



Central China International Securities Co., Limited

Suites 1505-1508 Two Exchange Square, 8 Connaught Place, Central, Hong Kong

C.E. Number BFI947, licensed to conduct Regulated Activities Type 1 (Dealing in Securities) and Type 4 (Advising on Securities) under the Securities and Futures Ordinance

Terms and Conditions (Securities)

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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 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 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;

"**Affiliated Company**" means in relation to the Company, any company that is the Company's subsidiary or holding company or a subsidiary of any holding company of the Company;

"**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, Clearing System or professional body in Hong Kong or elsewhere to which the Company is subject;

"**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;

"**Clearing House**", in relation to any Market, means the entity (including HKSCC) which provides clearing and/or settlement services from time to time for any Securities or Options traded on the relevant Exchange;

"**Clearance System**", in relation to any Market, means the clearance system (including CCASS and DCASS) from time to time used in connection with transactions in Securities or Options traded on the relevant Exchange and includes any depository for such clearance system;

"**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 includes any legal personal representative or executors or successor in title thereof and any permitted assign thereof;

"**Commodity**" means any commodity acceptable to the Company for the purposes of the Agreement whether or not capable of being delivered, including currencies, shares, interest rates, or financial contracts, and where the context requires includes an Option Contract in respect of any of the above;

"**Company**" means Central China International Securities Co., Limited (Company No. 2118687) and its successors and assigns including, where the context requires, its agents, nominees, representatives, officers and employees;

"CRS" means (a) the OECD Standard for Automatic Exchange of Financial Account Information – Common Reporting Standard; or (b) any legislation of any jurisdiction giving effect to, or otherwise relating to the aforementioned Common Reporting Standard.

"DCASS" means the Derivatives Clearing and Settlement System operated by the Futures Clearing House and the SEHK Options Clearing House Limited;

"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;

"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 Options are traded;

"FATCA" means: (a) sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (as amended) or any amended or successor version thereof; (b) any intergovernmental agreement, memorandum of understanding, undertaking and other arrangement between governments and regulators in connection with (a) including as entered into by the government of Hong Kong; (c) agreements between the Company and the IRS or other regulator or government agency pursuant to or in connection with (a); and (d) any laws, rules, regulations, interpretations or practices adopted in the U.S., Hong Kong or elsewhere pursuant to any of the foregoing.

"Foreign Law Requirement" means any obligation imposed on the Company pursuant to any future or present: (a) foreign laws (including foreign laws in respect of which the Company considers itself bound and including laws and regulations of Mainland China); (b) Hong Kong laws that implement Hong Kong's obligations under an agreement with a foreign government (including the government of Mainland China) or regulator; (c) agreements entered into between the Company and a foreign government (including the government of Mainland China) or regulator; or (d) guidelines or guidance issued by any legal, regulatory, government, tax or law enforcement body within or outside of Hong Kong in respect of (a) to (c). For the avoidance of doubt, this definition includes any obligation or requirement applying to the Company as amended or introduced from time to time, including pursuant to FATCA or CRS.

"Futures Clearing House" means the body appointed by or established and operated by HKFE to provide clearing services;

"Government 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 the IRS.

"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 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 Transactions;

"IRS" means the U.S. Internal Revenue Services.

"Liabilities" means all monies, liabilities and obligations, whether actual or contingent, present or future, primary or collateral, secured or unsecured, due, owing or incurred from or by the Client to the Company, or any of its Affiliated Companies 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 alone or jointly with any other person and in whatever name, capacity, style or form), 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 Affiliated Companies or associated companies in connection with the recovery or attempted recovery of such monies, liabilities and obligations or the enforcement of the Company's rights and powers under the Agreement;

"Market" means any market for Securities or Options 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;

"Option" or "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 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 Exchange in which the contract is made;

"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 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, (a) rights, options or interests (whether described as units or otherwise) in or in respect of any of the foregoing; (b) 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 (c) any instruments commonly known as securities;

"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;

"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);

"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;

"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 contemplated by, provided for or made, effected or conducted pursuant to the Agreement; 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) "include(s)" and "including" mean respectively "include(s) but not limited to" and "including but not limited to";
- (b) "subsidiary" shall bear the meaning given by the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) 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;
- (c) 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;
- (d) 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;

- (e) 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, partnership or other entity or body (whether incorporated or not); and
 - (f) 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 and Scope of Agency

- 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 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. 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 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.
- 2.5 Delegation by Company. 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 this Agreement to such person. The Company is authorized by the Client to disclose any personal data and other information relating to the Client, its authorised signatories, the Accounts and Transactions to any person appointed by the Company pursuant to this Clause 2.5.

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 authorised signatories 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 such signatories 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 authorised signatories, the Company is entitled to rely upon and act in accordance with such instructions given by any one of the authorised signatories 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 Option 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, Option Contracts or assets involved. Apart from verifying the signature of each of the relevant authorised signatories (where an instruction is signed by the authorised signatories) 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 authorised signatories (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 authorised signatories 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 authorised signatories 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 authorised signatory 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 authorise 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 Affiliated Companies and only to the extent of direct and reasonably foreseeable loss and damage (if any) arising directly and solely therefrom.

- 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, the Company reserves the right to decline any instruction of the Client to effect any sale or purchase of Securities or Option 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 Option 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 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.
- 3.10 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.
- 3.11 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 Affiliated Companies 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. 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 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.
- 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.
- 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. 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 Option Contracts and Options. The parties may (but neither is obligated to) enter into Option Contracts for the purchase and sale of currency, of such type and quantities, at Option Contract prices and for settlement dates as may be agreed, and for the purchase and sale of Options 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 authorised signatories) operate any Account opened by the Company for the Client in relation to the Agreement and, in particular, in respect of entering into Option Contracts and Options 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 Authorization of Third-Party Operated Accounts 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 days after the date of such transaction record unless otherwise provided in this 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 7 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, provided that 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 the Company is unable to transmit the same by electronic means for any reason beyond the reasonable control of the Company.
- 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.

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, Clearance 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 Option 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 Client 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, 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.** Until any amount owed to the Company or any Affiliated Company has been paid in full, the Company has the right to retain by way of lien all money, Securities and other property of the Client held from time to time by the Company or any Affiliated Company, whether held for safe-keeping 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 Affiliated Company. 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 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, Option Contracts and Account and that no one other than the Client has any right or interest in the relevant Securities, Option 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 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;
 - (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 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, Option Contracts and Transactions; and
 - (g) 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 authorised signatory, 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 Affiliated Companies, 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, 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;

- (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 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 Affiliated Company 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; and/or
 - (iv) cancel all or any unexecuted instructions of the Client.

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, Options 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 Affiliated Companies 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 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 authorised signatories, 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.
- 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 Options 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 upon its occurrence.

12. Use of Client Information

- 12.1 Compliance with Laws. The Client acknowledges that the Applicable Regulations, regulatory authorities and/or Exchanges of any relevant jurisdictions may require or request disclosure of personal and other information relating to the Client, its authorised signatories and/or the Accounts. The Client irrevocably authorizes the Company and its Affiliated Companies, 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 authorised signatories 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 Affiliated Companies liable for any consequences arising from such disclosure, and the Client shall reimburse the Company and its Affiliated Companies on demand for all costs and expenses (including legal costs on a full indemnity basis) incurred by the Company and its Affiliated Companies in complying with requests for such disclosure.
- 12.2 Disclosure in Other Cases. Subject to the extent specified in Clause 12.1, 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 Affiliated Companies, 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 Application 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 Affiliated Companies liable for any consequences arising from such reporting.

13. Liability and Indemnity

- 13.1 **Exclusion of Liability.** The Client agrees that the Company 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) 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 Affiliated Companies. 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 Affiliated Companies 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, 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 or other assets.
- 13.4 **Investor Compensation Fund.** If the Company or any of its officers, employees or Affiliated Companies 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.

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 Affiliated Companies may have an interest, relationship or arrangement that is material in relation to the Transaction or the Securities or Options concerned and, subject to any Applicable Regulations, neither the Company nor its nominees or Affiliated Companies 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 Affiliated Companies, and the Company or any of its nominees or Affiliated Companies 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 Options or acts as underwriter, sponsor or otherwise of the relevant Securities; or

- (c) 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.

- 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 Affiliated Companies, the Company shall not be liable to the Client for any claims by the Client against the Company or any of its nominees or Affiliated Companies in relation to any Transaction referred to in Clause 14.1 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 Affiliated Companies in connection with such Transaction.

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 Suitability Obligations. If the Company solicits the sale of or recommend any financial product to the Client, the financial product must be suitable for the Client having regard to the Client's financial situation, investment experience and consulting objectives. No other provision of this agreement or any other document the Company may ask the Client to sign and no statement we may ask the Client to make derogates from this clause.
- 15.3 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.
- 15.4 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 Affiliated Companies may purchase or sell or have a position in the Securities or Options 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.

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 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 on behalf of the other Joint Clients 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 of any monies or properties in any Account by any of the Joint Clients;
- (i) the Joint Clients have entered into the Agreement with a right of survivorship;
- (j) in the event of death of any Joint Client, 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. 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 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:
- (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 this Agreement at any time with immediate effect upon the occurrence of any event specified in Clause 9.1.
- 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, 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 such rates and on such other terms as the Company notifies to the Client from time to time 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. 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 this 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 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 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 is authorized by the Client to combine and consolidate at any time without notice to the Client any or all of the Client's accounts held with the Company and its Affiliated Companies, 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 Affiliated Company 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 Affiliated Company and such Clearing House, the Company or Affiliated Company (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 days (if local) or seven 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 relation to all matters arising under the Agreement.

