

SAXO CAPITAL MARKETS PRODUCT RISK CATEGORISATION

The table below shows the key product that Saxo Capital Markets HK Limited may offer to its client.

It is classified into 3 different risk rating – Green, Yellow and Red with red being the highest rating according to the internal risk categorisation of investible product.

Please note that any decision to invest is based solely on your own assessment of the financial product, therefore, you should only trade in the financial product that you have full understanding on it as well as the risk associated to it.

| Category | Risk | Product | Specification and Underlying Asset |
|----------|--|---|---|
| Green | Risk: The risk of losing the deposit is considered very small. | Bonds | Sovereign / Government Bonds traded on a regulated market |
| | Difficulty in understanding the product: The product is not difficult to understand. | | |
| Yellow | Risk: There is risk of losing the deposit partially or entirely. Difficulty in understanding the product: The product is not difficult to understand. | Bonds | Corporate Bonds traded on a regulated market |
| | | Stocks | Stocks Traded on a regulated market |
| | | Retail funds | Collective Investment Schemes / Equity-linked Investment Products offered to the retail public in Hong Kong |
| | | Exchange Traded Funds (ETFs) | Stock / Bonds / Interest / Index / Forex |
| Red | Risk: There is risk of losing more than the deposit. Difficulty in understanding the product: The product is difficult to understand. | Bonds | Corporate Bonds not traded on a regulated market, multilateral trading facility or an alternative market place. |
| | | | Structured Bonds |
| | | Stocks | Stocks traded on a Secondary / Alternative market |
| | | Options / Warrant | Forex / Stocks / Bonds / Interest Rate / Index / Commodities |
| | | Foreign Exchange | Spot / Forward |
| | | Contracts for Difference (CFDs) | Single Stock / Stock Index / Commodities |
| | | Futures Contract / Exchange Traded Commodities (ETCs) | Commodities |
| | | Exchange Traded Options (ETOs) | Commodity Futures / Stock Index Futures / Interest Rate Futures / Currency Futures / Bond Futures |

Risk warning: Investment involves risk. Leveraged investments in foreign exchange or derivatives carry a high degree of risk and may result in significant gains or losses. You should carefully consider your financial situation and consult your independent financial advisors as to the suitability of your situation prior to making any investments. The Product Risk Categorisation is presented for your general reference only and shall not be deemed as an offer, invitation, solicitation or recommendation to buy, sell or invest in any financial product and you should not make any literal comparison or matching with your personal risk profile, if any. The content of this Product Risk Categorisation will be updated from time to time without prior notice.

Bonds Disclaimer: For most bonds, in particular corporate bonds, bid and offer prices are not public available and transparent, as the majority of trading takes place outside regulated marketplaces. Bonds are traded OTC with Saxo Capital Markets as counterpart, and OTC trading conditions apply. Please see Saxo Capital Markets' execution policy for further information. None of the information contained herein constitutes an offer or an attempt to offer to purchase or sell a financial instrument, or to make any investments. Saxo Capital Markets HK Limited is not responsible for and not liable to any loss arising from any investment based on any recommendation, forecast or any other information contained herein. Leveraged investments in foreign exchange or derivatives can be speculative and carry a high degree of risk which may result in significant gains or losses. Investors should carefully consider their financial situation and consult their independent professional advisors as to the suitability of their situation prior to making any investments.

Information regarding Contracts for Differences ("CFDs") contained herein does not constitute our advice or proposal to the clients to trade such product. Furthermore, please note that CFDs trading is only available to clients of Saxo Capital Markets HK Limited who are qualified as Professional Investors (as defined in the Securities and Futures Ordinance, Sch. 1 Part 1) and thus may not be applicable to you.