

APPENDIX 10 DISCLOSURES PURSUANT TO REGULATION 34(2) OF THE SECURITIES AND FUTURES (LICENSING AND CONDUCT OF BUSINESS) REGULATIONS

1. This Appendix is provided to and applies only to Retail Clients (as defined in the Agreement) to comply with Regulation 34(2) of the Securities and Futures (Licensing and Conduct of Business) Regulations (SFR).
2. Capitalised terms used in this Appendix which are defined in the Agreement shall have the same meanings ascribed to them in the Agreement. Words and expressions used in both Regulation 34 of the SFR and in paragraphs 3 and 4 of this Appendix shall bear the same meanings as construed under the SFR.
3. Under Regulation 34 of the SFR, Orient Futures International (Singapore) Pte. Ltd. ("**Orient Futures**") may mortgage, charge, pledge or hypothecate a retail customer's assets but only for a sum not exceeding the amount owed by the retail customer to Orient Futures.
4. The risks of a retail customer's assets being mortgaged, charged, pledged or hypothecated by Orient Futures include the following:
 - (a) the regulatory safeguards under Regulations 26 and 27 of the SFR in relation to customers' assets which Orient Futures receive will not apply to such assets;
 - (b) in some cases (depending on the form of the collateral arrangement), the property interest retained by that retail customer in such assets (if any) may be subject to superior rights of the creditors of the party holding such assets (whether Orient Futures or a third party custodian);
 - (c) where the party holding such assets is a foreign party, that retail customer may not receive the same level of protection available under Singapore law; and
 - (d) in the event of the insolvency of the party holding such assets, that retail customer may (depending on, amongst others, the form of the collateral arrangement and the status of the party holding such assets) lose its property interest if its assets cannot be identified as distinct from the assets of other persons. In such event, that retail customer may not be able to recover such assets and may only have a general unsecured claim against the party holding such assets for the recovery of such assets and be entitled only to a pro rata distribution along with all other general unsecured creditors. This type of claim ranks behind other creditor claims of higher priority, and thus in many insolvencies general unsecured creditors get paid less than 100% of their claim amount. There are also likely to be time delays and costs (e.g. legal fees) connected with recovering such assets.
5. **Important Notice**
 - (a) This Appendix is not intended to provide, and should not be relied on for, legal, tax, accounting, regulatory or financial advice. It does not provide all the information which the recipient of this Appendix may need, and the recipient may wish to appoint its own professional advisers to assist it. No representation or warranty, whether express or implied, is made as to the accuracy, completeness or reliability of the disclosure provided.
 - (b) Without prejudice to the generality of the foregoing: (i) the risks set out in paragraph 4 above are a very high-level summary of the general risks involved and this Appendix does not address any other risks that may arise as a result of a Retail Client's particular circumstances or as a result of the terms of particular Transactions; (ii) this Appendix is not intended to provide a comprehensive description of security/collateral arrangements under Singapore law (or any other Applicable Law) or of the regulatory regime under the SFA.

- (c) Nothing contained in this Appendix should be considered as an offer or a solicitation to engage in any transaction or to purchase or sell or enter into any financial instrument or transaction, or that Orient Futures will provide any services referred to in this Appendix to the recipient.
- (d) Orient Futures shall not in any circumstances be liable, whether in contract, tort, breach of statutory duty or otherwise, for any losses or damages that may be suffered as a result of using or relying on this Appendix. Such excluded losses or damages include (i) any loss of profit or revenue; (ii) damage to reputation or loss of any contract or other business opportunity or goodwill; or (iii) any indirect loss or consequential loss. This paragraph does not extend to an exclusion of liability for, or remedy in respect of, fraudulent misrepresentation, death or personal injury caused by negligence or any other liability which may not be excluded or restricted by law.
- (e) Nothing contained in this Appendix is intended to create or shall be construed as creating a fiduciary relationship between the recipient and Orient Futures.