23. Automatic Postponement

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.

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 or other relevant officer c/o the Company, who will investigate the complaint. The Client agrees to provide the complaints officer or other relevant officer with all such information as the complaints officer or other relevant 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, product specifications, prospectus or other offering document covering such Option Contracts and other derivative products in relation to which the Company provides services.
- 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.
- 27.8 Rights of Third Parties. No person other than the Company and the Client will have any right under the Contracts (Rights of Third Parties) Ordinance (Cap. 623 of the Laws of Hong Kong) to enforce or enjoy the benefit of any of the provisions of 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 and HKSCC 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 Futures 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 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 this 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.

31. Foreign Law Requirement Information and Disclosure

- 31.1 Obligation to Provide Information and Supporting Materials. The Client undertakes to provide the Company with such information, documents and certifications as reasonably required by the Company in order for it to meet its obligations under any Foreign Law Requirement. The Client acknowledges and agrees that this may include information, documents or certifications in connection with:

- (a) the Client;
- (b) the ultimate beneficial owner of any account;
- (c) the person ultimately responsible for giving any instruction or for entering into any transaction;
- (d) any person on whose behalf the Client acts in receiving payment; and/or

- (e) any other person identified by the Company in its sole and absolute discretion as being connected with the Client.
- 31.2 Use and disclosure for the purpose of any Foreign Law Requirement. The Client agrees that the Company may disclose any information, documents or certifications in relation to the Client and/or any person referred to in Clause 31.1 to any person or Government Authority, whether or not established under Hong Kong law, as required under any Foreign Law Requirement as determined by the Company.
- 31.3 Offshore Disclosure. The Client acknowledges and agrees that information and documents may be disclosed to third parties located inside or outside Hong Kong.
- 31.4 Change of Details. The Client must promptly notify the Company in writing of any change in:
 - (a) the Client's particular(s), circumstance(s), status, including any change in citizenship, residence, tax residency, address(es) on record, telephone or facsimile number and email address;
 - (b) (where applicable) the Client's constitution, shareholders, partners, directors or company secretary, or the nature of the Client's business; or
 - (c) the address or contact telephone number or other personal particulars recorded with the Company in respect of any person referred to in Clause 31.1.
- 32. **Governing Law**
 - 32.1 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 SAR. Each transaction or its underlying investment or instrument shall be subject to the laws of the jurisdiction where it is made or located and also the rules, regulations, guidelines, policies and directives of all relevant governmental and other regulatory bodies and agencies. 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.
 - 32.2 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.

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 Central China International Securities Co., 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 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 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 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 not 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 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 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 Securities and Futures Ordinance (cap. 571) 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 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.
- 14 In general, foreign investors (i.e. non-US citizens or residents) are not required to pay profit tax on US stock investment by filling a simple w8 form. However, they are still subject to a US tax up to 30% on dividends received from US stocks.
- 15 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.
- 16 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.
- 17 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.
- 18 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.
- 19 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.
- 20 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.

- 21 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.
- 22 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.
- 23 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.
- 24 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.

25 Risk of Product Denominated in Renminbi (RMB)

- (a) **Exchange Control Risk**
RMB is not fully and freely convertible. For RMB products with a significant portion of non-RMB denominated underlying investments, you should pay attention to the possibility that you may not receive the full amount in RMB upon redemption. This may be the case if the issuer is not able to obtain sufficient amount of RMB in a timely manner due to the exchange controls and restrictions applicable to the currency.
- (b) **Liquidity Risk**
You should pay attention to the liquidity risk associated with the RMB products. In particular, if such products do not have an active secondary market and their prices have large bid/offer spreads.
- (c) **Devaluation Risk**
There is no assurance that RMB will not be subject to devaluation. You must subscribe for RMB denominated product and will receive realisation proceeds in RMB. If you convert your investment moneys in Hong Kong Dollars or other currencies into RMB in order to invest in the product, you will suffer losses in case of RMB devaluation, if you convert realisation proceeds back into Hong Kong Dollars or other currencies.

26 Additional Risk Disclosure For Options Trading

- (a) The following brief statement does not disclose all of the risks and other significant aspects of trading in options. In light of the risks, the client should undertake such transactions only if he understands the nature of the contracts (and contractual relationships) into which the client is entering and the extent of his exposure to risk. Trading in options is not suitable for many members of the public. The client should carefully consider whether trading is appropriate for him in light of his experience, objectives, financial resources and other relevant circumstances.
- (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.
- (c) **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. The client should calculate the extent to which the value of the options must increase for his 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. If the purchased options expire worthless, the client will suffer a total loss of his investment which will consist of the option premium plus transaction costs. If the client is contemplating purchasing deep-out-of-the-money options, the client 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. 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.

(d) Terms And Conditions Of Contracts

The client should ask the company about the terms and conditions of the specific options which he is trading and associated obligations (e.g. 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.

(e) 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 of liquidate/offset positions. If the client has 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".

(f) Deposited Cash And Property

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

(g) Commission And Other Charges

Before the client begins to trade, he should obtain a clear explanation of all commission, fees and other charges for which he will be liable. These charges will affect the client's net profit (if any) or increase his loss.

(h) 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.

(i) Off-Exchange Transactions

In some jurisdictions, and only then in restricted circumstances, firms are permitted to effect off-exchange transactions. The firm with which the client deals may be acting as the client's 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 the client undertakes such transactions, the client should familiarize himself with applicable rules and attendant risks.

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

- (k) **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.

- (l) **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.

27 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 (<http://www.hkiec.hk/iec/tc/html/section/index.html>) and Hong Kong Exchanges and Clearing Limited (<http://www.hkex.com.hk>) and the Securities and Futures Commission of Hong Kong (<http://www.sfc.hk>).

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.

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

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.

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.

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 are 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.

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.

28 Risk of Trading Exchange Traded Notes (ETNs)

- (a) ETN is a type of unsecured, unsubordinated debt security issued by an underwriting bank, designed to provide investors access to the returns of various market benchmarks. The returns of ETNs are usually linked to the performance of a market benchmark or strategy, minus applicable fees. Similar to other debt securities, ETNs have a maturity date and are backed only by the credit of the issuer.
- (b) You can buy and sell the ETNs on the exchange or receive a cash payment at the scheduled maturity or may early redeem the ETNs directly with the issuer based on the performance of the underlying index less applicable fees, with redemption restrictions, such as the minimum number of ETNs for early redemption, may apply.
- (c) There is no guarantee that investors will receive at maturity or upon an earlier repurchase, investors' initial investment back or any return on that investment. Significant adverse monthly performances for investors' ETNs may not be offset by any beneficial monthly performances. The issuer of ETNs may have the right to redeem the ETNs at the repurchase value at any time. If at any time the repurchase value of the ETNs is zero, investors' investment will expire worthless. ETNs may not be liquid and there is no guarantee that you will be able to liquidate your position whenever you wish.
- (d) Although both ETFs and ETNs are linked to the return of a benchmark index, ETNs as debt securities do not actually own any assets they are tracking, but just a promise from the issuer to pay investors the theoretical allocation of the return reflected in the benchmark index. It provides limited portfolio diversification with concentrated exposure to a specific index and the index components. In the event that the ETN issuer defaults, the potential maximum loss could be 100% of the investment amount and no return may be received, given ETN is considered as an unsecured debt instrument.
- (e) The value of the ETN may drop despite no change in the underlying index, instead due to a downgrade in the issuer's credit rating. Therefore, by buying ETNs, investors get direct exposure to the credit risk of the issuer and would only have an unsecured bankruptcy claim if the issuer declares bankruptcy. The principal amount is subject to the periodic application of investor fee or any applicable fees that can adversely affect returns. Where you trade ETNs with underlying assets not denominated in local currencies are also exposed to exchange rate risk. Currency rate fluctuations can adversely affect the underlying asset value, also affecting the ETN price.
- (f) Investors may have leveraged exposure to the underlying index, depending on the product feature. The value of ETNs can change rapidly according to the gearing ratio relative to the underlying assets. You should be aware that the value of an ETN may fall to zero resulting in a total loss of the initial investment.

29 Risk of Leveraged And Inverse Products (L&I Products)

Investment involves risks. The risks of investing in different L&I Products vary due to the difference in

product structure, investors are highly recommended to read the prospectus and key facts sheet carefully in order to understand the risks involved in a specific L&I Product.

(a) Investment risk

The L&I Product is a derivative product and is not suitable for all investors. There is no guarantee of the repayment of principal. Therefore, your investment in the L&I Product may suffer substantial/total losses.

(b) Long term holding risk

The L&I Product is not intended for holding longer than one day as the performance of the L&I Product over a period longer than one day will very likely differ in amount and possibly direction from the leveraged performance of the index over that same period. The effect of compounding becomes more pronounced on the L&I Product's performance as the index experiences volatility. With higher index volatility, the deviation of the L&I Product's performance from the leveraged performance of the index will increase, and the performance of the L&I Product will generally be adversely affected. As a result of daily rebalancing, the index's volatility and the effects of compounding of each day's return over time, it is even possible that the L&I Product will lose money over time while the index's performance increases or is flat.

