



Terms and Conditions

7th Floor, Lee Garden Three, 1 Sunning Road, Causeway Bay, Hong Kong

C.E. Number BIZ502, licensed to conduct Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts) and Type 9 (asset management) regulated activities under the Securities and Futures Ordinance

Participant of The Stock Exchange of Hong Kong Limited and Hong Kong Futures Exchange Limited
SEHK Options Trading Exchange Participant (HKATS Customer Code: SNP)
SEOCH Direct Clearing Participant (DCASS Customer Code: CSNP)

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Schedule 1

General Terms and Conditions

1. Application, Definitions and Interpretation

1.1 In these Terms and the Agreement, the following expressions, unless the context requires otherwise, shall have the following meanings:

“Account” means any one or more accounts, including Securities Accounts, Margin Accounts and Futures Accounts, from time to time opened and maintained in the name of the Client with the Company for the purposes of obtaining services or effecting Transactions subject to the provisions of the Agreement;

“Account Opening Form” means any and all account opening forms, client information sheets and documents completed and signed by the Client from time to time in such form as the Company may prescribe or accept including any notes and statements relating to or accompanying any account opening form or document, as may be amended from time to time in accordance with the Agreement;

“Affiliate” means, in relation to a party, an individual, corporation, a partnership or any other form of entity directly or indirectly controlling, controlled by or under common control with such party or any of such entities’ directors, officers or employees. A person is in **“control”** of a company, if:

- (a) it is in accordance with such person's directions or instructions that the directors of the company or of another company of which it is a subsidiary are accustomed to act; or
- (b) such person, either alone or with any associate, is entitled to exercise, or control the exercise of, more than 30% of the voting power at general meetings of the company or of another company of which it is a subsidiary;

“Agreement” is comprised of these Terms, the Special Terms attached as Schedules (to the extent they are applicable), the Account Opening Form, and the Miscellaneous Documents;

“Applicable Regulations” means any law, regulation or order, or any rule, direction, guideline, code, practice, procedure or custom (whether or not having the force of law) of any regulatory authority, governmental agency, Exchange, Clearing House, Clearance System or professional body in Hong Kong or elsewhere to which the Company is subject;

“Associate”, in relation to any person, means: (i) his spouse, reputed spouse, person cohabiting with him as a spouse, his brother, sister, parent, step-parent, child (natural or adopted) or step-child (**“family interests”**); (ii) the trustees, acting in its capacity as such trustees, of any trust of which he or any of his family interests is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and (iii) any company in the equity capital of which he and/or his family interests taken together are directly or indirectly interested so as to exercise or control the exercise of more than 30% of the voting power at general meetings, or to control the composition of a majority of the board of directors and any other company which is its subsidiary or holding company or a fellow subsidiary of any such holding

company;

“Authorized Person(s)” means, in the case of an individual Client, the Client and any person specified as such in the Account Opening Form, or, in the case of a corporate Client, any person specified as such in the Account Opening Form, and in either case such other person(s) appointed in substitution therefor or in addition thereto and notified in writing to the Company by the Client from time to time and such appointment shall be effective from the time of actual receipt of such notification by the Company;

“Business Day” means a day (other than Saturday and Sunday and a day on which a black rainstorm warning or a number 8 or higher typhoon signal is hoisted at any time between 9:00 a.m. and 5:00 p.m. in Hong Kong) on which banks are open for business in Hong Kong;

“CCASS” means the Central Clearing and Settlement System operated by HKSCC;

“Charged Securities” means all Securities, receivables, monies or property in the Account from time to time and all other monies, property and Securities of the Client which are now or shall in the future come into the possession, custody or control of the Company or any of its nominee or Affiliate or associated company for any purpose whatsoever, and shall include any additional or substituted Securities, and all dividends, distributions or interest paid or payable, rights, interests, monies, entitlements, other payments or property accruing or offered at any time by way of redemption, bonus, preference, option or otherwise on or in respect of such Securities or additional or substituted Securities;

“Clearance System”, in relation to any Market, means the clearance system (including CCASS, DCASS and OCASS) from time to time used in connection with transactions in Securities or Contracts traded;

“Clearing House”, in relation to any Market, means the entity (including HKSCC, SEOC, HKCC, OTC Clear and OTC Clearing Members) which provides clearing and/or settlement services from time to time for any Securities or Contracts traded;

“Client” means each and all of the persons who have signed the Account Opening Form and where the Account is opened in the name of more than one person means each and all of such persons singly and collectively, and shall include the Authorized Person where the context permits;

“Code” means the Code of Conduct for Persons Licensed by or Registered with the SFC issued by the Commission, as amended and substituted from time to time;

“Collateral” means Charged Securities and/or Margin Account Funds and such other monies or assets of the Client charged to the Company upon the terms and conditions contained herein;

“Commission” means SFC (or any other substitute body assuming in whole or in part the same or similar powers and functions under Part II of the SFO and having jurisdiction over HKFE);

“Commodity” means a commodity as defined under the HKFE Rules and/or any commodity acceptable to the Company for the purposes of the Agreement whether or not capable of being delivered, including without limitation agricultural commodities, metals, currencies, shares,

interest rates, indices (whether stock market or otherwise), or other financial contracts, energy, right or authority, and where the context requires includes a Contract in respect of any of the above, and “**Commodities**” shall be construed accordingly;

“**Company**” means SinoPac Securities (Asia) Limited, a company incorporated in Hong Kong, and its successors and assigns including, where the context requires, its agents, nominees, representatives, officers and employees;

“**Contract**” means a Futures Contract and/or an Option Contract as the context may require, and “**Contracts**” shall be construed accordingly;

“**Credit Facilities**” means all or any of the credit facilities made or to be made available or granted by the Company to the Client from time to time to finance the acquisition and/or holding of Securities or Contracts by the Client whether through the Margin Account or not to the extent permitted by law;

“**DCASS**” means the Derivatives Clearing and Settlement System operated by the HKFE Clearing House and the SEOCH;

“**Deficit**” means the negative balance in any Account whatsoever and howsoever arising from time to time;

“**Device**” means any device (including any digital or electronic certificate or encrypted software), equipment, machine or computer provided (whether by the Company or not) to or otherwise employed by the Client for giving an instruction to the Company in connection with any Account or any service provided by the Company to the Client from time to time;

“**Dissolution**” of a person also includes the dissolution, winding-up, liquidation or bankruptcy of that person, and any equivalent or analogous procedure under the law of any jurisdiction in which that person is incorporated, domiciled, or resident or carries on business or has assets and “dissolved” shall be construed accordingly;

“**E-Statements Services**” has the meaning specified in Schedule 7;

“**Encumbrance**” means any mortgage, charge, pledge, debenture, lien, assignment by way of security, financial lease, deferred purchase, sale-and-repurchase or sale-and-leaseback arrangement, hypothecation, retention of title by a vendor, third party right or interest, or other encumbrance or security interest of any kind given or arising in respect of any assets, or any arrangement the effect of which is to prefer any creditor or any agreement over any other creditor or agreement, and includes any agreement or obligation to create or grant any of the above;

“**Exchange**”, in relation to any Market, means the exchange (including SEHK and HKFE) on which Securities or Contracts are traded;

“**Futures Account**” means an Account with the Company for the purchase, investment, sale, trading, entering, exchange, acquisition, holding, transfer, making, clearing, settlement, disposal or otherwise dealing in, of and with the Commodities, and/or the Contracts as the Client may from time to time instruct the Company to effect;

“**Futures Contract**” means a futures contract as defined under the Rules of the relevant

Exchange and/or a contract executed on any Exchange, the effect of which is that:

- (i) one party agrees to deliver to the other party at an agreed future time an agreed Commodity or quantity of a Commodity, at an agreed price; or
- (ii) the parties agree to make an adjustment between them at an agreed future time according to whether the agreed Commodity is worth more or less or, as the case may be, stands higher or lower at that time than a level agreed at the time of making the contract, the difference being determined in accordance with the Rules of the relevant Exchange on which the contract is made;

“HKCC” means HKFE Clearing Corporation Limited and its successors and assigns including, where the context requires, its agents, nominees, representatives, officers and employees;

“HKFE” means Hong Kong Futures Exchange Limited and its successors and assigns including, where the context requires, its agents, nominees, representatives, officers and employees;

“HKFE Clearing House” means the body (including HKCC) appointed by or established and operated by HKFE to provide clearing services to participants of HKFE in respect of the HKFE Contracts;

“HKFE Contract” means any Contract approved by the Commission and HKFE for trading on any market established or operated by HKFE pursuant to the HKFE Rules;

“HKFE Rules” means the rules, regulations and procedures of HKFE, as may be amended or supplemented from time to time;

“HKSCC” means the Hong Kong Securities Clearing Company Limited and its successors and assigns including, where the context requires, its agents, nominees, representatives, officers and employees;

“Hong Kong” means the Hong Kong Special Administrative Region of the People's Republic of China;

“Hong Kong Regulators” means the SEHK (including the relevant Clearing House), HKFE (including the relevant Clearing House), SFC, the Hong Kong Monetary Authority and/or any other regulator in Hong Kong having jurisdiction over the Company or the Transactions;

“Instruction” means any instruction or order (including any subsequent amendment or cancellation thereof) communicated by the Client or its Authorized Persons in whatever means (including but not limited to oral, phone, fax, email, internet or any electronic means or any written form) to the Company in accordance with these Terms and the Special Terms where applicable;

“Investor Compensation Fund” means the Investor Compensation Fund established under section 236 of the SFO;

“ITF” has the meaning specified in Schedule 6;

“Liabilities” means all or any monies, indebtedness, liabilities and/or obligations, whether actual or contingent, present or future, primary or collateral, secured or unsecured, now or from time to time due, owing or incurred from or by the Client to the Company, or any of its Affiliates or associated companies in connection with any Account and the Agreement or for which the Client may otherwise be or become liable to the Company on any account or in any manner or currency whatsoever (whether as principal debtor or surety and whether alone or jointly with any other person and in whatever name, capacity, style or form), including all pecuniary obligations arising out of currency, stock broking, margin Securities trading and other financial transactions, together with interest (from the applicable due date or otherwise the date of demand up to and including the date on which the Company receives actual and unconditional payment in full), legal costs and all other costs, charges and expenses incurred by the Company, or any of its Affiliates or associated companies in connection with such monies, indebtedness, liabilities and/or obligations (including without limitation any foreign exchange losses and expenses incurred in the recovery or attempted recovery of such monies, indebtedness, liabilities and/or obligations or the enforcement of the Company's rights and powers under the Agreement);

“Margin Account” means an Account with the Company for effecting and recording Securities Transactions - Margin effected by the Company on the instructions of the Client by utilising the Credit Facilities;

“Margin Account Funds” means (i) all funds standing to the credit of the Margin Account from time to time; (ii) all funds held by the Company for or on account of the Client from time to time; and (iii) all interest (if any) accruing on such funds;

“Market” means over-the-counter market or any market for Securities or Contracts provided by any Exchange, applicable association of dealers or corporation, whether within or outside Hong Kong;

“Miscellaneous Documents” means the forms, letters, notices, statements, confirmations and other documents signed, accepted or given by the Client or the Company to the other party in connection with any matter arising from or contemplated by the Agreement, as may be from time to time amended or supplemented;

“OCASS” means OTC Clearing and Settlement System developed by OTC Clear to support its clearing services;

“Option Contract” means an option contract as defined under the Rules of the relevant Exchange and/or a contract executed between one party (the **“first party”**) and another party (the **“second party”**) on the Exchange under which:

- (a) the first party grants the second party the right, but not the obligation, to buy an agreed Commodity, or quantity of a Commodity, from the first party at an agreed price on or before an agreed future date or on an agreed future date as the case may be and, in the event that the second party exercises his right to buy:
 - (i) the first party is obliged to deliver the Commodity at the agreed price; or
 - (ii) the second party receives a payment referable to the amount (if any) by which the Commodity is worth more than the agreed price, such payment being determined in accordance with the Rules of the relevant Exchange in which the contract made; or

- (b) the first party grants to the second party the right, but not the obligation, to sell an agreed Commodity, or quantity of a Commodity, to the first party at an agreed price on or before an agreed future date or on an agreed future date as the case may be and, in the event that the second party exercises his right to sell:
 - (i) the first party is obliged to take delivery of the Commodity at the agreed price; or
 - (ii) the second party receives a payment referable to the amount (if any) by which the agreed price is worth more than the Commodity, such payment being determined in accordance with the Rules of the relevant Exchange in which the contract is made;

“**OTC Clear**” means OTC Clearing Hong Kong Limited, a central counterparty established by SEHK for the purpose of providing clearing and settlement services for over-the-counter derivative transaction;

“**OTC Clearing Member(s)**” means OTC clearing member(s) who clear proprietary over-the-counter derivative transaction;

“**PDPO**” means the Personal Data (Privacy) Ordinance (Cap. 486 of the laws of Hong Kong) together with all subsidiary legislation, rules, codes and guidelines made thereunder;

“**PRC**” means the People’s Republic of China;

“**ROC**” or “**R.O.C.**” means the Republic of China;

“**Rules**”, in relation to any Market, means the general rules, operational procedures and other applicable rules, customs, practices, procedures and regulations of the relevant Exchange, Clearing House or Clearing System, as may be amended or supplemented from time to time;

“**Securities**” means (a) securities as defined in SFO; and/or (b) any shares, stocks, debentures, loan stocks, funds, bonds, notes, unit trusts, over-the-counter derivatives, certificates of deposit or other commercial paper or securities or other similar instruments of any kind whatever or howsoever, of or issued by any body, whether incorporated or unincorporated, or any government authority for the time being traded in a Market and acceptable to the Company for the purposes of the Agreement and may include, in the absolute discretion of the Company, (i) rights, options or interests (whether described as units or otherwise) in or in respect of any of the foregoing; (ii) certificates of interest or participation in, or temporary or interim certificates for, receipts for or warrants to subscribe for or purchase, any of the foregoing; or (iii) any instruments commonly known as securities;

“**Securities Account**” means an Account with the Company for effecting and recording Securities Transactions effected by the Company on the instructions of the Client;

“**Securities Transactions**” means any Transaction effected by the Company on the instruction of the Client to purchase, invest in, subscribe for, sell, exchange or otherwise deal with or dispose of any Securities including holding Securities in the name of the Company or the Company’s nominee;

“**Securities Transactions - Margin**” means any Transaction effected by the Company on the instruction of the Client to purchase, invest in, subscribe for, sell, exchange or otherwise deal

with or dispose of any Securities pursuant to the Special Terms and Conditions for Securities Trading (Margin) including holding Securities in the name of the Company or the Company's nominee;

"SEHK" means The Stock Exchange of Hong Kong Limited and its successors and assigns including, where the context requires, its agents, nominees, representatives, officers and employees;

"SEOCH" means The SEHK Options Clearing House Limited and its successors and assigns including, where the context requires, its agents, nominees, representatives, officers and employees;

"SFC" means Securities and Futures Commission of Hong Kong and its successors and assigns;

"SFO" means the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) together with all subsidiary legislation, rules, codes and guidelines made thereunder;

"Shanghai-HK Stock Connect Services" means the Shanghai-Hong Kong Stock Connect Services provided by the Company;

"Shenzhen-HK Stock Connect Services" means the Shenzhen-Hong Kong Stock Connect Services provided by the Company;

"Special Terms" means the terms and conditions applicable specifically to any service or Transaction or any type of service or Transaction as may be from time to time prescribed, amended or supplemented by the Company, the current terms and conditions being annexed as Schedules to these Terms;

"SSE" means The Shanghai Stock Exchange;

"SSE-Securities" means securities listed on SSE;

"SZSE" means Shenzhen Stock Exchange;

"SZSE-Securities" means securities listed on SZSE;

"These Terms" means these General Terms and Conditions as may be from time to time amended or supplemented;

"Transaction" means any transaction, dealing, agreement, action, service, including Securities Transactions, Securities Transactions – Margin and Contracts contemplated by, provided for or made, effected or conducted pursuant to the Agreement;

"U.S." means the United States of America; and

"U.S. person" includes any natural person who is a citizen of or resident in the United States; a corporation, partnership or other business organisation organised or incorporated under the laws of the United States or any political subdivision thereof, any estate or trust which is administered by an executor or trustee who is a U.S. person or the income of which is subject to U.S. federal income taxation regardless of its source; any account (other than any estate or trust) held by a dealer or fiduciary for the benefit of a U.S. person and any partnership or

corporation organised and incorporated under the laws of any foreign jurisdiction which was formed by a U.S. person principally for the purpose of investing in securities not registered under the United States Securities Act of 1933. **“U.S. person”** shall not include any branch or agency of a United States bank or insurance company that is operating outside the United States for valid business reasons as a locally regulated branch or agency engaged in the banking or insurance business and not formed primarily for the purpose of investing in securities not registered under the United States Securities Act of 1933. For the purposes of this definition, the **“United States”** includes the United States of America, its states, territories and possessions and the District of Columbia.

1.2 In these Terms and the Agreement:

- (a) references to the **“Client”**, wherever used, shall (i) in the case where the Client(s) is/are individual(s) include the Client(s) and his/their respective executors and administrators; (ii) in the case where the Client is a sole proprietorship firm include the sole proprietor and his executors and administrators and his/their successors in the business; (iii) in the case of a partnership firm include the partners who are the partners of the firm at the time when the Client’s Account(s) is/are being maintained and their respective executors and administrators and any other person or persons who shall at any time hereafter be or have been a partner of and in the firm and his or their respective executors and administrators and the successors to such partnership business; and (iv) shall in the case where the Client is a company include such company and its successors;
- (b) **“include(s)”** and **“including”** mean respectively **“include(s) but not limited to”** and **“including but not limited to”**;
- (c) **“holding company”** and **“subsidiary”** shall bear the respective meanings given by the Companies Ordinance (Cap. 622) and **“associated company”** means, in respect of any person, any company (not being a subsidiary of that person) of which that person shall beneficially own twenty per cent (20%) or more of the issued share capital or in respect of which that person is entitled to appoint one or more directors or, in relation to any company, any company which is a subsidiary of a holding company of that first mentioned company;
- (d) reference to a Clause, Sub-clause or Schedule is to a clause, sub-clause or schedule of these Terms and reference to the Account Opening Form is to the Account Opening Form as completed by or on behalf of the Client and where such information has been amended by subsequent notice to the Company means the Account Opening Form as amended by such notice;
- (e) reference to an Ordinance is to an Ordinance or law of Hong Kong and any subsidiary legislation related thereto as from time to time amended, supplemented, extended, codified or re-enacted;
- (f) reference to the masculine gender includes the feminine and neuter gender and reference to the singular includes the plural and vice versa and reference to a person includes an individual, a company, institution, firm, corporation, body corporate, government, state or state entity, association, partnership or other entity or body (whether incorporated or not and whether or not having separate legal personality) or any two or more of the foregoing; and

(g) the headings to the Clauses are for convenience only and do not affect their interpretation.

- 1.3 The contractual relationship between the Client and the Company (including all Accounts and Transactions) shall be governed by the Agreement.
- 1.4 In case of any inconsistency, the terms shall prevail, insofar as a service, product, facility or Transaction is concerned, in the following order: (i) any form or document signed, provided or accepted by the Client in connection with it, (ii) any specific terms and conditions governing it, and (iii) any general terms and conditions applicable to it.
- 1.5 Apart from the Agreement, all services, products, facilities and Transactions shall be subject to any Applicable Regulations and Rules to the extent that they are applicable.

2. Appointment, Scope of Agency and Authorization

- 2.1 Company as Agent. The Client appoints the Company and the Company agrees to act as the Client's agent to effect Transactions on its behalf unless the Company indicates (in the contract note for the relevant Transaction or otherwise) that the Company is acting as principal. Nothing herein contained shall constitute the Company as trustee or fiduciary for the Client or a partnership between the Company and the Client.
- 2.2 Company's Right to Decline. Notwithstanding that the Company is acting as the Client's agent in effecting any Transaction, the Company may, in its absolute discretion, decline to accept instructions for any Transaction without giving any reason therefor if there are reasonable grounds in the Company's opinion to decline. The Company shall not be liable to the Client for any loss whatsoever arising out of or in connection with its not accepting or acting on such instructions or omitting to give notice of the non-acceptance of any instructions.
- 2.3 Cancellation or Variation of Instruction. Request to cancel or amend the Client's orders is only possible before the orders are executed. In the case of full or partial execution of the Client's cancelled orders, the Client agrees to accept full responsibility for the Transactions. The Company shall not be obliged to act on any instruction for cancellation, variation or amendment of any instruction already given by or on behalf of the Client to the Company nor be responsible or liable to the Client for any loss or expense suffered or incurred by the Client if the original instruction has already been completed by the Company in good faith or it is not reasonably practicable for the Company to act on such instructions to cancel, vary or amend the original instruction.
- 2.4 Market orders may result in unfavorable executions owing to volatile market conditions. Moreover, cancellation of market orders is rarely possible as they are subject to immediate execution.
- 2.5 Independent Third Party. The Client is an independent third party not connected with or acting in concert with any directors, chief executive, or substantial shareholders of the Company and/or any of their respective subsidiaries or an associate of any of them. The Client does not hold any interest in the Company.
- 2.6 Delegation by Company. The Company may effect the Client's Transactions in such manner and through any of its Affiliates, members or participants of any Exchange or Clearing House, or brokers in the relevant Markets as the Company may absolutely decide. The Company may appoint any other person as its nominee, custodian, broker, depository agent or other agent for

the purpose of or in connection with the provision of services to the Client and may delegate any of its duties under the Agreement to such person. The Company is authorized by the Client to disclose any personal data and other information relating to the Client, its Authorized Persons, the Accounts and Transactions to any person appointed by the Company pursuant to this Clause 2.6.

- 2.7 The Company is requested and authorized to accept instructions in relation to the Agreement given or purportedly given by the Authorized Person(s), provided that settlement instructions in respect of the transfer of cash and/or Securities to a third party must be in writing and signed by such number of Authorized Person(s) specified in the Account Opening Form or as otherwise advised in writing and provided further that the Company shall be entitled to refuse to act for the Client in any particular Transaction for any reason whatsoever. Any appointment or change to the Authorized Person(s) shall be effective from time to time of actual receipt of the notification by the Company. The Company shall be entitled (but not obliged) to act on any instructions given or purportedly given on the Client's behalf by the Authorized Person(s), and the Company will not be responsible for any loss which the Client may incur as a result. The Company shall not have any obligation to authenticate any instruction given or purportedly given by or on the Client's behalf, or to verify the identity of the persons giving instructions.
- 2.8 The Client undertakes to keep the Company indemnified on demand at all times for all costs, claims, losses, damages and expenses which may be brought against the Company or suffered by the Company as a result of its accepting, relying and/or acting on the instructions referred to above.
- 2.9 The Company shall not be under any duty or obligation to inquire into the purpose or propriety of any instruction or order given or purported to be given by the Client or any Authorized Person(s) and it shall not be under any duty or obligation to see to the application of any funds paid out of any Account pursuant to the Agreement.
- 2.10 Any one of the Authorized Person(s) is authorized by the Client to give instructions in relation to the Account on behalf of the Client and to sign on behalf of the Client all agreements and relevant documents relating to the Account and its operation until written notice to the contrary is received by the Company from the Client. The Client undertakes with the Company from time to time and at all times to ratify and confirm any instructions or agreements or documents whatsoever given or signed or purported to be given or signed by any of the Authorized Person(s) for and on behalf of the Client including without limitation any instructions which may be given or purported to be given or any agreements or documents which may be signed or purported to be signed by, any Authorized Person(s) between the revocation of the authority of any of the Authorized Person(s) and the actual receipt by the Company of notice of such revocation. The Client agrees that any instructions given or purported to be given or any agreements or documents which may be signed or purported to be signed by any of the Authorized Person(s) for and on behalf of the Client after revocation by the Client of his authority shall be valid and effectual in favour of the Company if at the time of the receipt of such instructions or signed agreements or documents the Company did not have actual notice of such revocation. All such documents and instructions (whether oral or written) signed or given or purported to have been signed or given by any Authorized Person(s) shall be deemed to be within the power of such Authorized Person(s) and shall be absolutely and conclusively binding on the Client.
- 2.11 The Client agrees to and hereby irrevocably appoint the Company with full power and authority as the Client's true and lawful attorney, to the fullest extent permitted by law, to act

for and on the Client's behalf for the purpose of carrying out the provisions of the Agreement and taking any action and executing any document or instrument in the Client's name or in the Company's own name which the Company may deem necessary or desirable to accomplish the purposes of the Agreement.

3. Instructions

- 3.1 Giving Instructions. The Client shall give instructions in relation to Transactions, Accounts or the Company's services direct to the Company by the Client or on behalf of the Client by the Authorized Persons and, subject to this Clause 3, the Client may give instructions by telephone, facsimile transmission, or other means of communication. If an instruction is given in writing, the signatures of the Client and/or Authorized Persons shall comply with the signing arrangement and conform to the specimen signatures provided to the Company in the Account Opening Form (the "**Agreed Signing Arrangement**"). If instructions are given by telephone or other means not accompanied by the signatures of the Client or Authorized Persons, the Company is entitled to rely upon and act in accordance with such instructions given by the Client or any one of the Authorized Persons singly and any Agreed Signing Arrangement will not apply. The Company is entitled to prescribe any cut-off time for receiving instructions in general or instructions of any particular nature or type, which may differ from any usual cut-off time in any Market or prescribed by any Exchange or Clearing House. The Client acknowledges and agrees that the Company is not liable for any delay or failure in effecting any instruction which is received by the Company after the applicable cut-off time.
- 3.2 Company's Reliance on Instructions. The Company shall be entitled to treat an instruction given in accordance with this Clause 3 as fully authorised by the Client. The Company shall be entitled (but not bound) to act on or take such steps in connection with or in reliance upon such instruction as the Company may in good faith consider appropriate for the purpose of executing the Transaction in accordance with such instruction (whether it be an instruction to acquire, purchase, sell, dispose of or otherwise deal with Securities or Contracts or transfer Securities or other assets) and shall have authority to bind the Client to any agreement or other arrangement with the Company or with any other person or to commit the Client to any other type of Transaction or arrangement whatsoever for the purpose of executing such instruction, regardless of the nature of the Transaction or arrangement or the value, type and quantity of the Securities, Contracts or assets involved. Apart from verifying the signature of each of the Client and/or Authorized Persons (where an instruction is signed by the Client and/or Authorized Person) against the Agreed Signing Arrangement or verifying the relevant designated number, password and/or any other information relating to the identity of the Client and/or any Authorized Persons (where an instruction is given by any other means), the Company shall have no obligation to verify the identity or authority of the person giving any instruction by any means or the authenticity of such instruction. The Company may rely and act on instructions believed by the Company in good faith to be genuine and any Transaction effected by the Company for the Client on that basis shall be binding on the Client, whether or not the instruction for such Transaction is made or authorised by the Client.
- 3.3 Telephone Instructions. If the Company has agreed in writing to accept instructions which are given or transmitted by telephone, the Client shall give and shall procure its Authorized Persons to give instructions in compliance with such procedures (including the applicable telephone number) prescribed by the Company from time to time. The Company shall be entitled to require the Client to enter into any further agreement or document if the Client wishes it to act on telephonic instructions.

- 3.4 Electronic Instructions. If the Company has agreed in writing to accept instructions which are given or transmitted by electronic means, the Client shall give and shall procure its Authorized Persons to give instructions in compliance with such procedures prescribed by the Company from time to time including the following:
- (i) only by such means of telecommunication and in such manner as the Company may from time to time designate for the relevant type of Transaction;
 - (ii) by use of the suitable Device (if applicable) to obtain access to the designated computer or other systems of the Company for the relevant type of Transaction; and
 - (iii) at the request of the Company (such request may be made or represented by electronic image or digitized voice or other electronic form, as the case may be), by inputting the designated number and/or the relevant password and any other information relating to the identity of the Client and/or any Authorized Person as may be required by the Company, as well as the information and details with respect to the Transaction.

The Company shall be entitled to require the Client to enter into any further agreement or document if the Client wishes it to act on instructions given through electronic means.

- 3.5 Risks in Communications. The Client recognizes the risks in giving instructions by telephone, facsimile, electronic mail or other electronic means including the risk of any instruction being unauthorized or given by an unauthorized person or intercepted by a third party. If the Client chooses to give instructions by any electronic means, the Client accepts the risks in full and authorises the Company to act on any instructions received by it through such means. The Company does not assume any responsibility for any delay, failure, error, interruption or suspension in the transmission or communication of instructions or information on prices or the mistaken communication of instructions or information to any other party, or for any claim, liability or loss which the Client may suffer or incur as a result of the use of any particular means for giving or receiving instructions or of the Company acting on such instructions, unless due to the gross negligence, fraud or willful default of the Company or any of its officers, employees or Affiliates and only to the extent of direct and reasonably foreseeable loss and damage (if any) arising directly and solely therefrom. The Company will not be liable for any delay or failure in the transmission of orders due to breakdown or collapse of communication facilities or for any other delay or failure beyond the control of the Company.
- 3.6 No change in instructions. Once an instruction is given by or on behalf of the Client, it may not be amended, rescinded or withdrawn without the Company's written consent.
- 3.7 No Responsibility to Procure Compliance. The Company shall have no responsibility to procure compliance by the Client with any law or regulation governing the Client's conduct as a fiduciary (if applicable).
- 3.8 Currency Conversion. Without prejudice to the generality of Clause 2.2 above, the Company reserves the right to decline any instruction of the Client to effect any sale or purchase of Securities or Contracts requiring an exchange into or from one currency to another, or otherwise to refrain from effecting a currency exchange for other purposes (including for the purpose of effecting a dividend distribution), without giving any reason therefor. If the Company accepts any instruction of the Client to effect any such sale or purchase of Securities or Contracts or effects any currency exchange for any other purpose, the costs of effecting the relevant currency exchange and any profit or loss arising as a result of fluctuation in the

exchange rate of the relevant currency will be entirely for the account of the Client. The Company may convert monies in any Account into and from any currency at such rate of exchange as the Company shall in its sole discretion determine as being the then prevailing money market rate. Such conversion may be made for the purpose of any Transaction or for the calculation of any debit balance due from the Client or credit balance owed to the Client or for any other purpose relating to the Agreement.

- 3.9 The Company may determine the priority in the execution of the Client's orders having due regard to market practice, Applicable Regulations, Rules and fairness to all Clients of the Company.
- 3.10 Aggregating Orders. Subject to any Applicable Regulations, the Company may without notice to the Client aggregate the Client's order with its own orders or with those of persons connected with the Company or with those of other clients of the Company. Such aggregation may on some occasions operate to the Client's disadvantage and on other occasions to the Client's advantage.
- 3.11 Client as Agent. Where the Client is acting as agent for and on behalf of any other person when giving instructions to the Company pursuant to the Agreement, the Company shall be entitled to treat the Client (rather than any such other person) as its customer for all purposes and in relation to all obligations, and the Client will be liable as such. This applies even if the Client is acting on behalf of a person whom the Client has notified to the Company and the Company is not obliged to treat any such person as a customer or indirect customer.
- 3.12 Indemnity by Client. The Client agrees that it will be responsible for and will indemnify and keep indemnified the Company and its officers, employees and agents for any claims, suits, actions, proceedings, losses, damages, obligations, liabilities, costs, fees and expenses arising directly or indirectly out of or in connection with the Company's acting upon any instructions given or purported to be given by or on behalf of the Client by any means selected by the Client, unless due to the gross negligence, fraud or willful default of the Company or any of its officers, employees or Affiliates and only to the extent of direct and reasonably foreseeable loss and damage (if any) arising directly and solely therefrom.

4. Transactions

- 4.1 Instructing Brokers. The Client authorises the Company to instruct such executing brokers, agents, custodians, nominees, overseas brokers and dealers (including branches or associates of the Company) as the Company may in its absolute discretion deem fit to execute any Transactions and acknowledges that the terms of business of such persons and the applicable Rules of any relevant Exchange, Clearing House and/or Clearance System on and through which such Transactions are executed and settled shall apply to such Transactions.
- 4.2 Relevant Laws. All Transactions which the Company effects on the Client's instructions shall be effected in accordance with all Applicable Regulations and Rules applicable to the Company and/or the Client. All actions taken by the Company in accordance with Applicable Regulations and Rules shall be binding on the Client.
- 4.3 Delay in Dealing. The Client acknowledges that by reason of market conditions or physical restraints on any Market and rapid changes in the prices of Securities and/or fluctuation in currency exchange rates, on occasions and despite the reasonable endeavours of the Company, executing brokers or dealers (whether in Hong Kong or elsewhere), the Company may not be able to execute the Client's instructions in full or at the specific prices or time specified by the

Client or “at best” or “at market”. The Company shall not be liable if any instruction is not performed in full due to market conditions or any other cause beyond the Company's control, and the Client shall accept and be bound by dealings effected by the Company.

- 4.4 Partial Performance of Order and Limit Order. Where the Company or any persons instructed by the Company are unable to perform any instruction of the Client in full, the Company or such persons are entitled to effect partial performance only without prior reference to or consent from the Client. Without prejudice to the generality of the aforesaid, unless at the time of giving an instruction with respect to Securities or Contracts the Client expressly instructs the Company to immediately make the entire order public in the relevant Market, the Company is entitled not to do so having regard to the prevailing market conditions and market practice, in particular, where the Company is of the reasonable view that the order is not immediately executable in full under the prevailing market conditions.
- 4.5 Lapse of Order. Unless the Client gives specific instructions to the Company to the contrary, the Client acknowledges that all instructions received by the Company on a trading day are valid for that trading day only and that, to the extent any instruction is unfulfilled, it will lapse at the close of the official trading hours on that trading day of the Market in respect of which they are given. A good-till-cancelled order remains a pending order until cancelled by the Client. The order may be executed at any time prior to such cancellation, and the Client accepts full responsibility for the Transactions.
- 4.6 Short Selling. The Client acknowledges that the Company will not accept an instruction to sell for short account on behalf of the Client. The Company shall not be responsible to the Client for identifying whether or not an instruction is to sell for short account. The Client undertakes that it will not give any instruction to sell for short account and will notify the Company whenever any sale order relates to a short sale of Securities and such notification shall be given at the same time as notification of the sale order. In case of a “covered” short selling order, the Client must inform the Company where the Client places a “covered” short selling order and it is the absolute discretion of the Company whether or not to accept instruction to effect such order. Without prejudice to the above, in respect of each short selling order to be transacted at or through the Exchange upon the Client's instruction, the Client understands the relevant provisions of sections 170 and 171 of the SFO and its related subsidiary legislation and agrees to ensure compliance with the same by the Client and any other relevant persons. The Client understands that where the Company is selling as agent, the Company shall not convey or accept an order to sell Securities which is a short selling order at or through the Exchange unless the Company has received from the Client, or any other person for whose benefit or on whose behalf the order is made, certain required assurance and the Company shall be obliged to collect from the Client, or such other person, such information (if any), in the form of a document and within such time, as is prescribed by relevant rules made under the SFO.
- 4.7 Indemnity by Client. The Client agrees that it will be responsible for and will indemnify and keep indemnified the Company and its officers, employees and agents for any claims, suits, actions, proceedings, losses, damages, obligations, liabilities, costs, fees and expenses arising directly or indirectly out of or in connection with the Client's failure to meet its obligations for settlement of Transactions by the applicable settlement dates or to pay any other sum due to the Company under the Agreement.
- 4.8 Interest. The Client shall pay interest on all overdue balances on any Account or any amount otherwise owing to the Company at any time (including interest arising after a judgment debt is obtained against the Client) at such rates and on such other terms as the Company notifies to the Client from time to time or failing such notification at a rate announced on the website of

the Company from time to time above the prevailing prime rate for Hong Kong dollars or any other applicable currencies as determined by the Company in its absolute discretion from time to time. Interest shall accrue from the applicable due date or otherwise the date of demand up to and including the date on which the Company receives actual and unconditional payment in full and shall be payable on the last day of each calendar month or forthwith upon demand by the Company.

- 4.9 Recording and Tapes. The Client acknowledges that all telephone conversations between the Client and the Company may be taped without an automatic tone warning device in order to enable the Company to verify the instructions of the Client. The Client agrees that the recordings on relevant tapes or a transcript of the recording certified by any authorized officer of the Company may be used as final and conclusive evidence of the contents of the instructions in case of dispute unless and until the contrary is established. Whilst such tapes will always remain the property of the Company, the Company will, subject to any Applicable Regulations, provide to the Client, on the Client's request and at the Client's expense, a copy of such tapes.
- 4.10 Books and Records. The Client acknowledges that the books and records of the Company in respect of any instruction or Transaction shall be conclusive evidence (except for manifest error) against the Client in all courts of law and for all purposes. Without prejudice to the generality of the foregoing, a certificate signed by an authorized officer of the Company certifying the amount of any outstanding liabilities owing by the Client at any time, save for manifest error, shall be conclusive and binding against the Client.
- 4.11 Contracts. The parties may (but neither is obligated to) enter into Contracts for the purchase and sale of currency, of such type and quantities, at Contract prices and for settlement dates as may be agreed, and for the purchase and sale of Contracts for currency, of such type, class and style, at exercise prices and expiration dates, and for such premium prices as may be agreed. Such transactions shall be effected pursuant to and subject to the provisions of the Agreement.
- 4.12 Operation of Accounts. The Client acknowledges that it will personally (or through its Authorized Persons) operate any Account opened by the Company for the Client in relation to the Agreement and, in particular, in respect of entering into Contracts with the Company. In the event that the Client intends to appoint a third party to act in any way on behalf of the Client in relation to the Agreement, the Client shall appoint such third party by providing the Company with such letter of authorization or other form as prescribed by the Company, the terms and conditions of which shall be in addition to and shall be deemed to form a part of the Agreement. The Client shall ensure that any appointed third party trading representative also promptly provides to the Company a completed and signed client information statement as prescribed by the Company.
- 4.13 Breach of Security, etc. Where the Company knows or suspects of a breach of security or other suspicious circumstances in respect of or in connection with the operation of any Account or any service to the Client generally, the Company may, in its absolute discretion and without any liability, refuse to act on or delay acting on the relevant instruction and in that event, the Company will inform the Client of such refusal or delay to the extent and as soon as reasonably practicable.
- 4.14 Account Statements and Transaction Records.
- (a) The Client shall examine each statement of account and record issued by the Company in

relation to any Account or Transaction.

- (b) If the Client alleges that any statement of account contained any unauthorised transaction, omission or error, the Client shall notify the Company in writing within 14 days after the date of the statement. Where a transaction record is issued by the Company, the Client shall notify the Company in writing of any unauthorised transaction, omission or error alleged by the Client relating to such transaction record as soon as reasonably practicable and within 7 Business Days after the date of such transaction record unless otherwise provided in the Agreement.
 - (c) If the Company does not receive any notification from the Client within the applicable period, any statement of account or transaction record issued by the Company shall, in the absence of any manifest error and without prejudice to the Company's right to correct any error, be conclusive and binding on the Client.
 - (d) In the event of non-receipt of any statement of account or transaction record from the Company, the Client shall notify the Company in writing within 5 Business Days after of the time when the statement or record would normally have been received in the ordinary course of business.
 - (e) The Client confirms that the Company may issue contract notes, transaction confirmations, statements of accounts and other advices in electronic form and agrees to receive them by electronic means. On the other hand, the Company may deliver the same to the Client by post or any other means without further notice to or consent from the Client if it is unable to transmit the same by electronic means for any reason beyond its reasonable control.
- 4.15 Prices. The actual bid and offer prices of any Transaction shall be determined at the time when the Transaction is effected and any figures which may be quoted or provided to the Client by the Company or its representatives at any time are for reference only and are not binding on the Company or the Client. For the avoidance of doubt, the Company is entitled to act on any instruction of the Client to effect Transaction even if the price has altered to the disadvantage of the Client between the time of receipt of such instruction and the time at which the Company or its agent actually effects the Transaction.
- 4.16 All monies payable to the Client by the Company may either be transferred to the bank account details of which are set out in the Account Opening Form or, at the option of the Company, by sending at the Client's risk a cheque by post to the Client's last known address and either form of payment shall constitute a full discharge of the Company's obligation to make such payments. Payment by any other means has to be requested in writing by such number of Authorized Person(s) as specified in the Account Opening Form or as otherwise advised in writing, and received by the Company prior to the payment.

