

SECURITIES AND FUTURES ACT
(Cap. 289)

SECURITIES AND FUTURES
(LICENSING AND CONDUCT OF BUSINESS)
REGULATIONS (Rg 10)

**RISK DISCLOSURE STATEMENT REQUIRED TO
BE FURNISHED UNDER REGULATION 47E(2) AND
TO BE KEPT UNDER REGULATION 39(2)(d) BY
THE HOLDER OF A CAPITAL MARKETS
SERVICES LICENCE FOR FUND MANAGEMENT
RELATING TO MANAGEMENT OF PORTFOLIO
OF CAPITAL MARKETS PRODUCTS IN RESPECT
OF FUTURES AND CERTAIN OVER-THE-COUNTER
DERIVATIVES CONTRACTS**

FORM
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1. This statement is provided to you in accordance with regulation 47E(2) of the Securities and Futures (Licensing and Conduct of Business) Regulations (Rg 10).
2. This statement does not disclose all the risks and other significant aspects of trading in futures, options, over-the-counter derivatives contracts where the underlying is a currency or currency index (“OTCD currency contracts”) or spot foreign exchange contracts for the purposes of leveraged foreign exchange trading (“Spot LFX trading contracts”). You should therefore carefully study these products before you trade and consider whether such trading is suitable for you in the light of your experience, objectives, financial condition and other relevant circumstances. In considering whether to trade or to authorise someone else to trade for you, you should be aware of the following:
 - (a) If you purchase or sell these futures, options, OTCD currency contracts or Spot LFX trading contracts, you may sustain a total loss of the initial margin funds and any additional funds that you deposit with the holder of a capital markets services licence to establish or maintain your position. If the market moves against your position, you may be called upon by the holder to deposit a substantial amount of additional margin funds on short notice in order to maintain your position. If you do not provide the required funds within the specified time, your position may be liquidated at a loss, and you will be liable for any resulting deficit in your account.
 - (b) Under certain market conditions, you may find it difficult or impossible to liquidate a position.
 - (c) The placement of contingent orders by you or the holder of a capital markets services licence authorised by you, such as a ‘stop-loss’ or ‘stop-limit’ order, will not necessarily limit your losses to the intended amounts, since market conditions may make it difficult or impossible to execute such orders.
 - (d) A ‘spread’ position may not be less risky than a simple ‘long’ or ‘short’ position.

- (e) The high degree of leverage that is often obtainable when trading futures, OTC currency contracts and Spot LFX trading contracts can work against you as well as for you. The use of leverage can lead to large losses as well as gains.
- (f) In some cases, managed accounts, such as yours, are subject to substantial charges for management and advisory fees. It may be necessary for those accounts that are subject to these charges to make substantial trading profits to avoid depletion or exhaustion of their assets.

ACKNOWLEDGEMENT OF RECEIPT OF THIS RISK DISCLOSURE STATEMENT

This acknowledges that I/we have received a copy of the RISK DISCLOSURE STATEMENT and understand its contents.

Signature of customer	_____
Name of customer	_____
Designation*	_____
Corporation name*	_____
Signature of witness	_____
Name of witness	_____
Date	_____

* For corporations only.

Note:

“Margin” means an amount of money, securities, property or other collateral, representing a part of the value of the contract or agreement to be entered into, which is deposited by the buyer or the seller of a futures contracts, spot foreign exchange contracts for the purposes of leveraged foreign exchange trading or over-the-counter derivatives contracts of which an underlying thing is a currency or currency index to ensure performance of the terms of these capital markets products.