(c) Leverage risk

Leveraged Products typically aim to deliver a daily return equivalent to a multiple of the underlying index return that they track. Inverse Products typically aim to deliver the opposite of the daily return of the underlying index that they track. Both gains and losses will be magnified. The risk of loss resulting from an investment in the L&I Product in certain circumstances will be substantially more than a fund that does not employ leverage.

(d) Inverse Product vs. short selling risk

Investing in the Inverse Product is different from taking a short position. Because of rebalancing, the return profile of the Inverse Product is not the same as that of a short position. In a volatile market with frequent directional swings, the performance of the Inverse Product may deviate from a short position.

(e) Risk of rebalancing activities

There is no assurance that the L&I Product can rebalance their portfolio on a daily basis to achieve their investment objectives. Market disruption, regulatory restrictions or extreme market volatility may adversely affect the L&I Product's ability to rebalance its portfolio.

(f) Liquidity risk

The rebalancing activities of the L&I Product typically take place near the end of a trading day, shortly before the close of the underlying market, to minimise tracking difference. As a result, the L&I Product may be more exposed to the market conditions during a shorter interval and maybe more subject to liquidity risk.

(g) Intraday investment risk

The L&I Product is normally rebalanced at day end. As such, return for investors that invest for period less than a full trading day will generally be differs from the leveraged investment exposure to the index, depending upon the movement of the index from the end of one trading day until the time of purchase.

(h) Portfolio turnover risk

Daily rebalancing of L&I Product's holdings causes a higher level of portfolio transactions than compared to the conventional ETFs. High levels of transactions increase brokerage and other transaction costs.

(i) Futures contracts risk

If the L&I Product is a futures based product, investment in futures contracts involves specific risks such as high volatility, leverage, rollover and margin risks. The leverage component of futures contracts can result in a loss significantly greater than the amount invested in the futures contracts by the L&I Product. Exposures to futures contracts may lead to a high risk of significant loss by the L&I Product. A “roll” occurs when an existing futures contract is about to expire and is replaced with a futures contract representing the same underlying but with a later expiration date. The value of the L&I Product’s portfolio (and so the Net Asset Value per unit) may be adversely affected by the cost of rolling positions forward (due to the higher price of the futures contract with a later expiration date) as the futures contracts approach expiry. There may be imperfect correlation between the value of the underlying reference assets and the futures contracts, which may prevent the L&I Product from achieving its investment objective.

(j) Foreign exchange risk

If the L&I Product’s assets are generally invested (either directly or indirectly) in Securities, Swaps or Futures Contracts denominated other than in its base currency, and if a substantial portion of the revenue and income of the L&I Product is received in a currency other than its base currency, any fluctuation in the exchange rate of the base currency relative to the relevant foreign currency will affect the Net Asset Value of the L&I Product regardless of the performance of its underlying portfolio.

(k) Distributions risk

Where distributions are distributed out of capital or effectively out of capital, this amounts to a return or withdrawal of an investor’s original investment or any capital gains attributable to that original investment and may result in an immediate reduction in the Net Asset Value per unit.

(l) Passive investments risk

The L&I Product is not “actively managed” and therefore the manager of the L&I Product may not adopt any temporary defensive position when the index moves in an unfavorable direction. In such circumstances the L&I Product will also decrease in value.

(m) Trading risk

The trading price of the units on the Exchange is driven by market factors such as the demand and supply of the units. Therefore, the units may trade at a substantial premium or discount to the Net Asset Value. As investors will pay certain charges (e.g. trading fees and brokerage fees) to buy or sell units on the Exchange, investors may pay more than the Net Asset Value per unit when buying units on the Exchange, and may receive less than the Net Asset Value per unit when selling units on the Exchange.

(n) Trading differences risk

As the overseas exchange may be open when the units are not priced, the value of any underlying index futures contracts in the L&I Product’s portfolio, and the value of the any constituents in the Index to which such futures contracts are linked, may change when investors may not be able to buy or sell units. Differences in trading hours between different markets may also increase the level of premium or discount of the unit price to its Net Asset Value.

(o) Reliance on market maker risk

Although the L&I Product manager is required to ensure that at least one market maker will maintain a market for the units and gives not less than 3 months’ notice prior to termination of the market making arrangement, liquidity in the market for the units may be adversely affected if there is only one market maker for the units. There is no guarantee that any market making activity will be effective.

(p) Tracking error risk

Due to fees and expenses of the L&I Product, high portfolio turnover, liquidity of the market and the investment strategy adopted by the manager of the L&I Product, the L&I Product’s

return may deviate from the daily leveraged performance of the index which the L&I Product seeks to track. There can be no assurance of exact or identical replication at any time of the daily leveraged performance of the Index.

(q) Termination risk

The L&I Product may be terminated early under certain circumstances, for example, where there is no market maker, the index is no longer available for benchmarking or if the size of the L&I Product falls below a specific value decided by the manager of L&I Product. Any distribution received by a unitholder on termination of the L&I Product may be less than the capital initially invested by the unitholder, resulting in a loss to the unitholder.

30 Risk of Bond Trading

(a) Default risk

This is a risk that bond issuer will be unable to pay bondholder the payment, contractual interest or principal as scheduled. You should pay attention to credit ratings of bond issuers. Lower rated bond issuers may be more likely to default and bondholder may lose the whole or most of their investment.

(b) Interest rate risk

It is the major risk associated with bond investments. The price of a fixed rate bond will fall when the interest rate rises. The bond price would fall below the purchase price should interest rate rise after the date of purchase.

(c) Exchange rate risk

Bond that is dominated in foreign currency is exposed to exchange rate risk. Fluctuations in foreign exchange rate may adversely affect the underlying value and price of the investments.

(d) Liquidity risk

In the event of emergency to sell bond before its maturity, there is no assurance that the bond will be actively trading in the secondary market. If the bond issuer defaults or ceases to fulfill their role, you as the investor may not be able buy or sell the product.

(e) Equity risk

For bonds that are convertible, equity risk may exist and the underlying value and return of investments may be adversely affected.

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.

1.2 In these Special Terms :

"Charged Securities" means all Securities, receivables or monies in the Securities Account from time to time and all other monies 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 subsidiary or associated company for any purpose whatsoever, and shall include any additional or substituted Securities, and all dividends or interest paid or payable, rights, interests, monies 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;

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

"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.

2. Settlement

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

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

2.2 If the Client fails to comply with Clause 2.1, 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 Securities Transaction: -

- (a) in the case of a Securities Transaction for the purchase or subscription of Securities, to sell or transfer the Securities being the subject matter of such Securities Transaction and/or sell or transfer any other Securities 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 Securities Transaction for the sale of Securities, to borrow and/or purchase Securities equivalent to the Securities being the subject matter of such Securities 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 (a) or (b) above, to have recourse to its rights of combination and set-off or any other rights under the Agreement.

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

- (a) execute any instruction for purchase of Securities 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 unless the Client has deposited the relevant Securities with the Company to settle such sale.

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

2.5 The Client shall be liable for any Deficit resulting from losses and any cost or expense (including legal costs) incurred by the Company, on a full indemnity basis, in relation to the purchase and/or sale of Securities pursuant to Clause 2.2 hereof.

3. Safekeeping of Securities

3.1 Any Securities held by the Company or the Company's associated entity for safekeeping pursuant to the Agreement may, at the Company's discretion :

- (a) (in the case of registrable securities) be registered in the name of the Client; 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 an institution which is qualified for providing facilities for the safe custody of Securities and documents relating thereto subject to the Applicable Regulations.

3.2 The Client acknowledges and agrees that Securities 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.

3.3 The Client appoints the Company as custodian of all cash and Securities 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 with such other company or institution and on such terms as it may deem fit. Such cash or Securities may be co-mingled with those of other clients of the Company (but not with cash or Securities 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 the company or institution with which the assets are deposited.

3.4 Subject to Clause 3.6 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 from time to time in the Securities 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 to the Client or such nominee whereupon such Securities shall cease to be held in the Securities Account; and
- (b) transfer any sum specified in the instructions of the Client from the Securities 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.

3.5 Where Securities are accepted on behalf of the Client in jurisdictions restricting foreign ownership of Securities, the Company shall have no duty to ascertain the nationality of the owner of such Securities or whether such Securities are approved for foreign ownership unless specifically instructed by the Client.

- 3.6 The obligations of the Company in Clause 3.4 hereof shall be subject to the other provisions of the Agreement and in particular Clause 6 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 Securities Account prior to any registration or transfer in accordance with Clause 3.4 hereof or otherwise may require payment thereof to be made by the Client prior to any registration or transfer pursuant to Clause 3.4 hereof.
- 3.7 The Client hereby authorises the Company to act on instructions relating to the Client's Securities, including the exercise of voting and other rights attached to the Securities. 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.
- 3.8 The Company will pay all dividends, distributions, interest, coupons or benefits relating to the Securities of the Client into the Securities Account. If the Securities in respect of which the dividends, interest, coupons or distributions or other benefit accrue form part of a larger holding of identical Securities 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.
- 3.9 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).
- 3.10 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 or Securities in the Securities 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 held by the Company or its nominee in the Securities Account.
- 3.11 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 which may not have the same serial number or identification as those originally deposited with or received by the Company.
- 3.12 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.