5. Charges and Expenses

- 5.1 Commission and Charges. The Client shall pay commissions, fees, charges, brokerage or other remuneration for the Company's services as specified by the Company in the fee schedules provided by the Company or otherwise notified to the Client from time to time. The Company reserves the right to revise its fee schedules from time to time.
- 5.2 Maintenance Fee. Without prejudice to the Company's right to terminate any Account in accordance with the Agreement, the Company may charge a monthly maintenance fee to be

notified by the Company to the Client on any Account with no trading activity for six months or more.

- 5.3 Fees and Expenses. The Client shall be liable on a full indemnity basis for all fees and expenses incurred by the Company in connection with the Transactions, the Accounts and/ or provision of its services including fees payable to any brokers, agents and nominees, stamp duties, transfer fees, registration fees, stock settlement fees, levies imposed by relevant Exchange, Clearing House or Market, interest and other handling costs or expenses.
- 5.4 Deduction from the Account. The Company is authorised by the Client, at any time without prior notice to the Client, to charge to or debit from any Account any commissions, fees, charges, brokerage, remuneration, levies, duties and other costs and expenses payable by the Client.
- 5.5 Rebate or Reallowance. The Client agrees and authorises the Company, without prior notice to the Client, to accept from any brokers and dealers engaged in the purchase or sale of, or other dealing with, Securities and/ or Contracts for the account of the Client any rebate or reallowance or soft commission (such as goods and services) as may be allowed from time to time by the Applicable Regulations provided always that:
- (a) the Company and/ or its nominee may enter into soft commission arrangements with brokers or dealers through which Transactions are executed for the Client only where the goods or services are of demonstrable benefit to the customers of the Company. In allocating business to a broker or dealer, the Company and/ or its nominee has to ensure that such broker or dealer will execute the Transaction consistent with best execution standards and that brokerage rates are not in excess of customary full-service rates in the relevant Market. For this purpose, such goods and services may include research and advisory services, economic and political analysis, portfolio analysis (including valuation and performance measurement), market analysis, data and quotation services, computer hardware and software incidental to the above goods and services, clearing and custodian services and investment-related publications;
 - (b) the Company and/ or its nominee may receive cash or money rebates on Transactions executed for the Client only if brokerage rates are not in excess of customary full service rates in the relevant Market. Such rebates will be retained by the Company and/ or its nominee for their own benefit absolutely; and
 - (c) the Company shall provide the Client with a statement relating to rebates, reallowances and soft commissions containing such information and at such intervals in compliance with the Applicable Regulations.

6. **Client's Money**

- 6.1 Transactions Executed Outside Hong Kong. For Transactions executed outside Hong Kong, the Client authorizes and directs the Company to pay into any trust account maintained by the Company with any financial institution, which may or may not be a licensed bank, in or outside Hong Kong all amounts (less all brokerage and other proper charges accruing thereon) from time to time received by the Company for and on behalf of the Client from the Transactions, notwithstanding that any such amounts may be reinvested in further Transactions for or on behalf of the Client.

6.2 Interest on Client's Money. The Client agrees that the Company shall be entitled to receive and retain for its own benefit absolutely all sums derived by way of interest from the payment into and retention of:

- (a) all amounts in any trust account; and
- (b) all amounts received for or on account of the Client in connection with Transactions in any segregated account maintained by the Company under section 149 of the SFO.

The Client expressly waives any or all of its rights, claims and entitlements whatsoever to such interest. Notwithstanding the aforesaid, the Company may at its discretion pay interest on any Client's money at such rate as the Company may notify the Client from time to time.

7. Lien

7.1 General Lien. Without prejudice to any other powers, authorities, rights and remedies granted to the Company under the Agreement, and until any amount owed to the Company or any Affiliate has been paid or satisfied or discharged in full, the Company has the right to retain and withhold by way of lien all money, Securities (including but not limited to any and all Securities acquired for or on behalf of the Client or in which the Client has an interest which are held for the Account) and other property of the Client held from time to time by the Company or any Affiliate, whether held for safe-keeping or otherwise, and whether pursuant to the Agreement or otherwise, and the Company shall have the power to collect, sell or realise all or any part of such money, Securities and property at such price as the Company may think fit and to apply the proceeds, after deduction of expenses, to satisfy any amount owed by the Client to the Company or any Affiliate. The Client shall upon the request of the Company and at the Client's cost and expense execute all transfers and do all things necessary for vesting the legal title in such money, Securities and property to the Company or any other person as the Company may specify.

7.2 The Client shall not, without the Company's prior written consent, assign, transfer, mortgage, pledge, charge, or create or permit to arise or exist any lien or other Encumbrances of any Nature, or grant or purport to grant an option, on or over its right, title, interest and claim in or to any money, Securities and/or other property held by the Company for the account of the Client.

8. Client's Representations and Warranties

8.1 General. The Client represents and warrants for so long as the Client maintains any Account with the Company and on the giving of each instruction to the Company in relation to a Transaction that:

- (a) the Client is the person ultimately responsible for originating the instruction in relation to each Transaction and stands to gain the commercial or economic benefit of each Transaction and/or bear its commercial or economic risk, and deals on its own account as principal and beneficial owner of the relevant Securities, Contracts and Account and that no one other than the Client has any right or interest in the relevant Securities, Contracts or Account save that where an Account is opened by the Client acting as an agent and the same is disclosed by the Client in the Account Opening Form, the Client represents and warrants that:

- (i) the principal and beneficial owner and person ultimately responsible for originating the instruction in relation to each Transaction and stands to gain the commercial or economic benefit of each Transaction and/or bear its commercial or economic risk (the “**ultimate beneficiary**”) is the person specified as such in the Account Opening Form, and the Client shall provide such information and data relating to each ultimate beneficiary as the Company may require;
 - (ii) the Client has and will have full power and capacity to enter into, and perform the Client's obligations pursuant to, the Agreement and any other agreement entered into with the Company or its Affiliates;
 - (iii) in so doing, the Client has been expressly authorized by the ultimate beneficiary to instruct the Company in relation to such transaction(s) in accordance with the Agreement;
 - (iv) the Client will be liable, as if it were the principal, to the Company and/or its Affiliates in respect of all obligations and liabilities to be performed or discharged by the Client pursuant to and in respect of any such transaction(s) entered into under or pursuant to the Agreement; and
 - (v) for all purposes under all relevant laws and regulations, only the Client and not the ultimate beneficiary will be the client of the Company;
- (b) the information provided by or on behalf of the Client in the Account Opening Form or otherwise in relation to the Agreement from time to time is true, complete and correct in every material respect;
 - (c) the Client has or will have valid and unencumbered title as beneficial owner to all Securities and other assets which the Client instructs the Company to sell or otherwise dispose of pursuant to the Agreement save that where the relevant Account is opened by the Client acting as an agent and the same is disclosed in the Account Opening Form, the Client represents and warrants that the person specified in the Account Opening Form as the ultimate beneficiary is the beneficial owner having valid and unencumbered title;
 - (d) all necessary consents or authorisations which may be required by the Client for the signing of the Agreement, carrying out of any Transaction on any Market and performance of its obligations under the Agreement have been obtained and are in full force and effect;
 - (e) the Client has the authority and power and legal capacity to open and operate each Account, to effect each Transaction and to perform its obligations under the Agreement and the Agreement constitutes valid and legally binding obligations of the Client enforceable in accordance with its terms;
 - (f) the Agreement and its performance and the obligations contained in the Agreement do not and will not contravene any applicable law and regulations, contravene any provisions of the Client's memorandum and articles of association or by-laws (where applicable), or constitute a breach or default under any agreement or arrangement by which the Client is bound;
 - (g) the Client has read and understood the risk disclosure statements provided by the

Company to the Client, and accepts in full the risks relating to Securities, Contracts and Transactions; and

- (h) unless otherwise notified to and agreed by the Company, the Client is not a U.S. person and will not acquire or hold Securities or other assets beneficially owned by or for a U.S. person or in violation of any applicable law.

- 8.2 Client's Information. The Client shall provide the Company with such information and documents relating to the identity of the Client and each Authorized Person, the Client's financial condition and source of funds or other related matters as the Company may require from time to time for the purposes of opening, maintaining, operating and/or closing any Account. The Client agrees that the Company may rely on information provided in the Account Opening Form until the Company has actually received written notice from the Client of any changes therein. The Client shall promptly notify the Company in writing of any material changes in the information provided by or on behalf of the Client pursuant to the Agreement or any agreement entered into pursuant to the Agreement or relating to any Account.
- 8.3 Execution of Documents. The Client undertakes to the Company to do or execute any act, deed, document or thing which the Company requires the Client to do being in the reasonable opinion of the Company necessary or desirable in connection with the implementation and enforcement of the Agreement including the execution by the Client of an irrevocable power of attorney appointing the Company as the lawful attorney of the Client to do and execute all such acts, deeds, documents or things on behalf of the Client.
- 8.4 Necessary Action. The Client agrees to do such acts and things and to execute such documents as are necessary or are in the reasonable opinion of the Company desirable to ratify or confirm anything done by the Company, or any of its nominees or Affiliates, or any other entity instructed by any of them in the proper exercise of any right or power conferred on any of them by the Agreement or any agreement entered into pursuant to the Agreement or relating to the Account.
- 8.5 Corporate Client. If the Client is a corporation, the Client represents and warrants that it is duly incorporated and validly existing under the laws of its place of incorporation and has full power and legal capacity to enter into the Agreement and perform its obligations under the Agreement according to the terms of the constitutional document(s) by which the Client is established or constituted; and that the certified copy of resolutions provided by the Client to the Company approving the execution of the Agreement were duly passed at a meeting of its directors duly convened and held on or prior to the date of the Agreement in accordance with its constitutional documents and were entered in its minutes book and are in full force and effect.
- 8.6 Disclosure of Client Information. The Client authorises the Company to disclose and transfer any personal data, identity information and/or other information relating to the Client and any of the Accounts, Transactions and (where applicable) any ultimate beneficiary (including alias(es), address(es), occupation(s) and contact details of the Client or any ultimate beneficiary) to any Hong Kong Regulators in compliance with the Applicable Regulations. Without prejudice to the generality of the aforesaid, the Client agrees that where the Company has received an enquiry from any Hong Kong Regulators, the Client shall, upon request by the Company (which request shall include the contact details of the relevant Hong Kong Regulator), provide to the Company or such Hong Kong Regulator directly such information

relating to the Client and/or any ultimate beneficiary in compliance with such Hong Kong Regulator's request or demand and within such period specified by such Hong Kong Regulator or the Company. In addition, the following provisions shall apply where applicable:

- (a) if the Client effects a Transaction for a collective investment scheme, discretionary account or discretionary trust, the Client shall immediately upon request by the Company (which request shall include the contact details of the relevant Hong Kong Regulators), inform such Hong Kong Regulators of the name of the relevant scheme, account or trust and, if applicable, the identity, address, occupation, contact and other details of the person who, on behalf of the scheme, account or trust, ultimately originates the instruction to effect relevant Transaction;
- (b) if the Client acts as an investment manager for any collective investment scheme, discretionary account or discretionary trust, the Client shall immediately inform the Company of any Transactions in respect of which its investment discretion to invest on behalf of the scheme, account or trust is overridden. In each case where the Client's investment discretion is overridden, the Client shall immediately upon request by the Company (which request shall include the contact details of the relevant Hong Kong Regulators) inform such Hong Kong Regulators of the identity, address, occupation and contact and other details of the person(s) who has or have ultimately originated the instruction to effect the relevant Transaction;
- (c) if the Client is aware that its client is acting as intermediary for its underlying clients, and the Client does not know the identity, address, occupation and contact and other details of the underlying clients for whom the relevant Transaction was effected, the Client confirms that:
 - (i) it has arrangements in place with its client which entitle the Client to obtain the information set out in this Clause 8.6 regarding ultimate beneficiaries from its client immediately upon request or procure that it be so obtained; and
 - (ii) it will, on request from the Company in relation to a Transaction, promptly request the information set out in this Clause 8.6 regarding ultimate beneficiaries from its client on whose instructions the Transaction was effected, and provide the information to the relevant Hong Kong Regulators as soon as it is received from its client or procure that it be so provided;
- (d) notwithstanding any client secrecy or personal data protection laws, the Client expressly consents to the disclosure of information relating to the Client in accordance with this Clause 8.6;
- (e) the Client confirms that where necessary, it has obtained all relevant consents or waivers from its clients or ultimate beneficiaries to enable disclosure of information relating to such clients and/or ultimate beneficiaries in accordance with this Clause 8.6 notwithstanding any client secrecy or personal data protection laws in any relevant jurisdiction, or that agreements have been entered into by such clients and/or ultimate beneficiaries to give consent or waive the benefit of the relevant client secrecy or personal data protection laws to enable disclosure of information in accordance with this Clause 8.6; and
- (f) the Company and the Client agree that the provisions of this Clause 8.6 shall continue

in effect notwithstanding completion of any Transaction or the termination of the Agreement.

9. Rights and Remedies of the Company

9.1 Default of Client. In the event that (i) the Client or any guarantor or security provider of the Client's obligations under the Agreement becomes bankrupt or insolvent by reason of its inability to pay its debts as they fall due, or enters into liquidation whether voluntarily or compulsorily, or a receiver is appointed for all or any part of its assets, or initiates or suffers the filing of a petition for its winding-up or similar action, or becomes (voluntarily or involuntarily) the subject of any equivalent or analogous procedures under any law, or (ii) if, in the opinion of the Company, the Client has breached any material terms of the Agreement, or (iii) the Client or any guarantor or security provider of the Client's obligations under the Agreement defaults in performing its obligations or liabilities whether or not in respect of any Transaction, or (iv) any representation or warranty given by the Client to the Company is or becomes untrue in any material aspect when made or repeated, or (v) any warrant or order of attachment or distress or equivalent or analogous order is issued, or any judgment is levied, enforced or executed, against any of the Client's assets or Account or, (vi) where the Client is an individual, the Client dies or becomes mentally incapable, or (vii) any breach by the Client of any by-law, rule or regulation of any Exchange on which the Company conducts dealings on the Client's behalf at that time; or (viii) any consent, authorization or board resolution required by the Client to enter into the Agreement being wholly or partly revoked, suspended, terminated or ceasing to remain in full force and effect, or (ix) the occurrence of any event which, in the sole opinion of the Company, might jeopardize any of the rights of the Company under the Agreement, the following provisions shall apply:

- (a) all amounts owing by the Client to the Company shall become immediately payable on demand, and interest will accrue, on the amounts outstanding from time to time in the manner specified in Clause 4.8 above;
- (b) further performance by the Company of any of its outstanding obligations to the Client under the Agreement (whether for payment of money or otherwise) shall be conditional upon the Client having fully discharged all its obligations to the Company under the Agreement; and
- (c) the Company shall be entitled at its absolute discretion, without further notice or demand to the Client, to forthwith:
 - (i) satisfy any Liabilities of the Client (either directly or by way of guarantee or other security) by selling, realizing or otherwise dealing with, in such manner as the Company in its absolute discretion may determine and at the Client's sole risk and cost and without incurring any liability on the part of the Company for any loss or damage incurred by the Client, all or part of any money, Securities, Contracts and other property of the Client held by the Company, and applying the proceeds (after deducting of expenses) in satisfaction of all or part of the Liabilities of the Client;
 - (ii) set-off, combine or consolidate any of the Client's accounts (of any nature) maintained with the Company (including the Accounts) or any Affiliate and any liabilities and obligations owing by the Company to the Client under the Agreement against any Liabilities of the Client;

- (iii) suspend or terminate all or any of the Company's services;
- (iv) cancel all or any unexecuted instructions of the Client;
- (v) cancel any or all open orders or any other commitments made on the Client's behalf;
- (vi) close any or all Contracts between the Company and the Client;
- (vii) cover any short position through the purchase and/or borrowing of Securities; and/or
- (viii) liquidate any long position with the Company through the sale of Securities on the Exchange.

9.2 Application of Proceeds. The Company may at its absolute discretion apply the net proceeds (after deduction of all fees, costs and expenses incurred in connection with the exercise of the powers conferred on the Company by this Clause 9) actually received by the Company in satisfaction of the Client's then outstanding Liabilities in such order or manner as the Company considers fit.

9.3 Company's Discretion. The Company shall have absolute discretion in all matters relating to the exercise of its rights under this Clause 9, and may sell any Securities, Contracts or other assets of the Client on a single or collective basis. The Company shall not be liable for any loss howsoever caused arising from the exercise by the Company of its rights and powers conferred by this Clause 9, whether in relation to the timing or manner of the exercise of such rights or powers or otherwise, unless due to the gross negligence, fraud or willful default of the Company or any of its officers, employees or Affiliates and only to the extent of direct and reasonably foreseeable loss and damage (if any) arising directly and solely therefrom.

9.4 Termination of Agreement. In the event that any of the events set out in Clause 9.1 above occurs, the Agreement may be terminated by the Company forthwith without prior notice to the Client.

9.5 Obligations of Client. The Client shall be liable for any Deficit that may exist after the Company has exercised its rights under the Agreement, and any related cost and expense (including legal costs on a full indemnity basis) incurred by the Company.

9.6 Debt Collecting Agent(s). The Company shall be entitled at any time and from time to time to employ debt collecting agent(s) to collect any sum due but unpaid by the Client in connection with the Agreement and in doing so, the Company is authorised by the Client to disclose to such agent(s) any or all personal and other information in relation to the Client, its Authorized Persons, the Accounts and the Transactions, and the Company shall not be howsoever liable or responsible (whether in contract or tort) for such disclosure or for any default, negligence, act, conduct, misconduct and/or deeds of such agent(s). The Client shall indemnify and keep indemnified the Company and its officers, employees and agents on a full indemnity basis against all reasonable costs and expenses which the Company may reasonably incur in employing debt collecting agent(s) and in closing any Account.

10. Client's Responsibility for Disclosure of Interests

10.1 Corporate and Family Interests. The Client acknowledges that it is the Client's sole

responsibility to discharge any obligations imposed on the Client by any Applicable Regulations to disclose interests of any nature (whether personal, corporate, family or otherwise) to any applicable Exchanges, regulatory authorities or other persons. Attention is specifically drawn to the provisions of Part XIII and Part XV of the SFO as amended from time to time. The Client is reminded that the Client alone is responsible for complying or ensuring compliance with any duty or obligation which arises under the SFO mentioned, in respect of anything done, or which the Client requests to be done, on the Client's behalf by the Company. The Client confirms that he is aware of the provisions contained in the SFO and that the Client at all times will observe, or ensure that they are observed, so as to ensure that no breach or infringement of the SFO is caused as a result of anything done or proposed to be done by the Company acting on the Client's directions or instructions.

- 10.2 No Responsibility to Advise as to Disclosure. The Client acknowledges and agrees that the Company is not responsible for advising the Client of any disclosure obligations whether arising generally or as a result of any Transaction effected by the Company for the Client or of any holding of Securities or Contracts or otherwise by or on behalf of the Client. Such obligations of disclosure are personal obligations of the Client. The Company shall not be obliged to give notice of holdings by or on behalf of the Client in any form or by any time limit save for any notice or statement to be issued by the Company as expressly set out in the Agreement. The Company shall not be liable for any loss, cost or expense of the Client arising from any failure or delay by the Client or any other person to disclose interests in accordance with any Applicable Regulations and the Client shall indemnify the Company for any loss, cost or expense arising from any such failure, delay or default which may be suffered or incurred by the Company.

11. Client Information Statement

- 11.1 Submission of Statement. The Client shall complete and submit a client information statement in a form prescribed by the Company at the time of opening an Account and from time to time at the request of the Company. The Client shall provide in the client information statement such information, including financial data concerning the Client as the Company may request.
- 11.2 Client to Supply Information. The Client agrees promptly upon reasonable request by the Company (i) to furnish financial statements of the Client to the Company; (ii) to disclose to the Company any material change in the financial position of the Client; (iii) to furnish such other information concerning the Client as the Company may reasonably request; (iv) to notify the Company in writing if any of the representations or warranties given by the Client to the Company in connection with the Agreement ceases to be true, complete, up-to-date or accurate in any respect; and (v) to notify the Company of the occurrence of any event specified in Clause 9.1 above upon its occurrence.

12. Use of Client Information

- 12.1 Compliance with Laws. The Client acknowledges that the Applicable Regulations, regulatory authorities and/or the Exchanges of any relevant jurisdictions may require or request disclosure of personal and other information relating to the Client, its Authorized Persons and/or the Accounts. The Client irrevocably authorizes the Company and its Affiliates, without notice or consent from the Client, to disclose and provide to the relevant authorities or persons (including the Hong Kong Regulators) all such information and documents relating to the Client, its Authorized Persons and/or the Accounts as may be required or requested by them pursuant to Applicable Regulations. The Client shall not hold the Company or its Affiliates

liable for any consequences arising from such disclosure, and the Client shall reimburse the Company and its Affiliates on demand for all costs and expenses (including legal costs on a full indemnity basis) incurred by the Company and its Affiliates in complying with requests for such disclosure.

- 12.2 Disclosure in Other Cases. Subject to the extent specified in Clause 12.1 above, the Company will keep information relating to the Client and the Accounts confidential, but is authorized by the Client to disclose any such information (i) to any person as the Company considers appropriate for conducting credit enquiries on the Client and/or to verify the information provided, (ii) to the Company's auditors, legal advisers or other professional advisers, or any brokers, dealers or other service providers appointed by the Company on behalf of the Client, (iii) any of the Affiliates, and (iv) any actual or potential assignee of all or any of the Company's rights or obligations (whether under the Agreement or otherwise). The Company shall not be liable to the Client for any consequences arising from any disclosure made pursuant to this Clause 12.2.
- 12.3 Personal Data (Privacy) Ordinance. Where the Client is an individual, the Client acknowledges that he has read and accepts in full the provisions in the Company's "Notice to Customers relating to the Personal Data (Privacy) Ordinance" (including the use of his personal data in the manner specified in such notice), a copy of which is available with the Agreement.
- 12.4 Duty to Report. Immediately upon the happening of any material breach, infringement or non-compliance of market misconduct provisions set out in the Applicable Regulations that the Company reasonably suspects may have been committed by the Client, the Company has a duty to report to relevant authorities or persons (including the Hong Kong Regulators), giving particulars of the suspected breach, infringement or non-compliance and relevant information and documents. The Client shall not hold the Company or its Affiliates liable for any consequences arising from such reporting.

13. Liability and Indemnity

- 13.1 Exclusion of Liability. The Client agrees that neither the Company nor any of its directors, employees or agents shall not be liable for any claims, suits, actions, proceedings, losses, damages, obligations, liabilities, costs, fees and expenses which the Client may incur (including those resulting from Transactions executed by any brokers and dealers appointed by the Company, or by reason of market conditions or other circumstances specified in Clause 4.3 or 19.1 hereof) arising out of or in connection with the Transactions or the Agreement, unless due to the gross negligence, fraud or wilful default of the Company or any of its officers, employees or Affiliates. Without prejudice to the generality of the above, the Company shall not be liable for any taxes (including any withholding tax), duties, levies or imposts arising out of or in connection with any Transactions or the Agreement.
- 13.2 General Indemnity. The Client shall indemnify and keep indemnified the Company and its officers, employees and agents from and against any and all liabilities, obligations, losses, damages, penalties, actions, claims, proceedings, judgments, suits, costs, legal expenses (on a fully indemnity basis) and other expenses and disbursements of any kind or nature whatsoever which may be imposed on, incurred by or asserted against the Company or any of its officers, employees and agents in connection with performing its services under the Agreement or as a result of the default or breach by the Client of its obligations under any provision of the Agreement, unless due to the gross negligence, fraud or willful default of the Company or any of its officers, employees or Affiliates and only to the extent of direct and reasonably

foreseeable loss and damage (if any) arising directly and solely therefrom.

- 13.3 Further Indemnity. Without prejudice to the generality of Clause 13.2 above, the Client shall indemnify the Company against any claim which may be made against the Company by a purchaser or any other person by reason of any defect in the title of the Client to any Securities, Contracts or other assets.
- 13.4 Investor Compensation Fund. If the Company or any of its officers, employees or Affiliates fails to meet its obligations to the Client under the Agreement, the Client acknowledges and accepts that its right to claim compensation (i) under the Investor Compensation Fund established pursuant to the SFO is restricted to the extent provided in the SFO, and (ii) in any Market outside Hong Kong is subject to the Applicable Regulations in the relevant Market.
- 13.5 Financial Dispute Resolution Centre Limited (“FDRC”). Where, in the reasonable opinion of the Client, the Company or any of its officers, employees or Affiliates has failed to remedy his financial loss in a reasonable period of time, the Client is advised of his right to refer the dispute to the FDRC under the prevailing regulatory system.

14. Company’s Interests

- 14.1 Company’s Material Interests in Transaction. When effecting any Transaction for the Client, the Company and/or any of its nominees or Affiliates may have an interest, relationship or arrangement that is material in relation to the Transaction or the Securities or Contracts concerned and, subject to any Applicable Regulations, neither the Company nor its nominees or Affiliates are obliged to disclose to the Client such interest, relationship or arrangement (including the nature or extent thereof). The Client agrees that the Company may, notwithstanding any such interest, relationship or arrangement, effect Transactions for the Client with or through any of its nominees or Affiliates, and the Company or any of its nominees or Affiliates may:
- (a) be the counterparty as principal for its own account in respect of any Transactions effected for the Client;
 - (b) effect Transactions in circumstances where it has a position in the Securities or Contracts or acts as underwriter, sponsor or otherwise of the relevant Securities;
 - (c) take the opposite position to the Client’s orders whether the position is on the Company’s own account or on behalf of its other clients; or
 - (d) match the Client's orders with those of its other clients.

The Client acknowledges and agrees that the Company may solicit, accept and retain for its own benefit absolutely any commissions, fees and/or benefits from fund issuers, fund managers and other persons in consideration of the Company distributing or promoting their products to the Client or any other clients of the Company to the extent permitted by law.

- 14.2 No Claim to Profit. In the absence of fraud or wilful misconduct on the part of the Company or any of its nominees or Affiliates, the Company shall not be liable to the Client for any claims by the Client against the Company or any of its nominees or Affiliates in relation to any Transaction referred to in Clause 14.1 above including any claim to account for any emoluments, commissions, profits or any other benefits whatsoever earned or received by the

Company or any of its nominees or Affiliates in connection with such Transaction.

- 14.3 Nothing contained in the Agreement shall be deemed to prohibit or inhibit the Company from acting in any capacity for any other person, from buying, holding or dealing in any Securities for its own account notwithstanding that similar Securities or Contracts may be comprised in the Account, or from purchasing for the Account Securities or Contracts held by the Company for its own account or purchasing for the Company's own account Securities forming part of the Account, provided that in any case the terms of such purchase are no less favorable to the Client than they would have been had the Transactions been entered into at arms length at the time.
- 14.4 Nothing contained in the Agreement shall place the Company under any duty to disclose to the Client any fact or thing which comes to its notice in the course of acting in any capacity for any other person unless such disclosure is required by law.
- 14.5 The Client acknowledges that the Company, its directors and/or employees may trade on its/ their own account or on the account of any of its Affiliates subject to any applicable regulatory requirements.
- 14.6 The Client consents that, without prior notice from the Company, when the Company executes sell or buy orders on behalf of the Client, on any Exchange or market anywhere in the world, the Company, its directors, officers, employees, agents, and/or any floor broker may buy or sell for an account in which any such person has a direct or indirect interest, subject to the limitations and conditions, if any, contained in the constitution, rules, regulations, usages, rulings, and interpretations then in force of the Exchange or market upon which such buy or sell orders are executed, and subject to the limitations and conditions, if any, contained in any applicable regulations lawfully promulgated by such Exchange or market.
- 14.7 The Company and its of its Affiliates are engaged in the provision of a wide range of financial services and other related businesses. As a result, the Company may have a material interest or an arrangement or a relationship of any type with another party which would involve a conflict with its duty owed to the Client. The Client acknowledges the existence of such potential conflict of interest and agrees that the Agreement will not preclude the Company from conducting its businesses as aforesaid. The Company shall take reasonable steps to ensure fair treatment for the Client in relation to any transactions involving potential conflict of interest.

15. Suitability

- 15.1 No Warranty as to suitability. Unless the Company expressly agrees in writing to the contrary, no representation or warranty, express or implied, is given by the Company as to the profitability or suitability for the Client of any Transaction effected by the Company for the Client.
- 15.2 Information to Client. The Company may from time to time provide the Client with general market commentaries and information about share prices or currencies. The Client acknowledges that any such commentaries and information are provided by the Company to the Client for its information and reference only and are not intended as investment advice or for trading or other purposes. They may be supplied to the Company by other persons or compiled by the Company from information and materials supplied by other persons. The Company does not warrant, represent or guarantee the sequence, accuracy, truth, reliability, adequacy, timeliness or completeness of any commentaries or information or whether it is fit for any purpose. Nor does the Company assume any liability (whether in tort or contract or

otherwise) for any reliance on any commentaries or information by the Client or any other person.

- 15.3 Client's Own Decision. The Client shall make its own judgment and decision with respect to any Transaction which it instructs the Company to effect. The Company is not obliged to give any investment advice or recommendation to the Client, and any comment or information which may be provided by any representatives of the Company shall not be treated or relied upon by the Client as investment advice, unless the Company has expressly agreed otherwise. The Client understands that the Company or any of its Affiliates may purchase or sell or have a position in the Securities or Contacts which are the subject matter of any commentaries or information furnished to the Client by the Company which may or may not be consistent with the commentaries or information furnished to the Client by the Company.
- 15.4 After successfully subscribing any investment products or effecting any Transactions for the Client, the Company may but not obligated to forward received notices and information related to the investment to the Client. Unless otherwise required by law, the Company shall not be obliged to provide any form of translation services, voting recommendation or tax advice to the Client, or to demand recovery of investment losses (if any) from anyone on behalf of the Client. The Company has the right to charge the Client for its services in taking any action pursuant to the Client's instruction. If necessary, the Client should consult independent legal, tax, financial and/or other professional advisers after receiving announcements related to such investment.
- 15.5 If the Company solicits the sale of or recommends any financial product to the Client, the financial product must be reasonably suitable for the Client having regard to the Client's financial situation, investment experience and investment objectives. No other provision in these Terms or any other document the Company may ask the Client to sign and no statement the Company may ask the Client to make derogates from this Clause. For the purpose of this Clause, "**financial product**" means any securities, futures contracts or leveraged foreign exchange contracts as defined under the SFO. Regarding "**leveraged foreign exchange contracts**", it is only applicable to those traded by persons licensed for Type 3 regulated activity.

16. Joint and Several Liability/Successors

- 16.1 If the Agreement is signed by more than one person or is signed by one person for itself and on behalf of others (whether a partnership or otherwise):
- (a) the expression "**Client**" shall include each such person (a "**Joint Client**") and the liability of Joint Clients under the Agreement shall be joint and several;
 - (b) any demand for payment on any one or more of the Joint Clients shall be treated as a valid demand on each and all of the Joint Clients;
 - (c) the Company may release or discharge any one or more of the Joint Clients from liability under the Agreement or compound with, accept compositions from, or make any other arrangement with, any of Joint Clients without releasing or discharging or otherwise prejudicing or affecting its rights and remedies against any other Joint Client;
 - (d) the Agreement shall not be affected by the death, incapacity or dissolution of any Joint Client;

- (e) termination of the Agreement pursuant to Clause 18 by any one or more of the Joint Clients or his or their personal representatives shall not affect the continuing liability of the other Joint Clients;
- (f) the Company shall have a lien on the property of each Joint Client. The Company's lien shall be additional to the rights and remedies of the Company pursuant to the Agreement;
- (g) each of the Joint Clients singly and severally, without notice to the others, shall have the authority to give instructions to the Company or exercise all the rights, powers and discretions of the Client pursuant to the Agreement and generally to deal with the Company on behalf of the other Joint Clients as if each of the Joint Clients alone was the sole Account holder and so as to bind all the Joint Clients. The Company is authorised to act on the instructions of any one of the Joint Clients and shall not be required to give notice to, or obtain authorization from, the other Joint Clients in respect of such instructions;
- (h) the Company shall be under no duty whatsoever (including any duty to inquire or monitor) in respect of the application or disposition of any monies or properties in any Account by any of the Joint Clients;
- (i) the Joint Clients have entered into the Agreement as joint tenants with a right of survivorship and not as tenants-in-common;
- (j) in the event of death of any Joint Client, the deceased Joint Client's entire interest in the Account shall be vested in the surviving Joint Client(s) on the same terms as are set out in the Agreement but without releasing any liabilities incurred to the Company prior to the Company's actual receipt of the written notification of the death of the Joint Client and the Company will be entitled to enforce its rights against his estate. The estate of the deceased Joint Client shall be liable and each surviving Joint Client(s) shall be liable, jointly and severally, to the Company for any debt or loss in the Account arising from completion of Transactions instructed prior to the Company's actual receipt of a written notice of such death. The estate of the deceased Joint Client or the surviving Joint Client(s) shall immediately notify the Company in writing of the death of the relevant Joint Client and any changes in the identity of the Authorized Person(s) consequent upon such death. The Company shall hold the Client's assets to the order of the surviving Joint Client(s) under the terms of the Agreement subject to the surviving Joint Client(s) producing and delivering to the satisfaction of the Company evidence of death of the relevant Joint Client and evidence of compliance of all applicable requirements under law (including all obligations regarding payment or clearance of estate duty), and the Company may take such steps and require such documents and/or indemnities as the Company may reasonably specify to protect the interests of the Company with respect to any tax, liability, penalty or loss under any applicable law;
- (k) each of the Joint Clients shall be bound by the Agreement regardless of the arrangement or agreement among the Joint Clients and notwithstanding that the Agreement may be invalid or unenforceable against any one or more of the Joint Clients (whether or not the defect is known to the Company); and
- (l) any notice or communication from the Client shall be effective on the Company only if given by each of the Joint Clients or the surviving Joint Client(s) to the Company, and shall be effective on all Joint Clients if given by the Company to any of the Joint Client.

17. Single and Continuous Agreement

- 17.1 The Agreement and all its amendments shall be continuous, and shall apply to each and all of the Accounts and Transactions individually and collectively. The Client acknowledges that all Transactions executed by the Company for the Client shall be executed by the Company in reliance upon the representations and warranties given by the Client to the Company in Clause 8 hereof as if they were repeated before each such Transaction.

18. Termination

- 18.1 Notice. Either party may terminate the Agreement at any time by giving to the other party at least 7 Business Days' notice in writing.
- 18.2 Termination on Other Grounds. Notwithstanding Clause 18.1 above:
- (a) the Company reserves the right, without giving any notice or reason, to suspend or terminate at any time all or any of its services where the Company is required to do so by any Applicable Regulations or otherwise has reasonable grounds for doing so; and
 - (b) the Company reserves the right to terminate the Agreement at any time with immediate effect upon the occurrence of any event specified in Clause 9.1 hereof.
- 18.3 Debts. Upon termination of the Agreement for any reason, all amounts due or owing by the Client to the Company shall become immediately due and payable. The Company shall cease to have any obligation to effect any Transaction on behalf of the Client and shall be entitled to cancel all or any unexecuted instructions of the Client, notwithstanding any instructions from the Client to the contrary.
- 18.4 Client's Securities and Assets. The Company shall be entitled, at any time after termination of the Agreement to sell, realise, redeem, liquidate or otherwise dispose of all or part of the Client's Securities or other assets held by the Company for such consideration and in such manner as the Company shall in its absolute discretion consider appropriate, at the Client's sole risk and cost and without incurring any liability on the part of the Company for any loss or damage incurred by the Client, and apply the proceeds (after deducting of expenses) in satisfaction of all or part of the Liabilities.
- 18.5 Cash Proceeds. Any cash proceeds remaining after satisfaction of all Liabilities of the Client shall be credited to any Account, or be returned to the Client as soon as practicable. Any Securities or other assets of the Client which are not realised or disposed of together with any relevant documents of title in the Company's possession shall be delivered to the Client at the Client's sole risk and expense. The Company shall have no liability for any loss or damage incurred by the Client arising from such delivery.
- 18.6 Deficit after Sale Proceeds. If there is a Deficit after application of the sale proceeds pursuant to Clause 18.4 above, the Client shall immediately pay to the Company on demand an amount equal to such Deficit together with the Company's cost of funding such amount and interest at the rate announced on the website of the Company from time to time above the then prevailing prime or best lending rate for the relevant currency as determined by the Company from the date of demand up and including to the date of actual receipt of full and unconditional payment by the Company (after as well as before any judgment).

- 18.7 Consequences of Termination. The suspension or termination of any of the Company's services or the Agreement shall be without prejudice to the Company's rights and remedies in respect of any obligations or liabilities of the Client including the Company's right to settle any Transactions entered into or liabilities incurred by or on behalf of the Client under the Agreement prior to such suspension or termination, and shall not affect any of the rights of the Company over any of the Client's property in the possession or control of the Company whether the same be held for safe custody, margin or otherwise and whether pursuant to the Agreement or otherwise so long as there is any outstanding liability of the Client to the Company. Notwithstanding the suspension or termination of any of the Company's services or the Agreement, the Client shall continue to be bound by the provisions of the Agreement to the extent that they relate to any obligations or liabilities which remain to be performed or discharged.
- 18.8 Return of Client Assets. Any notice given by the Client to terminate the Agreement shall specify the name(s) of the person(s) to whom the Company shall return any Securities, monies or other assets to which the Client is entitled. If notice of termination is given by the Company, the Client shall, within 7 Business Days or such longer period as the Company may agree following the giving of such notice, notify the Company in writing the name(s) of the person(s) to whom the Company shall return any Securities, monies or other assets to which the Client is entitled. In either case, the Company shall deliver such Securities, monies and assets to the person(s) so specified. If after 7 Business Days or such longer period as the Company may agree following the giving of a notice of termination by the Company, the Company does not receive from the Client any written notification as aforesaid, the Company shall continue to hold such Securities, monies and assets at the costs and expenses of the Client until the Company has received written instructions from the Client to dispose of the same.

19. Force Majeure

- 19.1 Neither of the parties shall be liable for any loss sustained by the other, directly or indirectly, if it is prevented from acting as a direct or indirect result of any government restrictions, imposition of emergency procedures or suspension of trading by any relevant Exchange Clearing House or Market, civil disorder, acts or threatened acts of terrorism, natural disasters, war, strikes or other circumstances beyond its control.

20. Combination and Set-Off

- 20.1 Combine and Consolidate Accounts. The Company shall be entitled and is authorized by the Client to, for itself or as agent for its Affiliates, combine and consolidate at any time without notice to the Client any or all of the Client's Accounts and/or the Client's Affiliates' Accounts (of whatever nature and whether held individually or jointly with others) held with the Company and its Affiliates, in order to set-off, transfer or apply monies, Securities or other property in such Accounts in satisfaction of the Liabilities of the Client. When such combination, consolidation, set-off or transfer requires the conversion of one currency to another, such conversion shall be at a rate of exchange determined conclusively by the Company on the basis of the then prevailing exchange rates in the relevant market.
- 20.2 Segregated Accounts. Subject to the Special Terms, all money or other property received by the Company from the Client or from any other person for the account of the Client shall be segregated from the Company's own assets and paid into a segregated account and handled in accordance with any Applicable Regulations.

20.3 Company as Principal. The Client acknowledges that in respect of any account of the Company or any Affiliate maintained with any Clearing House, whether or not such account is maintained wholly or partly in respect of any Transaction effected by the Company on behalf of the Client and whether or not money paid by the Client has been paid to such Clearing House, as between the Company or any Affiliate and such Clearing House, the Company or Affiliate (as the case may be) deals as principal.

