

Securities Trading – General Disclosure

The prices of securities fluctuate, sometimes dramatically. The price of a security may move up or down, and may become valueless. It is as likely that losses will be incurred rather than profit made as a result of buying and selling securities.

Risks of Client Assets Received or Held Outside Hong Kong

Client assets received or held by a licensed or registered person outside Hong Kong are subject to the applicable laws and regulations of the relevant overseas jurisdiction which may be different from the Securities and Futures Ordinance (Cap.571) and the rules made thereunder. Consequently, such client assets may not enjoy the same protection as that conferred on client assets received or held in Hong Kong.

Risk of investing in RMB securities

1. The price of RMB products can and does fluctuate, and that any individual product may experience upwards or downwards movements. Losses may incur as a result of investing in the products even if the RMB appreciates against HKD or other currencies.
2. The Customer may suffer significant losses when the RMB products cannot not be liquidated on a timely basis due to the inactive secondary market and large bid/ offer price spread. In addition, if the Central Government of the PRC tightens currency controls, the liquidity of RMB or RMB products in Hong Kong will be affected and the Customer may be exposed to greater liquidity risk.
3. The Customer will be exposed to currency risk in the event of the liquidation of RMB products, and the conversion from RMB to local currency. The value of the investment in local currency may decline when there is a fluctuation in exchange rate between RMB and local currency, and the Customer will suffer losses because of the depreciation of RMB.

RMB is currently subject to regulatory and foreign exchange restrictions (which might be changed from time to time).