4. Account Statements and Contract Notes

- 4.1 The Company shall in accordance with the Applicable Regulations provide to the Client contract notes or other confirmations relating to any Transactions in Securities and statements of account relating to the relevant Account.
- 4.2 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.
- 4.3 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 days after the date of a contract note or transaction confirmation or within 14 days after the date of a statement of account.

5. Charge

- 5.1 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 5.1 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.

- 5.2 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 5.1 ; 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. 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. 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.

- 5.3 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 5.1 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.

- 5.4 Without prejudice to the generality of Clause 5.2 hereof, the Company (or, where appropriate, the Company's nominee) shall be entitled to appropriate to the Company or sell or dispose of the Charged Securities or any part thereof at the then current market price to any Affiliated Company 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 Affiliated Companies,

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.

- 5.5 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.
- 5.6 The amounts realised by the exercise or enforcement of the charge created in Clause 5.1 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.
- 5.7 The charge created in Clause 5.1 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. 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.
- 5.8 The charge created in Clause 5.1 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.
- 5.9 Any monies realised pursuant to the charge created in Clause 5.1 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.
- 5.10 The charge created in Clause 5.1 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.
- 5.11 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) not to withdraw or attempt to withdraw all or any part of the Charged Securities without the prior consent of the Company; and
 - (e) not to take or omit to take any action which might prejudice the effectiveness of the charge created in Clause 5.1 hereof or the Company's rights under the charge.
- 5.12 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 further notice or demand, to forthwith:
- (a) cancel any open orders for the purchase or sale of Securities;
 - (b) where applicable, sell the Securities in any Account of the Client;
 - (c) where applicable, buy the Securities previously sold as a short sale in any Account of the Client;

- (d) close out any open contract held by the Company on behalf of the Client, and make or take delivery of the Securities in respect of such contract;
 - (e) borrow or purchase any Securities required to make delivery on behalf of the Client; and
 - (f) exercise any Options held by the Company on behalf of the Client.
- 5.13 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 5.1 hereof, the Company or to any encumbrance given to the Company pursuant to the charge.
- 5.14 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 5.14 may lawfully execute, seal, deliver, exercise or do.
- 5.15 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.
- 5.16 Any release, discharge or settlement under the charge created in Clause 5.1 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 Company shall be entitled to enforce the charge if such condition is not fulfilled as if such release, discharge or settlement had not occurred.
- 5.17 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 5. 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.

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.

1.2 In these Special Terms :

"Charged Securities" means all Securities, receivables or monies in the Securities Account and/or the Margin Account from time to time and all other monies 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 subsidiary or associated company for any purpose whatsoever, or demanded by the Company from time to time for compliance with the Rules of Exchanges and/or Clearing Systems, and shall include any additional or substituted Securities, and all dividends or interest paid or payable, rights, interests, monies 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;

"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;

"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 by the Client through the Margin Account;

"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 and (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; and

"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 these Special Terms including holding Securities in the name of the Company or the Company's nominee.

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 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 If the Client fails to comply with Clause 2.1, 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 Securities Transaction - Margin: -

(a) in the case of a Securities Transaction - Margin for the purchase or subscription of Securities, to sell or transfer the Securities being the subject matter of such Securities Transaction - Margin and/or sell or transfer any other Securities 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 Securities Transaction - Margin for the sale of Securities, to borrow and/or purchase Securities equivalent to the Securities being the subject matter of such Securities Transaction - Margin in order to satisfy the Client's settlement obligations, at a price the Company believes to be reasonable;

and in addition or as an alternative to (a) or (b) above, to have recourse to its rights of combination and set-off or any other rights under the Agreement.

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

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

2.4 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 6.1 hereof 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.

2.5 The Client shall be liable for any Deficit resulting from losses and any cost or expense (including legal costs) incurred by the Company, on a full indemnity basis, in relation to the purchase and/or sale of Securities pursuant to Clause 2.2 hereof.

3. Safekeeping of Securities

3.1 Any Securities held by the Company 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) 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 maintained in Hong Kong or elsewhere by the Company with the Company's associated entity or any other institution which provides facilities for the safe custody of Securities and documents relating thereto.

3.2 The Client acknowledges and agrees that Securities 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.

3.3 The Client appoints the Company as custodian of all cash and Securities 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 with such other company or institution and on such terms as it may deem fit. Such cash or Securities may be co-mingled with those of other clients of the Company (but not with cash or Securities 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 the company or institution with which the assets are deposited.

3.4 Subject to Clause 3.6 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 from time to time in the Margin 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 to the Client or such nominee whereupon such Securities shall cease to be held in the Margin Account; and

- (b) transfer any sum specified in the instructions of the Client from the Margin 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.
- 3.5 Where Securities are accepted on behalf of the Client in jurisdictions restricting foreign ownership of Securities, the Company shall have no duty to ascertain the nationality of the owner of such Securities or whether such Securities are approved for foreign ownership unless specifically instructed by the Client.
- 3.6 The obligations of the Company in Clause 3.4 hereof shall be subject to the other provisions of the Agreement and in particular Clause 6 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 Margin Account prior to any registration or transfer in accordance with Clause 3.4 hereof or otherwise may require payment thereof to be made by the Client prior to any registration or transfer pursuant to Clause 3.4 hereof.
- 3.7 The Client hereby authorises the Company to act on instructions relating to the Client's Securities, including the exercise of voting and other rights attached to the Securities. 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.
- 3.8 The Company will pay all dividends, distributions, interest, coupons or benefits relating to the Securities of the Client into the Margin Account. If the Securities in respect of which the dividends, interest, coupons or distributions or other benefit accrues form part of a larger holding of identical Securities held by the Company for its clients, the Client shall be entitled with other clients of the Company to a proportionate share of such dividends, distributions, interest, coupons or benefits.
- 3.9 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).
- 3.10 The Client authorises the Company and its nominee to take all such action 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 or Securities in the Margin 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 held by the Company or its nominee in the Margin Account.
- 3.11 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 which may not have the same serial number or identification as those originally deposited with or received by the Company.

- 3.12 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.

4. Account Statements and Contract Notes

- 4.1 The Company shall in accordance with the Applicable Regulations provide to the Client contract notes or other confirmations relating to any Transactions in Securities and statements of account relating to the relevant Account.
- 4.2 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.
- 4.3 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 days after the date of a contract note or transaction confirmation or within 14 days after the date of a statement of account.

5. Company's use of Securities as collateral

- 5.1 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.
- 5.2 Notwithstanding Clause 5.1 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 3 hereof, 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).

6. Charge

- 6.1 In consideration of the Company granting or continuing to make available the Credit Facilities to the Client, the Client, as beneficial owner, hereby charges by way of first fixed charge all its rights, title, benefits, claims and interest, both present and future, in and to any and all of the Collateral, 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 6.1 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 Collateral specified in such notice.
- 6.2 If any events specified in Clause 9.1 of the General Terms and Conditions occurs, then:-
- (a) the Company shall be entitled to enforce without further notice to the Client the charge created in Clause 6.1; and
 - (b) the Company (or where appropriate the Company's nominee acting upon instructions from the Company) shall be entitled, without further notice to the Client:-

- (i) appropriate, transfer or set-off the whole or any part of any monies comprised in the Collateral in or towards payment or discharge of any of the Liabilities; and/or
 - (ii) sell or dispose of the Collateral 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.
- 6.3 The Company and the Company's nominee shall not be in any way responsible for any loss occasioned by any action for the purposes of enforcing the security created in Clause 6.2 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.
- 6.4 Without prejudice to the generality of Clause 6.2 hereof, the Company (or, where appropriate, the Company's nominee) shall be entitled to appropriate to the Company or sell or dispose of the Charged Securities or any part thereof at the then current market price to any Affiliated Company 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 Affiliated Companies,
 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.
- 6.5 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.
- 6.6 The amounts realised by the exercise or enforcement of the charge created in Clause 6.1 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.
- 6.7 The charge created in Clause 6.1 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. 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.
- 6.8 The charge created in Clause 6.1 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.
- 6.9 Any monies realised pursuant to the charge created in Clause 6.1 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.
- 6.10 The charge created in Clause 6.1 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.

- 6.11 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 Collateral 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 Collateral in its favour;
 - (d) not to withdraw or attempt to withdraw all or any part of the Collateral without the prior consent of the Company; and
 - (e) not to take or omit to take any action which might prejudice the effectiveness of the charge created in Clause 6.1 hereof or the Company's rights under the charge.
- 6.12 Upon occurrence of any of the events set out in Clause 9.1 of the General Terms and Conditions and/or the failure of the Client to comply with Clause 8.1 hereof, 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;
 - (b) terminate the Credit Facilities;
 - (c) close the Margin Account;
 - (d) dispose of the Charged Securities or any of them;
 - (e) where applicable, sell any Securities in any Account of the Client;
 - (f) where applicable, buy Securities previously sold as a short sale in any Account of the Client;
 - (g) close out any open contract held by the Company on behalf of the Client, and make or take delivery of the Securities in respect of such contract;
 - (h) borrow or purchase any Securities required to make delivery on behalf of the Client;
 - (i) exercise any Options held by the Company on behalf of the Client; and
 - (j) 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.
- 6.13 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 6.1 hereof, the Company or to any encumbrance given to the Company pursuant to the charge.
- 6.14 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 6.14 may lawfully execute, seal, deliver, exercise or do.