21. Communications and Notices

21.1 Unless otherwise specified in the Agreement, any communication or notice to be made or given by either party to the other under the Agreement shall be in writing and addressed to the last known address, telex number, facsimile number or email address of the other party (as the case may be) and shall be deemed to have been received by the Client (i) two Business Days (if local) or seven Business Days (if international) after posting if delivered by mail, it being sufficient to prove that the communication or notice was properly addressed and posted, or (ii) the next Business Day following the day on which it was dispatched if delivered by telex, or (iii) the date of transmission if transmitted by facsimile or email, and shall be deemed to have been received by the Company on the day of actual receipt.

22. Time of the Essence

22.1 Time shall be of the essence in respect of the performance of all of the Client's obligations in connection with the Agreement. If any document sent by the Client to the Company concerning the Account or any order made by the Company is for any reason undated, the time and date as shown on the time chop of the Company, as imprinted on such document at the time of its receipt by the Company, shall be conclusive evidence of the date of such document.

23. Automatic Postponement

23.1 The parties agree that if any day on which the Company has agreed or obliged to do, take or conduct any matter, action or Transaction (the "**Action Date**") shall fall on a day which is not a Business Day, the Action Date shall automatically be postponed to the next Business Day.

24. Severability

24.1 Each of the provisions of the Agreement is severable and distinct from the others. Any provision of the Agreement which is illegal, invalid or unenforceable for any reason in any jurisdiction shall be ineffective only to the extent of such illegality, invalidity or unenforceability and shall not affect the legality, validity or enforceability of the remaining provisions or the legality, validity or enforceability of such provision in any other jurisdiction.

25. Assignment

25.1 The Client shall not assign or transfer its rights and/or obligations under the Agreement without the prior written consent of the Company. The Company may assign or transfer any of its rights and/or obligations under the Agreement without the prior consent of the Client.

26. Successors and Assigns

26.1 The Agreement shall enure for the benefit of the Company, its successors and assigns notwithstanding any absorption or amalgamation of the Company by or with any other person. The Agreement shall be binding upon the Client and its heirs, executors, administrators,

personal representatives, successors and permitted assignees, as the case may be.

- 26.2 The Agreement shall survive any changes or succession in the Client's business and shall be binding in the case of a partnership or firm upon the partners jointly and severally and upon their personal representatives and in the case of an individual upon his personal representative, receiver or trustee whether in bankruptcy or otherwise.

27. Miscellaneous Provisions

- 27.1 Amendments. The Company shall notify the Client promptly in writing of any material changes to the name, address or licensing information relating to the Company or the Company's services, interest charges, fees and other charges provided in or in connection with the Agreement. The Company may at its discretion amend, delete or substitute any of the terms of the Agreement or add new terms to the Agreement by sending to the Client a notice in writing setting out such amendment, deletion, substitution or addition at least 30 days prior to such change taking effect (unless any such change is not within the Company's control) and such change shall (save as aforesaid) be deemed to have been incorporated in the Agreement and shall be binding on the Client unless objected to in writing by the Client within 30 days from the date of such notice.
- 27.2 Complaint. Any complaint about the performance of the Company under the Agreement shall be made in writing and addressed to the Complaints Officer of the Company who will investigate the complaint. The Client agrees to provide the Complaints Officer with all such information as the Complaints Officer may reasonably request to enable the Complaints Officer to investigate the complaint.
- 27.3 English and Chinese Versions. The English version and the Chinese version of the Agreement are of the same legal effect. However, in the event of any inconsistency between the English version and the Chinese version, the English version shall prevail.
- 27.4 Change of Client's Particulars. The Client undertakes to notify the Company in writing signed in accordance with the Agreed Signing Arrangement of any change of the Client's particulars (including, where the Client consists of any individual, the Client's personal particulars), address(es), telephone number(s), facsimile number(s) and/or email address(es) as soon as practicable after each change.
- 27.5 Remedies are Cumulative. Except as provided in the Agreement, the rights, powers, remedies and privileges of either party under the Agreement are cumulative and not exclusive of any other rights, powers, remedies and privileges provided by law or otherwise.
- 27.6 Derivative Products. The Company undertakes to provide to the Client, upon request, (a) product specifications, prospectus or other offering document covering such Contracts and other derivative products in relation to which the Company provides services; and (b) a full explanation of margin procedures and the circumstances under which the Client's positions may be closed without the Client's consent.
- 27.7 Limits on Company. The Company does not have authority, without the Client's prior consent, to deposit any of the Client's Securities with any other person as security for loans or advances made by such person to the Company or as collateral for the discharge of the Company's obligations to such person, or to lend or otherwise part with the possession of any Client's Securities for any purpose other than as specified in the Agreement.

28. Submission to Rules and Regulations

- 28.1 SFO. The Agreement shall be subject to the SFO where applicable.
- 28.2 SEHK. In respect of Transactions effected on SEHK:
- (a) the Rules of the SEHK, HKSCC and SEOCH shall be binding on the Client and the Company and shall prevail in the event of any conflict between the Rules and the Agreement;
 - (b) every Transaction executed on the SEHK will be subject to a transaction charge which shall be borne by the Client; and
 - (c) every Transaction executed on the SEHK will be subject to other levies the SEHK may impose from time to time which shall be borne by the Client.
- 28.3 HKFE. In respect of Transactions effected on HKFE:
- (a) the Rules of the HKFE and HKFE Clearing House shall be binding on the Client and the Company and shall prevail in the event of any conflict between the Rules and the Agreement;
 - (b) every Transaction executed on the HKFE will be subject to a transaction charge which shall be borne by the Client; and
 - (c) every Transaction executed on the HKFE will be subject to other levies the HKFE may impose from time to time which shall be borne by the Client.
- 28.4 Over-the-Counter Derivative Transaction. In respect of over-the-counter derivative transactions, the Rules of OTC Clear shall be binding on the Client and the Company and shall prevail in the event of any conflict between the Rules and the Agreement.
- 28.5 Other Markets. In respect of Transactions effected in any Markets outside Hong Kong:
- (a) the Rules of the relevant Exchange, Clearing House or Market shall be binding the Client and the Company and shall prevail in the event of any conflict between the Rules and the Agreement; and
 - (b) every Transaction executed on the relevant Exchange, Clearing House or Market will be subject to any transaction charges, levies or other fees imposed by such Exchange, Clearing House or Market from time to time which shall be borne by the Client.

29 Confirmation

- 29.1 The Client confirms that it has read and understood the Agreement, and that the Client agrees to be bound by the Agreement. Where the Client requests, the contents of the Agreement have been fully explained to the Client in a language which the Client understands but the Client acknowledges and accepts that it is the Client's responsibility to seek independent advice from its own advisers as it considers appropriate.

30. Waiver

- 30.1 No failure or delay on the Company's part to exercise any power, right or remedy which the Company may have shall operate as a waiver thereof. The Company's failure to insist at any time upon strict compliance with the Agreement or with any of its terms or any continued course of such conduct on the Company's part shall in no event constitute or be considered a waiver generally or specifically by the Company of any of its rights or privileges unless such waiver is in writing and signed by the Company.
- 30.2 No prior tender, demand for original or additional margin or call of any kind from the Company, or prior outstanding demand or call from the Company, or notice of the time and place of such sale or purchase shall be considered a waiver of the Company's right to sell, buy or close out any positions, or realize any collateral, at any time as provided in the Agreement.

31. Governing Law, Jurisdiction and Dispute Resolution

- 31.1 Governing Law. The Agreement and all rights, obligations and liabilities of the parties shall be governed by and construed in accordance with the laws of Hong Kong.
- 31.2 Dispute Resolution. If a dispute arises in connection with the Agreement, the parties will attempt to resolve it by discussion, negotiation and mediation before commencing legal proceedings.
- 31.3 Jurisdiction. Each of the parties submits to the non-exclusive jurisdiction of the courts of Hong Kong but the Agreement may be enforced in the courts of any competent jurisdiction.
- 31.4 Arbitration. For Clients not residing in Hong Kong, the Client agrees that if the dispute cannot be resolved through amicable negotiations between the parties then, the Company has the absolute discretion to elect to submit the dispute to the Hong Kong International Arbitration Centre (HKIAC) in Hong Kong in accordance with the United Nations Commission on International Trade Law (UNCITRAL) Arbitration Rules in effect at the time of the arbitration. The arbitral award is final and binding upon both parties.
- 31.5 Notice of Legal Process. If the Client does not have a place of business or is not a resident in Hong Kong, the Client appoints the person named as process agent in the Account Opening Form to be its process agent to receive and acknowledge on the Client's behalf service of any notice of legal process in Hong Kong. The Client agrees that any legal process shall be deemed to have been sufficiently served on it if delivered to such process agent at the address specified in the Account Opening Form. If for any reason any person ceases to act as process agent, the Client shall promptly appoint a successor process agent and notify the Company of such appointment. If the Client fails to give the details of his/her/its process agent, the Client authorises the Company to appoint the process agent on his/her/its behalf. The Company shall forthwith notify the Client of such appointment with the details of such agent in writing.
- 31.6 Unless expressly stated otherwise in the Agreement, nothing in the Agreement is intended to grant to any third party any right to enforce any term of the Agreement or to confer on any third party any benefits under the Agreement for the purposes of the Contracts (Rights of Third Parties) Ordinance (Chapter 623 of the laws of Hong Kong).

32. Settlement

- 32.1 The Client shall provide Securities, Contracts or Commodities to the Company for delivery

against sales or provide funds to the Company for the payment of Securities, Contracts or Commodities purchased, on demand or by such time and at such place as required by the Company or the relevant Exchange or other Market. Unless otherwise agreed or where the Company is already holding cash or Securities, Contracts or Commodities on the Client's behalf to settle a Transaction, the Client shall, by such time as the Company may notify to the Client in relation to the relevant Transaction:

- (a) pay or provide to the Company cleared funds or deliver to the Company Securities, Contracts or Commodities in deliverable form required for settling that Transaction; or
- (b) ensure that the Company will receive such cleared funds or deliverable Securities, Contracts or Commodities on the applicable settlement date or by such time as the Company may notify to the Client for the purpose of settling that Transaction; or
- (c) pay or provide to the Company an equivalent of the sum of funds or the quantity of Securities, Contracts or Commodities required for settling that Transaction.

32.2 If the Client fails to comply with Clause 32.1 above, the Company shall be entitled, in its absolute discretion and without prejudice to any other rights or remedies of the Company or further notice to or consent from the Client, for the purpose of settling any Transaction:

- (a) in the case of a Transaction for the purchase or subscription of Securities, Contracts or Commodities, to sell or transfer the Securities, Contracts or Commodities being the subject matter of such Transaction and/ or sell or transfer any other Securities, Contracts or Commodities in any Account to satisfy the Client's settlement obligations, at a price the Company believes to be reasonable and charge or debit any related costs, fees and expenses to any Account; or
- (b) in the case of a Transaction for the sale of Securities, Contracts or Commodities, to borrow and/ or purchase Securities, Contracts or Commodities equivalent to the Securities, Contracts or Commodities being the subject matter of such Transaction to satisfy the Client's settlement obligations, at a price the Company believes to be reasonable; and in addition or as an alternative to Clause 32.1 above, to have recourse to its rights of combination and set-off or any other rights under the Agreement.

32.3 Notwithstanding any other provisions of the Agreement, the Company is entitled not to:

- (a) execute any instruction for purchase of Securities, Contracts or Commodities unless the Client has made available to the Company cleared funds of an amount which is, in the opinion of the Company, sufficient to settle the related purchase price, fees and expenses in connection with such purchase; or
- (b) execute any instruction for sale of Securities, Contracts or Commodities unless the Client has deposited the relevant Securities, Contracts or Commodities with the Company to settle such sale.

32.4 The Client shall be liable for any Deficit resulting from losses and any cost, fee or expense (including legal costs) incurred by the Company, on a full indemnity basis, in relation to the purchase and/or sale of Securities, Contracts or Commodities pursuant to Clause 32.2 hereof.

32.5 To facilitate due settlement by the Client, the Company may in its absolute discretion

lend Securities, Contracts or Commodities to the Client or borrow Securities, Contracts or Commodities for the Client to settle the Client's sale instructions. The Company may also enter into Securities, Contracts or Commodities loans arrangements on the Client's behalf or for the Client's benefit, whether in the name of the Company, its Affiliates or otherwise, upon such terms as the Company conclusively decides. The Client shall indemnify the Company and its Affiliates for any margins, guarantees, Securities or collateral maintenance and expenses as may be required under the Securities borrowing and lending arrangements. The Company does not warrant or guarantee the availability or the continuing availability of such short selling facility.

33. Safekeeping of Securities, Contracts or Commodities

- 33.1 Any Securities, Contracts or Commodities held by the Company or the Company's associated entity for safekeeping pursuant to the Agreement may, at the Company's discretion and subject to the Applicable Regulations:
- (a) (in the case of registrable securities, contracts or commodities) be registered in the name of the Client or in the name of the Company or the Company's nominee; or
 - (b) be deposited in safe custody in a segregated account which is designated as a trust or client account and maintained in the relevant Market by the Company with the Company's associated entity or any other institution which is qualified for providing facilities for the safe custody of Securities, Contracts or Commodities and documents relating thereto.
- 33.2 The Client acknowledges and agrees that Securities, Contracts or Commodities from time to time acquired and/or held pursuant to the Agreement through or in a Clearance System shall be held subject to and in accordance with the Applicable Rules.
- 33.3 The Client appoints the Company as custodian of all cash and Securities, Contracts or Commodities of the Client delivered to and accepted by the Company or any of its sub-custodians subject to the Agreement. The Company shall be entitled to deposit such cash or Securities, Contracts or Commodities with such other company or institution and on such terms as it may deem fit. Such cash or Securities, Contracts or Commodities may be co-mingled with those of other clients of the Company (but not with cash or Securities, Contracts or Commodities held for the Company's own account). The Client acknowledges and agrees that, where the Client's assets are pooled and held collectively with the assets of other persons, the Client's individual entitlements may not be identifiable by separate documents, records or evidence of ownership or title, and the Client and such other persons may have to share any shortfall arising from a default of a company or an institution with which the assets are deposited.
- 33.4 Subject to Clause 33.6 hereof, the Company shall as soon as reasonably practicable after having been required to do so by instructions from the Client:
- (a) procure the registration of any Securities, Contracts or Commodities from time to time in the Account in the name of the Client or a person notified by the Client as being the nominee of the Client, or if so instructed, deliver the documents representing or evidencing the Securities, Contracts or Commodities to the Client or such nominee whereupon such Securities, Contracts or Commodities shall cease to be held in the Account; and

- (b) transfer any sum specified in the instructions of the Client from the Account to such bank account of the Client as the Client may advise and such transfer shall be deemed to be a good discharge of the Company's obligation to make payment to the Client.
- 33.5 Where Securities, Contracts or Commodities are accepted on behalf of the Client in jurisdictions restricting foreign ownership of Securities, Contracts or Commodities, the Company shall have no duty to ascertain the nationality of the owner of such Securities, Contracts or Commodities or whether such Securities, Contracts or Commodities are approved for foreign ownership unless specifically instructed by the Client.
- 33.6 The obligations of the Company in Clause 33.4 hereof shall be subject to the other provisions of the Agreement and in particular Clause 35 hereof and to the right of the Company to require that prior to any withdrawal by the Client, the Client discharges in full all the Liabilities. The Company may, without notice to the Client, discharge any or all the Liabilities out of the monies standing to the credit of the Account prior to any registration or transfer in accordance with Clause 33.4 hereof or otherwise may require payment thereof to be made by the Client prior to any registration or transfer pursuant to Clause 33.4 hereof.
- 33.7 The Client hereby authorises the Company to act on instructions relating to the Client's Securities, Contracts or Commodities, including the exercise of voting and other rights attached to the Securities, Contracts or Commodities. The Company may decline to act on any instruction in its absolute discretion without giving any reason therefor or any instruction which is incomplete or ambiguous, or which is not received in sufficient time for the Company to act thereon. Nothing in the Agreement shall in any way impose on the Company any duty to inform the Client or to take any action with regards the attendance of meetings and to vote at such meetings. The Company has no duty in respect of notices, communications, proxies and other documents relating to the Securities, Contracts or Commodities received by the Company or to send such documents or to give any notice of the receipt of such documents to the Client unless otherwise required by law. The Company has the right to charge the Client for its services in taking any action pursuant to the Client's instruction.
- 33.8 The Company will pay all dividends, distributions, interest, coupons or benefits relating to the Securities, Contracts or Commodities of the Client into the Account. If the Securities, Contracts or Commodities in respect of which the dividends, interest, coupons or distributions or other benefit accrue form part of a larger holding of identical Securities, Contracts or Commodities held by the Company for its clients, the Client shall be entitled with other clients of the Company a proportionate share of such dividends, distributions, interest, coupons or benefits.
- 33.9 Where the Client's Securities are registered in the name of the Company or any other person appointed by the Company (but not otherwise), the Company may but is not obliged:
- (a) to notify the Client of information, notices and other communications received by the Company in relation to such Securities (but shall be under no obligation to forward the same to the Client in sufficient time for instructions to be given to the Company with regard to any matters referred to therein nor to investigate or participate or take any affirmative action except in accordance with specific instructions from the Client and upon such conditions, indemnity and provision for reasonable expenses as the Company may require) and, in the absence of or delay in receiving specific instructions from the Client, to refrain from acting and any default option in respect of the relevant matter shall apply; and

- (b) to subscribe, take up or otherwise dispose of such rights or new issues in relation to the Client's Securities as the Company may think fit which shall be binding on the Client unless the Company has actually received prior instructions to the contrary from the Client (except that the Company shall have no discretion concerning any action relating to Securities which may give rise to any obligation to disclose interest on the part of the Company or its nominee in compliance with the Applicable Regulations).
- 33.10 The Client authorizes the Company and its nominee to take all such actions as may be required to comply with any Applicable Regulations in providing custody services, including withholding and/or making payment of tax or duties payable in respect of cash, Securities, Contracts or Commodities in the Account. The Client acknowledges that neither the Company nor its nominee shall be liable in respect of any call, installment or other payment in relation to the Securities, Contracts or Commodities held by the Company or its nominee in the Account.
- 33.11 The Company is entitled, upon termination of any safe custody services for whatever reasons, to return to the Client at the sole risk and expense of the Client all the assets held in custody, including returning to the Client Securities, Contracts or Commodities which may not have the same serial number or identification as those originally deposited with or received by the Company.
- 33.12 The provision of the safe custody services does not constitute the Company a trustee of the Client or any of the Client's assets except where any such asset is registered in the name of the Company or a nominee of the Company in which case the Company acts in the capacity of a bare trustee only. The Company shall have no other obligations in respect of the Client's assets except those specified in the Agreement.
- 33.13 In the case of Securities, Contracts or Commodities transfer, the Client will be responsible for arranging the relevant third party to deliver the Securities, Contracts or Commodities to the Client or to receive the Client's Securities, Contracts or Commodities, and that any handling, transfer or custodian fees and charges shall be at the cost of the Client.
- 33.14 Any obligations of the Company to deliver, to hold in safe custody or otherwise or to register in the name of the Client, Securities, Contracts or Commodities purchased or acquired by it on behalf of the Client shall be satisfied by the delivery, the holding or registration in the name of the Client or its nominee, Securities, Contracts or Commodities of the same class, denomination and nominal amounts, and rank *pari passu* with, those originally deposited with, transferred to or acquired by the Company on behalf of the Client (subject always to any capital reorganization which may have occurred in the meantime).
- 33.15 Securities, Contracts or Commodities deposited with the Company and/or its nominee(s) pursuant to the Agreement shall be at the Client's sole risk and the Company shall be under no obligation to insure any of them against any kind of risk, which obligation shall be the Client's sole responsibility and undertaken by the Client.
- 33.16 The Company is authorized, pursuant to Section 6(3) of the Client Securities Rules, to dispose any of the Client's Securities or Securities collateral (and the Company shall have absolute discretion to determine which Securities or Securities collateral are to be disposed of) for the purpose of settling any liability owed by or on behalf of the Client to the Company or a third person.

34. Account Statements and Contract Notes

- 34.1 The Company shall in accordance with the Applicable Regulations provide to the Client contract notes or other confirmations relating to any Transactions and statements of account relating to the relevant Account.
- 34.2 The Client confirms that the Company may issue contract notes, transaction confirmations, statements of accounts and other advices in electronic form and agrees to receive them by electronic means.
- 34.3 Contract notes, transaction confirmations and statements of the account shall be conclusive of the matters stated therein (save for any manifest error) and shall be deemed to have been accepted by and binding on the Client unless the Company has actually received from the Client notice in writing alleging any omission or error within 7 Business Days after the date of a contract note or transaction confirmation or within 14 days after the date of a statement of account.

35. Charge

- 35.1 In consideration of the Company granting or continuing to make available the Credit Facilities to the Client, whether through the Margin Account or not, the Client, as beneficial owner, hereby charges by way of first fixed charge all its rights, title, benefits, claims and interests, both present and future, in and to any and all of the Charged Securities, as a continuing security for the due and punctual payment and satisfaction of all the Liabilities and performance of all other obligations of the Client from time to time. If and insofar as the security created shall be ineffective as a first fixed charge for any reason, such security shall take effect as a first floating charge. Any floating charge created by this Clause 35.1 shall (in addition to and without prejudice to the circumstances in which the same shall occur under general law) automatically be converted into a specific fixed charge upon occurrence of any of the events specified in Clause 9.1 of the General Terms and Conditions. Without prejudice to the aforesaid, the Company may at any time and from time to time by notice in writing to the Client, convert any floating charge into a specific fixed charge as regards the whole or any part of the Charged Securities specified in such notice.
- 35.2 If any of the events specified in Clause 9.1 of the General Terms and Conditions occurs, then:
 - i. the Company shall be entitled to enforce without further notice to the Client the charge created in Clause 35.1 above; and
 - ii. the Company (or where appropriate the Company's nominee acting upon instructions from the Company) shall be entitled, without further notice to the Client:
 1. to appropriate, transfer or set-off the whole or any part of any monies comprised in the Charged Securities in or towards payment or discharge of any of the Liabilities; and/or
 2. to sell or dispose of the Charged Securities or any part thereof either together or in parcels or in such other manner and for such consideration (whether payable or deliverable immediately or by installments) as the Company may think fit and to apply the proceeds (after deducting expenses) in or towards payment or discharge of any of the Liabilities.
- 35.3 The Company and the Company's nominee shall not be in any way responsible for any loss occasioned by any action taken for the purposes of enforcing the security created in Clause

35.1 hereof, howsoever such loss may have been caused or arisen, or whether or not a better price could or might have been obtained on such action, or whether such loss may be reduced or avoided by either deferring or advancing the date of taking such action.

35.4 Without prejudice to the generality of Clause 35.2 hereof, the Company (or, where appropriate, the Company's nominee) shall be entitled to appropriate or sell or dispose of the Charged Securities or any part thereof at the then current market price to any Affiliate without being:

(a) in any way responsible for any loss occasioned thereby howsoever arising; and

(b) accountable for any profit made by the Company or any of its nominees or Affiliates,

and the same shall not be treated as an absolute appropriation of or foreclosure on the Charged Securities to the exclusion of the Client and in extinguishment of its interests therein, unless the Company shall otherwise notify the Client (whether before or after the relevant appropriation or foreclosure has been effected), in which event any such appropriation or foreclosure shall be treated as a sale of the Charged Securities at a fair market value and the Liabilities shall be reduced by an amount equivalent to the proceeds of such sale.

35.5 If there is any Deficit after application of the proceeds from the sale or disposal of Charged Securities, the Client undertakes to make good and pay on demand to the Company such Deficit.

35.6 The amounts realised by the exercise or enforcement of the charge created in Clause 35.1 hereof shall be applied in or towards settlement of the Liabilities in such order of priority as the Company may in its absolute discretion determine.

35.7 The charge created in Clause 35.1 hereof shall be a continuing security notwithstanding any intermediate payment or settlement of account or satisfaction of the whole or any part of the Liabilities and notwithstanding the closing of any of the Accounts and which are subsequently reopened or the subsequent opening of any Account by the Client either alone or jointly with others. Without prejudice to the foregoing, such charge shall subsist and continue to have full force and effect notwithstanding the termination of the Agreement until the Client has fully discharged all the Liabilities.

35.8 The charge created in Clause 35.1 hereof shall be in addition to and shall not affect or be affected by any other security, guarantee or indemnity which the Company may now or in the future hold or take in respect of the Liabilities and may be enforced by the Company without prior recourse to any such other security, guarantee or indemnity.

35.9 Any monies realised pursuant to the charge created in Clause 35.1 hereof may be placed and kept to the credit of a suspense account opened by the Company for so long as the Company or its nominee may in its absolute discretion determine without any obligation in the meantime to apply the same or any part thereof in or towards discharge of the Liabilities.

35.10 The charge created in Clause 35.1 hereof shall not be discharged by any amendment or variation to the Agreement or by the dissolution or insolvency of the Client. Where the Client is a firm and there is a dissolution, the charge shall apply to all indebtedness incurred in the firm's name to the Company until receipt of actual notice of dissolution and, if the dissolution is by reason only of the introduction of one or more partners, the charge shall continue and, in addition to the debts and liabilities of the firm then dissolved, the charge shall apply to the firm

constituted with new partners as if there had been no change in the firm.

35.11 The Client covenants with the Company that:

- (a) it will not create or permit to subsist any Encumbrance (other than any Encumbrance arising by operation of law) over or dispose of any Charged Securities or any Account, other than as provided for in the Agreement;
- (b) the Client shall deposit with the Company, or to its order, all certificates, instruments and evidence of title to the Charged Securities, together, where appropriate, with all such necessary forms of transfer as the Company may from time to time require;
- (c) the Client shall execute and deliver such further assignments, charges, authorities and other documents as the Company may from time to time require for perfecting its title to or for vesting or enabling the Company to vest the full benefit of the Charged Securities in its favour;
- (d) the Client shall not withdraw or attempt to withdraw all or any part of the Charged Securities without the prior consent of the Company; and
- (e) the Client shall not to take or omit to take any action which might prejudice the effectiveness of the charge created in Clause 35.1 hereof or the Company's rights under the charge.

35.12 Upon occurrence of any of the events set out in Clause 9.1 of the General Terms and Conditions, the Company shall be entitled at its absolute discretion, without prejudice to any other rights under the General Terms and Conditions or in law and without further notice or demand, to forthwith:

- (a) cancel any open orders for the purchase or sale of Securities, Contracts or Commodities;
- (b) close the Account;
- (c) dispose of the Charged Securities or any of them;
- (d) where applicable, sell the Securities, Contracts or Commodities in any Account of the Client;
- (e) where applicable, buy the Securities, Contracts or Commodities previously sold as a short sale in any Account of the Client;
- (f) close out any open contract held by the Company on behalf of the Client, and make or take delivery of the Securities, Contracts or Commodities in respect of such contract;
- (g) borrow or purchase any Securities, Contracts or Commodities required to make delivery on behalf of the Client;
- (h) exercise any Contracts held by the Company on behalf of the Client; and
- (i) apply the proceeds of the above transactions in or towards settlement of the Liabilities or any part thereof and any outstanding Liabilities shall become immediately due and payable by the Client to the Company.

- 35.13 No restrictions imposed by any applicable law on any immediate or other power of sale, application of proceeds or on any other right or on the consolidation of mortgages or other encumbrances shall apply to the charge created in Clause 35.1 hereof, the Company or to any encumbrance given to the Company pursuant to the charge.
- 35.14 The Client, by way of security, irrevocably appoints the Company and any of its delegates or sub-delegates severally to be the Client's true and lawful attorney (with full power to appoint substitutes and to sub-delegate including power to authorise the person so appointed to make further appointments with regard to the Charged Securities) on behalf and in the name of the Client or otherwise, to execute, seal, deliver, exercise and otherwise perfect and do all such agreements, acts and things which:
- (a) the Client could itself do in relation to the Charged Securities and the charge;
 - (b) the Client is or may become obliged to do under the charge; and/or
 - (c) otherwise may in the Company's opinion be required or deemed proper or desirable for or in connection with the full exercise of all or any of the rights conferred by the charge on the Company and its rights to give full force and effect to the terms of the charge.

This power of attorney is coupled with an interest and is irrevocable and shall remain irrevocable as long as any of the Liabilities remains outstanding. The Client ratifies and confirms and agrees to ratify and confirm any agreement, act or thing which any attorney (or any substitute or sub-delegate) appointed under this Clause 35.14 may lawfully execute, seal, deliver, exercise or do.

- 35.15 Payments by the Client shall be made to the Company as specified by the Company without any deduction, set-off, counterclaim, withholding or condition of any kind except that, if the Client is compelled by law to make such withholding, the sum payable by the Client shall be increased so that the net amount actually received by the Company is the amount it would have received if there had been no withholding.
- 35.16 Any release, discharge or settlement under the charge created in Clause 35.1 hereof shall be conditional upon no security, disposition, payment or discharge in respect of the Liabilities by the Client or any other person being avoided, reduced, ordered to be refunded or repaid for any reason and the Client shall be entitled to enforce the charge if such condition is not fulfilled as if such release, discharge or settlement had not occurred.
- 35.17 If the Company considers that an amount paid by the Client or any other person is capable of being avoided or otherwise set aside (on the liquidation of the Client or otherwise), then that amount shall not be considered to have been paid for the purposes of this Clause 35. Furthermore, the Company may at its sole discretion concede or compromise any claim that any payment, security or other disposition is liable to be avoided, reduced or repaid.
- 35.18 The Client represents and warrants that the Charged Securities are legally and beneficially owned by the Client, that the Client has good right and title to deposit the Securities, Contracts or Commodities with the Company or its Affiliates, that the same are and will remain free from any lien, charge or encumbrance of any kind and are not nor shall they be subject to any option and any stocks, shares and other Securities, Contracts or Commodities comprised in the Charged Securities are and will be fully paid up.

- 35.19 Until the charge created in Clause 35.1 becomes enforceable, (i) the Company shall have the

right, subject only to giving the Client notice, to exercise voting rights and other rights relating to the Charged Securities to protect the value of the Charged Securities; and (ii) except as otherwise provided in these Terms, the Client may direct the exercise of other rights attaching to, or connected with, the Charged Securities, but not in any manner which is inconsistent with the Client's obligations under the Agreement, or which in any way may prejudice the Company's rights in relation to the Charged Securities.

- 35.20 In the event that any action or proceeding is commenced or any claim or demand is made by any person against the Client in connection with any matter contained in the Agreement or all or any part of the Charged Securities or against the Company in connection with any matter contained in the Agreement or all or any part of the Charged Securities, the Company shall be entitled to take such reasonable steps as it may deem necessary or advisable including the withholding of payment or delivery to the Client of all or any part of any monies forming part of the Charged Securities and the cancellation or non-compliance with any orders or instructions which the Client may have given or may give regarding all or any part of the Charged Securities. Nothing in this Clause shall be construed as an obligation on the part of the Company to take any steps in connection with any action, proceedings, claim or demand associated with the Agreement or Charged Securities.
- 35.21 Any dividends, distributions, interests, monies, entitlements forming all or part of the Charged Securities which may be received by the Client shall be held by the Client in trust for the Company and shall be paid over to the Company on demand.
- 35.22 The charge created in Clause 35.1 shall not be affected by any failure by the Company to take any security or by the invalidity, illegality or unenforceability of any security taken by the Company or by any existing or future agreement by the Company as to the application of any advances made or to be made to the Client or its Affiliate.
- 35.23 Should any purported obligation or liability of the Client or its Affiliate under the Agreement or any other agreement which, if valid or enforceable, would be secured by the charge created in Clause 35.1 be or become wholly or in part invalid or unenforceable against the Client or its Affiliate on any ground whatsoever, including any defect in or insufficiency or want of powers of the Client, or irregular or improper purported exercise of power, or breach or want of authority by any person purporting to act on behalf of the Client or its Affiliate, or any legal limitation (whether under the Limitation Ordinance (Chapter 347 of the Laws of Hong Kong) or otherwise) or other incapacity, or any other fact or circumstances, whether or not known to the Company, or if for any other reason whatsoever the Client or its Affiliate is not or ceases to be legally liable to discharge any obligation or liability undertaken or purported to be undertaken in the Agreement or any other agreement, the charge created in Clause 35.1 shall nevertheless extend to secure that obligation or liability or purported obligation or liability as if the same were wholly valid and enforceable.
- 35.24 No change in the constitution of the Client nor of the persons or other entities for whose liabilities the charge created in Clause 35.1 may at any time stand as security shall affect the validity of or discharge the charge created in Clause 35.1. If the Client or its Affiliate is a partnership, and in the event of the dissolution of the firm, the charge shall apply to all the indebtedness and liabilities to the Company incurred by the firm or in the firm's name until receipt by the Company of actual notice of dissolution. If, however, the dissolution is by reason only of the introduction of a partner or a further partner or partners into the firm, the charge created in Clause 35.1 shall continue and, in addition to the debts and liabilities of the old firm, the definition of "**Liabilities**" shall apply to all monies and liabilities due or incurred from or by the new firm or firms thereby constituted as though there had been no change in the

firm as previously constituted.

35.25 Without prejudice to the generality of the foregoing, neither the charge created in Clause 35.1 nor the amounts thereby secured will be affected in any way by:—

- (a) any other security, guarantee or indemnity now or hereafter held by the Company or its Affiliates under or in respect of the Agreement or any other liabilities;
- (b) any other variation or amendment to or waiver or release of any security, guarantee or indemnity or other document (including, except to the extent of the relevant variation, amendment, waiver or release, the charge created in Clause 35.1);
- (c) the enforcement or absence of enforcement or release by the Company or its Affiliates of any security, guarantee or indemnity or other document (including the charge created in Clause 35.1);
- (d) any time, indulgence, waiver or consent given to the Client or any other person whether by the Company or its Affiliates;
- (e) the making or absence of any demand for payment of any sum payable under the Agreement made on the Client whether by the Company or any other person;
- (f) the insolvency, bankruptcy, death or insanity of the Client;
- (g) any amalgamation, merger or reconstruction that may be effected by the Company with any other person or any sale or transfer of the whole or any part of the undertaking, property or assets of the Company to any other person;
- (h) the existence of any claim, set-off or other right which the Client may have at any time against the Company or any other person;
- (i) any arrangement or compromise entered into by the Company with the Client or any other person;
- (j) the illegality, invalidity or unenforceability of, or any defect in, any provision of the Agreement or any security, guarantee or indemnity (including the charge created in Clause 35.1) or any of the rights or obligations of any of the parties under or in connection with the Agreement or any security, guarantee or indemnity (including the charge created in Clause 35.1), whether on the ground of ultra vires, not being in the interests of the relevant person or not having been duly authorized, executed or delivered by any person or for any other reason whatsoever;
- (k) any agreement, security, guarantee, indemnity, payment or other transaction which is capable of being avoided under or affected by any law relating to bankruptcy, insolvency or winding-up or any release, settlement or discharge given or made by the Client on the good faith of any such agreement, security, guarantee, indemnity, payment or other transaction, and any such release, settlement or discharge shall be deemed to be limited accordingly; or
- (l) any other thing done or omitted or neglected to be done by the Company or any other person or any other dealing, fact, matter or thing which, but for this provision, might operate to prejudice or affect the Client's liabilities under the Agreement.

Schedule 2

Risk Disclosure Statements

Each Client should read these risk disclosure statements carefully. These statements form an integral part of the account documentation and terms and conditions governing the client's account(s) with Sinopac Securities (Asia) Limited (the “**company**”). By executing the account documentation, the client acknowledges that the client has received and read these risk disclosure statements in a language of the client's choice (English or Chinese) and confirms understanding of the risks which may arise in connection with the investments and transactions relating to the client's account(s).

These risk disclosure statements do not disclose or purport to disclose all the risks and relevant considerations in connection with all the investments and transactions relating to the client's account(s). The client should refrain from making any investment or transaction unless the client fully understands the risks involved and has obtained independent advice from the client's own advisers as the client considers appropriate.

1. Risk of securities trading

The client acknowledges that the prices of securities can and do fluctuate, sometimes dramatically. The price of a security may move up or down, and may become valueless. The client appreciates that losses may be incurred rather than profit made as a result of buying and selling securities. This is a risk that the client is prepared to accept.

2. Risk of trading Growth Enterprise Market stocks

The client further acknowledges that growth enterprise market securities involve high investment risk. In particular, companies may list on the growth enterprise market with neither a track record of profitability nor any obligation to forecast future profitability. Growth enterprise market securities may be very volatile and illiquid.

3. The client is aware that there are potential risks of investing in the companies listed on the growth enterprise market and the client should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of the growth enterprise market mean that it is a market more suited to professional and other sophisticated investors.

4. The client understands that current information on growth enterprise market securities may only be found on the internet website operated by The Stock Exchange of Hong Kong limited (“**SEHK**”). Companies listed on the growth enterprise market are usually not required to issue paid announcements in gazetted newspapers.

5. The client understands that he should seek independent professional advice if he is uncertain of or has not understood any aspect of this risk disclosure statement or the nature and risks involved in trading of securities on the growth enterprise market.

6. Risk of providing an authority to repledge your securities collateral etc.

The client also acknowledges that there are risks if the client provides the company with authority that allows the company to apply the client's securities or securities collateral pursuant to a securities borrowing and lending agreement, repledge the client's securities collateral for financial accommodation or deposit the client's securities collateral as collateral for the discharge and satisfaction of its settlement obligations and liabilities. If the client's securities or securities collateral are received or held by the company in Hong Kong, the above arrangement is allowed only if

he consents in writing. Moreover, unless the client is a professional investor, his authority must specify the period for which it is current and be limited to not more than 12 months. If the client is a professional investor, these restrictions do not apply.

7. The client is aware that an authority as stated in 6 above may be required by the company if margin lending facilities are offered to the client or to allow the client's securities or securities collateral to be lent to or deposited as collateral with third parties. The company should explain to the client the purposes for which the authorities given by the client will be used.
8. The client acknowledges that if he signs one of the authorities stated above, and the client's securities or securities collateral are lent to or deposited with third parties, those third parties will have a lien or charge on the client's securities or securities collateral. The client further understands that although the company is responsible to the client for the securities or securities collateral lent or deposited under the client's authority, a default by the company could result in the loss of the client's securities or securities collateral.
9. The client acknowledges that an authority referred to above given by the client to the company may be deemed to be renewed (i.e. without the client's written consent) if the company issues the client a reminder at least 14 days prior to the expiry of the authority, and the client does not object to such deemed renewal before the expiry date of his then existing authority.
10. The client is not required by any law to sign these authorities. But an authority may be required by the company in the case set out in 7 above. A cash account not involving securities borrowing and lending is available from the company. If the client does not require margin facilities or does not wish his securities or securities collateral to be lent or pledged, the client should not sign these authorities and should ask to open a cash account.
11. Risk of providing an authority to hold mail or to direct mail to third parties
The client acknowledges that if he provides an authority to hold mail or to direct mail to third parties, it is important for him promptly to collect in person all contract notes and statements of his account and review them in detail to ensure that any anomalies or mistakes can be detected in a timely fashion.
12. Risk of client assets received or held outside Hong Kong
The client acknowledges that any of his assets received or held by the company (or its nominee) outside Hong Kong are subject to the applicable laws and regulations of the relevant overseas jurisdiction which may be different from the SFO and the rules made there under. Consequently, such client assets may not enjoy the same protection as that conferred on client assets received or held in Hong Kong.
13. Risk of trading Nasdaq-Amex securities at The Stock Exchange of Hong Kong Limited
The client understands that the securities under the NASDAQ-AMEX Pilot Program ("PP") are aimed at sophisticated investors. The client should consult the company and become familiarised with the PP before trading in PP securities. The client is also aware that the PP securities are not regulated as a primary or secondary listing on the main board or the growth enterprise market of the SEHK.
14. Currency risks
The profit or loss in transactions in foreign currency-denominated transactions (whether they are traded in the client's own or another jurisdiction) will be affected by fluctuations in currency rates where there is a need to convert from the currency denomination of the contract to another currency.

