

United States Extended Hours Trading – Risk Disclosure Statement and Disclaimer

Extended hours trading in the United States market (“**US Extended Hours Trading**”) involves the entering into of an agreement to engage in extended hours trading outside of the United States “regular trading hours” (“**US Regular Trading Hours**”). US Regular Trading Hours generally means the time between 9:30 a.m. and 4 p.m. United States Eastern Standard Time.

US Extended Hours Trading involves potential risks and can give rise to significant losses. Accordingly, any investor proposing to engage in US Extended Hours Trading should understand the nature of such investing and the risks to which it potentially gives rise. Any investor proposing to enter into US Extended Hours Trading should carefully consider whether it is appropriate in light of his investment experience, tolerance for risk and other relevant circumstances, and should obtain independent professional advice if in any doubt as to whether he should engage in this type of trading.

US Extended Hours Trading involves but is not limited to the following principal risks:

- (i) US Extended Hours Trading is conducted through Sun Hung Kai Investment Services Limited (“SHKIS”) internal system and later placed to other third party brokers which may not offer the same extended trading hours to SHKIS. This means that the normal protections available in respect of US Extended Hours Trading may not be available, including the potential ability of the investor to make claims in relation to the orders executed and/or not executed by third party brokers.
- (ii) US Extended Hours Trading gives rise to credit, settlement and other risks, including but not limited to the risk of default on the part of the counterparty to any such transaction and the risk of failure to complete the settlement of such transactions for these or other reasons.
- (iii) In addition, there are also risks that the orders for transactions in US Extended Hours Trading may fail to be executed, or may only be partially executed, as a result of low liquidity or system failure or default on the part of the counterparty to any such transaction, or for other reason.
- (iv) US Extended Hours Trading may result in greater volatility than normal trading. This, combined with lower liquidity, may result in wider than normal spreads, or the absence of willing buyers and/or sellers, for securities which are the subject of the US Extended Hours Trading.
- (v) The hours of US Extended Hour Trading session offered may differ from one trading system to another.
- (vi) The price of securities that are subject to US Extended Hours Trading may differ from one trading system to another.
- (vii) The price of securities that are the subject of US Extended Hours Trading may also differ from the price at which they open on the relevant exchange, or at which they subsequently trade on the relevant exchange.
- (viii) Announcements that might influence the trading price of securities on the relevant exchange are typically made outside the normal trading hours of the relevant exchange. As US Extended Hours Trading occurs before regular trading is allowed on the relevant exchange, such announcements may have an exaggerated or disproportionate effect upon the value of securities which are the subject of US Extended Hours Trading particular when there is lower liquidity in the market.
- (ix) Liquidity refers to the ability of market participants to buy and sell securities. Generally, the more orders that are available in a market, the greater the liquidity. Liquidity is important because with greater liquidity it is easier for investors to buy or sell securities, and as a result, investors are more likely to pay or receive a competitive price for securities purchased or sold. There may be lower liquidity in extended hours trading as compared to regular trading hours. As a result, your order may only be partially executed, or not at all.
- (x) Volatility refers to the changes in price that securities undergo when trading. Generally, the higher the volatility of a security, the greater its price swings. There may be greater volatility in extended hours trading than in regular trading hours. As a result, your order may only be partially executed, or not at all, or you may receive an inferior price when engaging in extended hours trading than you would during regular trading hours.
- (xi) The prices of securities traded in extended hours trading may not reflect the prices either at the end of regular trading hours, or upon the opening the next morning. As a result, you may receive an inferior price when engaging in extended hours trading than you would during regular trading hours.
- (xii) Depending on the extended hours trading system or the time of day, the prices displayed on a particular extended hours trading system may not reflect the prices in other concurrently operating extended hours trading systems dealing in the same securities. Accordingly, you may receive an inferior price in one extended hours trading system than you would in another extended hours trading system.
- (xiii) The spread refers to the difference in price between what you can buy a security for and what you can sell it for. Lower liquidity and higher volatility in extended hours trading may result in wider than normal spreads for a particular security.