- 6.15 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.
- 6.16 Any release, discharge or settlement under the charge created in Clause 6.1 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 Company shall be entitled to enforce the charge if such condition is not fulfilled as if such release, discharge or settlement had not occurred.
- 6.17 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 6. 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.

7. Credit Facilities

- 7.1 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.
- 7.2 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 7.1 hereof.

8. Margin Requirement

- 8.1 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 or other means, regardless of whether or not the Client actually receives the Margin Demand.

- 8.2 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 Affiliated Company 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.
- 8.3 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.

9. Operation of Credit Facilities

- 9.1 The Credit Facilities shall be repayable by the Client on demand and may be varied or terminated in the absolute discretion of the Company.
- 9.2 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.
- 9.3 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) stated in Clause 7.1 above to be exceeded; or
 - (d) the Company in its absolute discretion considers it prudent or desirable for its protection not to do so.
- 9.4 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 Futures and Options positions required by the Company and/or any Affiliated Company, or payment of any commission or other costs and expenses owing to the Company and/or any Affiliated Company.
- 9.5 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.

10. Separate Accounts

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.

11. 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.

12. Risk Disclosure Statement

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:

- (a) 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 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 Options 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 Affiliated Companies, 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 6

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 Affiliated Companies 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, 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 Business Days prior written notice.

Schedule 7

Risk Disclosures and Other Information Of Shanghai/Shenzhen-Hong Kong Stock Connect

This Appendix describes some of the key risk factors concerning Stock Connect based on the Company's current understanding of the Applicable Requirements and the Mainland China stock market. The Company has not verified the accuracy of the Mainland China stock market requirements or rules. This Appendix is not exhaustive and does not disclose all the risks and other significant aspects of Northbound Trading. The Client should ensure that he understands the nature of Stock Connect and he should consider carefully (and consult his own advisers where necessary) whether trading in Shanghai/Shenzhen-Hong Kong Stock Connect Securities is suitable for the Client in light of his circumstances. It is the Client's decision to trade in Shanghai/Shenzhen-Hong Kong Stock Connect Securities, but the Client should not trade in Shanghai/Shenzhen-Hong Kong Stock Connect Securities unless he fully understands and is willing to assume the risks associated with Stock Connect.

The Company does not represent that the information set out in this Appendix is up-to-date or complete, nor does the Company undertake to update it from time to time. For further information, please refer to the materials published on the HKEx website, the SFC website and/or the SSE/SZE website applicable to Stock Connect from time to time and other relevant sources. If in doubt, the Client should seek professional advice.

1. Pre-Trade Checking required

Under Mainland Chinese requirements, SSE/SZE may reject a sell order if an investor does not have sufficient available Shanghai/Shenzhen-Hong Kong Stock Connect Securities in its account. SEHK will apply similar checking on all sell orders of Northbound Trading at the exchange participant level to ensure there is no overselling by any individual exchange participant ("Pre-Trade Checking"). Accordingly, the Client must comply with any requirements relating to Pre-Trade Checking mandated by the Stock Connect Authorities or as notified to the Client by the Company. The Client must also ensure there are sufficient available Shanghai/Shenzhen-Hong Kong Stock Connect Securities in the Account(s) to cover any proposed sell order.

2. Settlement arrangements

Northbound Trading follows the settlement cycle of A shares listed on SSE/SZE. For settlement of Shanghai/Shenzhen-Hong Kong Stock Connect Securities trades, China Clear will debit or credit the securities accounts of its participants (including HKSCC as clearing participant) on the trading day on which the order is made ("T day") free of payment. [The Company may have settlement arrangements in place that are different from the China Clear settlement arrangements.] Unless the Company agrees to prefund, settlement of funds relating to such trading will be effected on the trading day following T day ("T+1 day").

3. Quota on Northbound Trading

Relevant governmental or regulatory bodies may impose quotas on the trading of Shanghai/Shenzhen-Hong Kong Stock Connect Securities from time to time depending on market conditions and readiness, the level of cross-boundary fund flows, stability of the markets and other factors and considerations. The Client should read the relevant details on such quota restrictions, including the quota limit, level of quota utilisation, balance of available quota and the applicable restrictions and arrangements published on the SEHK website from time to time to ensure he has the most updated information.

Purchases of Shanghai/Shenzhen-Hong Kong Stock Connect Securities through Stock Connect are currently subject to certain quota controls as detailed below. SEHK has absolute discretion to take all such actions, steps or measures as it considers necessary or appropriate to ensure or facilitate compliance with the relevant quota requirements or restrictions including, without limitation, the following:

restricting or rejecting buy orders for Northbound Trading;
suspending or restricting the access to or the use of all or any part of the trading services for Northbound Trading; and amending the operational hours and related arrangements of Northbound Trading.

As a result, there is no assurance that a buy order for Northbound Trading can be successfully placed through Stock Connect. The aggregate quota caps the absolute amount of funds inflow into Mainland China under Northbound Trading at a level to be specified by SEHK and SSE/SZE from time to time

("Aggregate Quota"). The daily quota caps the net buy value of cross-boundary trades under Stock Connect on each Trading Day ("Daily Quota"). The Aggregate Quota and/or the Daily Quota may change from time to time without prior notice and the Client should refer to the HKEx website and other information published by the HKEx for up-to-date information.

Under SEHK rules, investors may sell their Shanghai/Shenzhen-Hong Kong Stock Connect Securities regardless of whether there is a breach of the Aggregate Quota or the Daily Quota. If there is a suspension of buying Shanghai/Shenzhen-Hong Kong Stock Connect Securities through Northbound Trading as a result of a breach of the Aggregate Quota or the Daily Quota, the Company will be unable to carry out any buy orders and any instruction to buy submitted but not yet executed will be rejected. Please note that buy orders already accepted will not be affected by the Daily Quota being used up and will remain on the order book of SSE/SZE unless otherwise cancelled by the relevant exchange participants.

4. Restriction on day trading

Day (turnaround) trading is not permitted on the A share market in Mainland China. If the Client buys Shanghai/Shenzhen-Hong Kong Stock Connect Securities on T day, he can sell such shares only on or after T+1 day and as a result, the Client will be exposed to the market risk of holding such shares from T day to T+1 day. Due to Pre-Trade Checking requirements, if the Client sends to the Company instructions to sell the Shanghai/Shenzhen-Hong Kong Stock Connect Securities the Client bought on T day, the Company can only accept such instructions on or after the applicable cut-off time (as notified to the Client by the Company from time to time) on T+1 day.

5. Trading methods and insider trading implications

Trading in Shanghai/Shenzhen-Hong Kong Stock Connect Securities in Mainland China currently involves the use of fax machines for placing orders and orders must be transmitted by 7.30am (Shanghai time) on the morning of the desired trade. Information about the Client's trade may be accessed by persons privy to the information to trade for their own benefit. Further, the trading arrangements may not be supported by technological checks and balances, resulting in a risk of human error and/or malfeasance.

6. Client errors

Neither the Company nor any of the Group Company shall be liable for any loss, damage or expense or consequential loss, damage or expense suffered by the Client as a result of any trading based on the Client's instructions. The Company will not be able to unwind any trade, and the Client should take note of the settlement arrangements in respect of Shanghai/Shenzhen-Hong Kong Stock Connect Securities under China Connect, including but not limited to quota restrictions which may affect the ability to mitigate the consequences of any error trades.

There is a general prohibition on off-exchange trading or transfers under the Stock Connect Rules, subject to certain exceptions (such as transfers effected to rectify error trades between an exchange participant and its clients in limited circumstances). Currently, there are no detailed rules or guidelines on permissible off-exchange transfers. In addition, SEHK may also suspend the right of a particular exchange participant to conduct non-trade transfers for error trade rectification if the SEHK has reasonable cause to suspect or to believe that the exchange participant may abuse or may have abused such rectification arrangements or may have used such rectification arrangements to circumvent the prohibition against off-exchange trades or transfers. The Company is not obliged to effect any off-exchange transfer for rectification of error trades but has absolute discretion to determine whether to conduct such off-exchange. Neither the Company nor any of the Group Company is liable for any loss or damage which may result directly or indirectly from any error trade or any refusal to conduct a transfer to rectify an error trade.

7. Disclosure of interests

Under Mainland Chinese requirements, if the Client holds or controls shares in a Mainland Chinese company which is listed on a Mainland Chinese stock exchange (a "Mainland Chinese Listed Company") up to a certain threshold as may be specified from time to time by a relevant Stock Connect Authority, the Client must disclose such interest within the period specified by the relevant Stock Connect Authority, and the Client must not buy or sell any such shares within the period specified by the relevant Stock Connect Authority. The Client must also disclose any substantial change in his holding as required by the relevant Stock Connect Authority. It is the Client's responsibility to comply with any disclosure of interest rules from time to time imposed by the relevant Stock Connect Authorities and arrange for any relevant filings.

8. Short swing profit rule

Under Mainland Chinese requirements, the "short swing profit rule" requires a person to return any profits made from purchases and sales in respect of Shanghai/Shenzhen-Hong Kong Stock Connect Securities of a Mainland Chinese Listco if: (a) such person's shareholding in the Mainland Chinese Listco exceeds the threshold prescribed by the relevant Stock Connect Authority from time to time; and (b) the corresponding sale transaction occurs within the six months after a purchase transaction, or vice versa. The Client (and the Client alone) is responsible for complying with the Mainland Chinese's rules applicable to "short swing profit rule".