15. The Client should take into account factors that may impact upon the real return of any investments such as inflation and the applicable fees and charges in connection with the transactions before making any trading decisions.
16. Risk of electronic trading
Trading on one electronic trading system may differ from trading on other electronic trading systems. If the client undertakes transactions on an electronic trading system, he will be exposed to risks associated with the system including the failure of hardware and software. The result of any system failure may be that the client's order is either not executed according to his instructions or is not executed at all.
17. Electronic trading facilities are supported by computer-based component systems for the order-routing, execution, matching, registration or clearing of trades. As with all facilities and systems, they are vulnerable to temporary disruption or failure. The client's ability to recover certain losses may be subject to limits on liability imposed by the system provider, the market, the clearing house and/or participant firms. Such limits may vary: the client should ask the company for details in this respect.
18. The client acknowledges and bears the risk that messages sent over the internet may be delayed due to internet traffic jam or other reasons. The company is not responsible for any consequences of any delays or failure of communication facilities, or any other failure or events beyond the reasonable control of the company.
19. Access to the internet or other electronic medium may be limited or unavailable during periods of peak demand, market volatility, system upgrades or maintenance or other reasons. Communications and information sent over the internet may be subject to transmission blackout, interruption, interception or access by unauthorised third parties, or incorrect data transmission due to the public nature of the internet or other reasons that are beyond the reasonable control of the company. Messages sent over the internet cannot be guaranteed to be completely secure and may not be sent to the intended email address at all due to technical limitation and the internet being an inherently unreliable medium of communication. The client should be aware of and bear the risk of any delay, loss, diversion, alteration, corruption or virus infection of any messages or instructions sent to or from the company's systems. The company is not responsible for any losses or damages incurred or suffered by the client as a result thereof.
20. Risk of trading futures and options/ derivatives
The risk of loss in trading derivatives is substantial. In some circumstances, the client may sustain losses in excess of his initial margin funds. Placing contingent orders, such as "stop-loss" or "stop-limit" orders, will not necessarily avoid loss. Market conditions may make it impossible to execute such orders. The client may be called upon at short notice to deposit additional margin funds. If the required funds are not provided within the prescribed time, the client's position may be liquidated. The client will remain liable for any resulting deficit in his account. The client should therefore study and understand derivatives before the client trades and carefully consider whether such trading is suitable in the light of his own financial position and investment objectives. If the client trades derivatives the client should inform himself of exercise and expiration procedures and his rights and obligations upon exercise or expiry if applicable.
21. Risk of margin trading
The risk of loss in financing a transaction by deposit of collateral is significant. The client may sustain losses in excess of the client's cash and any other assets deposited as collateral with the company. Market conditions may make it impossible to execute contingent orders, such as "stop-loss" or "stop-limit" orders. The client may be called upon at short notice to make additional margin deposits or

interest payments. If the required margin deposits or interest payments are not made within the prescribed time, the client's collateral may be liquidated without the client's consent. Moreover, the client will remain liable for any resulting deficit in his account and interest charged on his account. The client should therefore carefully consider whether such a financing arrangement is suitable in light of his own financial position and investment objectives.

22. Additional Risk for Over-the-Counter Product

- (a) The Company may effect over-the-counter transaction as a principal with the Client. The Company does not guarantee any capital return of investment, minimum gain and the accuracy of the terms of the over-the-counter product as provided by third-parties.
- (b) It may be difficult or impossible to liquidate an existing over-the-counter position, to assess the value, to determine a fair price or to assess the exposure to risk. Over-the-counter transactions may be less regulated or subject to a separate regulatory regime. Before undertaking such transactions, the Client should familiarize himself with applicable rules and attendant risks.
- (c) Uncollateralized over-the-counter products are not asset backed. In the event of issuer bankruptcy, the Client can lose his entire investment. The Client should read the relevant documents to determine if a product is uncollateralized. In the event that an issuer becomes insolvent and defaults on their securities, the Client will be considered as unsecured creditors and will have no preferential claims to any assets held by the issuer. The Client should therefore pay close attention to the financial strength and credit worthiness of the issuers and/or the guarantors of the products.
- (d) Over-the-counter product and its issuer may not be assessed by any credit-rating agencies, the Client shall pay attention and make own assessment on the real investment value of the over-the-counter product and the ability of the issuer to settle debts. Upon the occurrence of major event by the issuer and/or guarantor of the over-the-counter product, the rating of the over-the-counter product may be downgraded.
- (e) When the country of issuer or exchange or clearing house where the underlying securities of the over-the-counter transaction is conducted experiences any event of emergency, market contingency or is subject to holiday, causing changes to the settlement rules, these will result in suspension or delay of settlement for the over-the-counter product.

23. Additional Risk for Derivative Products traded on Specified Stock Exchanges

The Client should carefully consider whether trading in derivatives is appropriate in light of the Client's investment experience, objectives, risk appetite, financial resources and other relevant circumstances. If in doubt, the Client is strongly advised to seek independent and professional advice from legal, tax, financial and other professional advisers. Whilst care has been taken in the preparation of this document, the Company does not guarantee the completeness, adequacy or accuracy of its contents. To learn more, the Client may visit the websites of Investor Education Centre, Hong Kong Exchanges and Clearing Limited (<http://www.hkex.com.hk>) and the Securities and Futures Commission of Hong Kong (<http://www.sfc.hk>).

23.1 General risks of trading exchange-traded derivative products include but are not limited to the following:

- (a) Issuer Default Risk

In the event that a derivative product issuer becomes insolvent and defaults on their listed securities, the Client will be considered as unsecured creditors and will have no preferential claims to any assets held by the issuer. The Client should therefore pay close attention to the financial strength and credit worthiness of the issuers of derivative products.

(b) Uncollateralized Product Risk

Uncollateralized derivative products are not asset backed. In the event of issuer bankruptcy, the Client can lose entire investment. The Client should read the listing documents to determine if a product is uncollateralized.

(c) Gearing Risk

Derivative products are leveraged and can change in value rapidly according to the gearing ratio relative to the underlying assets. The Client should be aware that the value of such derivative products may fall to zero resulting in a total loss of the initial investment.

(d) Extraordinary Price Movements

The price of a derivative product may not match its theoretical price due to outside influences such as market supply and demand factors. As a result, actual traded prices can be higher or lower than the theoretical price.

(e) Liquidity Risk

Certain stock exchange requires all derivative product issuers to appoint a liquidity provider for each individual issue. The role of liquidity providers is to provide two way quotes to facilitate trading of their products. In the event that a liquidity provider defaults or ceases to fulfill its role, the Client may not be able to buy or sell the derivative product until a new liquidity provider has been assigned.

23.2 In addition, there are risks pertaining to the particular type of derivative products:

(i) **Callable Bull/Bear Contracts (“CBBC”)**

(a) Mandatory Call Risk

The Client should be aware of the intraday “knockout” or mandatory call feature of CBBC. A CBBC will cease trading when the underlying asset value equals the mandatory call price/ level as stated in the listing documents. The Client will only be entitled to the residual value of the terminated CBBC as calculated by the product issuer in accordance with the listing documents. The Client should also note that the residual value can be zero.

(b) Funding Costs

The issue price of a CBBC includes funding costs. Funding costs are gradually reduced over time as the CBBC moves towards expiry. The longer the duration of the CBBC, the higher the total funding costs are. In the event that a CBBC is called, the Client will lose the funding costs for the entire lifespan of the CBBC. The formula for calculating the funding costs are stated in the listing documents.

(ii) Derivative Warrants

(a) Time Decay Risk

All things being equal, the value of a Derivative Warrant will decrease over time as it approaches its expiry date. Derivative Warrants should therefore not be viewed as long term investments.

(b) Volatility Risk

Prices of Derivative Warrants can increase or decrease in line with the implied volatility of underlying asset price. The Client should be aware of the underlying asset volatility.

(iii) Synthetic Exchange-Traded Fund (“Synthetic ETF”)

(a) Market Risk

The Client is exposed to the political, economic, currency and other risks related to the Synthetic ETF’s underlying referenced assets.

(b) Counterparty Risk

Where a Synthetic ETF invests in derivatives to replicate the index performance, the Client is exposed to the credit risk of the counterparties who issued the derivatives, in addition to the risks relating to the index. Further, potential contagion and concentration risks of the derivative issuers should be taken into account (e.g. since derivative issuers are predominantly international financial institutions, the failure of one derivative counterparty of a Synthetic ETF may have a “knock-on” effect on other derivative counterparties of the Synthetic ETF). Some Synthetic ETFs have collateral to reduce the counterparty risk, but there may be a risk that the market value of the collateral has fallen substantially when the collateral is to be realized.

(c) Tracking Error

There may be disparity between the performance of the Synthetic ETF and the performance of the underlying index due to, for instance, failure of the tracking strategy, currency differences, fees and expenses.

(d) Trading at a Discount or Premium

Where the index/market that the Synthetic ETF tracks is subject to restricted access, the efficiency in unit creation or redemption to keep the price of the Synthetic ETF in line with its net asset value (NAV) may be disrupted, causing the Synthetic ETF to trade at a relatively high premium or discount to its NAV. The Client who buys a Synthetic ETF at a premium may not be able to recover the premium in the event of termination.

(e) Stock lending risk

An ETF which engages in stock lending faces the risk that the borrower may not return the securities lent by the ETF as agreed, and thus the ETF may experience losses due to its stock lending activities.

(iv) Equity Linked Instruments (“ELI”)

(a) Possibilities of losing investment

The Client may lose part or all of the investment if the price of the underlying security moves against the Client’s investment view.

(b) Exposure to equity market

The Client is exposed to price movements in the underlying security and the stock market, the impact of dividends and corporate actions and counterparty risks. The Client must also be prepared to accept the risk of receiving the underlying shares or a payment less than the original investment.

(c) Price adjustment

The Client should note that any dividend payment on the underlying security may affect its price and the payback of the ELI at expiry due to ex-dividend pricing. The Client should also note that issuers may make adjustments to the ELI due to corporate actions on the underlying security.

(d) Potential yield

The Client should take into account the applicable fees and charges related to the purchase and sale of ELI and payment/ delivery at expiry. The potential yields disseminated by the exchange normally do not take fees and charges into consideration.

(e) Interest rates

While most ELI offers a yield that is potentially higher than the interest on fixed deposits and traditional bonds, the return on investment is limited to the potential yield of individual ELI.

(v) Leveraged and Inverse Products (“L&I Products”)

(a) Investment risk

Trading L&I Products involves investment risk and are not intended for all investors. There is no guarantee of repaying the principal amount.

(b) Volatility risk

Prices of L&I Products may be more volatile than conventional exchange traded funds (ETFs) because of using leverage and the rebalancing activities.

(c) Unlike conventional ETFs

L&I Products are different from conventional ETFs. They do not share the same characteristics and risks as conventional ETFs.

(d) Long-term holding risk

L&I Products are not intended for holding longer than the rebalancing interval, typically one day. Daily rebalancing and the compounding effect will make the L&I Product's performance over a period longer than one day deviate in amount and possibly direction from the leveraged/inverse performance of the underlying index over the same period. The deviation becomes more pronounced in a volatile market.

As a result of daily rebalancing, the underlying index's volatility and the effects of compounding of each day's return over time, it is possible that the leveraged product will lose money over time while the underlying index increases or is flat. Likewise, it is possible that the inverse product will lose money over time while the underlying index decreases or is flat.

(e) Risk of rebalancing activities

There is no assurance that L&I Products can rebalance their portfolios on a daily basis to achieve their investment objectives. Market disruption, regulatory restrictions or extreme market volatility may adversely affect the rebalancing activities.

(f) Liquidity risk

Rebalancing typically takes place near the end of a trading day (shortly before the close of the underlying market) to minimize tracking difference. The short interval of rebalancing may expose L&I Products more to market volatility and higher liquidity risk.

(g) Intraday investment risk

Leverage factor of L&I Products may change during a trading day when the market moves but it will not be rebalanced until day end. The L&I Product's return during a trading day may be greater or less than the leveraged/opposite return of the underlying index.

(h) Portfolio turnover risk

Daily rebalancing causes a higher level of portfolio transaction when compared to conventional ETFs, and thus increases brokerage and other transaction costs.

(i) Correlation risk

Fees, expenses, transactions cost as well as costs of using financial derivatives may reduce the correlation between the performance of the L&I Product and the leveraged/inverse performance of the underlying index on a daily basis.

(j) Termination risk

L&I Products must be terminated when all the market makers resign. Termination of the L&I Product should take place at about the same time when the resignation of the last market maker becomes effective.

(k) Leverage risk (for leveraged products only)

The use of leverage will magnify both gains and losses of leveraged products.

(l) Unconventional return pattern (for inverse products only)

Inverse products aim to deliver the opposite of the daily return of the underlying index. If the value of the underlying index increases for extended periods, inverse products can lose most or all of their value.

(m) Inverse products vs short selling (for inverse products only)

Investing in inverse products is different from taking a short position. Because of rebalancing, the performance of inverse products may deviate from a short position in particular in a volatile market with frequent directional swings.

24. Securities Borrowing and Lending

(a) Securities Borrowing and Short Selling

The risk of loss in stock borrowing and short selling is substantial, also may be involved in lender requiring delivery of securities lent within specific time. In some circumstances, the Client may sustain losses in excess of his initial margin funds. Even if the Client has set an alternate instruction, such as “stop-loss” or “stop-limit” orders, he may still not be able to avoid loss since market conditions may make such directions cannot be performed. The Client may be called upon at short notice to deposit additional margin funds. If the required funds are not provided within the prescribed time, part of or all securities the Client short sold may have to be bought back without his prior consent. The Client should closely monitor his positions, as in extreme conditions the Company may not be able to contact you or provide you with sufficient time to make the required deposits, and forced bought back may be necessary. The Client will remain liable for any resulting deficit in his account. The Client should therefore carefully consider whether stock borrowing and short selling is suitable for him in the light of his own financial position and investment objectives before he trades.

(b) Risk of failure to return the securities lent

The borrower may default on its obligation and fails to return the securities lent in a timely manner or at all.

(c) Risk of delay in the return of securities lent

Any delay in the return of securities lent may restrict the ability of the lender to meet delivery or payment obligations arising from its counterparty’s redemption request and may trigger claims.

(d) Market risk

If the borrower defaults, there is a risk that the collateral held by the lender may be realised at a value lower than the value of the securities lent. This may be due to adverse market movements in the value of the collateral, intra-day increase in the value of the securities lent, a deterioration in the credit rating of the collateral issuer, default or insolvency of the collateral issuer or the illiquidity of the market in which the collateral is traded.

(e) Operational risk

Securities lending activities entail operational risks such as settlement failure or delays in the settlement of instructions.

- (f) Risk of not achieving its objective

There can be no assurance that the objective sought to be obtained from use of stock lending (such as to increase return for the lender and/or to reduce its tracking error) will be achieved.

25. Risk of investing in Renminbi-denominated products

A renminbi product is a generic term which may include a wide range of investment products denominated or settled in renminbi or have exposure to renminbi-linked assets or investments. For the avoidance of doubt, **“Renminbi-denominated products”** shall include **“listed Renminbi-denominated securities”**.

- (a) Investment / market risk: Like any investments, renminbi products are subject to investment risk and may not be principal protected i.e. the assets that the products invest in or referenced to may fall as well as rise, resulting in gains or losses to the product. This means that the Client may suffer a loss even if renminbi appreciates.
- (b) Liquidity risk: Renminbi products are also subject to liquidity risk as renminbi products are a new type of product and there may not be regular trading or an active secondary market. Therefore the Client may not be able to sell his investment in the product on a timely basis, or the Client may have to sell the product at a deep discount to its value.
- (c) Issuer / counterparty risk: Renminbi products are subject to the credit and insolvency risks of their issuers. The Client should consider carefully the creditworthiness of the issuers before investing. Furthermore, as a renminbi product may invest in derivative instruments, counterparty risk may also arise as the default by the derivative issuers may adversely affect the performance of the renminbi products and result in substantial losses.
- (d) Currency risk: In general, a non-Mainland (including Hong Kong) investor who holds a local currency other than renminbi will be exposed to currency risk if he invests in a renminbi product. This is because renminbi is a restricted currency and subject to exchange controls, the Client may have to convert the local currency into renminbi when the Client invests in a renminbi product. When the Client redeems / sells his investment, the Client may also need to convert the renminbi received upon redemption / sale of his investment product into the local currency (even if redemptions / sale proceeds are paid in renminbi). During these processes, the Client will incur currency conversion costs and the Client will also be exposed to currency risk. In other words, even if the price of the renminbi product remains the same when the Client purchases it and when the Client redeems / sells it, the Client will still incur a loss when the Client converts the redemption / sale proceeds into local currency if renminbi has depreciated. Like any currency, the exchange rate of renminbi may rise or fall. Further, renminbi is subject to conversion restrictions and foreign exchange control mechanism.

Depending on the nature of the renminbi product and its investment objective, there may be other risk factors specific to the product which the Client should consider. Before making an investment decision, always read the risk factors as set out in the offering documents and seek professional advice where necessary.

26. Major risks of investing in Mainland A-share market via Shanghai-Hong Kong/ Shenzhen-Hong Kong Stock Connect

(a) Not protected by Investor Compensation Fund

Investors should note that any Northbound or Southbound trading under Shanghai-Hong Kong/ Shenzhen-Hong Kong Stock Connect will not be covered by Hong Kong's Investor Compensation Fund.

Hong Kong's Investor Compensation Fund is established to pay compensation to investors of any nationality who suffer pecuniary losses as a result of default of a licensed intermediary or authorised financial institution in relation to exchange-traded products in Hong Kong. Examples of default are insolvency, in bankruptcy or winding up, breach of trust, defalcation, fraud, or misfeasance. As far as Southbound trading is concerned, since Mainland securities brokers are neither licensees nor registered institutions with the SFC in Hong Kong and they are not regulated by the SFC, the Investor Compensation Fund will not cover Southbound trading via Shanghai-Hong Kong/ Shenzhen-Hong Kong Stock Connect.

As for Northbound trading, according to the Securities and Futures Ordinance, the Investor Compensation Fund will only cover products traded in Hong Kong's recognised securities market (SEHK) and recognised futures market (Hong Kong Futures Exchange Limited, HKFE). Since default matters in Northbound trading via Shanghai-Hong Kong/ Shenzhen-Hong Kong Stock Connect do not involve products listed or traded in SEHK or HKFE, so similar to the case of investors trading overseas securities, they will not be covered by the Investor Compensation Fund.

For further information on Hong Kong's Investor Compensation Fund, please refer to the website of Investor Compensation Company Limited. For information on licensees and registered institutions under the SFC, please consult the Public Register of Licensed Persons & Registered Institutions in the SFC website.

On the other hand, according to the Measures for the Administration of Securities Investor Protection Fund 《證券投資者保護基金管理辦法》, the functions of China Securities Investor Protection Fund (CSIPF, 中國投資者保護基金) include "indemnifying creditors as required by China's relevant policies in case a securities company is subjected to compulsory regulatory measures including dissolution, closure, bankruptcy and administrative takeover by China Securities Regulatory Commission (CSRC) and custodian operation" or "other functions approved by the State Council". As far as Hong Kong investors participating in Northbound trading are concerned, since they are carrying out Northbound trading through securities brokers in Hong Kong and these brokers are not Mainland brokers, therefore they are not protected by CSIPF on the Mainland.

(b) Quotas used up

When the respective aggregate quota balance for Northbound and Southbound trading is less than the daily quota, the corresponding buy orders will be suspended on the next trading day (sell orders will still be accepted) until the aggregate quota balance returns to the daily quota level. Once the daily quota is used up, acceptance of the corresponding buy orders will also be immediately suspended and no further buy orders will be accepted for the remainder of the day. Buy orders which have been accepted will not be affected by the using up of the daily quota, while sell orders will be continued to be accepted. Depending on the aggregate quota balance situation, buying services will be resumed on the following trading day.

(c) Differences trading day

As mentioned above, Shanghai-Hong Kong/ Shenzhen-Hong Kong Stock Connect will only operate on days when both markets are open for trading and when banks in both markets are open on the corresponding settlement days. So it is possible that there are occasions when it is a normal trading day for the Mainland market but Hong Kong investors cannot carry out any A-share trading. Investors should take note of the days Shanghai-Hong Kong/ Shenzhen-Hong Kong Stock Connect is open for business and decide according to their own risk tolerance capability whether or not to take on the risk of price fluctuations in A-shares during the time when Shanghai-Hong Kong/ Shenzhen-Hong Kong Stock Connect is not trading.

(d) Restrictions on selling imposed by front-end monitoring

For investors who usually keep their A-shares outside of their brokers, if they want to sell certain A-shares they hold, they must transfer those A-shares to the respective accounts of their brokers before the market opens on the day of selling (T day). If they fail to meet this deadline, they will not be able to sell those A-shares on T day.

(e) The recalling of eligible stocks

When a stock is recalled from the scope of eligible stocks for trading via Shanghai-Hong Kong/ Shenzhen-Hong Kong Stock Connect for above-mentioned reasons, the stock can only be sold but restricted from being bought. This may affect the investment portfolio or strategies of investors. Investors should therefore pay close attention to the list of eligible stocks as provided and renewed from time to time by SSE/ SZSE and SEHK.

(f) Currency risks

Hong Kong and overseas investor who holds a local currency other than RMB will be exposed to currency risk if he/she invests in a RMB product due to the need for the conversion of the local currency into RMB. During the conversion, investors will also incur currency conversion costs. Even if the price of the RMB asset remains the same when investors purchase it and when investors redeem / sell it, investors will still incur a loss when investors convert the redemption / sale proceeds into local currency if RMB has depreciated.

The above is only an overview of some of the risks related to Shanghai-Hong Kong/ Shenzhen-Hong Kong Stock Connect.

27. Risk of Trading Futures and Options

The risk of loss in trading futures contracts or options is substantial. In some circumstances, 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 avoid loss. 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 study and understand futures contracts and options before you trade and carefully consider whether such trading is suitable in the light of your own financial position and investment objectives. If you trade options you should inform yourself of exercise and expiration procedures and your rights and obligations upon exercise or expiry.

(i) **Futures**

(a) Effect of “Leverage” or “Gearing”

Transactions in futures carry a high degree of risk. The amount of initial margin is small relative to the value of the futures contract so that transactions are “leveraged” or “geared”. A relatively small market movement will have a proportionately larger impact on the funds you have deposited or will have to deposit; this may work against you as well as for you. You may sustain a total loss of initial margin funds and any additional funds deposited with the firm to maintain your position. If the market moves against your position or margin levels are increased, you may be called upon to pay substantial additional funds on short notice to maintain your position. If you fail to comply with a request for additional funds within the time prescribed, your position may be liquidated at a loss and you will be liable for any resulting deficit.

(b) Risk reducing orders or strategies

The placing of certain orders (e.g. “stop loss” orders, or “stop limit” orders) which are intended to limit losses to certain amounts may not be effective because market conditions may make it impossible to execute such orders. Strategies using combinations of positions, such as “spread” and “straddle” positions may be as risky as taking simple “long” or “short” positions.

(ii) Options

(a) Variable degree of risk

Transactions in options carry a high degree of risk. Purchasers and sellers of options should familiarise themselves with the type of option (i.e. put or call) which they contemplate trading and the associated risks. You should calculate the extent to which the value of the options must increase for your position to become profitable, taking into account the premium and all transaction costs.

The purchaser of options may offset or exercise the options or allow the options to expire. The exercise of an option results either in a cash settlement or in the purchaser acquiring or delivering the underlying interest. If the option is on a futures contract, the purchaser will acquire a futures position with associated liabilities for margin (see the section on Futures above). If the purchased options expire worthless, you will suffer a total loss of your investment which will consist of the option premium plus transaction costs. If you are contemplating purchasing deep-out-of-the-money options, you should be aware that the chance of such options becoming profitable ordinarily is remote.

Selling (“writing” or “granting”) an option generally entails considerably greater risk than purchasing options. Although the premium received by the seller is fixed, the seller may sustain a loss well in excess of that amount. The seller will be liable for additional margin to maintain the position if the market moves unfavourably. The seller will also be exposed to the risk of the purchaser exercising the option and the seller will be obligated to either settle the option in cash or to acquire or deliver the underlying interest. If the option is on a futures contract, the seller will acquire a position in a futures contract with associated liabilities for margin (see the section on Futures above). If the option is “covered” by the seller holding a corresponding position in the underlying interest or a futures contract or another option, the risk may be reduced. If the option is not covered, the risk of loss can be unlimited.

Certain exchanges in some jurisdictions permit deferred payment of the option premium,

exposing the purchaser to liability for margin payments not exceeding the amount of the premium. The purchaser is still subject to the risk of losing the premium and transaction costs. When the option is exercised or expires, the purchaser is responsible for any unpaid premium outstanding at that time.

- (b) The client acknowledges that due to the volatile nature of securities markets, the purchase of options over securities involves a high degree of risk.

- (c) **Warning To Option Holders**

Some options may only be exercised on an expiry day (european-style exercise) and other options may be exercised at any time before expiration (american-style exercise). The client understands that upon exercise some options require delivery and receipt of the underlying security and that other options require a cash payment.

An option is a wasting asset and there is a possibility that as an option holder the client may suffer the loss of the total premium paid for the option. The client acknowledges that, as an option holder, in order to realize a profit it will be necessary to either exercise the option or close the long option position in the market. Under some circumstances it may be difficult to trade the option due to lack of liquidity in the market. The client acknowledges that the company has no obligation either to exercise a valuable option in the absence of the client's instruction or to give to the client prior notice of the expiration date of the option.

- (d) **Warning To Option Writers**

As a writer of an option the client may be required to pay additional margin at any time. The client acknowledges that as an option writer, unlike an option holder, it may be liable for unlimited losses based on the rise or fall of the price of the underlying security and its gains are limited to the option premium.

Additionally, writers of american-style call (put) options may be required at any time before expiry to deliver (pay for) the underlying securities to the full value of the strike price multiplied by the number of underlying securities. The client recognizes that this obligation may be wholly disproportionate to the value of premium received at the time the options were written and may be required at short notice.

- (iii) Additional Risks Common to Futures and Options**

- (a) **Terms and conditions of contracts**

You should ask the firm with which you deal about the terms and conditions of the specific futures or options which you are trading and associated obligations (e.g. the circumstances under which you may become obliged to make or take delivery of the underlying interest of a futures contract and, in respect of options, expiration dates and restrictions on the time for exercise). Under certain circumstances the specifications of outstanding contracts (including the exercise price of an option) may be modified by the exchange or clearing house to reflect changes in the underlying interest.

- (b) **Suspension or restriction of trading and pricing relationships**

Market conditions (e.g. illiquidity) and/or the operation of the rules of certain markets (e.g. the suspension of trading in any contract or contract month because of price limits or “circuit breakers”) may increase the risk of loss by making it difficult or impossible to effect transactions or liquidate/ offset positions. If you have sold options, this may increase the risk of loss.

Further, normal pricing relationships between the underlying interest and the futures, and the underlying interest and the option may not exist. This can occur when, for example, the futures contract underlying the option is subject to price limits while the option is not. The absence of an underlying reference price may make it difficult to judge “fair” value.

(c) Deposited cash and property

You should familiarise yourself with the protections given to money or other property you deposit for domestic and foreign transactions, particularly in the event of a firm insolvency or bankruptcy. The extent to which you may recover your money or property may be governed by specific legislation or local rules. In some jurisdictions, property which had been specifically identifiable as your own will be pro-rated in the same manner as cash for purposes of distribution in the event of a shortfall.

(d) Commission and other charges

Before you begin to trade, you should obtain a clear explanation of all commission, fees and other charges for which you will be liable. These charges will affect your net profit (if any) or increase your loss.

(e) Transactions in other jurisdictions

Transactions on markets in other jurisdictions, including markets formally linked to a domestic market, may expose you to additional risk. Such markets may be subject to regulation which may offer different or diminished investor protection. Before you trade you should enquire about any rules relevant to your particular transactions. Your local regulatory authority will be unable to compel the enforcement of the rules of regulatory authorities or markets in other jurisdictions where your transactions have been effected. You should ask the firm with which you deal for details about the types of redress available in both your home jurisdiction and other relevant jurisdictions before you start to trade.

(f) Off-exchange transactions

In some jurisdictions, and only then in restricted circumstances, firms are permitted to effect off-exchange transactions. The firm with which you deal may be acting as your counterparty to the transaction. It may be difficult or impossible to liquidate an existing position, to assess the value, to determine a fair price or to assess the exposure to risk. For these reasons, these transactions may involve increased risks. Off-exchange transactions may be less regulated or subject to a separate regulatory regime. Before you undertake such transactions, you should familiarise yourself with applicable rules and attendant risks.

Schedule 3

Special Terms and Conditions for Securities Trading (Cash) (“Special Terms”)

These Special Terms form an integral part of the Agreement and should be read together with the General Terms and Conditions and other parts of the Agreement.

1. Definitions and Interpretation

- 1.1 In these Special Terms, except as the context may otherwise require or provide, all words and expressions defined in the General Terms and Conditions shall have the same meanings when used herein.

2. Settlement

- 2.1 For the avoidance of doubt, nothing in these Special Terms shall oblige the Company to grant or maintain any margin or credit facilities to or for the Client.

Schedule 4

Special Terms and Conditions for Securities Trading (Margin) (“Special Terms”)

These Special Terms form an integral part of the Agreement and should be read together with the General Terms and Conditions and other parts of the Agreement.

1. Definitions and Interpretation

- 1.1 In these Special Terms, except as the context may otherwise require or provide, all words and expressions defined in the General Terms and Conditions shall have the same meanings when used herein.

2. Settlement

- 2.1 Unless otherwise agreed, the Client agrees that when the Company has executed a purchase or sale Securities Transaction – Margin on the Client’s behalf, the Client will on demand or by the due settlement date (or such other time as may be notified by the Company) and at such place make payment to the Company against delivery or credit to the Client’s Margin Account for purchased Securities, or make good delivery of sold Securities to the Company against payment, as the case may be.
- 2.2 For the avoidance of doubt, nothing in these Special Terms shall oblige the Company to grant or maintain any Credit Facilities. Where the Company grants any Credit Facilities to the Client to enable the Client to engage in securities margin trading, the charge created in Clause 35.1 of the General Terms and Conditions over the Collateral shall (without the need for any other documentation signed by the Client) apply to all Liabilities of the Client including all Liabilities arising from or in connection with securities margin trading.

3. Company's use of Securities as collateral

- 3.1 The Securities and Futures (Client Securities) Rules provide that a licensed corporation shall neither deposit nor lend a client’s securities or securities collateral against loans or advances made to the licensed corporation for any purpose except with the specific written authority of the client concerned. The Client may give such specific written authority to the Company and, if so, shall do so by signing a form to be specified by the Company in compliance with the Securities and Futures (Client Securities) Rules which requires that, in the case of non-professional investors, any such authority shall specify the period for which it is valid which shall, in any event, not exceed twelve months.
- 3.2 Notwithstanding Clause 3.1 hereof, the Company is authorised by the Client to deposit the Client's Securities with any relevant Clearance System, the Company's nominee, or other entity pursuant to Clause 33 of the General Terms and Conditions, and to deal with the Client's Securities in any manner as the Company considers appropriate for the purpose of enforcing the security created under these Special Terms (including any sale of Securities permitted by these Special Terms to realise monies to make any payment due from the Client to the Company pursuant to the Agreement).

4. Credit Facilities

- 4.1 Where the Company grants any Credit Facilities to the Client, the Credit Facilities shall be revolving and shall be secured by the Collateral up to such percentage (subject to the restrictions under any Applicable Regulations) as may be determined by the Company of the market value of the Collateral provided that the Company shall have the right to review such percentage with reference to the financial position of the Client and such other relevant factors. The Client further acknowledges and agrees to abide by the provisions of any agreement made with the Company from time to time in relation to the granting of such Credit Facilities and the maintenance of such percentage.
- 4.2 The Company shall have the absolute discretion to determine the value of the Collateral required to be provided by the Client, and/or to determine, amend or alter the principal amount and other terms of the Credit Facilities from time to time and/or to refuse to make any advance under the Credit Facilities (whether or not the existing facility limit has been exceeded) and/or to terminate and require immediate repayment of the Credit Facilities (whether principal, interest or otherwise) at any time. At all times, the amount outstanding under the Credit Facilities from the Client to the Company shall not exceed the value of the percentage of the Collateral maintained with the Company as prescribed by the Company pursuant to Clause 4.1 hereof.

5. Margin Requirement

- 5.1 The Company shall have right to demand the Client at any time to make payment and/or deposit of margin in cash, Securities or other assets in such amount and in such manner (the “**Margin Demand**”) as determined by the Company at its absolute discretion as necessary to provide adequate security in respect of the Credit Facilities or which may be required by the rules of the relevant Exchange or Market. The Client undertakes to provide and maintain such margin as the Company may from time to time stipulate by depositing with the Company additional sums and/or additional Securities or other assets required and approved by the Company which shall form part of the Collateral for the purpose of the Credit Facilities. All funds provided by the Client as margin shall be cleared funds and all Securities provided by the Client as margin shall be Securities to which the Client has valid and unencumbered title. The Client agrees that a Margin Demand shall be deemed properly made after the Company has tried to communicate the Margin Demand to the Client by phone, fax, email or other means, regardless of whether or not the Client actually receives the Margin Demand.
- 5.2 All monies and Securities of the Client which are now or which shall at any time hereafter be deposited with, transferred or caused to be transferred to or held by the Company or any Affiliate shall form part of the Collateral as a continuing security in favour of the Company for the payment and satisfaction of all monies and liabilities absolute or contingent which are now or at any time hereafter may be due or owing by the Client to the Company under the Credit Facilities or otherwise.
- 5.3 The Company shall not, without the Client’s prior written authorization, deposit any of the Client’s Securities (including any Charged Securities) for any loans or advances made to the Company, or lend or otherwise part with the possession of any of them for any purpose other than any purpose specified in the Agreement.

6. Operation of Credit Facilities

- 6.1 The Credit Facilities shall be repayable by the Client on demand and may be varied or terminated in the absolute discretion of the Company.
- 6.2 The Client shall pay interest on all outstanding principal amount under the Credit Facilities (after as well as before any judgement). Interest (calculated on the basis of a 365 day per year) shall accrue daily on the outstanding principal amount under the Credit Facilities from time to time at such rate, not exceeding the maximum permitted by law, as the Company at its absolute discretion determine from time to time. Interest shall be payable monthly in arrears on the last Business Day of each month.
- 6.3 Without prejudice to the above, the Company shall be under no obligation to make any advances to the Client under the Credit Facilities, if any of the following circumstances apply:
- (a) if the Client is in default of any of the provisions of the Agreement or any other letter, agreement or document entered into between the Client and the Company in connection with the Agreement;
 - (b) in the opinion of the Company, there is or has been a material adverse change in the Client's financial condition or in the financial condition of any person which might adversely affect the Client's ability to discharge the Liabilities or perform its obligations under the Agreement;
 - (c) making an advance to the Client would cause the applicable percentage(s) in relation to the Collateral stated in Clause 4.1 above to be exceeded; or
 - (d) the Company in its absolute discretion considers it prudent or desirable for its protection not to do so.
- 6.4 The Company is instructed and authorised by the Client to draw on the Credit Facilities to settle any Liabilities, whether in respect of any Securities Transaction - Margin, margin maintenance obligations for any Contracts positions required by the Company and/ or any Affiliate, or payment of any commission or other costs and expenses owing to the Company and/or any Affiliate.
- 6.5 For so long as any Liabilities remains outstanding to the Company, the Company shall be entitled at any time and from time to time to refuse any withdrawal of any or all of the Collateral or any other monies or Securities deposited by the Client with the Company.
- 6.6 The Credit Facilities will be terminated upon the occurrence of any one or more of the following events:
- (a) the revocation of the Client's standing authority as contained in or provided under Clause 3 hereof; or
 - (b) the non-renewal of such standing authority upon its expiry or when called upon to do so; or
 - (c) any termination in accordance with the General Terms and Conditions, and any notice of termination for that purpose shall be deemed to be a notice of termination of the Credit Facilities.

Upon termination of the Credit Facilities, any outstanding indebtedness by the Client shall forthwith be repaid to the Company.

7. Separate Account

The transactions and assets booked under the Margin Account shall not be co-mingled with those booked under the Securities Account except as expressly provided for in the Agreement.

8. Repledging

The Client acknowledges and agrees that the Company may repledge the Client's Securities (including the Charged Securities) to any other person as collateral for financial accommodation provided to the Company by such other person upon obtaining the written authorization from the Client.

9. IPO Financing *

The terms and conditions as set out in these Special Terms shall be incorporated into Schedule 8 - the Special Terms and Conditions for IPO Financing and shall apply mutatis mutandis to the Loan and Allotted Securities (the "New Securities") as defined therein provided that in the application of these Special Terms as incorporated into such Schedule 8, the definition of "Collateral" in Clause 1.2 of the General Terms and Conditions shall be replaced by the following definition:

"Collateral" means all New Securities and all monies in relation to the Application which are now or which shall at any time hereafter be deposited with, transferred or caused to be transferred to or held by the Company or any of the Company's Affiliates or nominees, including those monies and Securities that shall come into the possession, custody or control of the Company or any of the Company's Affiliates from time to time in relation to the Application (which shall include any additional or substituted Securities and all dividends, distributions or interest paid or payable, rights, interests, monies, entitlements, other payments or property accruing or offered at any time by way of redemption, bonus, preference, options or otherwise in respect of any such Securities or additional or substituted Securities).

** This Clause is only applicable to clients who apply for IPO Financing.*

10. Risk Disclosure Statement

- (a) The Client acknowledges that, apart from the risks associated with securities trading in general, additional risks may arise specifically in connection with securities margin trading including: The risk of loss in financing a transaction by deposit of Collateral is significant. The Client may sustain losses in excess of his cash and any other assets deposited as Collateral with the Company.
- (b) Market conditions may make it impossible to execute contingent orders such as "stop-loss" or "stop-limit" orders. The Client may be called upon at short notice to make additional margin deposits or interest payments. If the required margin deposits or interest payments are not made with the prescribed time, the Client's Collateral may be liquidated without his consent.
- (c) The Client will remain liable for any resulting deficit in his account and interest charged on his account. The Client should carefully consider whether such financing arrangement is suitable in light of his own financial position and investment objectives.

- (d) There is a risk if the Client provide the Company with an authority that allows it to apply the Client's Securities (including the Charged Securities) pursuant to a securities borrowing and lending agreement, repledge the Client's Securities (including the Charged Securities) for financial accommodation or deposit the Client's Securities (including the Charged Securities) as collateral for the discharge and satisfaction of the Company's settlement obligations and liabilities.
- (e) If the Client's Securities (including the Charged Securities) are received or held by the Company in Hong Kong, the arrangement described in (d) above is allowed only if the Client consents in writing. Moreover, unless the Client is a professional investor, the Client's authority must specify the period for which it is current and be limited to not more than 12 months. If the Client is a professional investor, these restrictions do not apply.
- (f) Additionally, the Client's authority referred to in (e) above may be deemed to be renewed (i.e. without the Client's written consent) if the Company issues the Client a reminder at least 14 days prior to the expiry of the authority, and the Client does not object to such deemed renewal before the expiry date of the Client's then existing authority.
- (g) The Client is not required by any law to sign any of the authorities referred to in (e) above. But an authority may be required by the Company, for example, to facilitate margin lending to the Client or to allow the Client's Securities (including the Charged Securities) to be lent to or deposited as collateral with third parties. The Company should explain to the Client the purposes for which any of these authorities is to be used.
- (h) If the Client signs any of the authorities referred to in (e) above and the Client's Securities (including the Charged Securities) are lent to or deposited with third parties, those third parties will have a lien or charge on the Client's Securities (including the Charged Securities). Although the Company is responsible to the Client for such Securities lent or deposited under the Client's authority, a default by it could result in the loss of the Client's Securities (including the Charged Securities).
- (i) A cash account not involving securities borrowing and lending is available from the Company. If the Client does not require margin facilities or does not wish the Client's Securities to be lent or pledged by the Company, the Client should not sign the authorities referred to in (e) above and should ask to open a cash account.

