

Risk Disclosure

Risk Disclosure of Security Trading and Trading Stocks in GEM

- The prices of securities can fluctuate dramatically in some occasion. The stock price may move up or down, and may before valueless. Trading stock cannot ensure you profit; but may also bring you loss. Putting your stock under the custody of licensed corporations, their representatives or their nominees may also incur risk. Before trading, you should understand the nature of the contract (and the provisions herein) and the level of risk you are going to bear.
- The stocks in Growth Enterprise Market involve high level of risk, in particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. The price can be very volatile, and the liquidity can be very low. You should make a careful consideration before investing in this market.
- The risk of using collateral to finance trading or margin financing is very large. Investors may lose in excess of the money and other assets being pledged with the broker house or margin financier.
- You may sustain losses in excess of your initial margin funds. Placing contingent orders, such as “stop-loss” or “stop-limit” orders, will not necessarily limit losses to the intended amounts. Market conditions may make it impossible to execute such orders. You may be called upon at short notice to deposit additional margin funds. If the required funds are not provided within the prescribed time, your position may be liquidated. You will remain liable for any resulting deficit in your account. You should therefore carefully consider whether such trading is suitable in light of your own financial position and investment objectives.
- No one can always predict the direction of stock or stock market correctly, investors should assess the professionalism and psychological quality of their account executives, and track their performance records.
- Before the trading, investors should understand all commission and transaction fee items with the corresponding explanations, for they would affect investment result.
- While engaging in electronic trading activity, it is unavoidable to face risk of the online system, including hardware and/or software failure, which may affect the execution of your order, investors should understand and bear the risk.

If you have any enquiries in security trading, please call (852) 3575 1300.