9. Limits on short-selling

Hong Kong and overseas investors are currently prohibited from naked short selling Shanghai/Shenzhen-Hong Kong Stock Connect Securities.

10. Source of funding

Although Northbound Trading is designated for Hong Kong and overseas investors, it is unclear whether Mainland Chinese Citizen investors or investors using funds sourced from Mainland China are able to enter into Northbound Trading via their offshore accounts.

11. Foreign ownership limits

Under Mainland Chinese requirements, there is a limit as to how many shares a single foreign investor is permitted to hold in a single Mainland Chinese Listco, and also a limit as to the maximum combined holdings of all foreign investors in a single Mainland Chinese Listco. Such foreign ownership limits may be applied on an aggregate basis (i.e. across both domestically and overseas issued shares of the same listed company, whether the relevant holdings are through Northbound Trading, qualified foreign institutional investor/RMB qualified foreign institutional investor regime or other investment channels). Where the aggregated foreign ownership of a single Mainland Chinese Listco reaches a designated percentage, the HKEx (or its relevant subsidiary) will suspend accepting any purchase order of the relevant Shanghai/Shenzhen-Hong Kong Stock Connect Securities through Stock Connect until the percentage of foreign ownership of such Listco is reduced to a certain level.

It is the Client's responsibility to comply with all foreign ownership limits from time to time imposed by Applicable Requirements. The Client may also be required to report to the relevant authorities when a designated percentage of ownership is reached. If the Company becomes aware that the Client has breached (or reasonably believe that the Client may breach upon execution of further buy orders) any foreign ownership limits, or if the Company is so required by any Stock Connect Authority, the Client authorizes the Company to sell any Shanghai/Shenzhen-Hong Kong Stock Connect Securities in order to ensure compliance with all Applicable Requirements. However, the Company is not obliged to do so and the Client should not rely on such action by the Company to ensure the Client's compliance with any Applicable Requirements.

12. Shanghai/Shenzhen-Hong Kong Stock Connect Securities Eligible for Northbound Trading

The SEHK will include and exclude securities as Shanghai/Shenzhen-Hong Kong Stock Connect Securities based on the prescribed criteria under the Shanghai/Shenzhen-Hong Kong Stock Connect Rules. The Client will only be allowed to sell a Shanghai/Shenzhen-Hong Kong Stock Connect Security and be restricted from further buying, if (i) the Shanghai/Shenzhen-Hong Kong Stock Connect Security subsequently ceases to be a constituent stock of the relevant indices, (ii) the Shanghai/Shenzhen-Hong Kong Stock Connect Security subsequently moves to the risk alert board, and/or (iii) the corresponding H share of the Shanghai/Shenzhen-Hong Kong Stock Connect Security subsequently ceases to be traded on SEHK. According to the rules governing the listing of securities on SSE/SZE ("SSE/SZE Listing Rules"), if any SSE/SZE-listed company is in the delisting process, or its operation is unstable due to financial or other reasons such that there is a risk of being delisted or exposing investors' interest to undue damage, the SSE/SZE-listed company will be earmarked and traded on the risk alert board. Any change to the risk alert board may occur without prior notice. For details concerning the risk alert board, please refer to the SSE/SZE Listing Rules and the provisional trading arrangement on the risk alert board of SSE/SZE.

13. No off-exchange transfers

Securities trading service companies, securities companies and brokers may not provide any off-exchange services relating to the transfer in any other form of shares traded under Stock Connect, unless

otherwise provided by the CSRC (such as post-trade allocation of shares by a fund manager across the funds and/or sub-funds it manages, and any other situations specified by SSE/SZE and China Clear).

14. Offshore RMB exchange rate risks

Similar to other foreign currencies, the exchange rate of Offshore RMB may rise or fall. There is no guarantee that RMB will not depreciate.

The exchange rate of Offshore RMB will be affected by, amongst other things, foreign exchange control imposed by the Mainland Chinese central government from time to time (for example, there are currently restrictions on the conversion of RMB into other currencies). If RMB is not the Client's home currency, the Client may have to convert his home currency into RMB when investing in Shanghai/Shenzhen-Hong Kong Stock Connect Securities and vice versa for any payments in RMB from transactions under the Shanghai/Shenzhen-Hong Kong Stock Connect Securities. The Client will be incurring currency conversion costs (being the spread between buying and selling of Offshore RMB) and subject to exchange rate fluctuation risks in any such currency conversion, which may adversely affect the market value of Shanghai/Shenzhen-Hong Kong Stock Connect Securities.

15. Limitations on the conversion of RMB

RMB is currently not freely convertible and subject to foreign exchange control and restrictions by the Mainland Chinese central government. Conversion of RMB through banks in Hong Kong is currently subject to certain restrictions. In particular, the conversion of RMB by a Hong Kong resident is currently subject to a daily conversion limit. If the Client is a Hong Kong resident and intend to convert an amount of RMB from/to another currency exceeding such daily conversion limit, he should allow sufficient period to enable the conversion of the amount of RMB exceeding such daily conversion limit, taking into account the maximum amount of RMB that he is permitted to convert on each day, such that he can accumulate sufficient RMB to make the relevant payment.

There may be additional rules, regulations and restrictions under contemplation or to be issued by the relevant Hong Kong or Mainland Chinese authorities that may be relevant to the Client's investment in the Stock Connect. The Client should check for updates and details before he buys or sells his Shanghai/Shenzhen-Hong Kong Stock Connect Securities.

16. Placing orders

Only limit orders with a specified price are allowed for Shanghai/Shenzhen-Hong Kong Stock Connect Securities pursuant to the Applicable Requirements, whereby buy orders may be executed at or lower than the specified price and sell orders may be executed at or higher than the specified price. Market orders will not be accepted.

17. Price limits for Shanghai/Shenzhen-Hong Kong Stock Connect Securities

Shanghai/Shenzhen-Hong Kong Stock Connect Securities are subject to a general price limit of $\pm 10\%$ based on the previous trading day's closing price (and $\pm 5\%$ for stocks under risk alert based on the previous closing price). The price limit may be changed from time to time. All orders in respect of Shanghai/Shenzhen-Hong Kong Stock Connect Securities must be within the price limit. Any orders with a price beyond the price limit are rejected by SSE/SZE.

18. Dynamic Price Check

To prevent mischievous behavior towards the use of the Aggregate Quota and/or the Daily Quota, SEHK will put in place a dynamic price checking for buy orders. Buy orders with input prices lower than the current best bid (or the last traded price in the absence of current best bid, or the previous closing price in the absence of both current best bid and last traded price) beyond a prescribed percentage will be rejected.

During the opening call auction session, the current bid (or the previous closing price in the absence of the current bid) will be used for checking. Dynamic price checking will be applied throughout each trading day, from the 5-minute input period before the start of an opening call auction session until the end of the relevant continuous action session in the afternoon. SEHK intends to set the dynamic price checking at 3% during the initial phase of Stock Connect. Such price checking percentage may be adjusted from time to time subject to market conditions.

19. Restrictions on selling Shanghai/Shenzhen-Hong Kong Stock Connect Securities

Investors are prohibited from using Shanghai/Shenzhen-Hong Kong Stock Connect Securities purchased through Stock Connect to settle any sell orders placed through channels other than Stock Connect. Accordingly, there may be a limited market and/or lower liquidity for Shanghai/Shenzhen-Hong Kong Stock Connect Securities purchased through Stock Connect (as compared to the same shares purchased through other channels). In addition, there are restrictions on any scrip entitlements received by the Client in respect of Shanghai/Shenzhen-Hong Kong Stock Connect Securities. If such scrip entitlements are in the form of Special Shanghai/Shenzhen-Hong Kong Stock Connect Securities, they are only eligible for sale through Stock Connect (i.e. they cannot be purchased by other parties through Stock Connect). If such scrip entitlements are not in the form of Special Shanghai/Shenzhen-Hong Kong Stock Connect Securities, they are not eligible for trading through Stock Connect (i.e. they are only available for trading in the relevant stock market in Mainland China). Accordingly, there is a risk of low (or no) liquidity for such shares received by way of scrip entitlement.

If Shanghai/Shenzhen-Hong Kong Stock Connect Securities involve odd lots, they cannot be purchased through Stock Connect. A sale of Shanghai/Shenzhen-Hong Kong Stock Connect Securities involving odd lots is allowed if the sale order of such Shanghai/Shenzhen-Hong Kong Stock Connect securities relates to the sale of all, but not part, of the odd lots held in respect of such Shanghai/Shenzhen-Hong Kong Stock Connect Securities. It is common that a board lot buy order may be matched with different odd lot sell orders, resulting in odd lot trades. Accordingly, there may be a limited market and/or lower liquidity for Shanghai/Shenzhen-Hong Kong Stock Connect Securities involving odd lots purchased through Stock Connect.

20. Taxation

It is uncertain whether Mainland Chinese capital gains tax applies to Northbound Trading. The Client is fully responsible for any Taxes in respect of Shanghai/Shenzhen-Hong Kong Stock Connect Securities including any capital gains tax or other Mainland Chinese taxes, and agrees to indemnify the Company on demand from and against all Taxes which the Company may incur in connection with any Shanghai/Shenzhen-Hong Kong Stock Connect Securities which the Client holds, trades or otherwise deals in.