Schedule 5

Special Terms and Conditions for Taiwan Securities and Futures (“Special Terms”)

These Special Terms form an integral part of the Agreement and should be read together with the General Terms and Conditions and other parts of the Agreement.

1. Definitions and Interpretation

1.1 In these Special Terms, except as the context may otherwise require or provide, all words and expressions defined in the General Terms and Conditions shall have the same meanings when used herein.

1.2 In these Special Terms:

“**FSC**” means the Financial Supervisory Commission of Taiwan;

“**Taiwan Futures Account**” means the account which the Company established with the Client to record Taiwan Futures Trading effected by the Company;

“**Taiwan Futures Trading**” means transaction of any Futures Contract approved under the Futures Trading Act of Taiwan;

“**Taiwan Securities Account**” means the account which the Company establishes with the Client to record Taiwan Securities Trading effected by the Company;

“**Taiwan Securities Trading**” means any agreement to purchase, invest in, subscribe for, sell, exchange or otherwise dispose of any Securities and generally dealing in any and all kinds of Securities in Taiwan including holding Securities in the name of the Company or the Company's nominee;

“**TFE**” means Taiwan Futures Exchange;

“**TPE**” means Taipei Exchange which is formerly known as Gre Tai Securities Market; and

“**TSE**” means Taiwan Stock Exchange.

2. Taiwan Securities and Futures Trading

2.1 The Client acknowledges that all Taiwan Securities Trading and Taiwan Futures Trading shall be subject to the relevant provisions of the Applicable Regulations, including laws of Hong Kong and Taiwan, regulations of SFC, FSC, TSE and TPE as amended and supplemented from time to time.

2.2 All Taiwan Securities Trading and Taiwan Futures Trading executed on the Client's instructions on TSE, TPE and/or TFE shall be subject to a transaction levy and any other levies that TSE, TPE and/or TFE from time to time may impose respectively. The Company is authorized to collect any such levies in accordance with the rules prescribed by TSE, TPE and/or TFE respectively from time to time.

3. Rules and Regulations

- 3.1 All Applicable Regulations, including the rules of TSE, TPE, TFE, the Regulations Governing Investment in Securities by Overseas Chinese Foreign Nationals and other applicable laws, rules and regulations, shall be binding on the Company and the Client whenever the Company effects the Taiwan Securities Trading and the Taiwan Futures Trading on the Client's behalf.

4. Approved Designated Account

- 4.1 All monies, Securities and Futures Contracts deposited by the Client with the Company or purchased by the Company on the Client's behalf, and held by the Company for safe keeping under these Special Terms must be deposited in safe custody in a sub-account approved by FSC in Taiwan in the Company in the Client's name or that of the Company's nominee set up for the sole purpose of holding clients' assets under the foreign institutional investor (FINI) scheme ("**Approved Designated Account**"). All the Client's assets held in the Approved Designated Accounts are beneficially owned by the Client and held in trust by the Company on the Client's behalf.

5. Dividends

- 5.1 If in relation to any Securities deposited with the Company which are not registered in the Client's name any dividends or other distributions or benefits accrued in respect of such Securities, the Taiwan Securities Account shall be credited (or payment made to the Client as may be agreed) with the proportion of such benefit equal to the proportion of the total number of amount or amount of Securities which shall comprise Securities held on the Client's behalf.

6. Use of Client's Information

- 6.1 The Client agrees that personal data relating to or provided by the Client may be used and transferred outside of Hong Kong in accordance with the Company's "Notice to Customers Relating to the Personal Data (Privacy) Ordinance" and other applicable clause of the Agreement and the Client undertakes and represents that it shall obtain all necessary consents from the individuals concerned for the said use and transfer and comply with the PDPO and other applicable privacy laws, rules and regulations.

7. Short Selling

- 7.1 In the event of short selling, if the Client fails to meet its obligation for settlement of any Taiwan Securities Trading, the Company may purchase the Securities in TSE, TPE or any other open market of Taiwan and deliver such Securities for settlement on the Client's behalf. The Company is entitled to charge the Client for any difference in price of such Securities and all incidental expense, fees, costs or other expenses in connection with such purchases.

8. Risk Disclosure Statement

- 8.1 The Client confirms that before the Client signs the Agreement the Client has read the English/ Chinese version of the Applicable Regulations and the Client has fully understood all the contents of the Applicable Regulations in a language which the Client understands. The Client shall comply, and be solely responsible for complying with the Applicable Regulations. Unless otherwise required by the Applicable Regulations, the Company is not obliged to update these Special Terms in light of change in the Applicable Regulations. The Client acknowledges that it is the Client's responsibility to seek independent legal advice whenever

the Client is in doubt about the interpretation and/or the applicability of any of the Applicable Regulations.

- 8.2 The Client acknowledges that the laws and regulations of Taiwan on banking, trust, agency and other subject matters relating to custodianship is different from that of Hong Kong. As such, the Client acknowledges that monies held in Taiwan on behalf of the Client may not have the protection equivalent to the protection afforded under the SFO as monies placed in Hong Kong.

9. Client's Representations and Warranties

9.1 The Client hereby represents and warrants that:

- (a) the funds to be transmitted through the Account the Client holds under its name with the Company to Taiwan for investing in Taiwan securities and/or futures by the Client or the ultimate beneficial owner(s) of the Account is/are not originated from Taiwan or Mainland China;
- (b) the Client shall not use unjust measures to affect the fairness or order of the Taiwan financial market and also will abide by the regulations stipulated by all relevant regulatory authorities;
- (c) for individual client, the Client does not hold household registration in Taiwan. For institutional client, its place of incorporation is not Taiwan;
- (d) the Client understands that Mainland China Investor means:
 - (i) an individual who has household registration in Mainland China (hereinafter "Mainland Individual");
 - (ii) a juristic person, organization or other institution incorporated in Mainland China (hereinafter "Mainland Institution");
 - (iii) a company in which one or more Mainland Individual(s) and/or Mainland Institution(s) invest in Hong Kong or any other Third Area (for the purpose of this Clause 9.1, a "Third Area" means any area other than Taiwan and Mainland China), and:
 - (1) one or more Mainland Individual(s) and/or Mainland Institution(s), individually or collectively, hold(s), directly or indirectly, more than 30% of the issued shares in the said company/right(s) to more than 30% of the capital of the said company; or
 - (2) one or more Mainland Individual(s) and/or Mainland Institution(s), individually or collectively, has/have control power over the said company[1];

Note:

[1] An individual, juristic person, organization or any other institution will be deemed to have "control power" over a company, if it:

- 1. has control over the majority of the voting shares pursuant to an agreement with other investors;

2. has control over the financial, operational, and/or human resources policies pursuant to the law or regulations or contractual commitments;
 3. has the right to appoint or discharge a majority of the members on the board (or its equivalent organization), which has control over the company's operations;
 4. has control over the majority of the votes of the members on the board (or its equivalent organization), which has control over the company's operations; or
 5. has other control power as defined under the Statements of Financial Accounting Standards No. 5 and No. 7 published by the Accounting Research and Development Foundation of the Republic of China.
- (e) the Client is not and will not become a Mainland China Investor as defined in this Clause 9.1(d) above;
- (f) for Client acting as agent/nominee/trustee/fund manager, it will not deal in Taiwan securities and/or futures on behalf of/for the beneficial interest of any Mainland China Investor as defined in this Clause 9.1(d) above, no matter being aware or unaware of the fact that the/one of the principal(s)/trustor(s)/beneficiary(ies)/fund investor(s)/beneficial owner(s) is a Mainland China Investor;
- (g) the Client acknowledges and agrees that this Clause 9.1 is a part of the Agreement (comprised of the General Terms and Conditions, the Special Terms and Conditions, the Account Opening Form and the Miscellaneous Documents) between the Company and the Client. Nothing contained in this Clause 9.1 should be construed as preventing the Company from exercising any right under the other parts of the Agreement. A breach of any representation or warranty in this Clause 9.1 constitutes a breach of contract by the Client;
- (h) the Client agrees that, in the event that any representation or warranty given by the Client in this Clause 9.1 is or becomes untrue when made or repeated, the Company shall be entitled at its absolute discretion, without further notice or demand to the Client, to forthwith:
- (i) suspend or terminate all or any of the Company's services;
 - (ii) cancel all or any unexecuted instructions of the Client;
 - (iii) liquidate any long position with the Company through the sale of securities on the relevant exchange(s);
 - (iv) close out and/or sell any futures contract in the Account and make or take delivery of the underlying commodities and/or securities in respect of any such contract;
- (i) the Client agrees that, in the event that the Company is requested by any relevant regulator to sell any Taiwan securities or futures contracts purchased or held by the Company for and on behalf of the Client, the Company shall be entitled at its absolute discretion, without further notice or demand to the Client, to forthwith:
- (i) suspend or terminate all or any of the Company's services;
 - (ii) cancel all or any unexecuted instructions of the Client;

- (iii) liquidate any long position with the Company through the sale of securities on the relevant exchange(s);
- (iv) close out and/or sell any futures contract in the Account and make or take delivery of the underlying commodities and/or securities in respect of any futures contracts;
- (j) in the event that the Company exercises its discretion under Clause 9.1(h) or (i) hereof, the Client agrees that the Company is not obligated to give prior notice to the Client, to obtain consent from the Client, or to follow any instruction of the Client and may sell any of such securities, futures contracts or other assets of the Client on a single or collective basis. The Company shall not be liable for any loss howsoever caused arising from the exercise by the Company of its rights and powers conferred by Clause 9.1(h) or (i) hereof, whether in relation to the timing or manner of the exercise of such rights or powers or otherwise, unless due to the gross negligence, fraud or willful default of the Company or any of its officers, employees or affiliates and only to the extent of direct and reasonably foreseeable loss and damage (if any) arising directly and solely therefrom;
- (k) the Client shall immediately notify the Company should any representation or warranty given by the Client herein becomes untrue; and
- (l) the representations, warranties and undertakings contained herein shall be deemed to be repeated immediately before each instruction in relation to the Client's investment in Taiwan securities and/or futures is given or executed through the Account.

Schedule 6

Special Terms and Conditions for Internet Facilities (“Special Terms”)

These Special Terms form an integral part of the Agreement and should be read together with the General Terms and Conditions and other parts of the Agreement.

1. Definitions and Interpretation

1.1 In these Special Terms, except as the context may otherwise require or provide, all words and expressions defined in the General Terms and Conditions shall have the same meanings when used herein.

1.2 In these Special Terms:

“**Instruction**” means any instruction given through the ITF for the buying or selling of or otherwise dealing in any Securities and/or Contract(s) and any instruction to check the portfolio and fund position in the relevant Account(s); and

“**ITF**” means the Internet trading service and facilities provided by the Company.

2. Scope of ITF

2.1 At the request of the Client, the Company provides and the Client agrees to use ITF as a medium of communication with the Company to give, transmit or receive instructions, notices, information, data and documents between the Company and the Client. All instructions given by the Client and received by the Company through ITF shall be deemed sent by the Client if given by any person quoting the user identification assigned by the Company to the Client, and providing such other information as may be required by the Company. The instructions shall be carried out by the Company on behalf of the Client in accordance with the Agreement.

2.2 ITF are offered for the sole and exclusive use of the Client and only in such jurisdictions and to such extent where and when they may be lawfully offered, used and processed under the Applicable Regulations.

2.3 The Company has sole discretion to determine and vary the scope and availability of the services of ITF and the manner in which they are provided or made available from time to time.

2.4 The Client’s instructions shall not be deemed to have been executed unless so stated in the statements of the Account and/or confirmation of execution given by the Company online and/ or by any other means of communications. The Client agrees and acknowledges that it is its sole responsibility to keep records of such statement, confirmation and/or advice given by the Company, and save for manifest error or unless proved to the contrary by the Client to the Company’s satisfaction, the Company’s record shall be deemed as conclusive and binding on the Client.

2.5 Without prejudice to any other terms hereof or other terms applicable to the Account under the Agreement, the Client agrees that the Client is under a duty to promptly check and verify the contents of each of the statements of the Account and/or confirmation of execution given

by the Company to the Client online and/or by any other means of communication, and report to the Company any discrepancies alleged by the Client as soon as possible. Such online statement, advice and/or confirmation shall be deemed to be received by the Client after transmission by the Company to the Client. For the avoidance of doubt, the Client agrees that it is Client's duty to notify the Company immediately if the Client does not receive the statements of the Account or such online confirmation and/or advice given by the Company in respect of any Transactions within the time usually required for transmission and receipt of similar statements, confirmation and/or advice.

- 2.6 For the purposes of ITF each notice and communication sent by post to the last known address of the Client on the Company's record shall be deemed to have been duly delivered to the Client 2 Business Days (in the case of local address) or 7 Business Days (in the case of overseas address) after it has been posted, and if sent by electronic mail or facsimile to the designated electronic mailing address or facsimile number of the Client respectively, upon it being sent unless it is otherwise shown to the contrary by the Company's internal records. For the avoidance of doubt, any notice given by the Company to the Client shall be deemed to have been duly delivered by the posting of such notice on the Website of the Company ("**Website**").
- 2.7 Notwithstanding any provision of the Agreement, the Company shall have the right exercisable at its discretion at any time to terminate, without any liability to the Client, the Client's access to ITF or to any information or data provided by any information or service provider via ITF, without prior notice or giving reason therefor.

3. Website Information

- 3.1 The Client acknowledges that all information and data posted on the Website or otherwise made available on or through ITF and/or the Website are for reference only and shall not in any circumstances be binding or intended for trading or any other purposes. In these Special Terms, the word "**information**" shall mean all kinds of information including messages, news, quotes, report, computer programs, software, images, illustrations, presentation, opinion, configuration, text and other materials.
- 3.2 The Client acknowledges and agrees that, in addition to these Special Terms and the Agreement, the Company has discretion to impose from time to time other terms and conditions in respect of the use of ITF which may at the Company's discretion be posted on the Website or mailed or sent to the Client by any other means, and such terms and conditions shall be binding on the Client. The Company has discretion at any time to amend or vary such terms and conditions which amendment or variation shall be deemed to be duly notified to the Client by posting the same on the Website or mailing or sending the same to the Client by any other means, as determined at the Company's discretion. The Client shall be deemed to have accepted the terms and conditions as amended or varied once the Client uses or continues to use ITF after the relevant terms and conditions become effective. In the event of inconsistencies between any terms applicable to the use of ITF and/or to the Account, the Company is entitled to determine which terms prevail as the Company reasonably considers appropriate.

4. Access to ITF

The Client shall be solely responsible for making available at its own cost and risk the computer and other equipment and/or software to gain access to, and support its use of, ITF.

5. User Identification

- 5.1 The Client acknowledges that only the Client will be the authorized user of ITF in relation to its Account and it may be required to use various identification and access codes, including password, personal identification number and other identification to access the service (together referred to below as “**user identification**”). The Client will be responsible for the confidentiality, application and proper use at all times of its user identification by the Client or, where the Client is a company, by any of the persons authorised by the Client to use ITF on behalf of the Client. The Company is authorized (but not obligated) in its absolute discretion to act on any instruction received in relation to the Account without any duty or liability to verify the validity and/or authenticity of such instruction once the correct user identification of the Client has been inputted. The Client acknowledges and agrees that the Client shall be solely responsible for all instructions given to the Company through ITF and neither the Company nor the Company’s directors, officers, employees or agents shall have any liability to the Client, or to any other person whose claim may arise through the Client for any claims with respect to the handling or loss of any instruction.
- 5.2 The Client shall be solely responsible for all costs and losses, whether directly or indirectly, arising out of or in connection with any unauthorized use of its user identification. The Client has a duty to notify the Company immediately of its becoming aware of any loss, theft or unauthorized use of its user identification.

6. Third Party Information

- 6.1 The Client acknowledges that any information and data provided through ITF relating to Securities and securities markets is obtained from the Exchanges and Markets or from other third party information or service providers appointed by the Company from time to time and that such information and data are or may be protected by copyright and other intellectual property laws, and are provided for the Client’s personal non-commercial use only. The Client shall not use, reproduce, re-transmit, disseminate, sell, distribute, publish, broadcast, circulate or commercially exploit any such information or data in any way without the consent of the Company or such information or service providers.
- 6.2 The Client acknowledges that the real-time quote service and the message alert service (to receive message alert when the prices of such Securities and/or Contract(s) as specified by the Client have reached a preset target price) that may be available through ITF is provided by a third party service provider appointed by the Company from time to time. The Client agrees that the Company shall not be responsible for any losses the Client or any other person may suffer for the failure of sending out the message alert and/or relying on any real-time quote on prices of Securities and/or Contract(s) which may be available to the Client through ITF.
- 6.3 Neither the Company nor any third party information or service provider warrants, represents or guarantees the accuracy, reliability, adequacy, timeliness and completeness of any information or data provided through ITF and/or the Website or whether any such information or data is fit for any purpose. The Company and all such third party information or service providers expressly disclaim all liabilities whatsoever arising from or in connection with any reliance on any such information or data by the Client.

7. Intellectual Property

All proprietary and copyright and other intellectual property rights in or subsisting in ITF are the

exclusive property of the Company or the relevant information or service providers. The Client shall not temper with, modify, or otherwise alter in any way, or otherwise access or attempt to gain access to any part of ITF other than as authorized by the Company, and shall notify the Company immediately when it becomes aware of any unauthorized use or access to ITF by any other person.

8. Limitation of Liabilities

Unless due to the fraud, gross negligence or willful default of the Company, and its directors, officers, employees and agents and only to the extent of direct and reasonably foreseeable loss and damage (if any) arising directly and solely therefrom or the amount of the relevant transaction (whichever is less), the Company shall not assume any liability or responsibility whatsoever to the Client or any other person for the consequences arising from or in connection with: (i) use of ITF and/or access to any information or data through ITF and/or the Website as a result of such use by the Client or any other person whether or not authorized; (ii) any interruption, interception, suspension, delay, loss, unavailability, mutilation or other failure in providing ITF, in transmitting instructions or information or data relating to ITF or in connecting with the Website caused by any acts, omissions or circumstances beyond the reasonable control of the Company including failure of any communication network, act or omission of any third party information or service providers, mechanical failure, power failure, malfunction, breakdown, or inadequacy of equipment, installation or facilities, or any law, rules, regulations, codes, directions, regulatory guidelines or government order (whether or not having the force of law); and (iii) transmission, posting and/or storage of any information and/or data relating to the Client, ITF and/or transactions or dealings conducted by the Client in relation or pursuant to ITF through or in any system, equipment or instrument of any communication network provider.

9. Indemnity

9.1 Without prejudice to any other provision of the Agreement and unless due to the fraud, gross negligence or willful default of the Company, the Client shall fully indemnify and keep indemnified the Company and its Affiliates, officers, employees and agents against all liabilities, claims, demand, losses, damages, costs, charges and expenses of any kind (including legal fees on a full indemnity basis) which may be incurred and all actions or proceedings which may be brought by or against the Company in connection with the provision of ITF and/or the Website and/or access to the information or data thereon and/or the exercise or preservation of the Company's powers and rights the Company may have.

9.2 The Company shall not be liable for the Client's failure in observing the Client's obligations under the Agreement and the Client shall fully indemnify the Company in respect of any direct or indirect loss or cost of whatsoever nature that the Company may suffer or incur as a result thereof. For the avoidance of doubt, it is the responsibility of the Client to take its own initiative to contact the Company to check the status of any instructions given through ITF.

9.3 If the Client gives any instruction to the Company from outside Hong Kong, the Client agrees to ensure and represents that such instruction will have been given in compliance with any Applicable Regulations of the relevant jurisdiction from which the instruction is given, and the Client agrees that, in the event of doubt, the Client shall consult its legal advisers and other professionals of the relevant jurisdiction. The Client accepts that there may be taxes or charges payable to relevant authorities with respect to any instruction given by the Client from outside Hong Kong, and the Client agrees to pay such taxes or charges as required.

9.4 The Client further undertakes to indemnify the Company, on a full indemnity basis and on

demand, for any loss or damage the Company may suffer as a result of the use of ITF by the Client, except to the extent that such loss or damage is beyond the Client's control.

10. No Warranty

The Company does not in any way warrant that (i) any services provided in connection with or any of the Client's use of ITF and/or the Website will be free of errors, interception or interruption; or that (ii) the information, data, or other materials provided, used or accessible in connection with ITF and/or the Website will be free of viruses, disabling devices or other contaminants. The Client acknowledges that the Company's internal records of the Account, Transactions and other information shall be conclusive save for any manifest error or unless the contrary is established by the Client to the Company's satisfaction. For the avoidance of doubt, the Company may use such updated prices or information as may be available at the time of executing any instructions of the Client for executing any Transactions, and such Transactions shall be binding on the Client notwithstanding different prices or information may have been quoted by the Company via ITF and/or the Website.

Schedule 7

Special Terms and Conditions for E-Statements Service (“Special Terms”)

These Special Terms form an integral part of the Agreement and should be read together with the General Terms and Conditions and other parts of the Agreement.

1. E-Statements Service

- 1.1 The Client instructs and authorises the Company to provide the E-Statements Service to the Client, and the Client shall use the E-Statements Service, subject to these Special Terms.
- 1.2 By subscribing for or using the E-Statements Service, the Client instructs and authorises the Company to send to the Client statements of account, transaction confirmations, receipts or other records relating to any Account or Transaction by electronic mail (“**E-mail**”) at the E-mail address specified by the Client for such purpose from time to time (“**E-Statements**”). The Client acknowledges and agrees that, having sent the E-Statements to the Client by E-mail, the Company will discharge its obligations to provide the relevant statements of account, transaction confirmations, receipts or other records to the Client and the Company is not obliged to send further copies of such statements, confirmations, receipts or records to the Client by post or other means.
- 1.3 In order to use the E-Statements Service, the Client is required to install and maintain such telecommunication equipment, computer terminal, hardware and/or software specified by or acceptable to the Company.
- 1.4 The Company reserves the right to restrict from time to time the number of E-mail address(es) to which the Company is required to send the E-Statements.
- 1.5 The Client understands that the E-Statements Service may be suspended or terminated by the Company with respect to all clients at any time without giving any notice or reason to the Client. The Client agrees that the Company shall not assume any liability or responsibility for any suspension or termination of the E-Statements Service for any reason (including any maintenance, modification, expansion and/or enhancement work initiated by the Company or the internet service provider(s) or other service provider(s) in connection with their respective systems and network) unless due to the gross negligence, fraud or willful default of the Company or any of its officers, employees or Affiliates and only to the extent of direct and reasonably foreseeable loss and damage (if any) arising directly and solely therefrom.
- 1.6 The Company shall use reasonable effort to ensure that the E-Statements Service is secure against access by unauthorized third parties. However, the Client acknowledges that the Company does not warrant the security, secrecy or confidentiality of any information transmitted through any telecommunication channel, internet service provider, network or system in any jurisdiction.
- 1.7 The Client agrees to notify the Company, in such manner as the Company may from time to time prescribe, of any change in the E-mail address(es) or other particulars provided by the Client in connection with the E-Statements Service including any disconnection or suspension of any E-mail address of the Client. The Client agrees that the Company is entitled to continue to send, and does not assume any liability or responsibility for sending, E-Statements to the

Client in accordance with such E-mail address(es) and other particulars provided by the Client until the Company has actually received notice of change from the Client in compliance with this Clause and updated its records.

- 1.8 The Company and/or any of the Company's relevant service provider(s) will not assume any liability or responsibility for any failure, delay or error in transmitting E-Statements to the Client unless caused by the gross negligence, fraud or willful default on the part of the Company or such service provider and only to the extent of direct and reasonably foreseeable loss and damage (if any) arising directly and solely therefrom. In particular, the Company and/or any such service provider shall not assume any liability or responsibility for any consequences arising from any cause beyond its/their reasonable control including failure of the Client's telecommunication equipment, computer terminal, hardware or software for whatever reason, any telecommunication breakdown, internet service provider's failure, power failure, malfunction, breakdown, interruption or inadequacy of equipment or installation, act of God, government act, civil commotion, strike, war, fire, flood or explosion.

2. Cancellation

- 2.1 Without prejudice to the generality of Clause 1.5 hereof, the Company may cease to provide the E-Statements Service to the Client at any time by giving reasonable prior notice to the Client through E-mail, post or any other means.
- 2.2 The Client may cease to use the E-Statements Service at any time and revoke its instruction and authorisation to the Company to send E-Statements to the Client by E-mail by giving the Company at least 14 days prior written notice.

Schedule 8

Special Terms and Conditions for IPO Application and Financing (“Special Terms”)

These Special Terms form an integral part of the Agreement and should be read together with the General Terms and Conditions and other parts of the Agreement.

1. Definitions and Interpretation

1.1 In these Special Terms, except as the context may otherwise require or provide, all words and expressions defined in the General Terms and Conditions shall have the same meanings when used herein.

1.2 In these Special Terms:

“**Allotted Securities**” in respect of each Application, means all the Securities in relation to which the Application is accepted;

“**Application**” means any and each application to be made by the Company or the Company's agent as agent on behalf of the Client for the subscription of the Offer Securities pursuant to Clause 2;

“**Application Amount**” in respect of each Application, means an amount equal to the total value of the Offer Securities applied for in the Application plus all fees, charges and expenses payable by the Client in connection with the Application (including transaction levy, commission, account opening fee and such other fees where applicable);

“**Handling Fee**” in respect of each Loan, means the amount of such handling fee in connection with the Loan as the Company may from time to time notify the Client (if any);

“**Issuer**” means any company or other legal person whose Securities are offered for subscription;

“**Loan**” means any and each financing facility to be made available by the Company to the Client in respect of an Application pursuant to Clause 7;

“**Offer**” means any offer of Securities for subscription in a new issue or sale to the public by an Issuer;

“**Offer Securities**” in respect of each Offer, means the Securities offered by the Issuer for subscription to the public; and

“**Relevant Person**” in respect of each Offer, means the Issuer, sponsors, underwriters, placing agents, registrar, central depository, receiving bank and other intermediaries involved in such Offer, the SEHK, the SFC, the Clearing House, any other relevant regulators and/or persons.

2. Application

2.1 The Client irrevocably and unconditionally requests and authorizes the Company or any agent designated by the Company to make Application(s) in the name of the Company or such agent

(as the case may be) as the Client's agent from time to time subject to these Special Terms and subject to agreement on the following items by the Client and the Company in respect of the relevant Application:

- (a) the quantity of the Offer Securities;
 - (b) the name of the Issuer; and
 - (c) the Application Amount.
- 2.2 The Company reserves the right to refuse to make any Application on the Client's behalf if there are insufficient funds in the Client's designated account at the relevant time for settling the Application Amount and Handling Fee or pre-arranged facilities for such purpose or if, in the Company's opinion, there is any other reasonable ground for such refusal.
- 2.3 Where the Company or the Company's agent submits an Application, the Company or the Company's agent acts as the agent of the Client for the purpose of applying for the Offer Securities and neither the Company nor the Company's agent (as the case may be) is the agent of the Issuer or other parties involved in the relevant Offer.
- 2.4 The Client must apply for the Offer Securities as principal only. Any Application by the Client as agent, nominee or trustee for any other person will not be processed by the Company.
- 2.5 The Client must ensure that each Application complies with any minimum, maximum, denomination and/or other requirements (whether in respect of the quantity or value of the Offer Securities or the number of the Application) prescribed by the Issuer of the relevant Offer. Any Application which does not fully comply with all such requirements will not be processed by the Company.
- 2.6 Each Application shall be subject to the Agreement.
- 2.7 Where an Application forms part of a bulk application made by the Company or the Company's agent on behalf of the Company and/or the Company's clients, the Client acknowledges and agrees that:
- (i) such bulk application may be rejected by reasons which are unrelated to the Client and the Application and neither the Company nor the Company's agent shall, in the absence of fraud, gross negligence or willful default on the part of the Company or the Company's agent, be liable to the Client or any other person in consequence of such rejection;
 - (ii) it shall indemnify the Company against all losses, damages, costs, charges, expenses (including legal fees on a full indemnity basis), claims or demands which may be sustained or incurred by or made against the Company if such bulk application is rejected as a result of the Client's failure to comply with any of its obligations under the Agreement or otherwise in connection with the Application (including any representations and warranties given by the Client being or becoming untrue) or any other factors relating to the Client. The Client acknowledges that the Client may also be liable in damages to other persons affected by such failure or factors; and
 - (iii) in the event that the bulk application is only partially accepted, the Client agrees that the Company is entitled to distribute the Allotted Securities in the Company's absolute

discretion, including distributing the Allotted Securities equally among the Company's clients under the bulk application and the Client shall not have any claim to the Allotted Securities or claim of priority to another client of the Company in relation to the bulk application.

- 2.8 The Client acknowledges that the Company has invited the Client to seek independent legal and other professional advice in respect of each Application and it is the sole responsibility of the Client for obtaining such advice as it considers appropriate.
- 2.9 The Client acknowledges and agrees that any Application, once submitted by the Company or the Company's agent on behalf of the Client, cannot be withdrawn, cancelled or modified without the prior written consent of the Company.

3. Responsibility of the Company

- 3.1 The Company shall not have any liability in respect of, is not responsible for, has not authorized and shall not be deemed to have authorized, the contents of any prospectus, offering document, application form(s) and/or other documents relating to any Offer.
- 3.2 Unless otherwise appointed as such in writing, the Company is not the investment adviser of the Client with respect to any Offer or Application and shall not be responsible for any loss which the Client may suffer as a result of any Application made on behalf of the Client pursuant to these Special Terms. The Client confirms that each Application is made by the Client on its own judgment and at its sole risk.
- 3.3 The Company makes no undertakings, warranties or representations as to the result of the allotment of the Offer Securities in any Offer and in any event the Company shall not be responsible for the result of the allotment or any rejection in full or in part of any Application for any reason.

4. Notification and Results

- 4.1 The Issuer shall be solely responsible for approving or disapproving Applications and for announcing the results of allocation of the Offer Securities. The specific arrangements with regard to the announcement of results may differ from one Offer to another and the Client shall be responsible for ascertaining details of such arrangements by reviewing the relevant prospectus. The Company will notify the Client of the results of its Application in such manner as the Company may deem fit.
- 4.2 Unless the Company receives notice from the Client to the contrary and payment of all amounts owing by the Client to the Company in connection with any Application, in the case of Offer Securities to be listed on the SEHK, by the close of business of the Company on the fifth day after the official listing of the Offer Securities and, in the case of Offer Securities to be listed on any other stock exchange, within such time as the Company may specify in the Company's notification of allotment to the Client (without prejudice to the Company's right of repayment on demand or any other rights or remedies), the Company is authorized but not obliged, without notice to or consent from the Client, to sell or otherwise dispose of any and all Allotted Securities in such manner and for such price or prices, free from any restrictions and claims and without being responsible for any loss, as the Company may think fit and apply the proceeds of such sale or disposal towards discharging any indebtedness owing by the Client to the Company in such order of priority as the Company may consider appropriate,

including the costs incurred in connection with the sale or disposal of the Allotted Securities and all other costs incurred by the Company in connection with the Application, the Handling Fee, interest payable by the Client on the Loan, outstanding principal amount of the Loan, and the Application Amount, and the remaining amount (if any) shall be paid to the Client or to the Client's order. In the event of any deficiency after applying the proceeds of sale or disposal of the Allotted Securities, the Client shall make good and pay on demand to the Company such deficiency.

- 4.3 If the Client gives any notice to the Company pursuant to Clause 4.2 above, the Client shall pay to the Company at the time of giving such notice or otherwise on demand all amounts owing by the Client to the Company in connection with the relevant Application (including all fees, charges and expenses specified by any Relevant Person). The Company is not obliged to release or procure the Company's agent to release to the Client the certificates relating to the Allotted Securities, or to procure the Allotted Securities to be credited to the Client's specified account, unless and until all amounts owing by the Client to the Company have been received in full by the Company to its satisfaction.

5. Refund of Application Amount

- 5.1 Where no Application is submitted on behalf of the Client for any reason, the Company will arrange for refund of the amount of the Application Amount actually debited or received by the Company (in full but without interest) to the Client by crediting the relevant sum to the account from which the Application Amount was initially debited or by crediting any other account maintained by the Client with the Company as soon as reasonably practicable. If an Application is submitted but is wholly or partly unsuccessful, the Company will arrange for refund of the Application Amount (or the applicable balance as the case may be) on the refund date as announced by the Issuer in the same manner described in this Clause subject to Clauses 5.4 and 7 hereof.
- 5.2 In the event that the offer price of the Offer Securities (as finally determined by the Issuer) is less than the Application Amount initially paid by the Client, the Company will arrange to refund the surplus of the Application Amount to the Client in accordance with the terms and conditions of the relevant Offer subject to Clauses 5.4 and 7 hereof.
- 5.3 All Handling Fees in connection with each Application are not refundable unless otherwise specified by the Company.
- 5.4 Notwithstanding that an Application is made on behalf of the Client, where the Company has made available a Loan to the Client in connection with the Application, all the rights to any refund amount of the Application Amount shall be held by the Company or the Company's agent on trust to pay the same to the Company. The Client shall have no right or claim in respect of such refund amount. By giving instruction to make an Application, the Client irrevocably agrees and confirms that the Company or the Company's agent (as the case may be) is authorized to apply any refund amount towards satisfaction of any amount owing by the Client to the Company in the manner specified in Clause 4.2 above. The Company may at its discretion grant security interest of any nature over any such refund amount to any third party as security for any credit facilities made to the Company to finance the Company's funding of all or part of the Loan.

6. Client's Undertakings and Responsibilities

- 6.1 The Client warrants to and for the benefit of the Company and any of its agents that the

Company or any such agent (as the case may be) shall be authorized by the Client to make Application(s) as the Client's agent and for the Client's behalf.

- 6.2 The Client warrants to and for the benefit of the Company and any of its agents that the Client is not a person prohibited by any Relevant Person or any Applicable Regulations from making the Application(s) or from owning the Offer Securities and that the Client makes each Application as principal and not on behalf of any person subject to such prohibition or any other person.
- 6.3 With respect to each Application, the Client shall familiarize itself and comply with all the terms and conditions governing the relevant Offer as set out in the application form, any prospectus and/or offering document and any other relevant document in respect of such Offer. The Client agrees to be bound by such terms and conditions in respect of each Offer for which the Company or the Company's agent makes an Application on the Client's behalf. The Client shall make the investment decision based on the prospectus and other offering documents in respect of the relevant Offer. The giving of any instruction by the Client to the Company to make an Application shall constitute the Client's confirmation that the Client has complied with this Clause with respect to the relevant Offer and Application.
- 6.4 The Client represents and warrants to the Company that in respect of any Application (a) (where multiple applications for subscription of Offer Securities are not permitted) the Client has not made and will not make, and the Client has not procured and will not procure, more than one application for subscription of Offer Securities whether for its own account or for account of any other person, and (b) the Client has not been placed (whether for its own benefit or for the benefit of any other person) with any shares or warrants or interests which are of the same class or type as those applied for in the Application. The Client acknowledges that any breach by the Client of or any inaccuracy of the representation and warranty set out in this Clause may result in, in addition to the rejection of the Application, the rejection of other applications submitted by the Company on the Company's own behalf or on behalf of others. The Client shall indemnify the Company on demand for all losses resulting from such breach or inaccuracy. The Client acknowledges and accepts that the representation and warranty set out in this Clause will be relied upon by the Company, the Company's agent and the Relevant Persons in respect of the relevant Application.
- 6.4A With respect to each Application the Client represents and warrants to the Company that:
- (a) the Client is independent third party not connected with or acting in concert with any directors, chief executive, substantial shareholders of the Issuer and/or any of their respective subsidiaries or an associate of any of them, as such terms are defined in the Rules Governing the Listing of Securities on the SEHK. Further, the Client's subscription is not directly or indirectly financed or backed by any such persons;
 - (b) the Client does not hold any interests in the Issuer prior to the subscription of the Offer Securities; and
 - (c) the Client is not a U.S. Person and the Client's subscription would not require the Issuer and/or the Company to comply with any requirements under any law or regulation of any territory outside Hong Kong.
- 6.5 In addition to the other representations, warranties and undertakings given or to be given by the Client to the Company in connection with each Application, the Client gives the Company

all the representations, warranties and undertakings which an applicant for Offer Securities in respect of an Offer is required to give (whether to any or all of the Relevant Persons).

- 6.6 The Client recognizes and understands that the legal and regulatory requirements and market practice in respect of each Offer or Application may vary from time to time. The Client undertakes to provide to the Company such information, make such disclosure, take such steps and give such representations, warranties and undertakings as may be required of the Client in accordance with such legal and regulatory requirements and market practice as the Company may determine from time to time. The Client shall also comply with such requirements and practice.
- 6.7 Where the Company or the Company's agents, as the case may be, is required, in respect of any Offer or Application, to give any undertakings, representations and warranties to any one or more of the Relevant Persons with respect to the Client or any other matters, the Company is authorized by the Client to give such undertakings, representations and warranties in reliance solely upon any corresponding undertakings, representations and warranties given by the Client to the Company. The Client shall be bound by all applicable announcements made by any Relevant Person and all Applicable Regulations governing each Offer and Application and the issue of the Allotted Securities.
- 6.8 The Client authorizes the Company to execute all documents and to do all things necessary on behalf of the Client for the purposes of making any Application. The Client accepts all things done by the Company and/or its agent on the Client's behalf in connection with each Application. The Client shall accept the Offer Securities applied for in each Application or any lesser quantity allocated to the Company or the Company's agent on behalf of the Client pursuant to each Application. The Client indemnifies the Company and/or its agent against any loss or claim suffered or incurred by each of them in connection with each Application.
- 6.9 The Client authorizes the Company to disclose to any Relevant Person all information relating to the Client and the relevant Application if disclosure is required by law or is requested or required in connection with the relevant Offer or Application.

7. IPO Financing

- 7.1 The Client applies to and requests the Company to make available to the Client Loan(s) for Application(s) from time to time subject to these Special Terms and subject to agreement on the following items by the Client and the Company in respect of the relevant Application:
 - (a) the principal amount of the Loan;
 - (b) the interest rate; and
 - (c) the Handling Fee.
- 7.2 The provision and drawdown of any Loan are at the Company's sole discretion and subject to the Agreement. The Company reserves the right to withdraw the agreement for making any Loan at any time up to the moment when the relevant Application is made. In the event that the Client pays any amount to the Company by way of margin for the Application, the Company may pay such amount into the relevant designated account of the Client with the Company and may apply such amount towards satisfaction of the Application Amount payable on acceptance of the Application. The Client agrees that any such margin actually received

by the Company shall be applied towards satisfaction of the Application Amount before any amount of the Loan is so applied.

