have the meanings ascribed to them under the STANDARD TERMS AND CONDITIONS.

1. ST Shares
 - 1.1 “**ST Shares**” means shares listed in Shanghai Stock Exchange and classified as “ST Shares” in accordance with the “Shanghai Stock Exchange Listing Rules”.
 - 1.2 Before engaging in trading “ST Shares”, the Client should fully understand that he/she has adopted limit orders arrangement.
 - 1.3 Before engaging in trading “ST Shares”, the Client should fully understand that price fluctuation limit of “ST Shares” differs from that of other kinds of shares.
 - 1.4 If turnover rate of “ST Shares” reaches or exceeds a prescribed ratio, it shall be regarded as abnormal fluctuation. Shanghai Stock Exchange may impose temporary trading suspension on the shares in accordance with the market needs.
 - 1.5 The number of a single kind of “ST Shares” accumulatively bought by a single account on a single trading day shall not exceed a maximum of 0.5 million.
 - 1.6 Before engaging in trading “ST Shares”, the Client shall fully understand the trading arrangement of “ST Shares” and the corporate status of the relevant issuer. Before making any investment in “ST Shares”, the Client should consider his/her own financial status, investment objective and risk tolerance level etc.
 - 1.7 The Client should pay particular attention to the risk indication announcement regarding “ST Shares” and obtain in due course relevant information as may be publicized through channels like designated media, the issuer’s website and the brokerage house’s website etc.
2. Shares under Delisting Arrangement
 - 2.1 “**Shares under Delisting Arrangement**” means any shares the listing of which has been resolved to terminate by Shanghai Stock Exchange or Shenzhen Stock Exchange (the “**PRC Exchanges**” and each, the “**PRC Exchange**”) and is still under the delisting arrangement process.
 - 2.2 For “Shares under Delisting Arrangement”, the listing of such shares has already been resolved to terminate by the PRC Exchange. The risk of investing in “Shares under Delisting Arrangement” is relatively large as its listing shall be terminated upon expiration of the prescribed time period.
 - 2.3 “Shares under Delisting Arrangement” shall only be traded for a continuous period of 30 trade days from the commencement of the delisting arrangement period. Upon expiration of the prescribed time period, the shares shall be delisted and the PRC Exchange shall terminate its listing. The Client should closely take note of the remaining trade days for shares in the delisting arrangement period as well as their last trading day otherwise the Client may lose the opportunity to close out the position and result in unnecessary losses. During the delisting arrangement period, the 30-trade-day period shall not include any day on which the trade of main board, SME board and/or GEM board’s shares is suspended for a whole day.
 - 2.4 The Client trading “Shares under Delisting Arrangement” of Shanghai Stock Exchange should adopt limit orders.
 - 2.5 The price fluctuation limit of “Shares in Delisting Arrangement Period” may differ from that of other shares. The Client trading “Shares in Delisting Arrangement Period” shall be bound by the price fluctuation limit stipulated by the PRC Exchange.
 - 2.6 Trading “Shares in Delisting Arrangement Period” may involve liquidity risk. The Client purchasing “Shares in Delisting Arrangement Period” may not be able to timely close out the position before the shares are delisted.

- 2.7 Before trading “Shares in Delisting Arrangement Period”, the Client should fully understand the share delisting arrangement, trading arrangement of shares in the delisting arrangement period and corporate status of the issuer under the delisting arrangement. Before making investment in shares in delisting arrangement period, the Client should firstly consider his financial status, investment objective and risk tolerance level etc.
- 2.8 In accordance with the prevailing relevant rules, the issuer delisted from Main Board, SME Board and/or GEM Board of the PRC Exchange may apply to such PRC Exchange for re-listing. However, subject to the fulfilment of specified application requirements and therefore, the relisting application involves significant uncertainty.
- 2.9 The Client should pay particular attention to any risk indication announcement relating to “Shares in Delisting Arrangement Period” and obtain relevant information publicized through the designated media, the issuer’s website and brokerage house’s website etc.

Please note that the risks set out in these Risk Disclosures are not intended to be exhaustive. These Risk Disclosures do not describe all relevant risks in relation to trading “ST Shares” and “Shares in Delisting Arrangement Period”.

Please be cautious in making investment decision.