

RISK DISCLOSURE STATEMENT
GROWTH ENTERPRISE MARKET (GEM)

To: Boom Securities (H.K.) Limited

1. I/We acknowledge that the price of securities traded on GEM can and does fluctuate, and any individual security may experience upwards or downwards movement, and may even become valueless. There is an inherent risk that losses may be incurred rather than profit made as a result of buying and selling securities traded on GEM. I/We also acknowledge that there may be risks in leaving securities in your safekeeping. For example, if you are holding my/our securities and you become insolvent, I/we may experience significant delay in recovering the securities. These are risks that I/we am/are prepared to accept.
2. To the extent that I/we maintain a margin account with you, I/we also acknowledge that there are risks in leaving securities traded on GEM in your custody or in authorising you to deposit securities as collateral for loans or advances you made to you or authorising you to borrow or loan securities.
3. I/We understand that GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, I/we understand that companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. I/We appreciate that there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate.
4. I/We am/are aware of the potential risks of investing in such companies and understand that I/we should make the decision to invest only after due and careful consideration. I/We understand the greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.
5. Given the emerging nature of companies listed on GEM, I/we understand there is a risk that the securities traded on GEM may be susceptible to higher market volatility compared to securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.
6. I/We further understand that the principal means of information dissemination on GEM is publication on the internet website operated by the Exchange. Companies listed on GEM are not generally required to issue paid announcements in gazetted newspapers. Accordingly, I/we acknowledge that I/we need to have access to up-to-date information on GEM-listed companies published on the GEM website.
7. I/We acknowledge that the risk disclosure statement does not purport to disclose all the risks and other significant aspects of GEM. I/We understand that I/We should undertake my/our own research and study on the trading of securities on GEM before commencing any trading activities.
8. I/We understand that I/we should seek independent professional advice if I/we am/are uncertain of or have not understood any aspect of this risk disclosure statement or the nature and risks involved in trading of securities on GEM.
9. I/We understand that the signing of this risk disclosure statement is mandatory under the Rules of the Exchange. I/We understand that you will not be able to effect my/our instructions to deal in securities on GEM if this statement is not signed and acknowledged by me/us.
10. This risk disclosure statement has been fully explained to me/us and I/we fully understand the contents hereof. I/We understand that you are required under the Rules of the Exchange to ensure that I/we am/are provided with a copy of this risk disclosure statement signed and dated by me/us and contains the declaration by my/our Sales/A.E.

For Individual Account / Joint Account*

For Corporate Account

Signature of client(s): _____

Authorised Signature(s): _____

Name(s) of client(s): _____

Name of company/institution: _____

Member ID: _____

Member ID: _____

Date: _____

Date: _____

NOTE: Please sign and fax this back to (852)-2255-8300 and SEND it by POST to Suite 802, AIA Tower, 183 Electric Road, North Point, Hong Kong

* both account holders must sign