7.3 The Client agrees, acknowledges and undertakes to the Company that:

- (a) the Client will pay to the Company on demand the Loan, interest thereon, the Handling Fee, all fees, charges and costs in connection with the Loan;
- (b) the Loan is advanced to the Client, and shall be used, exclusively for the purpose of making the relevant Application. Notwithstanding that the Application is made by the Company or the Company's agent on the Client's behalf, the Client shall have no right, title, interest or claim of whatever nature in or to any amount of the Loan or to use the Loan for any purpose other than making the relevant Application. If the Company decides to make available a Loan to the Client, the Company will credit the Loan amount to the designated account maintained by the Client with the Company. Where any Application is to be made by the Company's agent, the Company's agent shall hold the amount of the relevant Loan on trust for the Company at all times pending payment to or to the order of the Issuer;
- (c) in consideration of the Company making available a Loan to the Client and upon the allotment and issuance to the Company or the Company's agent on the Client's behalf of the Allotted Securities pursuant to the relevant Application, the Client as beneficial owner hereby charges, assigns, mortgages and pledges and agrees to charge, assign, mortgage and pledge to the Company by way of first fixed charge and release to the Company all the Client's rights, title and interest in and to the Allotted Securities as a continuing security for the payment of all amounts payable by the Client to the Company in connection with the Loan and the Application and the performance of any other obligation of the Client to the Company. The security created by this charge shall extend to and cover any and all dividends, warrants, shares, stocks, rights, benefits, interest, distributions, accretions and other money and property accruing or offered at any time by way of substitution, redemption, bonus, preference, option or otherwise in respect of the Allotted Securities;
- (d) the Company is authorized by the Client to pledge or grant security interest of any nature over any and all Allotted Securities subject to the security constituted by Clause 7.3(c) above in favour of any third party as security for any credit facilities made by it to the Company to finance the Company's funding of all or part of the Loan;
- (e) in consideration of the Company making available a Loan to the Client, the Client as beneficial owner charges, assigns, mortgages and pledges and agrees to charge, assign, mortgage and pledge to the Company by way of first fixed charge and release to the Company all the Client's rights, title and interest in and to all sums from time to time standing to the credit of each Account maintained by the Client with the Company (including any renewal or re-designation thereof) as a continuing security for the payment of all amounts payable by the Client to the Company in connection with the Loan and the Application;
- (e)(A) unless otherwise agreed by the Company, the Client shall have no right to repay the Loan and any other related liabilities, in part or in full, prior to the refund date as specified in the relevant placing and public offer documents;

- (e)(B) the Loan (if any) shall be repaid, together with all interest accrued thereon and any other amounts outstanding in full on the refund date as specified in the relevant placing and public offer documents;
- (f) upon failure by the Client to pay on demand any amount payable by the Client to the Company in respect of any Loan or Application, or if the Client is unable or admits to being unable to pay its debts as they become due, or if the Client is subject to any proceedings in or analogous to insolvency, bankruptcy or liquidation, or if legal process is applied for, levied or enforced against any Allotted Securities or other assets of the Client, the Company shall be entitled to enforce the security constituted by Clauses 7.3(c) and/or 7.3(e) above and may, without further notice, demand, legal process or any other action with respect to the Client, (i) sell or otherwise dispose of the Allotted Securities (or any part thereof) in such manner and for such price or prices, free from any restrictions and claims and without being responsible for any loss, as the Company may think fit and apply the proceeds of sale or disposal after deducting expenses, and/or (ii) apply any amount standing to the credit of each Account subject to Clause 7.3(e) above, in or towards satisfaction of all indebtedness or liabilities, actual or contingent, due from the Client to the Company. In the event of any deficiency after the enforcement of the security as aforesaid, the Client shall make good and pay on demand to the Company such deficiency;
- (g) in addition and without prejudice to any other provisions in these Special Terms or any security or right which the Company may have in law or otherwise, the Client authorizes the Company to set-off and apply any credit balance of any of the Client's account with the Company and/or any Affiliate in the Client's name in any capacity whatsoever and any other money payable to the Client by the Company or any Affiliate in or towards satisfaction of any amount due and payable by the Client to the Company in respect of any Loan or Application. For this purpose, the Company is authorized to purchase with the money standing to the credit of any such account any other currency as may be necessary to effect such set-off or application;
- (h) the Client shall at its own cost and expense execute and sign all transfer documents, power of attorney, proxies and/or other documents and do all acts and things which the Company may require for perfecting the Company's title to the Allotted Securities or any of them and/or for vesting or enabling the Company to vest such Allotted Securities in the Company's name or in the name of the Company's nominee and/or any purchaser, or otherwise for the purposes of obtaining, preserving and enforcing the full benefit of the security and/or other rights and remedies conferred on the Company by these Special Terms. The Company shall be entitled to exercise all rights and powers that are conferred upon the Company by these Special Terms including the right to sell the Allotted Securities;
- (i) without prejudice to any other provisions in the Agreement, the Client will fully indemnify and keep the Company indemnified on demand against any losses, damages, costs, charges, expenses, claims or demands which may be sustained or incurred by or made against the Company arising out of any Loan and/or Application;
- (j) regarding each Loan, the Client acknowledges that the Company has invited the Client to seek independent legal and other professional advice in respect of each Loan and it is the sole responsibility of the Client for obtaining such advice as it considers appropriate;

- (k) notwithstanding any other provisions in these Special Terms, the Company has the overriding right at any time to demand immediate repayment of any outstanding amount of any Loan and to cancel any Loan;
- (l) each security constituted by Clauses 7.3(c) and 7.3(e) above is a continuing security and secures the ultimate balance of all indebtedness from time to time owing by the Client to the Company notwithstanding any intermediate repayment or satisfaction of all or any of such indebtedness. Each security is in addition to, shall not be affected by and may be enforced despite the existence of any other security held by the Company. Any restriction on the right of consolidating security interests shall not apply to any security constituted by Clause 7.3(c) or 7.3(e) above;
- (m) any monies paid to the Company in respect of any Loan or Application may be applied in or towards satisfaction of the same or placed to the credit of such account as the Company may determine with a view to preserving its rights to prove for the full amount of indebtedness of the Client; and
- (n) the Company may at any time continue any existing account and open any new account in the name of the Client and no subsequent transactions, receipts or payments involving such new account shall affect the liability of the Client.

Schedule 9

Special Terms and Conditions for Securities Repurchase Transactions (“Special Terms”)

These Special Terms form an integral part of the Agreement and should be read together with the General Terms and Conditions and other parts of the Agreement.

1. Application, Definitions and Interpretation

1.1 In these Special Terms, except as the context may otherwise require or provide, all words and expressions defined in the General Terms and Conditions shall have the same meanings when used herein.

1.2 In these Special Terms:

“Confirmation” means the written confirmation or document (howsoever named) issued by the Company that sets out and confirms the details and particulars of the Repo Transaction;

“Custodian” means the Company or such other corporation to be nominated and determined as its custodian by the Company from time to time;

“Event of Default” means any one or more of the events or circumstances specified in Clause 9.1 of the General Terms and Conditions and Clause 5.1 of the Special Terms hereof;

“Market Value” with respect to any Securities as of any time on any date, the price for such Securities at such time on such date conclusively determined by the Company by reference to the market quotation of such Securities obtained from a generally recognized source reasonably chosen by the Company in good faith, or if unavailable, the market value thereof as derived from the prices or rates bid by a reputable dealer for the relevant instrument reasonably chosen by the Company in good faith, in each case at close of business on the previous Business Day, provided that the Market Value shall be subject to such discount or other adjustments as the Company may apply at its discretion having regard to the rules, regulations and interpretations from time to time in force of the Exchange, the Clearing House or any relevant regulatory authorities and the applicable laws and regulations of the relevant jurisdiction;

“Parties” mean the Seller and the Buyer, and **“party”** means each of them;

“Purchase Date” means, with respect to any Repo Transaction, the date on which the Underlying Securities are to be sold by the Seller to the Buyer in relation to that Repo Transaction and stated as the commencement date (or such other description as may be determined by the Company for such purpose) in the Confirmation;

“Purchase Price” means, on the Purchase Date, the price at which the Underlying Securities are sold or are to be sold by the Seller to the Buyer and stated as the principal (or such other description as may be determined by the Company for such purpose) in the Confirmation;

“Repo Transaction” means a transaction entered into between the Client and the Company under which one party (**the “Seller”**) agrees to sell to the other (**the “Buyer”**) an agreed quantity of Securities against the payment of the Purchase Price by the Buyer to the Seller,

on and subject to a simultaneous agreement of the parties by which the Seller will repurchase from the Buyer the Securities of the same quantity and identical type and description against the payment of a pre-agreed Repurchase Price by the Seller to the Buyer at a pre-agreed future date;

“Repurchase Date” means, with respect to any Repo Transaction, the date on which the Buyer is to sell the Underlying Securities to the Seller in relation to that Repo Transaction and stated as the maturity date (or such other description as may be determined by the Company for such purpose) in the Confirmation;

“Repurchase Price” means, with respect to any Repo Transaction, the price agreed between the parties for repurchase by the Seller of the Underlying Securities from the Buyer under the Repo Transaction and stated as the maturity value (or such other description as may be determined by the Company for such purpose) in the Confirmation;

“Term” means, with respect to any Repo Transaction, the interval of time commencing with the Purchase Date and ending with the Repurchase Date; and

“Underlying Securities” means the securities agreed to be bought and sold by and between the parties under a Repo Transaction.

2. Applicable Rules and Regulations

- 2.1 Each Repo Transaction shall be subject to the constitution, rules, regulations, customs, usages, rulings and interpretations from time to time in force of the Exchange and the Clearing House at which the Repo Transaction is conducted and to the applicable laws and regulations of the relevant jurisdiction.
- 2.2 Repo Transactions executed by the Client may be subject to transaction levies imposed by the relevant Exchange and the Company is authorised to collect any such levies.

3. Dealing Practice

- 3.1 The Company may, in its sole and absolute discretion and without prior notice and/or assigning any reason therefor, refuse to enter into any particular Repo Transaction with the Client.
- 3.2
 - (a) The Company will send to the Client the Confirmation for each Repo Transaction concluded within a reasonable time following the day of the conclusion of such Repo Transaction.
 - (b) The Confirmation relating to a Repo Transaction shall, together with the Agreement, constitute prima facie evidence of the terms agreed between the Company and the Client for that Repo Transaction, unless objection is made with respect to the Confirmation promptly after receipt thereof. In the event of any conflict between the terms of such Confirmation and the Agreement, the Confirmation shall prevail in respect of that Repo Transaction and those terms only.
 - (c) The Confirmation shall be deemed to be final, conclusive and binding against the Client if not objected to by the Client of any error or irregularity therein within 48 hours after dispatch thereof to the Client and shall not be challenged thereafter.

- 3.3 On the Purchase Date, the Seller shall transfer or procure its agent to transfer the Underlying Securities to the Custodian as agent and custodian of the Buyer against the payment of the Purchase Price by the Buyer. Where the Custodian is the Company, the Company will hold the Underlying Securities in a segregated account.
- 3.4 If any party shall on the Purchase Date fail or refuse to perform its obligation under Clause 3.3 above, the non-defaulting party shall be entitled to terminate or rescind the Repo Transaction by notice to the defaulting party without liability on its part and the defaulting party shall fully indemnify the non-defaulting party against all costs, expenses, losses or damages incurred by the non-defaulting party.
- 3.5 On the Repurchase Date, the Buyer shall transfer (through the Custodian) to the Seller or its agent the Underlying Securities against the payment of the Repurchase Price by the Seller.
- 3.6 If the Seller shall on the Repurchase Date fail or refuse to perform its obligation under Clause 3.5 above, the Buyer shall be entitled to sell or otherwise dispose of the Underlying Securities by private contract or through the Exchange, and to recover the shortfall (if any) and related transaction costs from the Seller, in case the proceeds of sale or disposal shall be less than the Repurchase Price.
- 3.7 If the Buyer shall on the Repurchase Date fail or refuse to perform its obligation under Clause 3.5 above, the Seller shall be entitled to:
- (a) instruct and procure Custodian to transfer to the Seller or its agent Underlying Securities; and
 - (b) make payment of the Repurchase Price to the Buyer by depositing the balance of Repurchase Price (after deducting the losses and damages that the Seller may suffer as a result of the default of the Buyer) into the account of the Buyer opened and maintained with the Seller. Payment of the balance of the Repurchase Price in accordance with this Clause shall be or deemed to be full and final settlement of the Seller's obligations on payment of the Repurchase Price by Seller hereunder.
- 3.8 The Buyer irrevocably appoints the Custodian as its agent and custodian to hold the Underlying Securities in accordance with the terms and conditions of the Agreement. Notwithstanding any agreement between the Buyer and the Custodian relating to the custody and holding of the Underlying Securities, and notwithstanding that all right, title and interest in and to the Underlying Securities will pass to the Buyer upon transfer or payment, the Buyer hereby agrees with the Company and the Custodian that, in the circumstances where the Buyer is the Client, the Buyer shall not and is not entitled to demand or request the Custodian to transfer or deliver the Underlying Securities to itself, its nominee or any third party without the prior written consent of the Company. The Buyer also instructs and authorizes the Custodian to transfer to the Seller or its agent the Underlying Securities, if the Buyer shall on the Repurchase Date fail or refuse to perform any of its obligations under Clause 3.5 above.
- 3.9 The parties agree that the currency in which the Underlying Securities is denominated can be different from the currency in which the Repo Transaction is denominated.
- 3.10 Unless either party has, on or before the 7 Business Days preceding the Repurchase Date, given to the other party written notice not to renew a Repo Transaction (the “**Original Transaction**”), the Original Transaction shall be automatically renewed on the Repurchase

Date and the parties shall be deemed to have entered into a new Repo Transaction (the “**New Transaction**”) on the terms set out in paragraphs (a) to (g) below:

- (a) the Underlying Securities under the New Transaction shall be Securities equivalent to the Underlying Securities under the Original Transaction;
- (b) the Purchase Date under the New Transaction shall be the Repurchase Date under the Original Transaction;
- (c) the Purchase Price under the New Transaction shall be the Repurchase Price under the Original Transaction;
- (d) the Repurchase Date under the New Transaction shall be the expiry date of the Term from the Purchase Date under the New Transaction;
- (e) subject as aforesaid, the Term, interest rate and other terms of the New Transaction shall be identical to those of the Original Transaction;
- (f) the obligations of the parties with respect to the delivery of the Underlying Securities and the payment of the Purchase Price under the New Transaction shall be set off against their obligations with respect to the delivery of Underlying Securities and payment of the Repurchase Price under the Original Transaction; and
- (g) the Company will send to the Client the Confirmation for the New Transaction within a reasonable time following the Purchase Date of the New Transaction.

4. Payment and Transfer

- 4.1 Unless otherwise agreed, payments under a Repo Transaction shall be made on the due date for value on that date in freely transferable funds and in the manner customary for payments in the required currency. All Underlying Securities to be transferred under a Repo Transaction (1) shall be in suitable form for transfer and shall be accompanied by duly executed instruments of transfer or assignment in blank (where required for transfer) and such other documentation as the transferee may reasonably request; or (2) shall be transferred through the book entry settlement or any other agreed securities clearance system; or (3) shall be transferred by any other method mutually acceptable to the Seller and the Buyer, provided that the delivery obligation of the Company under a Repo Transaction may be discharged by causing the Underlying Securities to be transferred to the Custodian to be held on the terms of the Agreement.
- 4.2 Unless otherwise agreed, all money payable by one party to the other in respect of any Repo Transaction shall be paid free and clear of, and without withholding or deduction for, any taxes or duties of whatsoever nature imposed, levied, collected, withheld or assessed by any authority having power to tax, unless the withholding or deduction of such taxes or duties is required by law. In that event, unless otherwise agreed, the paying party shall pay such additional amounts as will result in the net amounts receivable by the other party (after taking into account of such withholding or deduction) being equal to such amounts as would have been received by it had no such taxes or duties been required to be withheld or deducted.
- 4.3 The parties shall execute and deliver all necessary documents and take all necessary steps to procure that all right, title and interest in any Underlying Securities shall pass to the party to

which transfer is being made upon transfer of the same in accordance with the Agreement, free from all liens, claims, charges and Encumbrances. Each party represents and warrants to the other that at the time of transfer to the other party of any Underlying Securities it will have the full and unqualified right to make such transfer and that upon such transfer the other party will receive all right, title and interest in and to those Underlying Securities free of any lien, claim, charge or Encumbrance.

- 4.4 Neither party shall be obliged to make delivery (or make a payment as the case may be) to the other unless it is satisfied that the other party will make a payment as the case may be (or make delivery) to it simultaneously. If either party (the “**Notifying Party**”) is not so satisfied, it shall notify the other party and unless that other party has made arrangements which are sufficient to assure full delivery (or the appropriate payment as the case may be) to the Notifying Party, the Notifying Party shall be entitled to withhold delivery (or payment as the case may be) to the other party.
- 4.5 Notwithstanding the use of expressions such as “**Repurchase Date**”, “**Repurchase Price**”, which are used to reflect terminology used in the market for transactions of the kind provided for in these Special Terms, all right, title and interest in and to the Underlying Securities and money transferred or paid under these Special Terms shall pass to the transferee upon transfer or payment (but subject to the custody arrangements and agreements of the Underlying Securities as set out in these Special Terms), the obligation of the Buyer receiving the Underlying Securities being an obligation to transfer to the Seller Securities of the same quantity and identical type and description as Underlying Securities.

5. Events of Default

- 5.1 The occurrence at any time of any of the following events constitutes an event of default (whether within or beyond the control of the Client) with respect to the Client:
- (a) the Client fails to effect any of its payment or delivery obligation under a Repo Transaction;
 - (b) the Client fails to duly observe and perform (i) any provisions of any Repo Transaction or the Agreement; or (ii) any other agreement of whatever nature made between the Company and the Client; or (iii) any bye-law, rule and regulation of the Exchange;
 - (c) any consent, authorization, approval, licence or board resolution required by the Client to enter into the Agreement or to perform any of the Client’s obligation under the Agreement being wholly or partly revoked, suspended, terminated or ceasing to remain in full force and effect;
 - (d) the continued performance of any Repo Transaction or the Agreement becomes illegal or is claimed by any government authority to be illegal whether as a result of any change in or introduction of any law or regulation, or any change in the interpretation or application thereof or otherwise;
 - (e) where the Client is the Buyer, the Client demands or requests the Custodian to transfer or deliver the Underlying Securities to the Buyer, its nominee or any third party without the prior written consent of the Company; and
 - (f) there occurs an adverse change in the business, assets or general condition of the Client

which, in the opinion of the Company, may adversely affect the due performance by the Client of its obligations under any Repo Transaction or the Agreement.

5.2 Upon or at any time after the occurrence of any Event of Default, the further performance by the Company of any of its outstanding obligations to the Client under any Repo Transaction or the Agreement (whether for the payment of money or otherwise) shall be conditional upon the Client having fully discharged all its obligations to the Company under any Repo Transaction or the Agreement, and the Company shall forthwith be entitled, without demand, notice, legal process or any other action with respect to the Client, to do any of the following in its discretion, without prejudice to the Company's other rights and remedies and without releasing the Client from any liability:

- (a) terminate the Agreement; and
- (b) accelerate all outstanding Repo Transactions, treat the Repurchase Date for each Repo Transaction hereunder to occur immediately and require immediate settlement thereof at the time such Event of Default occurs (the date of which shall be the "**Accelerated Settlement Date**") in accordance with the following:
 - (i) the valuation of Market Value shall be taken as at the occurrence of Event of Default in the most appropriate market for Securities of the relevant description (as determined by the Company) on the Accelerated Settlement Date, or if the relevant Event of Default occurs outside the normal business hours of such market, upon the commencement of trading on the next business day following the Accelerated Settlement Date;
 - (ii) where the Company has, following the occurrence of an Event of Default:
 - (1) purchased Securities forming part of the same issue and being of an identical type and description to those to be delivered by the Client under the Repo Transaction and in substantially the same amount as those Securities; or
 - (2) sold Securities forming part of the same issue and being of an identical type and description to those to be delivered by the Company to the Client and in substantially the same amount as those Securities;

the cost of such purchase or the proceeds of such sale, as the case may be, (taking into account all reasonable costs, fees and expenses that would be incurred in connection therewith) shall be treated as the Market Value of the relevant securities for the purposes of cash settlement of the Repo Transaction between the parties; and

- (iii) on the basis of the Market Value so established pursuant to either (i) or (ii) above, an account shall be taken (as at the Accelerated Settlement Date) of what is due from each party to the other (on the basis that each party's claim against the other in respect of delivery of the Underlying Securities equals the Market Value thereof as determined by the Company against payment to be made by the other party of the Repurchase Price) and the sums due from one party shall be set off against the sums due from the other and only the balance of the account shall be payable and such balance shall be payable on the Accelerated Settlement Date.

6. Termination

- 6.1 Upon receipt or serving by the Company of a termination notice from or to the Client, it may exercise its rights under Clause 5.2 above and, for such purpose, the effective date of such termination shall be deemed to be the “**Accelerated Settlement Date**”.
- 6.2 The Client is not entitled to terminate any Repo Transaction except with the prior written consent of the Company, and such consent may be subject to such conditions as the Company, in its absolute discretion, deems fit.

7. Risk Disclosure

- 7.1 Collateral Risk. Under general circumstances, the risk of value fluctuation in the Underlying Securities is borne by the Seller, as the Buyer holds the Underlying Securities in a value equivalent to 90% of the Purchase Price, if the value of the Underlying Securities severely declines, or the issuer of the Underlying Securities defaults, the Seller becomes insolvent or liquidated, resulting in the Seller’s failure to pay the Repurchase Price as agreed, the holder of the Underlying Securities will need to claim any outstanding balance through insolvency proceeding and will rank equally with other holder of the Underlying Securities as creditors of the same class. In the presence of other higher-ranking creditors and in an Insolvent situation, the holder may not be compensated adequately or at all.
- 7.2 Call Risk. If the Seller exercises its right to repurchase the Underlying Securities prior to maturity, such act will shorten the investment period and affect the return of the investment.
- 7.3 Counterparty Risk. The parties to a Repo Transaction are principals and counterparties, each party bears the credit risk of the other party.
- 7.4 Taxation risk. The parties to a Repo Transaction do not provide each other with any tax representation or advice relating to the Repo Transaction. If necessary, the parties shall seek independent professional advice in this regard in relation to the Repo Transaction.

Schedule 10

Notice To Customers Relating To the Foreign Account Tax Compliance Act of the United States

1. Effective from July 1, 2014, SinoPac Securities (Asia) Limited (or hereafter “**The Company**”) has resolved to react to and comply with U.S. Foreign Account Tax Compliance Act (or hereafter “**FATCA**”).
2. The Company has agreed to report certain information to the Internal Revenue Service (“**IRS**”) with respect to each U.S. account. The information that must be reported with respect to each U.S. account includes: (a) the name, address, and taxpayer identifying number (TIN) of each account holder who is a specified U.S. person (or, in the case of an account holder that is a U.S. owned foreign entity, the name, address, and TIN of each specified U.S. person that is a substantial U.S. owner of such entity); (b) the account number; (c) the account balance or value; and (d) the payments from the account.
3. The Company may collect the IRS Form W-9 (Request for Taxpayer Identification Number and Certification) from its clients, provided that such client is a U.S. person for tax purposes. A U.S. person for tax purposes includes without limitation to (A) a U.S. citizen or resident; (B) a corporation organized in the U.S. or under the federal or state law of the U.S. or (C) overseas branches or representative offices of U.S. corporation or entities.
4. A U.S. resident alien has the meaning prescribed under relevant U.S. laws as (a) a Green Card holder, or (b) a person who is physically present in the U.S. (including any States, the district of Columbia, Guam, and Puerto Rico) either for 183 days during the current year or total of 183 days during a three-year period, inclusive of 31 days in the current year, 1/3 of the days you were present in the first year before the current year, and 1/6 of the days you were present in the second year before the current year (excluding a person who holds type A, F, G, J, M, or Q visa). A U.S. person includes an entity that is either a partnership, a corporation, or an association created or organized in the United States or under the laws of the United States.
5. The Company may collect certification of identity including but not limited to (a) the IRS Form W-8, (b) a substitute form for Form W-8, or (c) Self-certification, (d) and other supporting documents from the clients who are not a U.S. person for tax purposes. The Company does not accept client who rejects to provide the above documentation, unless the law stated otherwise.

The Company, in compliance with FATCA, holds no responsibility or liability for any loss, direct or indirect, to the applicant who was, who is, or who becomes a U.S. taxpayer but fails to provide the forms required under FATCA or documents specified in this notice; or provides those with false statements.

Schedule 11

Special Terms and Conditions for Tax Compliance ("Special Terms")

These Special Terms form an integral part of the Agreement and should be read together with the General Terms and Conditions and other parts of the Agreement.

1. Application, Definitions and Interpretation

1.1 In these Special Terms, except the context may otherwise require or provide, all words and expressions defined in the General Terms and Conditions shall have the same meanings when used herein.

1.2 In these Special Terms:

"Applicable Inter-jurisdictional Tax Compliance Regulations" means any tax compliance related Applicable Regulations, which include:

- (a) **"FATCA"**, which means:
 - (i) sections 1471 through 1474 of the United States Internal Revenue Code of 1986 (as amended) or any amended or successor version thereof;
 - (ii) any intergovernmental agreement, memorandum of understanding, undertaking and other arrangement between governments and regulators in connection with the above paragraph (i), including as entered into the government of Hong Kong;
 - (iii) agreements between the Company and the Internal Revenue Service of the U.S. or other regulator or government agency pursuant to or in connection with above paragraph (i); and
 - (iv) any laws, rules, regulations, interpretations or practices adopted in the U.S., Hong Kong or elsewhere pursuant to any of the foregoing;
- (b) **"Tax Information Sharing Arrangements"**, which means any local or foreign laws, regulations and rules including the obligations under FATCA and associated rules and regulations and other international exchange arrangements affecting the Company;
- (c) any other international treaties or governmental agreements affecting the Company; and

"Tax Authority" means any government, government body, government agency or regulator in or outside of Hong Kong, including the Inland Revenue Department of Hong Kong and Internal Revenue Service of the U.S.

2. Terms and Conditions on Tax Compliance

2.1 The Client acknowledges that it is the sole responsibility of the Client to understand and comply with the Client's tax obligations in all jurisdictions. Such tax obligations include tax payment or filing of returns or other required documents to Tax Authority. The Client also acknowledges that certain countries or regions have tax legislation with extraterritorial effect regardless of the place of domicile, residence, citizenship or incorporation of the Client.

2.2 The Client acknowledges that the Company or any of its Affiliates or agents will not provide legal or tax advice on Client's tax obligations in all jurisdictions.

- 2.3 The Client acknowledges that the Company's obligations imposed by Applicable Inter-jurisdictional Tax Compliance Regulations are continuous. The Client agrees to cooperate with the Company's necessary measures taken in compliance with all Applicable Inter-jurisdictional Tax Compliance Regulations, including provision of identification information and personal data to the Company from time to time. Such measures include (i) nationality and taxpayer identity investigation over the Client or any beneficial owners, authorised persons or other representatives of the Client, (ii) disclosure of information (including identification details), document, certification or Account details (including account balances, gross amounts of relevant interest incomes, dividend incomes and withdrawals) given by or relating to the Client or any beneficial owners, any authorised signatories or other representatives of the Client, any Account or any transaction to the Tax Authorities.
- 2.4 Provided that any condition set forth in any of the Applicable Inter-jurisdictional Tax Compliance Regulations is met or the Client fails to cooperate with any of such measures of the Company as mentioned in Clause 2.3 hereof, the Company is entitled to withhold or deduct any amount in the Account as required under the Applicable Inter-jurisdictional Tax Compliance Regulations or suspend or terminate any service provided to the Client without prior notification to or confirmation from the Client.
- 2.5 Without limiting any other indemnity provided by the Client, the Client agrees that it will be responsible for and will indemnify and keep indemnified the Company, its officers, employees and agents for any claims, suits, actions, proceedings, losses, damages, obligations, liabilities, costs, fees and expenses arising directly or indirectly out of or in connection with the Company acting on the Client's instructions or provision of services to the Client, including as a result of any of the Client's failure to comply with these Special Terms and other relevant provisions of the Agreement or any other undertakings given by the Client or the agent of the Client providing misleading or false information in respect of the Client or any other person or matter in connection with these Special Terms and other relevant provisions of the Agreement, unless due to the gross negligence, fraud or willful default of the Company or any of its officers, employees or Affiliates.

Schedule 12

Notice To Customers Relating To The Personal Data (Privacy) Ordinance

1. From time to time, it is obligatory for you to supply to us on our request your personal data in connection with the opening, operation and maintenance of your Account with SinoPac Securities (Asia) Limited (the “**Company**”) and the establishment, use and continuation of securities trading services, credit facilities and other services and products offered by the Company. Failure to supply such data may result in the Company being unable to open, operate or maintain the Account, or unable to provide or continue any services, facilities or products. Your personal data may also be collected or compiled by the Company in the course of continuing the contractual relationship between you and the Company, for example, when the Company effects transactions on your behalf.
2. Your personal data may be used for the following purposes:
 - (a) opening, operating and maintaining the Account, processing any applications or requests from you for services, facilities and products, and/or providing financial services, facilities and products to you from time to time, whether by the Company and/or by any of the companies in the Company’s group (which includes the parent company and affiliates of the Company) and their respective offices in Hong Kong and elsewhere in the business of provision of financial services (collectively called the “**Group Companies**”);
 - (b) purchasing, investing, or otherwise disposing of and generally dealing in and with all kinds of securities on your behalf;
 - (c) conducting or assisting other financial institutions to conduct identity and/or credit checks and enquiries on you and ascertaining your financial situation and investment objectives, and enabling or assisting any other financial institutions (including any other Group Companies) to do so;
 - (d) ensuring your ongoing credit worthiness;
 - (e) determining the amount owed to or by you;
 - (f) collection or recovery of amounts outstanding from you or any person who has provided security for your obligations, enforcement of security, charge or other rights and interest in favour of the Company and/or any other Group Companies;
 - (g) researching, designing, launching, promoting and marketing the Company’s and/or any other Group Companies’ financial services or products;
 - (h) meeting any obligations to make disclosure under any law, rules, regulations, codes of practice, guidelines or any other requirements applicable to the Company and/or any other Group Companies or in accordance with any demand or request of any legal, governmental or regulatory bodies or authorities to which the Company and/or any other Group Companies are subject;
 - (i) giving effect to your orders relating to transactions, and carrying out your other instructions;
 - (j) forming part of the records of the persons receiving the personal data from the Company;

- (k) conducting matching procedures as defined in the PDPO;
- (l) maintaining a credit history of the customer (whether or not there exists any relationship between the customer and the Company and/or any other Group Companies or the recipient of the data) for present and future reference;
- (m) enabling any actual or potential assignee or transferee of the Company, or participant or sub-participant of the Company's rights to evaluate the transaction intended to be the subject of the assignment, transfer, participation or sub-participation; and
- (n) other purposes related or incidental to the ordinary course of business of the Company and/or any other Group Companies and any purposes relating or incidental to the above.

The Company and/or any other Group Companies may from time to time transfer your data outside of Hong Kong for any of the above purposes.

3. Your personal data held by the Company will be kept confidential but the Company may provide such data to any of the following persons whether in or outside Hong Kong:
 - (a) any agents, contractors or third party service providers employed by the Company and/or any other Group Companies to provide administrative, data processing, financial, telecommunications, computer, payments, dealing, clearing, settlement, custody, depository or other services in connection with the operation of their business;
 - (b) any other persons to whom your personal data is passed who are under a duty of confidentiality to the Company, including but not limited to the Group Companies which have undertaken to keep such data confidential, for various purposes set out in Clause 2 hereof;
 - (c) any nominees in whose name your securities or other assets may be registered;
 - (d) any actual or potential assignee, transferee, participant, sub-participant, delegate, successor or person who acquires, undertakes or shares all or any of the rights and obligations of the Company in connection with the Account or other dealings between you and the Company;
 - (e) any financial institution with which you have or proposed to have dealings;
 - (f) any person with your express or implied consent;
 - (g) any individual under a duty of confidentiality, who registered as the customer's agent of the customer's stocks and assets;
 - (h) any person where the interests of the Company require disclosure or where the Company is under an obligation to make disclosure;
 - (i) any person where public interest requires disclosure;
 - (j) auditors, legal advisors and/or other professional advisors of the Company and/or any other Group Companies;
 - (k) credit reference agencies and, in the event of your default, debt collection agencies;

- (l) any person who requests the Company and/or any other Group Companies to provide references in respect of you upon producing proof of your prescribed consent; and
 - (m) any exchange, entity, agency, regulatory or government body in any jurisdiction if required by law or pursuant to any court orders, rules or regulations to which the Company and/or any other Group Companies is subject. In such cases, the Company and/or any other Group Companies is usually under a duty of secrecy and will not be able to notify a customer or seek his/her consent in relation to such release of information.
4. Under and in accordance with the terms of the PDPO, you have the right:
- (a) to check whether the Company holds data about you and the right of access to such data;
 - (b) to require the Company to correct any data about you which is inaccurate;
 - (c) to ascertain the Company's policies and practices in relation to personal data and to be informed of the kind of personal data held by the Company.
5. The Company and/or any other Group Companies may use your personal data in direct marketing with your consent (which includes an indication of no objection) for that purpose. In this connection, please note that:
- (i) Your personal data such as the customer 's name, telephone number, email address, correspondence address, account number, products and services portfolio information, transaction pattern and behaviour, risk profile, financial background and investment objectives and experience may be used by the Company and/or any other Group Companies in direct marketing.
 - (ii) The following classes of services, products, facilities and marketing subjects may be marketed:
 - (1) financial, securities, commodities, derivatives, investment, financing, insurance, MPF/ ORSO, wealth management, investor education and related services, products and facilities;
 - (2) reward, loyalty or privileges programmes and related services, products and facilities;
 - (3) services, products and facilities offered by business partners of the Company and/or any other Group Companies providing any of the services, products and facilities referred to in Clause 5(ii)(1) above; and
 - (4) donations and contributions for charitable and/or non-profit making purposes.
 - (iii) The above services, products, facilities and marketing subjects may be provided or (in the case of donations and contributions) solicited by the Company and/or any other Group Companies and/ or any of the following persons:
 - (1) any member of the Company and/or any other Group Companies;
 - (2) third party financial institutions and providers of any of the services, products and facilities referred to in Clause 5(ii)(1) above;

- (3) third party reward, loyalty, co-branding or privileges programme providers;
 - (4) business partners of any member of the Company and/or any other Group Companies providing any of the services, products and facilities referred to in Clause 5(ii)(1) above; and
 - (5) charitable or non-profit making organisations.
- (iv) The Company and/or any other Group Companies may, with your written consent (which includes an indication of no objection), also provide the personal data described in Clause 5(i) above to any of the persons referred to in Clause 5(iii) above for use by any of them in direct marketing of the services, products, facilities and marketing subjects referred to in Clause 5(ii) above. The Company and/or any other Group Companies may so provide the personal data to such persons for direct marketing purposes for gain.

If a customer wishes the Company to cease to use and provide his/her personal data to other persons for us in direct marketing, the customer may notify the Company in writing by mailing or faxing the written notification to the postal address, email address or fax number provided in Clause 9 below. The Company shall then cease to use and provide his/her personal data for direct marketing purposes without any charge.

6. There may be instances where customers elect to provide personal information to the Company and/or any other Group Companies through electronic means (such as internet or voice recording system). Whilst the Company generally uses best endeavours to maintain the security and integrity of its systems, due to many unpredictable traffic or other reasons, electronic communication may not be a reliable medium of communication, customers should take heed of such weaknesses and communicate personal information through electronic communication with caution.
7. According to the PDPO, the Company has the right to charge you a reasonable fee for the processing of any data access request.
8. Neither the Company nor any other Group Company shall have any liability to you if any information supplied by you or on your behalf is incorrect or inaccurate.
9. The person to whom requests for ceasing the use of personal data in direct marketing, access to data, correction of data or information regarding policies and practices and kinds of data held are to be addressed as follows:

The Data Protection Officer
SinoPac Securities (Asia) Limited
7th Floor, Lee Garden Three, 1 Sunning Road,
Causeway Bay, Hong Kong
Email: dpo.spsa@sinopac.com
10. The Company and/or the other Group Companies are required, upon your written request, to cease to use your personal data for direct marketing purposes without charge.
11. This Notice may be revised, amended or supplemented from time to time by the Company. The most up-to-date Statement can be found in the Company's website at www.sinopacasia.com or available from the Company upon written request.

12. Nothing in this Notice shall limit your rights under the PDPO.
13. In this Notice wherever the context so requires or admits where the customer comprises two or more persons all references to the customer shall be construed as references to all or any of such persons, the singular shall include the plural and vice versa, the expression “**person**” shall mean and include a company, society, corporation, firm or an individual and in the case of an individual his or her executors, administrators, committee, receiver or other person lawfully acting on behalf of every such person. All references to the plural herein shall also mean the singular and to the singular shall also mean the plural unless the context otherwise requires. All references to “**customer**” include prospective and existing customers, visitors to the Company’s website and individuals who participate in promotion, contest or game.

Schedule 12A

GDPR Privacy Statement

The Company has issued this GDPR Privacy Statement in light of the enactment of the General Data Protection Regulation (“GDPR”), the new data protection and privacy regulation of the European Union (“EU”).

This GDPR Privacy Statement is applicable to you and be supplementing the “Notice To Customers Relating to The Personal Data (Privacy) Ordinance”(“PDPO Notice”) of the Company if:

- 1. (for individual and joint account holders) you are living in any of the European Union member countries, Iceland, Liechtenstein or Norway; or**
- 2. (for all account holders) you have provided any personal data of a person living in any of the European Union member countries, Iceland, Liechtenstein or Norway to us.**

This GDPR Privacy Statement, together with the PDPO Notice, sets out what personal data the Company collects from you, what is the personal data used for and the safeguard the Company put in place, your rights on your personal data, to whom your personal data is transferred and how to lodge a complaint. Should there be any inconsistency between this GDPR Privacy Statement and the PDPO Notice, this GDPR Privacy Statement shall prevail.

What personal data we collect

The Company may collect some or all of following personal data from you whether you are in the EU or outside the EU, either by ways of automatic, semi-automatic or manual measures of collection of personal data from time to time:

- 1) Name
- 2) Residential / Permanent address
- 3) Identification document no. and/or passport no.
- 4) Contact numbers (including but not limited to home number, mobile number, work number and fax numbers)
- 5) Date of birth
- 6) Place of birth
- 7) Email address
- 8) Information relevant to your occupation
- 9) Gender
- 10) Citizenship
- 11) Bank account details
- 12) Financial information
- 13) Spouse and family information (if required)
- 14) Background check information (if required)
- 15) Any documents (or copies of such documents) verifying the abovesaid information provided by you (if required)

Additionally, your personal data may also be collected, generated or compiled by the Company in the course of continuing the contractual relationship between you and the Company, for example, when the Company effects transactions on your behalf, any conversation will be recorded to resolve queries or issues, for regulatory purposes, to help improve the quality of service of the Company, and to help detect or prevent frauds. Conversations may also be monitored for staff training purposes.

For the protection of safety of the customers of the Company, visitors and employees, the Company also operates CCTV in its premises.

Purposes of data collection

In addition to the abovementioned purposes, the Company may also use your personal data for the purposes specified in paragraph 2 of the PDPO Notice:

Your rights on your personal data

According to the GDPR, in addition to the rights specified in the PDPO Notice, you will also have the following rights:

- The right of access - according to Article 15 of the GDPR.
- The right to rectification - according to Article 16 of the GDPR.
- The right to erasure - according to Article 17 of the GDPR.
- The right to object - according to Article 21 of the GDPR.
- The right to restrict processing - according to Article 18 of the GDPR.
- The right to data portability - according to Article 20 of the GDPR.

On grounds relating to your particular situation, you shall have the right of objection to processing of your personal data by the Company at any time, in line with Article 6 paragraph 1 subparagraph e of the GDPR (data processing in the public interest) and Article 6 paragraph 1 subparagraph f of the GDPR (data processing based on balancing interests). This also applies to profiling based on this provision in terms of Article 4 paragraph 4 of the GDPR. Your objection may mean that the Company will no longer be able to provide services to you.

You have the right to request access to and correction of personal data. If you believe any information we hold on you is incorrect or incomplete, the Company will strive to update or correct it as quickly as possible unless there is a valid reason for not doing so, at which point you will be notified. The Company will not store your personal data for longer than is necessary for the maintenance of your account or for the legal or regulatory requirements. The Company has strict retention period in place to meet these obligations.

To whom your personal data is transferred

According to in paragraph 3 of the PDPO Notice, the Company may provide your personal data to any of the persons specified therein whether in or outside Hong Kong. If you are located in the European Economic Area (“EEA”) your personal data may be transferred to countries located outside the EEA which do not provide a similar or adequate level of protection to that provided by countries in the EEA. Such transfers will only be made in accordance with applicable laws and regulations including where necessary for the Company to comply with its contractual obligations with you. The Company will take all steps reasonably necessary to ensure that any personal data are treated securely and in accordance with this GDPR Privacy Statement and the PDPO Notice.

The Company will update this GDPR Privacy Statement and/or the PDPO Notice as soon as possible in the event a modification is required in response to changes in the society or of any applicable laws or regulations, and will publicize the modified measure on the company website.