21. Hong Kong client securities and identity rules

As a general rule, investors participating in Northbound Trading do not enjoy the full protection afforded under the Securities and Futures Ordinance and its related subsidiary legislation. In particular, as the Shanghai/Shenzhen-Hong Kong Stock Connect Securities traded through Stock Connect are not listed or traded on SEHK and will be held by non-SFC licensed persons as custodian, the Client will not have protection under the Client Securities Rules or the Client Identity Rules.

22. Investor Compensation Fund

Trading in Shanghai/Shenzhen-Hong Kong Stock Connect Securities does not enjoy the protections afforded by the Investor Compensation Fund established under the Securities and Futures Ordinance. Accordingly, the Client trades in Shanghai/Shenzhen-Hong Kong Stock Connect Securities at his own risk.

23. Ownership of Shanghai/Shenzhen-Hong Kong Stock Connect Securities

Shanghai/Shenzhen-Hong Kong Stock Connect Securities are un-certificated and are held by HKSCC for its account holders. Physical deposit and withdrawal of Shanghai/Shenzhen-Hong Kong Stock Connect Securities are not available under the Northbound Trading.

The Client's title or interests in, and entitlements to, Shanghai/Shenzhen-Hong Kong Stock Connect Securities (whether legal, equitable or otherwise) will be subject to Applicable Requirements, including laws relating to any disclosure of interest requirement or foreign shareholding restriction. This is a complicated area of law and the Client should seek independent professional advice.

24. Account information of beneficial owner

Due to the Pre-Trade Checking requirement, the identity of the beneficial owner of Shanghai/Shenzhen-Hong Kong Stock Connect Securities which are the subject of a sell order must be disclosed to HKSCC and/or relevant Mainland Chinese authorities. The Client Identity Rules do not apply to Shanghai/Shenzhen-Hong Kong Stock Connect Securities (see paragraph 21 above) and therefore, if the Client acts as principal for any trading of Shanghai/Shenzhen-Hong Kong Stock Connect Securities, the Client must provide the Company with information the Company requests about the Client; if the Client

acts as agent for any trading of Shanghai/Shenzhen-Hong Kong Stock Connect Securities, the Client must provide the Company with information the Company requests about the Client's principal. In each case, the information must be provided within the timeframe as prescribed by the Company and notified to the Client from time to time.

25. No manual trade or block trade

There is no manual trade facility or block trade facility for Northbound Trading.

26. Queue priority

Consistent with the current practice in Mainland China, if an investor engaged in Northbound Trading wishes to amend an order, the investor must first cancel the original order and then input a new one. Accordingly, order priority will be lost and, subject to the restrictions on the balance of the Daily Quota and the balance of the Aggregate Quota, any subsequent order may not be filled on the same trading day.

27. Difference in Trading Day

In the initial stage of operation of Stock Connect, Stock Connect is open for trading only when (a) each of HKEx and SSE/SZE is open for trading; and (b) banking services are available in both Hong Kong and Shanghai on the corresponding money settlement days. If any of the relevant exchange is not open or if the banks in either Hong Kong or Shanghai are not open for money settlement business, the Client will not be able to conduct any Northbound Trading. The Client should take note of the days on which the Stock Connect operates and decide according to his own risk tolerance capability whether or not to take on the risk of price fluctuations in Shanghai/Shenzhen-Hong Kong Stock Connect Securities during the time when the Stock Connect is not available for Northbound Trading.

28. Operational hours

The SEHK has absolute discretion to determine from time to time the operational hours of the Stock Connect, and will have absolute discretion to change the operational hours and arrangements of the Stock Connect at any time and without advance notice whether on a temporary basis or otherwise. Neither the Company nor any of the Group Company shall be under any obligation to inform the Client of any such determinations by the SEHK as to the operational hours of the Stock Connect. The Client should be aware of the risk of price fluctuations in Shanghai/Shenzhen-Hong Kong Stock Connect Securities during the time when the Stock Connect is not available for Northbound Trading.

29. Risk of ChinaClear default

ChinaClear has established a risk management framework and measures that are approved and supervised by the CSRC. Pursuant to the General Rules of CCASS, if ChinaClear (as the host central counterparty) defaults, HKSCC will, in good faith, seek recovery of the outstanding Shanghai/Shenzhen-Hong Kong Stock Connect Securities and monies from ChinaClear through available legal channels and through ChinaClear's liquidation process, if applicable. HKSCC will in turn distribute the Shanghai/Shenzhen-Hong Kong Stock Connect Securities and/or monies recovered to clearing participants on a pro-rata basis as prescribed by the relevant Stock Connect Authorities. Although the likelihood of a default by ChinaClear is considered to be remote, the Client should be aware of this arrangement and of this potential exposure before engaging in Northbound Trading.

30. Risk of HKSCC default

The Company's ability to provide the services under this Supplement is subject to the due performance by HKSCC of its obligations. Any action or inaction of the HKSCC or a failure or delay by the HKSCC in the performance of its obligations may result in a failure of settlement, or the loss, of Shanghai/Shenzhen-Hong Kong Stock Connect Securities and/or monies in connection with them and the Client may suffer lossSSE/SZEs as a result. Neither the Company nor any of the Group Company is responsible or liable for any such lossSSE/SZEs.

31. Company announcements on corporate actions

Any corporate action in respect of Shanghai/Shenzhen-Hong Kong Stock Connect Securities is announced by the relevant issuer through the SSE/SZE website and four officially appointed newspapers (both the printed papers and their websites), namely: the Shanghai Securities News, Securities Times, China Securities Journal and Securities Daily. HKSCC also records all corporate actions relating to Shanghai/Shenzhen-Hong Kong Stock Connect Securities in CCASS and informs its clearing participants of the details via the CCASS terminals as soon as practicable on the announcement date. Investors engaged in Northbound Trading may refer to the SSE/SZE website and the relevant newspapers

for the latest listed company announcements or, alternatively, the HKEx website's China Stock Markets Web for corporate actions in respect of Shanghai/Shenzhen-Hong Kong Stock Connect Securities issued on the previous trading day. The Client should note that SSE/SZE-listed issuers publish corporate documents in Chinese only, without any official English translation.

In addition, pursuant to the General Rules of CCASS, HKSCC endeavours to collect and distribute cash dividends relating to Shanghai/Shenzhen-Hong Kong Stock Connect Securities to clearing participants in a timely manner. Upon receipt of the dividend amount, HKSCC will arrange to distribute it to the relevant clearing participants on the same day, to the extent practicable.

Following existing market practice in Mainland China, investors engaged in Northbound Trading are not entitled to attend meetings by proxy or in person, unlike the current practice in Hong Kong in respect of SEHK-listed shares.

The Company does not verify or warrant the accuracy, reliability or timeliness of any company announcements of corporate actions and the Company accepts no liability (whether in tort or contract or otherwise) for any Loss arising from any errors, inaccuracies, delays or omissions or any actions taken in reliance thereon. The Company expressly disclaims all warranties, expressed or implied, as to the accuracy of any company announcement or as to the fitness of the information for any purpose.

32. Rights issuance

Where the Client receives shares or other types of securities from the issuer of a Shanghai/Shenzhen-Hong Kong Stock Connect Security as entitlements, the Client should note that the Client may not be able to buy or sell such entitlement security through the Stock Connect in certain circumstances (for example, if such entitlement security is listed on the SSE/SZE but is not traded in RMB or if such entitlement security is not listed on SSE/SZE).

33. General market risks associated with investing in Shanghai/Shenzhen-Hong Kong Stock Connect Securities

Investing in Shanghai/Shenzhen-Hong Kong Stock Connect Securities involves special considerations and risks, including without limitation greater price volatility, less developed regulatory and legal framework, economic, and social and political instability of the stock market in Mainland China. The Client should also note that SSE/SZE trading rules, listing rules, and other applicable laws and regulations may be published in Chinese only, without any official English translation.

34. Warning statements and termination of service

The Company may be required by SEHK and/or SSE/SZE to issue to the Client, either verbally or in writing, a warning statement and terminate the provision of Northbound Trading services to the Client for a period which SEHK and/or SSE/SZE may prescribe.

35. Novelty of Stock Connect

Stock Connect is an unprecedented scheme launched jointly between SSE/SZE and HKEx to facilitate cross-border trading of Shanghai/Shenzhen-Hong Kong Stock Connect Securities through HKEx. Trading in Shanghai/Shenzhen-Hong Kong Stock Connect Securities under Northbound Trading is subject to all Applicable Requirements. Any change in the Applicable Requirements may have an adverse impact on trading of Shanghai/Shenzhen-Hong Kong Stock Connect Securities. Such impact may adversely affect your investment in Shanghai/Shenzhen-Hong Kong Stock Connect Securities. In the worst case scenario, the Client may lose a substantial part of his investments in Shanghai/Shenzhen-Hong Kong Stock Connect Securities under Stock Connect.