In view of the nature of US Extended Hours Trading and, in particular, the foregoing risk factors:

- (i) SHKIS does not guarantee the settlement of any such transaction, whether as a consequence of a default on the part of a counterparty to any such transaction, deficiency or failure of another party's system, or as a result of other reasons.
- (ii) SHKIS may at any time, in its absolute discretion, vary the extended trading hours offered to Client.
- (iii) SHKIS may at any time, in its absolute discretion, decline to enter into any US Extended Hours Trading transaction or, for good reason, to settle any such transaction that has previously been entered into.
- (iv) In the event that Client, after agreeing to sell securities pursuant to a US Extended Hours Trading transaction, fails to deliver such securities to facilitate the settlement of the transaction, SHKIS may purchase such securities at the prevailing market price in order to complete settlement of the transaction. Any losses arising out of any such purchase and settlement shall be borne by Client.
- (v) In the event of Client, after agreeing to purchase securities pursuant to a US Extended Hours Trading, fails to pay the amount required to settle the transaction, SHKIS shall be entitled to sell any securities or other collateral held by it on account of Client and, after deducting all resulting costs, use the proceeds of sale to effect settlement of the transaction.
- (vi) Client agrees that SHKIS or any member of the SHKIS and its affiliates ("EBSHK Group") or any of their respective officers, employees or agents shall not have any liability whatsoever (other than those resulting from fraud or wilful default on SHKIS's part) for any loss, expense or damage which Client may incur as a result of the performance or failure to perform US Extended Hours Trading as a result of any act or omission of any third party (whether or not such third party being appointed by SHKIS or any member of the SHK Group) or howsoever arising out of any cause beyond the control of SHKIS or any member of the EBSHK Group. Further, SHKIS or any member of the EBSHK Group or any of their respective officers, employees or agents shall accept no liability as a result of compliance with any applicable regulatory rules.
- (vii) Client undertakes to indemnify and to keep indemnified SHKIS and its officers, employees and agents on a full indemnity basis from and against all losses, damages, interest costs, actions, demands, claims, proceedings, expenses, costs (including, without limitation, legal costs and costs reasonably incurred in collecting debts from Client) and liabilities of whatsoever nature (other than those resulting from fraud or wilful default on SHKIS's part) incurred, suffered or sustained by or made or brought against or threatened to be made or brought against each or any of them directly or indirectly arising out of or in connection with the performance of any act or the exercise of any right or discretion or any inaction taken or chosen by or for SHKIS and/or any member of the EBSHK Group pursuant to this letter, or arising directly or indirectly from any act or omission by Client whether or not constituting a breach of any of its obligations under this letter or any information provided by or for Client or directly or indirectly as a result of acting on by SHKIS or any of its officers, employees or agents any instruction, signature, instrument, notice, resolution, request, certificate, report or other document believed to be signed or given by the proper party(ies), whether the same is given verbally or in written form and whether the same is an original, facsimiled or electronic copy.
- (viii) If any claim is made against SHKIS or Client in connection with this letter, SHKIS may take any such steps at its sole discretion, including the withholding of payment or delivery to Client of any money or securities.

I/We confirm that this United States Extended Hours Trading -Risk Disclosure Statements and Disclaimer has been provided in a language of my choice (English or Chinese) and that I have read, understood and accepted the nature and contents thereof. I appreciate that they are not and cannot be taken as a comprehensive or exhaustive list of all possible risks and this United States Extended Hours Trading -Risk Disclosure Statement and Disclaimer should be read in conjunction with other risks disclosed by SHKIS which include but not limited to those specified in the Risk Disclosure Statements of SHKIS Client Agreement and Schedules. I confirm that I have been given the opportunity to ask questions and take independent advice if I so wish.

Account Holder's Signature(s) *

Account Name: _____

Account Number: _____

Date: _____

* Signature(s) should be the same as the specimen signature(s) recorded on the account opening documents. For joint accounts, all account holders must sign.