If you have any questions, you can reach our Customer Services Department (CS) or Data Protection Officer (DPO) at:

SinoPac Securities (Asia) Limited
CS Tel.: (852) 2523 6685
CS Email: cs.asia@sinopac.com
DPO Email: dpo.spsa@sinopac.com

Schedule 13

Notice To Customers Relating To the Use of Personal Data Relating To Tax Compliance

The Company may collect, process, use and transfer the personal data provided by Client for the purpose of compliance of the Applicable Inter-jurisdictional Tax Compliance Regulations and such personal data may be transferred to or used by the Tax Authority.

For details of the terms and conditions relating to personal data collected in the above connection, please refer to the parts relating to personal data in the Terms and Conditions of Client's account.

Please refer to Special Terms and Conditions for Tax Compliance in the Terms and Conditions of Client's Account for the definitions of "Applicable Inter-jurisdictional Tax Compliance Regulations" and "Tax Authority".

Schedule 14

Special Terms and Conditions for Shanghai-Hong Kong and Shenzhen-Hong Kong Stock Connect Services (“Special Terms”)

These Special Terms form an integral part of the Agreement and should be read together with the General Terms and Conditions, the Special Terms and Conditions for Securities Trading (Cash), the Special Terms and Conditions for Securities Trading (Margin) and other parts of the Agreement.

1. Definitions and Interpretation

- 1.1 In these Special Terms, except as the context may otherwise require or provide, all words and expressions defined in the General Terms and Conditions shall have the same meanings when used herein.
- 1.2 In these Special Terms:

"ChiNext Securities" means any Securities traded in ChiNext Market.

"Institutional Professional Investor" or "IPI" means a person falling under paragraphs (a) to (i) of the definition of “professional investors” in section 1 of Part 1 of Schedule 1 to SFO.

“Market Requirements” means all laws, rules and regulations as well as all requirements and requests of regulatory or governmental bodies, Exchanges, Markets, Clearing Houses and other bodies with competent jurisdiction (including but not limited to SEHK, SSE, SZSE, the respective subsidiaries and affiliates of SEHK, SSE, SZSE, SFC and the China Securities Regulatory Commission) as may be applicable from time to time to the Shanghai-HK or the Shenzhen-HK Stock Connect Services and trading through the use of such services.

2. Shanghai-HK and Shenzhen-HK Stock Connect Services

- 2.1 By continuing using the Shanghai-HK or the Shenzhen-Hong Kong Stock Connect Services, the Client hereby confirms with the Company that the Client has read, understood and agreed to these Special Terms and accept all risks associated with using and trading through the use of such services as follows:
- (1) The Client shall comply, and be solely responsible for complying with the Market Requirements. Unless otherwise required by laws, the Company is not obliged to update these Special Terms in light of any change in the Market Requirements.
 - (2) In particular, the Client shall be fully aware of and comply with all Market Requirements in the Mainland China in relation to short-swing profits, restrictions on conducting off-exchange transactions and transfers, shareholding restrictions and disclosure obligations including but not limited to the following in respect of A shares listed on SSE or SZSE (subject to change without any notice from the Company):
 - (a) requirement for an investor to disclose interest held or controlled by it in a Mainland China listed company within three working days of its interest reaching 5% of the issued shares of such listed company and not to buy or sell the shares of that

company within such three-day period, and the requirement to disclose any change in its shareholding and to comply with the related trading restrictions; and

- (b) the 10% single foreign investor's shareholding limit (10% of the total issued shares of a Mainland China listed company) and the 30% aggregate foreign investors' shareholding limit (30% of the total issued share capital of a Mainland China listed company) applicable to Hong Kong and/or overseas investors and the related forced-sale arrangement.
- (3) The Client acknowledges that unless otherwise permitted under the Market Requirements, the SSE-Securities or the SZSE-Securities purchased on a trading day cannot be sold on the same day and the Client shall have sufficient SSE-Securities or the SZSE-Securities in its account with the Company before commencement of trading on a trading day if the Client intends to sell the SSE-Securities or the SZSE-Securities. The Client is prohibited from naked short selling in SSE-Securities or the SZSE-Securities.
- (4) The Client acknowledges that pre-trade checking is in place so that the Client must have his/her shares transferred to the Company's corresponding CCASS account before the commencement of trading on a trading day if the Client intends to sell the shares during a trading day.
- (5) The Client acknowledges that all trading of the SSE-Securities or the SZSE-Securities must be conducted on SSE or SZSE, i.e. no over-the-counter (OTC) or manual trades are allowed.
- (6) Unless otherwise agreed by the Company, the Client agrees not to conduct any margin trading, stock borrowing and lending and/or short - selling activities through the use of the Shanghai-HK or the Shenzhen-HK Stock Connect Services and any order placed by the Client for SSE-Securities or the SZSE-Securities shall be deemed to have been made with the representation and confirmation to the Company that such order does not involve any margin trading, stock borrowing and lending and/or short – selling. Where the Client conducts margin trading, stock borrowing and lending and/or short-selling activities through the use of the Shanghai-HK or the Shenzhen-HK Stock Connect Services, the Client shall be fully aware of the restrictions, requirements and conditions applicable to such activities. In particular, the Client acknowledges that trading services for such activities may be suspended, restricted or ceased in circumstances stipulated by the Market Requirements (such as when volume of trading activities exceeds the thresholds prescribed by the Market Requirements or any abnormal trading activities have or are suspected to have taken place) and that margin trading and short-selling activities may only be conducted in respect of eligible SSE-Securities or the SZSE-Securities. The Client may refer to the lists of eligible SSE-Securities or the SZSE-Securities published on the website of SEHK (www.hkex.com.hk) from time to time.
- (6a) The Client acknowledges that only IPIs are allowed to trade ChiNext Securities. The Client undertakes with the Company that it will not trade ChiNext Securities unless the Client is an IPI or until such time as such restriction on trading ChiNext Securities is removed. If the Client is an intermediary placing orders to the Company as agent on behalf of the underlying customers of the Client, the Client undertakes with the Company that the Client shall ensure that those underlying customers who trade ChiNext Securities through Client are also IPIs until such time as such restriction on trading ChiNext shares is removed. If (i) the Client or, if the Client is an intermediary,

any underlying customers of the Client, breaches such restriction on trading ChiNext Securities; or (ii) the Client breaches any of the Client's undertakings hereunder, the Company has the right at its absolute discretion to cancel the Client's orders or to sell the Client's ChiNext Securities without further notice to the Client. The Company shall not be liable for any loss howsoever caused arising from the exercise by the Company of its rights conferred hereby unless due to gross negligence, fraud or willful default of the Company or any of its officers, employees and Affiliates and only to the extent of direct and reasonably foreseeable loss or damage (if any) arising directly and solely therefrom. Notwithstanding the aforesaid, subject to the Market Requirements, the Company may at its absolute discretion accept instructions to sell ChiNext Securities from a non-IPI Client if the relevant ChiNext Securities are received by such non-IPI Client as a result of any distribution of rights (including the right to subscribe for rights issues open offers) or entitlements, conversion, takeover, other corporate actions or special circumstances.

- (7) The Client acknowledges that SEHK, SSE, SZSE and their respective subsidiaries and affiliates have power not to extend their services relating to the Shanghai-HK or the Shenzhen-HK Stock Connect Services in circumstances stipulated by the Market Requirements (such as upon contravention of any Market Requirement or abnormal trading conduct committed by any of the Client, the Company and/or its agents) and the Company may refuse to accept instructions from or cease to provide all or part of the Shanghai-HK or the Shenzhen-HK Stock Connect Services to the Client in the Company's absolute discretion or upon SSE or SZSE's request without any prior notice.
- (8) The Client agrees that the Company may take or refrain from taking such actions whether in the Client's name or otherwise in the Company's absolute discretion or upon SSE or SZSE's request without any prior notice including but not limited to any action for a forced-sale of the relevant securities, limiting, restricting or rejecting trading, order cancellation or other instructions given by the Client and suspending, restricting or ceasing to provide all or part of the Shanghai-HK or the Shenzhen-HK Stock Connect Services (i) so as to ensure or facilitate compliance with the Market Requirements and to avoid or mitigate any losses that may be incurred or suffered by the Company in so ensuring or facilitating compliance with the Market Requirements; (ii) if the Client breaches any Market Requirement or terms of the Agreement; or (iii) upon the happening of any contingency or force majeure event such as hoisting of Typhoon Signal No. 8 in Hong Kong beyond the reasonable control of the Company or its agents.
- (9) The Client agrees that for the purposes of carrying out the Client's orders or exercising any of the Company's rights under these Special Terms or under any of the Client's accounts with the Company, the Company may, at any time in its sole and absolute discretion and without any obligation, convert any amount in any currency in any account(s) of the Client or standing to the Client's credit to any other currency, and any exchange rate losses and the costs of conversion shall be borne by the Client.
- (10) The Client acknowledges that the regulators, SSE, SZSE, SEHK and the respective subsidiaries and affiliates of SSE, SZSE and SEHK may have powers to carry out investigations in respect of any breach or suspected breach of any Market Requirements and agrees that the Company and/or its agents may, in accordance with the request made by any such bodies, provide relevant information and materials (including but not limited to information, identities and personal data regarding the Client, the Client's accounts and other persons (legal or otherwise) who are ultimately responsible for originating the instruction in relation to a transaction and stand to gain the commercial or economic

benefit of the transaction and/or bear its commercial or economic risk and information regarding their orders and transactions) and issue warnings to the Client to facilitate any investigations, surveillance or compliance with the Market Requirements.

- (11) The Client agrees that personal data relating to or provided by the Client may be used and transferred outside of Hong Kong in accordance with the Company's "Notice to Customers Relating to the Personal Data (Privacy) Ordinance" and other applicable clauses of the Agreement and the Client undertakes and represents that it shall obtain all necessary consents from the individuals concerned for the said use and transfer and comply with the PDPO.
- (12) The Client acknowledges that SEHK, SSE, SZSE and their respective subsidiaries, affiliates, directors, employees and agents shall not be responsible or held liable for any loss, damage or liability directly or indirectly suffered or incurred by the Client or any other parties arising from or in connection with the Shanghai-HK or the Shenzhen-HK Stock Connect Services or trading through the use of such services.
- (13) Either the Client or the Company may terminate the Client's use of the Shanghai-HK or the Shenzhen-HK Stock Connect Services by giving at least seven Business Days' prior notice to the other party.
- (14) The Client shall be responsible as principal for all obligations and liabilities in connection with the Client's use of the Shanghai-HK or the Shenzhen-HK Stock Connect Services and trading through the use of such services and the Company and its agents do not in any circumstances whatsoever have any responsibility towards any person on whose behalf the Client may act. The Client agrees that the Company may dispose or initiate a disposal by its associate of any of the Securities or Securities collateral received or held on the Client's behalf in settlement of any liability owed by the Client or on the Client's behalf to the Company, the associate or a third person.
- (15) Notwithstanding the foregoing, the Company has absolute discretion to add or amend any terms governing the Shanghai-HK or the Shenzhen-HK Stock Connect Services from time to time for the purpose of ensuring or facilitating compliance with any Market Requirements or other purposes as the Company considers appropriate. Furthermore, The Client agrees that the Shanghai-HK or the Shenzhen-HK Stock Connect Services will be or are provided by the Company in respect of particular Market(s) or Exchange(s) in the Mainland China subject to and upon additional terms from time to time prescribed by the Company and set out in the relevant market annex(es). The said additional and revised terms shall form part of and be read together with these Special Terms. Continued use by the Client of the Shanghai-HK or the Shenzhen-HK Stock Connect Services will constitute acceptance of the additional and revised terms by the Client. The Company may post the additional and/or revised terms on its website at www.sinopacasia.com or notify the Client by other means as the Client considers appropriate.
- (16) The Client has been invited to read carefully and consider the terms of the risk disclosure statements as the Company may provide from time to time setting out risks associated with the use of the Shanghai-HK or the Shenzhen-HK Stock Connect Services and to ask questions and take independent advice if appropriate.
- (17) The Client agrees to pay and reimburse the Company and its agents for all commissions and fees, charges, costs, expenses, levies, penalties and taxes incurred by or imposed on

the Company or its agents in connection with the Client's use of the Shanghai-HK or the Shenzhen-HK Stock Connect Services as the Client may agree with the Company from time to time or which are required by any Market Requirements. The Company and its agents shall not be accountable to the Client for any commissions, remuneration, rebates or other benefits which the Company or agent may receive from or offer to any person in respect of any transaction or business conducted with the Client or on the Client's behalf.

- (18) The Company and its agents shall not be liable for any failure to perform any of their respective obligations in connection with the Shanghai-HK or the Shenzhen-HK Stock Connect Services where such failure is directly or indirectly due to (i) the restraint, failure, default or act of any governmental or regulatory body, Exchange, Market, Clearing House or other body with competent jurisdiction; (ii) suspension, restriction or cessation of services provided by any Exchange; (iii) disruption or failure of settlement and clearing of transactions on the part of any Clearing House; (iv) riot, commotion, war, flood, typhoon, earthquake, fire or explosion; (v) any interruption, delay, failure, suspension or error of third party electronic transmission or other electronic system; or (vi) any other cause which is beyond the reasonable control of the Company or its agents. The Company reserves the right to suspend, restrict or cease to provide all or part of the Shanghai-HK or the Shenzhen-HK Stock Connect Services in its absolute discretion without any prior notice upon the happening of any of the above events and the Client should still bear the settlement obligations if the orders are matched and executed.
- (19) The Company shall not be liable to the Client for any indirect, consequential, incidental, special or punitive damages, losses, liabilities, costs or expenses whatsoever relating to the Shanghai-HK or the Shenzhen-HK Stock Connect Services including but not limited to any loss of profits.
- (20) These Special Terms shall become effective and form an integral part of the Agreement if the Client commences or continues using the Shanghai-HK or the Shenzhen-HK Stock Connect Services. These Special Terms are in addition to the terms and conditions governing the account relationship between the Client and the Company and in the event of any discrepancy, these Special Terms shall prevail.
- (21) The Client acknowledges if the Client has any questions about these Special Terms, the Client can contact his/her account executive.

3. Disclaimers

Part A:

Disclaimer Relating to Shanghai-HK Stock Connect Services

Shanghai Stock Exchange endeavours to ensure the accuracy and reliability of the information provided but does not guarantee its accuracy or reliability and accept no liability (whether in tort or contract or otherwise) for any loss or damage arising from any inaccuracies or omissions.

And

The Stock Exchange of Hong Kong Limited, its holding company and/or any subsidiaries of such holding company endeavour to ensure the accuracy and reliability of the information provided but do not guarantee its accuracy or reliability and accept no liability (whether in tort or contract or otherwise) for any loss or damage arising from any inaccuracies or omissions.

Part B:**Disclaimer Relating to Shenzhen-HK Stock Connect Services**

Shenzhen Stock Exchange endeavours to ensure the accuracy and reliability of the information provided but does not guarantee its accuracy or reliability and accept no liability (whether in tort or contract or otherwise) for any loss or damage arising from any inaccuracies or omissions.

And

The Stock Exchange of Hong Kong Limited, its holding company and/or any subsidiaries of such holding company endeavour to ensure the accuracy and reliability of the information provided but do not guarantee its accuracy or reliability and accept no liability (whether in tort or contract or otherwise) for any loss or damage arising from any inaccuracies or omissions.

Schedule 15

General Terms and Conditions for Option Trading ("General Terms for Option Trading")

These General Terms for Option Trading form an integral part of the Agreement and should be read together with the General Terms and Conditions, the Special Terms and Conditions for Securities Trading (Cash), the Special Terms and Conditions for Securities Trading (Margin) and other parts of the Agreement.

1. Definitions and Interpretation

- 1.1 In these General Terms for Option Trading, except as the context may otherwise require or provide, all words and expressions defined in the General Terms and Conditions shall have the same meanings when used herein.

2. Option Trading

- 2.1 The Client hereby confirms with the Company that the Client has read, understood and agreed to these General Terms for Option Trading as follows:
- (a) all option trading shall be subject to the laws, rules, regulations, customs and usage of the Exchange, Market and Clearing House, if any, where the option trading is executed. The Client shall not, whether alone or in concert with others, violate the position or exercise limits of which such Exchange, Market and Clearing House may establish from time to time.
 - (b) in the case of option sold or written by the Client in the Margin Account:
 - (i) with respect to a call option which if exercised against the Client will require delivery of securities sold, the Client shall keep such securities in the Margin Account until the expiration of the option period, and shall not sell or withdraw such securities. If the option is exercised, the Company may deliver such securities to the purchaser without prior notice to the Client.
 - (ii) with respect to any put option which if exercised against the Client will require payment for securities purchased, the Client shall keep in the Margin Account sufficient funds for such payment until the expiration of the option period, and shall not withdraw such funds or utilize them for any other purpose. If the option is exercised, the Company may use such funds for the purchase of such securities without prior notice to the Client.
 - (c) any securities and funds held in any of the Account shall be held as security for performance and satisfaction of the obligation and liability of the Client to the Company.
 - (d) the Client understands that an Exchange or any other relevant regulatory authority, government agency or professional body may in its discretion and from time to time restrict trading/transactions in particular options or exercise of option contracts in the interests of helping maintain a fair and orderly market in option contracts or in the underlying securities for the protection of investors.
 - (e) the Client agrees to abide by all applicable laws and regulations of the relevant Exchange,

Market and Clearing House, if any, regarding all option trading.

- (f) if the Client exercises a long option contract, the Client agrees to pay the full aggregate exercise price provided for by the option contract.
- (g) exercise instructions are accepted for same day execution on business days within the trading hour set by the Exchange where the option trading is executed. On the business day preceding the expiration date for any particular option contract, the Company will accept exercise instructions in accordance with the trading hour set by the Exchange where the option trading is executed.

The Client acknowledges that the relevant Exchanges, Markets and Clearing Houses, if any, have established cut-off time for delivering exercise instructions. Long options contract of the Client may expire and become worthless if the Client does not deliver instructions by such exercise cut-off time.

The Company is not obliged to give the Client prior notice of option expiration dates, and the Client has the sole responsibility of taking action to exercise an option contract. The Client shall be aware of the trading hours and any non-trading day in place where the option is executed, so to ensure the option can be exercised in a timely manner. If the Client does not provide the Company with any exercise instructions by the prescribed time set by the relevant institutions and Exchanges (which the Company is not obliged to advise), the Client agrees to waive and release the Company, its officers, employees and agents from any and all claims of damage and loss suffered by the Client as a result of option contract not being exercised.

- (h) the Company is under no obligation to convey to the Client any information relating to the underlying securities covered by the option or any securities related thereto, or any information relating to the options, whether such information is then or thereafter known or available. It is the sole responsibility of the Client to exercise, in a proper and timely manner, any right, privilege or obligation of any put option or call option in the Client's account.
- (i) the Company and its Affiliates may trade in options and the securities underlying such options for its own account. Such trading may be conducted continuously on a daily basis, and may occur prior to, contemporaneously with, or subsequent to any option transaction effected for the Client's Account.

In such trading, the Company and its Affiliates may take option positions or their underlying securities which may be similar to or which may vary from (a) the positions which the Client may have in the account or (b) transaction with the Company and its Affiliates may recommend the Client or (c) transactions which the Company and its Affiliates may effect for the Client. The Company has advised the Client and the Client understands that such trading may adversely affect the price of such options or their underlying securities.

- (j) the Company shall allocate exercise assignment notices for option contracts on a random selection basis.
- (k) the Client understands that the Company reserves all its right to modify and/or revoke any or all level of option trading for which the Account has previously been approved, should the Company deems this action necessary.

Schedule 15A

Special Terms and Conditions for Option Trading on The Stock Exchange of Hong Kong Limited ("Special Terms")

These Special Terms form an integral part of the Agreement and should be read together with the General Terms and Conditions for Option Trading and other parts of the Agreement.

1. Definitions and Interpretation

1.1 In these Special Terms, except as the context may otherwise require or provide, all words and expressions defined in the General Terms and Conditions shall have the same meanings when used herein.

1.2 In these Special Terms:

"Client Contract" has the meaning as defined in the Options Trading Rules of the SEHK;

"Contract" has the meaning as defined in the Options Trading Rules of the SEHK;

"Exchange Traded Options Business" has the meaning as defined in the Options Trading Rules of the SEHK;

"Margin" has the meaning specified in Clause 2.1(e) of this Schedule 15A;

"Omnibus Account" has the meaning as defined in the Options Trading Rules of the SEHK;

"Options Contract" means a contract made pursuant to Options Trading Rule 513 incorporating the terms and conditions of the Standard Contract for a particular option series;

"Options System" means the Options Trading System and the Options Clearing System and any other facility provided by the SEHK or SEOCH for the transaction of Exchange Traded Options Business;

"Options Trading Exchange Participant" has the meaning as defined in the Options Trading Rules of the SEHK;

"Premium" means the amount payable by a holder and payable to a writer of a Contract in respect of the writing of that Contract;

"SEOCH Collateral" has the meaning as defined in the Clearing Rules of the SEOCH; and

"Standard Contract" means the standard terms and conditions applicable to an Options Contract as specified by the SEHK from time to time as set out in the Sixth Schedule to the Options Trading Rules of the SEHK.

2. Option Trading on The Stock Exchange of Hong Kong Limited

The Client hereby confirms with the Company that the Client has read, understood and agreed to these Special Terms as follows:

- (a) the Company will keep information relating to the Account confidential, but may provide any such information to the parties concerned according to the Company's "Notice to Customers Relating to the Personal Data (Privacy) Ordinance" and other applicable clauses of the Agreement;
- (b) the Client confirms that (i) the Account is operated solely for the Client's account and benefit, and not for the benefit of any other person; or (ii) the Client has disclosed to the Company in writing the name of the person(s) for whose benefit the Account is being operated; or (iii) the Client has requested the Company to operate the Account as an Omnibus Account, and will immediately notify the Company, on request, of the identity of any person(s) ultimately beneficially interested in the Client Contracts;
- (c) all Exchange Traded Options Business shall be effected in accordance with the Rules applying to the Company, which include, but are not limited to, the Options Trading Rules of SEHK, the Clearing Rules of SEOCH and the rules of the HKSCC; and in particular, SEOCH has authority under the Rules to make adjustments to the terms of Contracts, the Company should notify the Client of any such adjustments which affect Client Contracts to which the Client is a party, and all actions taken by the Company, by SEHK, by SEOCH or by HKSCC in accordance with such Rules shall be binding on the Client;
- (d) the terms of the Standard Contract for the relevant options series shall apply to each Client Contract between the Company and the Client, and that all Client Contracts shall be created, exercised, settled and discharged in accordance with the Rules;
- (e) the Client agrees to provide the Company with cash and/or securities and/or other assets ("**Margin**") as may be agreed from time to time, as security for the Client's obligations to the Company under the Agreement; such Margin should be paid or delivered as demanded by the Company from time to time; and the amounts required by way of Margin should not be less than, but may exceed, the amounts as may be required by the Rules in respect of the Client's open positions and delivery obligations, and further Margin may be required to reflect changes in market value;
- (f) if the Company accepts securities by way of Margin, the Client will on request provide the Company with such authority as the Company may require under the Rules to authorize the Company to deliver such securities, directly or through another Options Trading Exchange Participant, to SEOCH as SEOCH Collateral in respect of Exchange Traded Options Business resulting from the Client's instructions to the Company; and the Company does not have any further authority from the Client to borrow or lend the Client's Securities or otherwise part with possession (except to the Client or on the Client's instructions) of any of the Client's Securities for any other purpose;
- (g) the Client agrees to indemnify the Company, and the Company's employees and agents, against all losses and expenses resulting from breach of the Client's obligation under the Agreement, including costs reasonably incurred in collecting debts from the Client, and in closing the Account;
- (h) if the Client fails to comply with any of the Client's obligations and/or to meet the Liabilities, including failure to provide Margin, the Company, without prejudice to any other rights the Company may have, may:
 - (i) decline to accept further instructions from the Client in respect of Exchange Traded Options Business;

- (ii) close out, give-up or exercise some or all of the Client's Client Contracts with the Company;
 - (iii) enter into any Contracts, or into any transactions in Securities, futures or Commodities, in order to settle obligations arising or to hedge the risks to which the Company is exposed in relation to the Client's failure;
 - (iv) dispose of some or all of the Margin, and apply the proceeds thereof to discharge the Liabilities, and any proceeds remaining after discharge of all the Liabilities should be paid to the Client;
- (i) the Client agrees to pay interest on all overdue balances (including interest arising after a judgment debt is obtained against the Client) at such rates and on such other terms as the Company has notified to the Client from time to time;
 - (j) in respect of all Contracts effected on the Client's instructions, the Client will pay the Company, within the time period notified by the Company, Premium, the Company's commission and any other charges, and applicable levies imposed by the SEHK, as have been notified to the Client; and the Company may deduct such Premium, commissions, charges and levies from the Account;
 - (k) the Company may place limits on the open positions or delivery obligations that the Client may have at any time;
 - (l) the Client acknowledges that:
 - (i) the Company may be required to close out or give-up Client Contracts to comply with position limits imposed by SEHK; and
 - (ii) if the Company goes into default, the default procedures of SEHK may result in Client Contracts being closed out or given-up, or replaced by Client Contracts between the Client and another Options Exchange Participant;
 - (m) the Client acknowledges that where there is a change in the capital structure or composition of the issuer of the underlying securities of an option class or in any other exceptional circumstances, SEOCH may make adjustments to the terms and conditions of that option class as are, in its opinion, necessary and desirable to ensure that all parties to Contracts comprised in open positions in that option class are treated fairly. The Client hereby acknowledges and agrees that all such adjustments shall be binding on the Client;
 - (n) at the Client's request, the Company may agree to the Client Contracts between itself and the Client being replaced, in accordance with the Rules and the Client's instructions, by Client Contracts between the Client and another Options Exchange Participant;
 - (o) on exercise of a Client Contract by or against the Client, the Client will perform the Client's delivery obligations under the relevant contract, in accordance with the Standard Contract and as the Client has been notified by the Company;
 - (p) the Client acknowledges that, although all Options Contracts are to be exercised on the SEHK, the Client and the Company shall contract as principals under Client Contracts;
 - (q) the Company agrees to provide the Client, upon request, with the product specifications for Options Contracts;

- (r) if the Company fails to meet its obligations to the Client pursuant to the Agreement, the Client shall have a right to claim under the Investor Compensation Fund established under the SFO, subject to the terms of the Investor Compensation Fund from time to time;
- (s) the Company will notify the Client of material changes in respect of the Company's business which may affect the services the Company provides to the Client;
- (t) the Client acknowledges that the Company is registered as Options Trading Exchange Participant with the SEHK (HKATS Customer Code: SNP) and Direct Clearing Participant with the SEOC (DCASS Customer Code: CSNP) and will provide the full name and contact details of the Options Officer or Options Representative who will be primarily responsible for the Client's affairs to the Client;
- (u) the Client acknowledges that on the expiry day but only on the expiry day, the Options System will automatically generate exercise instructions in respect of all open long positions which are in-the-money by or above the percentage prescribed by SEOC from time to time. The Client may instruct the Company to override such "automatically generated exercise instruction" before the System Closure on the expiry day in accordance with the Operational Clearing Procedures of SEOC; and
- (v) if there is inconsistency between these Special Terms and the terms and conditions governing the account relationship between the Client and the Company, these Special Terms shall prevail.

Schedule 16

Special Terms and Conditions for Futures Trading (“Special Terms”)

These Special Terms form an integral part of the Agreement and should be read together with the General Terms and Conditions and other parts of the Agreement.

1. Definitions and Interpretation

1.1 In these Special Terms, except as the context may otherwise require or provide, all words and expressions defined in the General Terms and Conditions shall have the same meanings when used herein.

1.2 In these Special Terms:

“**Closing out**” means, in relation to a Contract, entering into a second Futures Contract or Option Contract (as the case may be) on identical terms to the first-mentioned Contract, except that:

- (i) the price may not be the same as the price specified in the first-mentioned Contract, and
- (ii) the Client takes the opposite side to the side it holds under the first-mentioned Contract for the purpose of crystallizing the profit or loss on the first-mentioned Contract, and the expression “**close out**” shall be construed accordingly;

“**Exchange Participant**” means a person who, in accordance with the HKFE Rules, may trade on or through HKFE and whose name is entered in a list, register or roll kept by HKFE as a person who may trade on or through HKFE, including its affiliates which have been granted access to HKATS;

“**Margin**” means such amount in such currency and such other security whatsoever as the Company may from time to time demand from the Client by way of margin, variation adjustment or other cash adjustments in relation to Contracts;

“**Open Contract**” or “**open position**” means a Contract which has not been closed out;

“**Rule 30.10 Firm**” means a member of a self-regulatory organization which is exempt from registration with the U.S. Commodity Futures Trading Commission in respect of business conducted from locations outside of the United States for United States persons on non-United States boards of trade pursuant to relief granted to the self-regulatory organization or the foreign regulator which regulates the members of the self-regulatory organization under Rule 30.10 of the Rules of the U.S. Commodity Futures Trading Commission; and

“**U.S. customer**” includes any natural person, corporation, partnership, legal person or other business organization placing orders from the United States.

In these Special Terms, the terms “**Chief Executive**”, “**approved debt securities**”, “**approved securities**”, “**Omnibus Account**” and “**F.O. Business**” shall have the meaning assigned to them under the HKFE Rules. Unless otherwise stated, words and expressions undefined in these Special Terms shall have the same meanings as defined in the HKFE Rules.

2. Applicable Rules and Regulations

- 2.1 The Client's instructions and all Contracts entered into by the Company on behalf of the Client shall be subject to the Agreement; the constitution, rules, regulations, usages, rulings and interpretations then in force of the Exchange or Clearing House where the transactions are executed by the Company or its agents; and the applicable laws, rules, or regulations, including without limitation the provisions of the SFO. In the event of any conflict or inconsistency between (a) the Agreement and (b) any such constitution, rules, regulations, usages, rulings, interpretations and laws, the latter shall prevail to the extent necessary to resolve such conflict or inconsistency, and the Company may in its absolute discretion take or refuse to take any action, or demand that the Client shall take or refrain from taking any action, to ensure compliance with the same.
- 2.2 In respect of transactions related to the Contracts executed in the markets operated by HKFE, the HKFE Rules shall be binding on both the Client and the Company.
- 2.3 In respect of transactions related to the Contracts executed in the Exchange other than those operated by HKFE, such transactions will be subject to the rules and regulations of the Exchange concerned, with the result that the Client may have a markedly different level and type of protection in relation to those transactions, as compared to the level and type of protection afforded by the HKFE Rules.
- 2.4 In respect of transactions entered into between the Company and the Client relating to any currency option, foreign exchange contract or contracts for the future delivery of foreign currencies or securities, the Client agrees that such transaction is governed by and subject to all the rules, regulations, orders and laws of the country of the currency or money concerned and those of Hong Kong and/or the by-laws, rules and regulations of the Exchange concerned in which the transaction is done and that in all these transactions referred to in this Clause, the Company may contract as a principal.
- 2.5 In the event that the Company enters into a transaction for the Contracts traded on the automated electronic trading system operated by the New York Mercantile Exchange ("NYMEX" and such Contracts are hereinafter referred to as "NYMEX Contracts") for the account of the Client, such transactions will be subject to the rules of NYMEX governing NYMEX Contracts from time to time in force and, if the Client is dealing and/or trading in NYMEX Contracts for the benefit of another person, the Client shall ensure that in its agreement with such other person there shall be a provision to the effect of this Clause.
- 2.6 No provisions of these Special Terms shall be deemed to operate so as to remove, exclude or restrict any rights of the Client or the obligation of the Company under the laws of Hong Kong.

3. Instructions

- 3.1 After any Contract has been entered into by the Company on behalf of the Client, the Company will notify the Client of the details of such Contract in such form, containing such details and provided to the Client within such time limit as the Company may determine.
- 3.2 Any statement or confirmation issued by the Company stating the price or value at which any Contract is entered into or closed out, or the exchange rate applicable in any currency conversion, or the amount owing by the Client to the Company at any given time shall, in the absence of manifest error, be binding on the Client as to the particulars stated.

4. Dealing/Trading Practices

- 4.1 The Company shall have no obligation to provide the Client with information with respect to any position of the Client and (except as directed by the Client) no obligation to but shall have the right set out in these Special Terms to close any position in any Account the Company may carry on behalf of the Client.
- 4.2 The Company may, wherever the Company considers it necessary, sell any Commodities or other properties belonging to the Client or in which the Client has an interest, cancel any open orders for the purchase and sale of any Commodity, with or without notice to the Client, and the Company may borrow or buy any Commodity required to make delivery against any sale, including a short sale effected for the Client. Such sale or purchase may be public or private and may be made without advertising or notice to the Client and in such manner as the Company may purchase the Commodities or other properties free of any right of redemption. The Client agrees that in respect of such sale, the Company shall have no liability for any loss and damage thereby incurred and without prejudice to the foregoing, the Client will not make any claim against the Company concerning the manner of sale or time thereof. The proceeds of such transactions are to be applied to reduce the indebtedness of the Client to the Company, if any.
- 4.3 The Client acknowledges that the Company is bound by the HKFE Rules which permit HKFE to take steps to limit the positions or require the closing out of the Contracts on behalf of such clients who in the opinion of HKFE are accumulating positions which are or may be detrimental to any particular Market or Markets (as defined under the HKFE Rules), or which are or may be capable of adversely affecting the fair and orderly operation of any Market or Markets as the case may be.
- 4.4 The Client accepts that each Contract transacted by the Company on the instructions of the Client contemplates actual performance in accordance with its terms and, as between the Client and the Company, shall be deemed to contain obligations on the Client and the Company to make settlement of such Contract and/or to take or delivery of the Commodity (if physical delivery is possible) the subject matter of such Contract, as the case may be.
- 4.5 If the Client fails to provide the Company with instructions to close out any Contract or deliver to the Company all monies, securities, financial instruments, documents and other properties deliverable by the Client under such Contract in order to enable due settlement of the same by the Company in accordance with the rules of the relevant Exchange or Clearing House, the Company may without notice to the Client either close out such Contract or take or make delivery of the relevant Commodity on behalf of the Client upon such terms and by such methods as the Company may in its absolute discretion determine. The Client hereby undertakes to indemnify and keep the Company fully indemnified in respect of all losses, damages, claims, penalties, fines, taxes, costs and expenses incurred or suffered by the Company as a result of or in connection with any action taken by the Company pursuant to the provisions of this Clause.
- 4.6 In case of the sale of any Commodity or other properties by the Company at the direction of the Client and the inability of the Company to deliver the same to the purchaser by reason of the Client's failure to supply the Company therewith, then and in such event, the Client authorises the Company to buy or borrow any Commodity or other properties necessary to make delivery thereof, and the Client hereby agrees to guarantee and hold the Company harmless against any loss and damage which the Company may sustain thereby, any premiums

which the Company may be required to pay and for any loss which the Company may sustain by reason of the inability of the Company to buy or borrow the relevant Commodity or other properties sold.

- 4.7 The Client shall forthwith upon request by the Company supply to the Company in relation to any Contract entered into by the Company on behalf of the Client such information in relation to the settlement, delivery and/or (in the case of an Option Contract) exercise of any such Contract which has not been closed out, or as the case may be, exercised, as the Company may request.
- 4.8 The Client shall be liable for all losses whether or not the Account is liquidated and for any debts and deficiencies in any Account including all debts and deficiencies resulting from a liquidation of the Account. The Client shall pay the Company forthwith upon demand by the Company at any time the amount of all losses, debit balances and deficiencies resulting from any transaction between the Client and the Company, or from the operation of the Account.
- 4.9 The Company may, for the purpose of carrying out any instruction given by the Client, contract with or otherwise deal with or through any other agent, including any person or party associated in any manner with the Company or any of its Affiliates, on such terms and conditions as the Company may in its absolute discretion determine. The Company shall not be liable to the Client for the acts and omissions of any such agent.
- 4.10 If any relevant Exchange, Clearing House and/or agent on which or through whom any Contract has been entered into by the Company on behalf of the Client requires any alteration in any terms and conditions of any such Contract, the Company may take such actions on behalf of the Client as the Company may in its absolute discretion consider necessary or desirable to comply therewith or as a result thereof or mitigate loss thereunder, and all such actions shall be binding upon the Client.
- 4.11 If the Company or its agent shall for any reason fail to receive payment of all or any part of any amount or delivery of all or any part of any Commodity (whether from any Exchange, Clearing House or any other person) due to be paid or delivered to the Client in respect of any Contract entered into by the Company on behalf of the Client on the due date for payment or delivery thereof, the Company's obligation to make payment or to deliver any Commodity to the Client in respect of such Contract shall thereupon by virtue of such failure become obligation to make payment of such amount as is actually received by the Company in respect thereof.
- 4.12 The Client shall be entitled, but the Company shall not be bound to act on any instruction from the Client, to take any action whatsoever or howsoever against any Exchange, Clearing House and/or any other person in respect of any failure by such Exchange, Clearing and/or other person to make any payment or to deliver any Commodity in respect of any Contract entered into by the Company on behalf of the Client provided that if any such action is taken by the Company, the Client shall fully indemnify the Company in respect of all costs, claims, demands, damages and expenses arising out of or in connection with the taking of such action.
- 4.13 In the event that the Client directs the Company to enter into any Contracts on any Exchange on which such transactions are effected in a foreign currency:
 - (a) any profit or loss arising as a result of a fluctuation in the exchange rate affecting such currency will be entirely for the account and risk of the Client;

- (b) all initial and subsequent deposits for Margin purposes shall be made in such currency in such amounts as the Company may, at the sole discretion of the Company, require from time to time; and
 - (c) the Company is authorised to convert funds in any Account into and from such foreign currency at a rate of exchange determined conclusively by the Company on the basis of the then prevailing money market rates of exchange between such currencies.
- 4.14 Nothing herein shall place the Company under any duty to disclose to the Client any information which may come to the notice of the Company in the course of acting in any capacity for any other person, nor shall the Company be under any obligation to the Client to see that any information pertaining to any Contract be given to other clients.
- 4.15 The Company may, without prior reference to the Client, combine for execution the Client's orders with the orders of other clients, with the Company's or own orders, the orders of any of its Affiliates or any other person related to the Company. This may result in a more favourable or less favourable price being obtained for the Client than would have been achieved had the orders been executed separately. Where there are insufficient Contracts to satisfy orders so combine, the transactions shall be allocated between clients in such manner considered to be fair by the Company, with due regard being given to the sequence in which such orders were received, provided always that priority shall be given to satisfy the orders of clients over those of the Company.
- 4.16 The Company is required, upon the request of HKFE or the Commission, to disclose the name, beneficial identity and such other information concerning the Client as HKFE or the Commission may require. The Client agrees to provide such information concerning the Client as the Company may require in order for the Company to comply with such requirements, and in the event that the Company fails to comply with the disclosure requirement under Rule 606(a) or Rule 613(a) of the HKFE Rules, the Chief Executive may require the closing out of positions on behalf of the Client or the imposition of a Margin surcharge on the positions of the Client.

5. Trading Recommendations

- 5.1 The Client acknowledges and agrees that the Client retains full responsibility for all trading decisions in relation to the Futures Account and the Company is responsible only for the execution, clearing, and carrying out of the instructions of the Client; that the Company has no responsibility or obligation regarding any conduct, action, representation or statement of any introducing firm, investment advisor or other third party in connection with the Futures Account or any transaction therein; and that any advice or information provided by the Company, its employees or agents, whether or not solicited, shall not constitute an offer to enter into a transaction and the Company shall be under no liability whatsoever in respect of such advice or information.

6. Margin Requirements and Margin Calls

- 6.1 In respect of all Contracts entered into by the Company as agent on behalf of the Client, the Client shall before the relevant Contract is entered into or otherwise immediately upon demand provide the Company with such Margin together with such guarantees and other security in such form and amount and on such terms as the Company may in its absolute discretion require from time to time. The Company is entitled to refuse to execute the Client's instruction

unless and until the Margin required by Company has been received by the Company. Such Margin shall be maintained with the Company and the Client shall not withdraw the same until the Open Contract to which it relates has been closed out. The Margin required by the Company may exceed the margin requirements prescribed by any Exchange or Clearing House.

- 6.2 The Company shall be entitled to demand from the Client from time to time such additional Margin as the Company shall think fit in its absolute discretion, whether to comply with any requirement imposed by law or by any Exchange, Clearing House or otherwise whatsoever and howsoever, and the Client shall immediately upon demand provide the Company with such additional Margin. The Company may change Margin requirements and procedures at the sole discretion of the Company and at any time. No previous Margin shall establish any precedent and these requirements once established may apply to existing positions as well as to the new positions in the contracts affected by such change.
- 6.3 All Margin requirements must be settled in cash. Margin in the form of assets other cash may only be accepted by the Company in its absolute discretion. Where shares, stocks, securities and/or other valuables are deposited as Margin, the Company shall have an absolute discretion to assign a notional value (which need not correspond to the market value) to the asset for Margin purpose, which value may change from time to time as determined by the Company in the light of the prevailing market value of the asset or otherwise.
- 6.4 Margin calls must be met within 24 hours or such shorter period as the Company may in its absolute discretion determine to be necessary and specify to the Client. Failure to meet such calls may result in the Company being entitled or obliged by the rule or regulations of the relevant Exchange and/or Clearing House to close out the Open Contracts held on behalf of the Client in respect of which calls have not been met and/or to notify the relevant Exchange, Clearing House particulars of such Open Contract. In particular, the Company is required to report to HKFE and the Commission particulars of all open positions in respect of which two successive Margin calls have not been met within the period specified by the Company.
- 6.5 Unless specifically instructed by the Client, the Contracts held in the Futures Account which the Exchange allows to be set off for margin purpose will automatically be set off for the determination of Margin without reference to the Client, but these Contracts will not be closed out or treated as netted off for any other purpose.
- 6.6 The Client shall pay the Company the full cash value of the premium of the Option Contract on the date of the Client's instruction to the Company to the purchase of the Option Contract.

7. Client's Account and Clearing House Account

- 7.1 All monies, securities and other property received by the Company from the Client or from any other person, including any Clearing House, for the account of the Client shall be held by the Company as trustee and segregated from the Company's own assets. All these assets so held by the Company shall not form part of the assets of the Company for insolvency or winding up purposes, but shall be returned to the Client promptly upon the appointment of a provisional liquidator, liquidator or similar officer over all or any part of the Company's business or assets.
- 7.2 All monies, approved debt securities or approved securities received by the Company from the Client or from any other person, including the HKFE Clearing House, shall be held in

the manner specified under paragraphs 7 to 12 of Schedule 4 to the Code. The Client hereby authorises the Company to apply any such monies, approved debt securities or approved securities in the manner specified under paragraphs 14 to 15 of Schedule 4 to the Code. In particular, the Company may apply such monies, approved debt securities or approved securities in or towards meeting the Company's obligations to any party insofar as such obligations arise in connection with or incidental to the F.O. Business transacted on the Client's behalf.

- 7.3 The Client acknowledges that in respect of any account of the Company maintained with the HKFE Clearing House, whether or not such account is maintained wholly or partly in respect of the F.O. Business transacted on behalf of the Client and whether or not monies, approved debt securities or approved securities paid or deposited by the Client has been paid to or deposited with the HKFE Clearing House, as between the Company and the HKFE Clearing House, the Company deals as principal and accordingly no such account is impressed with any trust or other equitable interest in favour of the Client and monies, approved debt securities or approved securities paid to or deposited with the HKFE Clearing House are thereby freed from the trust referred to in Clause 7.1 above.
- 7.4 The Client acknowledges that the HKFE Clearing House may do all things necessary to transfer any open positions held by the Company on the Client's behalf and any money and security standing to the credit of its account with the Company to another Exchange Participant in the event the rights of the Company as an Exchange Participant are suspended or revoked.
- 7.5 For the avoidance of doubt, the Client hereby confirms and agrees that the Company is permitted to retain money representing interest on money received from or for the account of the Client in relation to the business of dealing in the Contracts and money paid or reimbursed to the Company by the Clearing House in respect of the business of dealing in the Contracts transacted by the Company on the instructions of the Client.

8. Charges, Costs and Payment

- 8.1 Every HKFE Contract shall be subject to the charge of an Investor Compensation Fund levy and a levy pursuant to the SFO, the cost of both of which shall be borne by the Client.

9. Default and Unilateral Closing Out

- 9.1 Each of the following shall constitute an event of default ("**Event of Default**"):
- (a) the Client fails or refuses to pay on demand or when due any sum due or payable to the Company, whether under the Agreement or any other agreement with the Company or any of its Affiliates;
 - (b) the Client fails or refuses to discharge, pay, satisfy or perform any of the Client's liability, obligation or indebtedness under the Agreement or any other agreement with the Company or any of its Affiliates;
 - (c) the Client fails, refuses, breaches or defaults in the due performance or observance of any of the Agreement or any other agreement with the Company or any of its Affiliates;

- (d) any representation or warranty made in the Agreement or in any document delivered to the Company or any of its Affiliates being or becoming incomplete, untrue or incorrect;
- (e) any consent, authorization or board resolution required by the Client to enter into and perform under the Agreement or continue any Account shall be wholly or partly revoked, suspended, terminated or ceasing to remain in full force and effect;
- (f) the Client has not provided any Margin (initial, maintenance or additional) when the same becomes due or payable under the Agreement, or has failed or refused to comply with any request, call or demand made by the Company pursuant to the Agreement;
- (g) the Client fails or refuses to make or take delivery of any Commodities when required under any Contract or fails to pay the whole of any purchase price or any other payment thereunder when due;
- (h) any information supplied by the Client to the Company, or any representation undertaking or warranty made by the Client being or becoming incorrect or misleading in any material respect;
- (i) any security created or any part thereof in relation to the indebtedness, obligations or liabilities under the Agreement being avoided, discontinued, jeopardised or adversely affected, or there is any action commenced or any claim made by any person in respect of any asset or property comprised in such securities, or such assets and properties deteriorate, decline or depreciate in the market value thereof;
- (j) the levying of attachment or charge or sequestration against the Futures Account or any account(s) of the Client with the Company or any of its Affiliates;
- (k) any third party asserts a claim, right or interest in respect of any moneys or funds in the Futures Account or any accounts of the Client with the Company or any of its Affiliates;
- (l) the Client fails to make payment in respect of any loan, guarantee, indemnity or other indebtedness or obligation for borrowed money on the due date for payment, or any such loan, guarantee, indemnity or other indebtedness or obligation for borrowed money becomes, or is declared, or becomes capable of being declared, due prematurely for any reason, or the Client becomes insolvent;
- (m) the Client sells all or a substantial portion of its business or assets;
- (n) any injunction, prohibition order or similar order is declared on any of the Client's assets, or execution, distress or similar process is levied against any of the Client's assets, or the Client makes or proposes to make any arrangements or compositions for the benefit of any of the Client's creditors;
- (o) an order is made or petition presented or resolution passed for the bankruptcy, winding up or dissolution of the Client or for the appointment of a receiver, or the commencement of other similar proceedings against the Client;
- (p) the death or judicial declaration of incompetence of the Client;
- (q) there occurs any adverse change (in the Company's absolute opinion) in the

corporate structure, business, assets, financial or general condition or prospect of the Client;

- (r) it shall become unlawful for the Client to maintain any Account or to perform any of the Client's obligations under any Contracts and/or the Agreement;
- (s) the occurrence of any event which, in the sole opinion of the Company, might jeopardize any of its rights, interests or benefits of the Company under the Agreement;
- (t) whenever in the Company's sole discretion the Company shall consider it necessary for the protection of the Company or any of its Affiliates, because of Margin requirements, procedures or otherwise; and
- (u) at any time when the Company or any of its Affiliates is or becomes under any obligation imposed by any Exchange and/or Clearing House or any applicable laws, rules and regulations to do any of the acts mentioned in Clause 9.2 below.

9.2 If an Event of Default (in the sole and subjective judgment of the Company) occurs, all amounts owing by the Client to the Company under the Agreement and any other agreement shall become immediately payable on demand and the Company shall not be obliged to deliver to the Client any amount of the Commodity or any money due to the Client in respect of any Contract until all obligations and liabilities due to the Company howsoever arising under the Agreement or any other agreement are fully satisfied and discharged to the satisfaction of the Company. In addition and without prejudice to any other right or remedy which the Company may have but subject to applicable laws and regulations, if any Event of Event of Default shall occur, the Company shall be authorised, in its absolute discretion, without notice to Client, to take one or more of the following actions (but shall not be bound to take any such action):

- (a) take such action or do such act, matter or thing as it shall consider necessary or desirable to comply with or to perform, cancel or satisfy any obligations of the Company to the Client or any obligations of the Client and/or the Company to any Exchange, Clearing House and/or agent, as the case may be, in respect of any outstanding transaction of or dealing in the Commodities and/or any Contracts or in respect of any Open Contract;
- (b) close out, perform or maintain any Open Contract in the Account and for this purpose, make or take delivery of the underlying Commodities in respect of any such Contract, sell or close out any Contract, initiate new long or short positions to establish a spread or straddle, or do a combination of any of the foregoing;
- (c) sale, purchase, transfer in, transfer out, trade, dispose of, deal with, settle, clear all or any of the Commodities and/or Contracts;
- (d) cancel or close out any or all outstanding orders, Contracts or other commitments made on behalf of the Client;
- (e) borrow or purchase any Commodity required to make delivery on behalf of the Client;
- (f) exercise any options (put or call) arising from any Option Contract held by the Company on behalf of the Client;

- (g) combine, consolidate and sell all or any of the Account;
- (h) close all or any of the Account;
- (i) terminate the Agreement;
- (j) satisfy any obligation the Client may have to the Company (either directly or by way of guarantee or suretyship) out of any property belonging to the Client in the custody or control of the Company;
- (k) call upon or enforce any security which may have been issued, made or created to or in favour of the Company as security for any Account;
- (l) exercise all or any of the rights and powers under the Agreement;
- (m) revise, change, withdraw, stop or cancel the facilities, advances, credits or loans made or granted to the Client, or any part thereof respectively;
- (n) demand payment, repayment, discharge, satisfaction, performance or fulfillment of the amount, interest, sum, moneys or funds owing by the Client to the Company or its Affiliates; and
- (o) call upon or enforce any security which may have been issued, made or created in favour of the Company or any of its Affiliates as security for the indebtedness, liabilities or obligations of the Client towards any such company.

9.3 All the actions under Clause 9.2 above may be taken by the Company with or without demand for Margin or additional Margin, and with or without notice to the Client, the Client's heirs, executors, administrators, personal representatives or assignees of sale or purchase or other notice or advertisement and whether or not the ownership interest shall be solely the Client's or jointly with others.

9.4 The Company has absolute discretion to choose which (if not all) Open Contracts to close out or which Option Contracts to exercise instructions, and may sell any security on a single or collective basis. Any sale of the Commodities long in any Account or purchase of Commodities short in any Account may be made in such manner according to the judgement of the Company and at the discretion of the Company, either by direct sale, purchase, disposal, trading, dealing, transfer or closing out at any time or in the same contract month or and on any Exchange where such business is then usually transacted. In all cases, a prior demand or call, or prior notice of the time or place of sale, purchase, disposal, trading, dealing, transfer or closing out shall not be considered as waiver of the right of the Company herein provided.

9.5 The Client hereby waives all claims and demand (if any) against the Company in respect of any loss directly or indirectly arising from the exercise by the Company of the powers conferred by the Agreement, howsoever such loss may have been caused (other than through the wilful misfeasance or gross negligence of the Company), whether in relation to the timing or manner of the exercise of powers or otherwise. The Client specifically acknowledges and accepts that:

- (a) nothing in this Clause shall impose any obligation on the Company to close out any Open Contract or exercise any option on behalf of the Client;

- (b) in view of the frequent and rapid changes in spot and future prices, the Company is not under any obligation to assess price movement or market trend in exercising its power under this Clause (in particular, in determining the timing for the exercise of such powers), nor to limit or mitigate any loss which the Client may incur as a result of the market position moving against the Client's favour, and the market condition may render it impossible or impracticable to close out any of the Client's open positions within any given time; and
- (c) in the event of sale pursuant to this Clause, the Company shall be entitled to appropriate to itself or sell or dispose of the Contracts or Commodities or any part thereof to any of its Affiliates without being in any way responsible for loss occasioned thereby howsoever arising and without being held accountable for any profit made by the Company and/or any of its Affiliates.

9.6 After deducting all costs and expenses incurred in connection with taking any actions referred to in Clause 9.2 above, the Company may apply any remaining proceeds to the payment of any liabilities the Client may have to the Company, and in the event such proceeds are insufficient for the payment of liabilities, the Client shall promptly upon demand settle all liabilities outstanding to the Company, together with all costs of collection (including legal fees).

10. Closure of Positions

- 10.1 Without prejudice and in addition to the Company's rights under Clause 9 above, the Company may, without the Client's consent, close all or any of the Client's positions if the Company is of the opinion that there has been a change or development involving a prospective change:
- (a) in the national or international monetary, financial, economic or political conditions or foreign exchange controls which has resulted or is in the opinion of the Company likely to result in a material or adverse fluctuation in the stock market, commodities or futures market in Hong Kong and/or overseas; or
 - (b) which is or may be of a material adverse nature affecting the condition or operations of the Client.

11. Set-off, Lien, Charge and Power of Sale

- 11.1 Without prejudice and in addition to any general lien, right of set-off or similar right to which the Company may be entitled by law, all of the Client's interest in any Commodities or other properties held by or in the possession of the Company for any purpose or carried by the Company in any account for the Client (either individually or jointly with others and including the Account), or held by or in the possession of any of its Affiliates in Hong Kong or in other parts of the world, at any time and for any purpose, including safe-keeping, shall be subject to a general lien in favour of the Company. The Company shall have the right to (a) appropriate, pay, deduct, transfer or offset the whole or any part of the aforesaid properties and/or (b) sell, dispose of, liquidate, transfer, trade, close out or otherwise deal with the aforesaid properties (and the Company is authorised to do all such things necessary in connection therewith) at the absolute discretion of the Company as to manner and time of sale and consideration and other terms and conditions (but without being in any way responsible or liable for any loss and damage occasioned thereby and howsoever arising), for the purpose of offsetting, paying, discharging and satisfying all or any of the obligations and liabilities of the Client to the Company or to any of its Affiliates whether such obligations and liabilities are present or

future, actual or contingent, primary or collateral, secured or unsecured, or joint or several, regardless of whether any other person is interested in or the Company has made advances in connection with such property, and irrespective of the number of Account the Client may carry with the Company.

- 11.2 Without prejudice to and in addition to Clause 11.1 above, the Client as beneficial owner hereby charges in favour of the Company and each of its Affiliates by way of first fixed charge all securities, Commodities or other property, including the Margin, from time to time deposited by or on behalf of the Client with the Company or purchased for or otherwise being held in or by or under the order or control of the Company for any Account or any other account whatsoever (collectively the **“Charged Property”**) as continuing security for all of the Client’s indebtedness, obligations and liabilities due, owing or incurred towards the Company and the of its Affiliates of whatever nature and from time to time and the Client hereby assigns and releases to the Company and each of its Affiliates the Charged Property. In the event of the occurrence of any Event of Default, the Company shall be entitled to sell, or as the case may be, its relevant Affiliate shall be entitled to direct the Company to sell, at the absolute discretion of the relevant company as to manner and time of sale and consideration and other terms and conditions (but without being in any way responsible or liable for any loss and damage occasioned thereby and howsoever arising), any of the Charged Property and to deduct from the sale proceeds such amount as is necessary to pay, discharge and satisfy the liabilities, indebtedness due and owing to the Company and its relevant Affiliate, whether such obligations and liabilities are present or future, actual or contingent, primary or collateral, secured or unsecured, or joint or several.
- 11.3 The Company shall be entitled, for itself or as agent for any of its Affiliates, notwithstanding any settlement of account or other matter whatsoever, at any time or from time to time and without notice to the Client, combine and/or consolidate all or any of the accounts of the Client (including the Futures Account) with the Company and any of its Affiliates (of whatever nature and whether held individually or jointly with others) and offset or transfer any money, securities or other property standing to the credit of any one or more of such accounts in or towards satisfaction of any of the Client’s indebtedness, obligations or liabilities to the Company and/or any of its Affiliates, on any other accounts (including the Futures Account), whether such indebtedness, obligations or liabilities be present or future, actual or contingent, primary or collateral, several or joint and secured or unsecured. Where such set-off, consolidation, combination or transfer requires the conversion of one currency into another, such conversion shall be calculated at the rate of exchange conclusively determined by the Company to be applicable.
- 11.4 The provisions of this Clause 11 shall be without prejudice to any rights to which the Company may be entitled to by law.

12. Representations, Warranties and Undertakings

- 12.1 The Client hereby represents, warrants and undertakes on a continuing basis that:
- (a) the Client has the legal capacity and full and unrestricted power to enter into and perform the Agreement and the Agreement constitute valid and legally binding obligations of the Client;
 - (b) where the Client is a body corporate, it is duly incorporated and validly existing and in good standing under the laws of its country of incorporation and has full power

and capacity to enter into and perform its obligations hereunder; its entry into the Agreement has been duly authorised by its governing body and is in accordance with the Memorandum and Articles of Association or by-laws as the case may be of the Client; there is no order granted or petition presented or resolution passed for its winding up or dissolution;

- (c) where the Client is an individual, he/she is legally capable of entering into and performing the Agreement and that he/she has attained the age of 18 and is of sound mind, legal competence and is not a bankrupt;
- (d) all necessary consents or authorizations, whether of any governmental or regulatory body or authority or otherwise, which may be required for entering and performing the Agreement have been obtained and are in full force and effect, and the Client undertakes that it will comply with the terms of the same;
- (e) neither the signing, delivery or performance of the Agreement nor any instructions given hereunder will contravene or constitute a default under any existing applicable law, statute, ordinance, rule, regulation, directive or judgment or cause to be exceeded any limit by which the Client or any of the Client's assets is bound, and the Client undertakes it will comply with all applicable laws, statute, ordinance, rule, regulation or directive;
- (f) save as otherwise disclosed to the Company in writing, it is the person or entity (legal or otherwise) ultimately responsible for originating the instruction in relation to each transaction in the Account and the person or entity (legal or otherwise) that stands to gain the commercial or economic benefit of each transaction in the Account and/or bear its commercial or economic risk;
- (g) the Client shall not or allow to subsist charge, pledge or create any encumbrance or third party interest over the Margin or any property or rights forming part of the Account without the Company's consent or to sell, grant an option over, or otherwise deal in any way any of the same or purport to do so; and
- (h) all the Commodities provided by the Client for selling or crediting into the Account are fully paid with valid and good title and whose legal and beneficial titles are owned by the Client.

12.2 If the Client effects transactions for the account of clients, whether on a discretionary or non-discretionary basis, and whether as agent or by entering into matching transactions as principal with any clients of the Client, the Client hereby agrees that, in relation to a transaction where the Company has received an enquiry from the Hong Kong Regulators, the following provisions shall apply:

- (a) Subject as provided below, the Client shall, immediately upon request by the Company (which request shall include the relevant contact details of the Hong Kong Regulators), inform the Hong Kong Regulators of the identity, address, occupation and contact details of the client for whose account the transaction was effected and (so far as known to the Client) of the person with the ultimate beneficial interest in the transaction. The Client shall also inform the Hong Kong Regulators of the identity, address, occupation and contact details of any third party (if different from the client/the ultimate beneficiary) who originated the transaction.

- (b) If the Client effected the transaction for a collective investment scheme, discretionary account or discretionary trust:
 - (i) the Client shall, immediately upon request by the Company (which request shall include the relevant contact details of the Hong Kong Regulators), inform the Hong Kong Regulators of the identity, address, occupation and contact details of the person who, on behalf of the scheme, account or trust, instructed the Client to effect the transaction; and
 - (ii) the Client shall, as soon as practicable, inform the Company when his discretion to invest on behalf of the scheme, account or trust has been overridden. In the case where the Client's investment discretion has been overridden, the Client shall immediately upon request by the Company (which request shall include the relevant contact details of the Hong Kong Regulators), inform the Hong Kong Regulators of the identity, address, occupation and contact details of the person(s) who has or have given the instruction.
- (c) If the Client is aware that his client is acting as intermediary for its underlying client(s), and the Client does not know the identity, address, occupation and contact details of the underlying client for whom the transaction was effected, the Client confirms that:
 - (i) the Client has arrangements in place with his client which entitle the Client to obtain the information set out in sub-clauses 12.2(a) and (b) above from his client immediately upon request or procure that it be so obtained; and
 - (ii) the Client will, upon request from the Company in relation to a transaction, promptly request the information set out in sub-clauses 12.2(a) and (b) above from his client on whose instructions the transaction was effected, and provide the information to the Hong Kong Regulators as soon as it has received from his client or procure that it be so provided.

12.3 The Client undertakes to perform such acts, sign and execute all such terms and conditions or documents whatsoever as may be required by the Company for the performance or implementation of the Agreement or any part thereof.

12.4 If the Client is a U.S. customer, or is holding or will acquire or hold Contracts beneficially owned by or for a U.S. customer, the Client undertakes not to enter into the Agreement with the Company, unless the Client's orders are accepted through an Automated Order Routing System and/or transmitted by the Company or an affiliate of the Company with the right of access to HKATS, intermediated by an Exchange Participant that is a person who is registered with the U.S. Commodity Futures Trading Commission as a futures commission merchant, or is a Rule 30.10 Firm.

13. Liabilities and Indemnities

13.1 The Client agrees that neither the Company nor any of its directors, employees or agents shall have any liability whatsoever for any loss, expense or damage suffered or incurred by the Client as a direct or indirect result of or in connection with:

- (a) any Contract entered into by the Company for the Client;

- (b) the provision of any service by the Company or any of its directors, employees or agents or any failure or delay to provide the same;
- (c) any recommendation, advice or opinion given by the Company or by any of its directors, employees or agents or any failure or delay to provide the same;
- (d) any condition or circumstances which are beyond the reasonable control of the Company, its directors, officers, employees and agents, including but not limited to any delays in the transmission of orders due to disruption, breakdown, failure or malfunction of transmission of communication facilities, failure of electronic or mechanical equipment, telephone or other interconnection problems, unauthorised access, prevailing fast market conditions, governmental agency or exchange actions and restrictions, theft, war (whether declared or not), severe weather, earthquakes and strikes or other acts of god; or
- (e) any conversion of one currency to another pursuant to, in relation to or arising from the Agreement, unless, and then only to the extent that, such losses, costs or expenses are caused by the gross negligence, wilful default or fraud on the part of the Company, its directors, employees or agents,

unless due to the gross negligence, fraud or willful default of the Company or any of its officers, employees or Affiliates and only to the extent of direct and reasonably foreseeable loss and damage (if any) arising directly and solely therefrom.

14. Omnibus Account

The Client agrees that the following sub-clauses, the relevant provisions in the Code and HKFE Rules on Omnibus Accounts shall apply where the Client declares that an Account shall be an Omnibus Account:

- 14.1 The Client shall keep the Company informed regarding its financial standing and shall immediately report to the Company any information that indicates that it is insolvent, or threatened with insolvency or guilty of any irregularities or practices affecting the good name of HKFE.
- 14.2 In the case where the Client is not an Exchange Participant:
 - (a) the Client shall in its dealings with the person(s) from whom it receives instructions with respect to the Omnibus Account, comply with and enforce the Margin requirements and procedures as stipulated in the HKFE Rules and the rules of the HKFE Clearing House as though it were an Exchange Participant and as though the person(s) for whose account or benefit such instructions are given were clients as defined in the HKFE Rules;
 - (b) the Client shall cause the HKFE Contracts to be entered into in fulfilment of instructions with respect to the Omnibus Account, so that there shall in no circumstances be any dealing with the instructions in a manner which constitutes unlawful dealing in differences in market quotations of commodities under the laws of Hong Kong or any other applicable jurisdiction or in a manner which constitutes or involves betting, wagering, gaming or gambling with respect to such items in contravention of Hong Kong law or any other applicable laws;
 - (c) the Client shall impose the requirements of sub-clauses (a) and (b) above and this sub-

clause upon, and ensure that they are complied with by, the person(s) from whom it receives instructions including ensuring that such person(s) comply with the Margin requirements as stipulated in the HKFE Rules and the rules of the HKFE Clearing House, with the result that, as between HKFE and the Company, the Company shall be responsible for ensuring that such requirements are complied with by all persons through whom instructions pass with respect to the Omnibus Account as if each in turn was the Client for whom the Omnibus Account was operated.

- 14.3 The Client will disclose to the Company before dealing and/or trading in any futures business details of persons who are ultimately beneficially interested in the Omnibus Account and those persons or entities who are ultimately responsible for originating the instruction in relation to a transaction or such other information as HKFE or the Commission may require from time to time. The Client acknowledges that in the event that it fails to comply with this disclosure requirement, the Chief Executive may require the Company to close out any or all of the open contracts held by the Company on behalf of the Client or request the HKFE Clearing House to effect such closing out on behalf of the Company, or the Chief Executive may impose such Margin surcharge on any or all of the positions held by the Company on behalf of the Client as the Chief Executive thinks fit.
- 14.4 The Client hereby agrees to submit to the supervision of the Company to the same degree of supervision as if the Company were HKFE and the Client were an Exchange Participant and to supply all information and do all acts to enable and facilitate the Company to comply with all the requirements of the relevant exchanges and clearing houses for the operation of the Omnibus Account by the Company.
- 14.5 For the avoidance of doubt, the Client shall maintain separate Margin requirements for each of its customers, and in no case may it offset or net any of its customers' positions against those of another customer for Margin purposes.
- 14.6 The Client hereby agrees to immediately notify the Company in writing when the Account ceases to be an Omnibus Account; such cessation shall not affect any liability whatsoever of the Client to the Company under the Agreement prior to the receipt by the Company of the written notice of such cessation.

15. Disclaimers

Part A:

Disclaimer by Hong Kong Futures Exchange Limited

Stock indices and other proprietary products upon which contracts traded on the Futures Exchange may be based may from time to time be developed by the Futures Exchange. Such indices or proprietary products as may from time to time be developed by the Futures Exchange (the “**HK Exchange Indices**”) are the property of the Futures Exchange. The process of compilation and computation of each of the HK Exchange Indices is and will be the exclusive property of and proprietary to the Futures Exchange. The process and basis of compilation and computation of the HK Exchange Indices may at any time be changed or altered by the Futures Exchange without notice and the Futures Exchange may at any time require that trading in and settlement of such futures or options contracts based on any of the HK Exchange Indices as the Futures Exchange may designate be conducted by reference to an alternative index to be calculated. The Futures Exchange does not warrant or represent or guarantee to any Exchange Participant or any third party the accuracy or completeness of any of the HK Exchange Indices or their compilation and computation

or any information related thereto and no such warranty or representation or guarantee of any kind whatsoever relating to any of the HK Exchange Indices is given or may be implied. Further, no responsibility or liability whatsoever is accepted by the Futures Exchange in respect of the use of any of the HK Exchange Indices or for any inaccuracies, omissions, mistakes, errors, delays, interruption, suspensions, changes or failures (including but not limited to those resulting from negligence) of the Futures Exchange or any other person or persons appointed by the Futures Exchange to compile and compute any of the HK Exchange Indices in the compilation and computation of any of the HK Exchange Indices or for any economic or other losses which may be directly or indirectly sustained as a result thereof by any Exchange Participant or any third party dealing with futures and options contracts based on any of the HK Exchange Indices. No claims, actions or legal proceedings may be brought by any Exchange Participant or any third party against the Futures Exchange in connection with or arising out of matters referred to in this disclaimer. Any Exchange participant or any third party engages in transactions in futures and options contracts based on any of the HK Exchange Indices in full knowledge of this disclaimer and can place no reliance on the Futures Exchange in respect of such transactions.

Part B:

Disclaimer for trading Futures Contracts/Options Contracts on Stock Indices developed by Hang Seng Data Services Limited

Hang Seng Indexes Company Limited (“**HSIL**”) currently publishes, compiles and computes a number of stock indexes and may publish, compile and compute such additional stock indexes at the request of Hang Seng Data Services Limited (“**HSDS**”) from time to time (collectively, the “**Hang Seng Indexes**”). The marks, names and processes of compilation and computation of the respective Hang Seng Indexes are the exclusive property of and proprietary to HSIL. HSIL has granted to the Exchange by way of licence the use of the Hang Seng Indexes solely for the purposes of and in connection with the creation, marketing and trading of option contracts based on any of the Hang Seng Indexes respectively (collectively, the “**Option Contracts**”). The process and basis of compilation and computation of any of the Hang Seng Indexes and any of the related formula or formulae, constituent stocks and factors may at any time be changed or altered by HSIL without notice and the Exchange may at any time require that trading in and settlement of such of the Option Contracts as the Exchange may designate be conducted by reference to an alternative index or alternative indexes to be calculated. Neither the Exchange nor HSIL warrants or represents or guarantees to any participant or any third party the accuracy or completeness of the Hang Seng Indexes or any of them and the compilation and computation thereof or any information related thereto and no such warranty or representation or guarantee of any kind whatsoever relating to the Hang Seng Indexes or any of them is given or may be implied. Further, no responsibility or liability whatsoever is accepted by the Exchange, HSIL or HSIL in respect of the use of the Hang Seng Indexes or any of them for the purposes of and in connection with the Option Contracts or any of them and/or dealings therein, or for any inaccuracies, omissions, mistakes, errors, delays, interruptions, suspension, changes of failures (including but not limited to those resulting from negligence) of HSIL in the compilation and computation of the Hang Seng Indexes or any of them or for any economic or other losses which may be directly or indirectly sustained as a result thereof by any participant or any third party dealing with the Option Contracts or any of them. No claims, actions or legal proceedings may be brought by any participant or any third party against the Exchange and/or HSIL and/or HSIL in connection with or arising out of matters referred to in this disclaimer. Any participant or any third party deals in the Option Contracts or any of them in full knowledge of this disclaimer and can place no reliance whatsoever on the Exchange, HSIL and/or HSIL. For the avoidance of doubt, this disclaimer does not create any contractual or quasi-contractual relationship between any participant or third party and HSIL and/or HSIL and must not be construed to have created such relationship.

Schedule 17

Special Terms and Conditions for Portfolio Investment Services (“Special Terms”)

These Special Terms form an integral part of the Agreement and should be read together with the General Terms and Conditions, the Special Terms and Conditions for Securities Trading (Cash), the Special Terms and Conditions for Internet Facilities and other parts of the Agreement.

In these Special Terms, except the context may otherwise require or provide, all words and expressions defined in the General Terms and Conditions shall have the same meanings when used herein.

The Client hereby confirms with the Company that the Client has read, understood and agreed to these Special Terms as follows:

1. Scope of Portfolio Investment Services

- 1.1 The Company shall provide the following services (“Portfolio Investment Services”) through an online platform, namely InvestStart:
 - (a) Accessing to information, including nature and statistics (such as historical return and current composition) of a core range of portfolios of investment products (the “Investment Product(s)”);
 - (b) Placing trading orders regarding the Investment Product(s) with the Company; and
 - (c) Providing a summary of the Client’s Portfolio Investment Transactions (as defined hereinbelow) and positions of the Investment Product(s) under Portfolio Investment Services.
- 1.2 The Client agrees that a sub-account is to be opened under its name with the Company (“Sub-Account”) solely for the purposes of effecting any transactions under the Portfolio Investment Services (“Portfolio Investment Transactions”) and for the safe custody of any Investment Product(s) purchased by the Company on the Client’s behalf resulting from any Portfolio Investment Transactions. The Client authorizes the Company to transfer the necessary amount of cash from its designated account with the Company (the “Designated Account”) to the Sub-Account for payment of Investment Product(s) purchased under the Portfolio Investment Transactions and transfer any cash distribution from the Investment Product(s) in the Sub-Account or any income resulting from the trade of the Investment Product(s) in the Sub-Account into the Designated Account without notice.
- 1.3 For the avoidance of doubt, the Portfolio Investment Services and all the Accounts related to Portfolio Investment Services shall be subject to the Agreement. In particular, Portfolio Investment Services, as an internet trading service and facilities provided by the Company, is subject to Special Terms and Conditions for Internet Facilities in the Terms and Conditions.
- 1.4 The Company shall keep information relating to the Client’s Sub-Account and Designated Account confidential, but may provide any such information to the parties concerned according to the relevant general provisions under the Agreement. In particular, the Client agrees that the Company may transfer any such information to any third party service providers engaged by the Company for the purposes of providing the Portfolio Investment Services to the Client.

2. Investment Advice

- 2.1 If the Company solicits the sale of or recommends any Investment Product to the client, such

product must be reasonably suitable for the Client having regard to the Client's financial situation, investment experience and investment objectives. No other provision of this document or any other document the Company may ask the Client to sign and no statement the Company may ask the Client to make derogates from this Clause.

- 2.2 The Client agrees to make the Client's own judgment and decision with respect to each Portfolio Investment Transaction independently and without relying on the Company. The Client assumes full responsibility for all the Client's investment decisions and all transactions under Portfolio Investment Services.

3. Fees and Charges

- 3.1 The Client shall pay a service fee and brokerage fee as specified by the Company in the fee schedules provided by the Company or otherwise notified to the Client from time to time. The Company reserves the right to revise its fee schedules from time to time.
- 3.2 The Client shall pay for all fees and expenses incurred by the Company in connection with the Portfolio Investment Transactions and/or provision of the Portfolio Investment Services including fees payable to any brokers (other than those specified in the fee schedules), agents and nominees, stamp duties, transfer fees, registration fees, stock settlement fees, levies imposed by relevant Exchange, Clearing House or Market, interest and other handling costs or expenses.
- 3.3 The Client shall also pay any other commissions, fees, charges, brokerage or other remuneration for the Portfolio Investment Services in accordance with other provisions of the Agreement.
- 3.4 The Client authorizes the Company, at any time without prior notice to the Client, to charge to or debit from the Designated Account any commissions, fees, charges, brokerage, remuneration, levies, duties and other costs and expenses payable by the Client.

4. Transactions and Distribution from Investment Product

- 4.1 The Client shall specify the number of share/unit(s) of the Investment Product(s) to be purchased/sold in its instruction for each Portfolio Investment Transaction. The Client shall ensure that Designated Account has sufficient amount of cash to execute a Portfolio Investment Transaction in full to prevent any liability incurred due to insufficient fund available to settle the Portfolio Investment Transaction. Due to market conditions or physical restraints on any Market and rapid changes in the prices of the Investment Products and/or fluctuation in currency exchange rates, the Company may not be able to execute the Portfolio Investment Transaction in full. The Company shall not be liable if any instruction is not performed in full due to market conditions or any other cause beyond the Company's control, and the Client shall accept and be bound by dealings effected by the Company.
- 4.2 The Client acknowledges that the Client may only give instructions in relation to Portfolio Investment Transaction through InveStart online platform with the following exceptions:
- (a) The Client may not place an order for transaction of any odd lot of any Investment Product in the Sub-Account through the InveStart online platform. The Client may place such order by any other available means.
 - (b) If there is any failure of the InveStart online platform, the Company may, in its absolute discretion, accept any selling order of any Investment Product(s) in the Sub-Account

placed by the Client by any other available means.

- 4.3 All distribution from the Investment Product in the Sub-account will be deposited into the Sub-Account except for cash distribution, which shall be transferred into the Designated Account as prescribed in Clause 1.2 hereof.
- 4.4 In case options are given as to the form in which a distribution is received from an Investment Product in the Sub-Account:
- (a) if cash distribution is an option, the Client agrees and authorizes the Company to select cash distribution for and on behalf of Client;
 - (b) if cash distribution option is not available, the Client may select from the available options the form in which such distribution is received; and
 - (c) if currency option is available for such distribution, the Client agrees and authorizes the Company to choose the currency in which such distribution will be paid for and on the Client's behalf.

5. Miscellaneous

- 5.1 If there is inconsistency between these Special Terms and the terms and conditions governing the account relationship between the Client and the Company, the provisions for a particular service will prevail over general provisions.

Additional Risk Disclosure Statements in respect of Portfolio Investment Services

The Client shall read these risk disclosures statements carefully. These statements form an integral part of the Special Terms and Conditions for Portfolio Investment Services and terms and conditions governing the Portfolio Investment Services. By signing the Account Opening Form, the Client acknowledges that the Client has received and read these risk disclosure statements in a language of the Client's choice (English or Chinese) and confirms understanding of the risks which may arise in connection with the Portfolio Investment Services.

These risk disclosure statements do not disclose or purport to disclose all the risks and relevant considerations in connection with all the investments and transactions relating to the Portfolio Investment Services. The Client should refrain from making any investment or transaction unless the Client fully understands the risks involved and has obtained independent advice from the Client's own advisers as the Client considers appropriate.

The Client also acknowledges that "Schedule 2 - Risk Disclosure Statements" in the Terms and Conditions shall form an integral part of the Special Terms and Conditions for Portfolio Investment Services and terms and conditions governing the Portfolio Investment Services.

Transactions in Other Jurisdictions

Transactions on markets in other jurisdictions, including markets formally linked to a domestic market, may expose the Client to additional risk. Such markets may be subject to regulation which may offer different or diminished investor protection. Before the Client trades he should enquire about any rules relevant to his particular transactions. The Client's local regulatory authority will be unable to compel the enforcement of the rules of regulatory authorities or markets in other jurisdictions where his transactions have been effected. The Client should ask the Company for details about the types of redress available in both the Client's home jurisdiction and other relevant jurisdictions before he starts to trade.

Risk of Using the Electronic Services

Market data and other Information made available to the Client through the electronic services may be obtained by the Company from third parties. While the Company believes such market data or information to be reliable, neither the Company nor such third parties guarantees the accuracy, completeness or timeliness of any such market data or information.

Specific Risk of Trading Exchange Traded Funds (“ETFs”)

Market risk: ETFs are typically designed to track the performance of certain indices, market sectors, or groups of assets such as stocks, bonds, or commodities. ETF managers may use different strategies to achieve this goal, but in general they do not have the discretion to take defensive positions in declining markets. Investors must be prepared to bear the risk of loss and volatility associated with the underlying index/assets.

Tracking errors: Tracking errors refer to the disparity in performance between an ETF and its underlying index/assets. Tracking errors can arise due to factors such as the impact of transaction fees and expenses incurred to the ETF, changes in composition of the underlying index/assets, and the ETF manager’s replication strategy. (The common replication strategies include full replication/representative sampling and synthetic replication.)

Counterparty Risk: Where an ETF invests in derivatives to replicate the index performance, the Client is exposed to the credit risk of the counterparties who issued the derivatives, in addition to the risks relating to the index. Further, potential contagion and concentration risks of the derivative issuers should be taken into account (e.g. since derivative issuers are predominantly international financial institutions, the failure of one derivative counterparty of an ETF may have a “knock-on” effect on other derivative counterparties of the ETF). Some ETFs have collateral to reduce the counterparty risk, but there may be a risk that the market value of the collateral has fallen substantially when the collateral are to be realized.

Trading at discount or premium: An ETF may be traded at a discount or premium to its Net Asset Value (NAV). This price discrepancy is caused by supply and demand factors, and may be particularly likely to emerge during periods of high market volatility and uncertainty. This phenomenon may also be observed for ETFs tracking specific markets or sectors that are subject to direct investment restrictions.

Foreign exchange risk: Investors trading ETFs with underlying assets not denominated in Hong Kong dollars are also exposed to exchange rate risk. Currency rate fluctuations can adversely affect the underlying asset value, also affecting the ETF price.

Liquidity risk: Securities Market Makers (SMMs) are Exchange Participants that provide liquidity to facilitate trading in ETFs. Although most ETFs are supported by one or more SMMs, there is no assurance that active trading will be maintained. In the event that the SMMs default or cease to fulfill their role, investors may not be able to buy or sell the product.

Stock lending risk: An ETF which engages in stock lending faces the risk that the borrower may not return the securities lent by the ETF as agreed, and thus the ETF may experience losses due to its stock lending activities.