36. Margin trading

Subject to certain conditions prescribed by the Stock Connect Authorities, Hong Kong and overseas investors may conduct margin trading in Shanghai/Shenzhen-Hong Kong Stock Connect Securities determined by the relevant Stock Connect Authorities to be eligible for margin trading ("Eligible Margin Trading Securities"). HKEx will from time to time publish a list of Eligible Margin Trading Securities. Each of the Shanghai/Shenzhen-Hong Kong Stock Connect Market Operators may suspend margin trading activities in any specific A Share if the volume of margin trading activities in such A Share exceeds a threshold determined by such Shanghai/Shenzhen-Hong Kong Stock Connect Market Operator and resume margin trading activities when the volume of margin trading activities drops below a prescribed threshold. Where SEHK is notified by a Shanghai/Shenzhen-Hong Kong Stock Connect

Market Operator that a suspension or resumption involves a security on the list of Eligible Margin Trading Securities, HKEx will disclose such information on its website. In such circumstances, any margin trading in the relevant Shanghai/Shenzhen-Hong Kong Stock Connect Security shall be suspended and/or resumed accordingly. Each of the Shanghai/Shenzhen-Hong Kong Stock Connect Market Operators has reserved the right to require margin trading orders to be flagged as margin trading orders when routed to Stock Connect. Neither the Company nor any of its Group Company shall have any obligation to update you in respect of the list of Eligible Margin Trading Securities or any restrictions or suspensions in respect of margin trading from time to time.

37. Limits on Short Selling

Hong Kong and overseas investors are currently prohibited from naked Short Selling Shanghai/Shenzhen-Hong Kong Stock Connect Securities.

Covered Short Selling of Shanghai/Shenzhen-Hong Kong Stock Connect Securities is permitted subject to certain requirements in the Stock Connect Rules. However, the Company will not facilitate covered Short Selling of Shanghai/Shenzhen-Hong Kong Stock Connect Securities and/or any Uptick Long Sale. The Client shall be fully responsible for understanding and complying with the Short Selling requirements in effect from time to time and for any consequences of non-compliance.

38. Stock Borrowing and Lending

Stock borrowing and lending are permitted for the eligible Shanghai/Shenzhen-Hong Kong Stock Connect Securities as specified by the Shanghai/Shenzhen-Hong Kong Stock Connect Market Operators for the purposes of (a) covered short selling, (b) satisfying the Pre-Trade Checking requirement and (c) in any other circumstances as SEHK or the Shanghai/Shenzhen-Hong Kong Stock Connect Market Operators may specify from time to time. The Shanghai/Shenzhen-Hong Kong Stock Connect Market Operators will determine a list of eligible Shanghai/Shenzhen-Hong Kong Stock Connect Securities for stock borrowing and lending. Stock borrowing and lending of eligible Shanghai/Shenzhen-Hong Kong Stock Connect Securities will be subject to restrictions set by SEHK and the Shanghai/Shenzhen-Hong Kong Stock Connect Market Operators, including but not limited to the following;

- (a) Stock borrowing and lending agreements for the purpose of covered short selling shall have a duration of not more than one month;
- (b) Stock borrowing and lending agreements for the purpose of satisfying the Pre-Trade Checking requirement shall have a duration of not more than one day (and roll-over is not permitted) ;
- (c) Stock lending will be restricted to certain types of persons to be determined by the Shanghai/Shenzhen-Hong Kong Stock Connect Market Operators; and
- (d) Stock borrowing and lending activities will be required to be reported to SEHK.

Only certain persons are eligible to lend Shanghai/Shenzhen-Hong Kong Stock Connect Securities In stock borrowing and lending arrangements concerning Shanghai/Shenzhen-Hong Kong Stock Connect Securities.

The Company will be required to file a monthly report to SEHK providing details of its stock borrowing and lending activities with respect to Shanghai/Shenzhen-Hong Kong Stock Connect Securities. This may include (amongst others) details of the borrower, lender, amount of shares borrowed/lent, amount of shares outstanding and date of borrowing/returning.

The Client should refer to the relevant provisions from time to time governing stock borrowing and lending of Shanghai/Shenzhen-Hong Kong Stock Connect Securities under the Applicable Requirements. Neither the Company nor any of its Group Company shall have any obligation to update the Client in respect of any change to the relevant Applicable Requirements.

Schedule 8

Risk Disclosures and Other Information Of IPO

Once you have successfully submitted your application, the application details will be sent to you for confirmation. After you have confirmed the details, you will receive a reference number for record. If you do not receive the reference number or have other enquiries, please call our customer service during office hours.

Once you have submitted the application and confirmed the details, you cannot amend any application details or cancel your application. Multiple applications or suspected multiple applications will be rejected. You will receive a confirmation letter by mail for the allotment result of the IPO.

If your application is wholly or partially unsuccessful, on the refund date as announced by the issuers:

- Yellow Form Application: nominee will credit the excess fund to your payment account.

Before IPO's first trading day,

- Yellow Form Application: the allotted shares will be deposited to your securities account so that the shares can be sold on the first day of listing.

Over-subscribing to an IPO

In some cases, IPO may be oversubscribed. The company may go through an allocation process to determine whether an investor will receive any shares and, if so, in what quantity. An investor may be tempted to subscribe for more shares than he intends to, if he thinks he will not receive the full amount in case of an over-subscription. However if the IPO is not oversubscribed, the investor will receive all the quantities applied for and will incur the full cost.

Market risk

There is a risk that the company's share price will drop below its initial IPO price, once the company's share commence trading on the stock market. Share price will fluctuate over time.

Company risk

It is vital to understand the company and business you are investing in. Investors should study thoroughly the prospectus, financial report and even seek professional advice before making the investment decision.

Market risk

There is a risk that the company's share price will drop below its initial IPO price, once the company's shares commence trading on the stock market. Share price will fluctuate over time, your investment in the product may suffer a loss even if the RMB appreciates against HKD or other currencies.

Company risk

It is vital to understand the company and business being invested in. Investors should study thoroughly the prospectus, financial report and even seek professional advice before making the investment decision.

Liquidity risk

RMB equity products are a new type of investment product in Hong Kong. Regular trading or an active secondary market may not develop in these products. Therefore you may not be able to sell your investments in the RMB equity products on a timely basis, or you may have to sell them at a deep discount to their value in order to find a buyer. Also, should the PRC central government tighten foreign exchange controls, the liquidity of RMB or RMB equity products in Hong Kong will be affected and you may be exposed to greater liquidity risk.

Currency risk

If you are a non-mainland PRC investor who holds a local currency other than RMB, you will be exposed to currency risk if you invest in RMB equity products. You will incur currency conversion costs, being the spread between buying and selling RMB, when you convert between your local currency and RMB during the purchase and sale of an RMB equity product. Moreover, RMB is a restricted currency and subject to foreign exchange controls. Although the PRC central government has relaxed the restrictions by allowing banks in Hong Kong to conduct some forms of RMB business, RMB is still not freely convertible in Hong Kong. You may not be able to convert RMB at your preferred time and/or in your preferred amount or at all, which may lead to investment losses.

Exchange rate risk

As RMB equity products are traded and settled in RMB, they are exposed to exchange rate risk. Even if the RMB/HKD exchange rate remains steady, and the price of the RMB equity products you are holding does not change, you may not receive the same amount of HKD when you sell the products due to the spread between buying and selling RMB. RMB equity products are not an investment instrument for you to use to speculate on movements of the RMB/HKD exchange rate.

Default risk

In general, RMB equity products are exposed to the usual kind of default risks that might be associated with equity products denominated in other currencies. RMB equity products exposed to the mainland China market are particularly subject to risks that may arise from the relevant market/industry/sector in mainland China.

Subscriptions are subject to a service charge and interest on margin (if any), whether or not they are allocated for the purpose of the listing of the new shares or the listing of the company. HKD Margin: HK \$ 100; HKD Cash: HK \$ 50).

Schedule 9

Notice To Customers Relating To The Personal Data (Privacy) Ordinance (“PDPO”)

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 securities trading account(s) (the “**Account**”) with Central China International Securities Co., 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 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) determine 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 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 Client (whether or not there exists any relationship between the Client and the relevant Company or its 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;
- (n) compliance of the U.S. Foreign Account Tax Compliance Act and such personal data may be transferred to or used by the U.S. government or the U.S. tax authority; and
- (o) other purposes related or incidental to the ordinary course of business of the Company and/or the other Group Companies and any purposes relating or incidental to the above.

The Company and/or the 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 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 Paragraph 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 Client's agent of the Client'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 the 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 or its Group Companies is subject. In such cases, the Company and/or 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 the 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 Client'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 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 the Company, other Group Companies and/or the business partners of the Company and/or other Group Companies as 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 other Group Companies and/or an of the following persons:
 - (1) any member of the Company and/or other Group Companies;
 - (2) third party financial institutional 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; and
 - (4) business partners of any member of the Company and/or other Group Companies providing any of the services, products and facilities referred to in clause 5(ii)(1) above.
 - (iv) the Company and/or 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) 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 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 in direct marketing, the Client may notify the Company in writing by mailing or faxing a 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 data to the Company or its Group Companies through electronic means (such as internet or voice recording system). Whilst the Company generally uses best endeavour to maintain the security and integrity of its systems, electronic communication may not be a reliable medium of communication and customers should communicate personal data via electronic means 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
Central China International Securities Co., Limited,
Suites 1505-1508 Two Exchange Square,
8 Connaught Place, Central, Hong Kong
Email: cs@ccnew.com.hk
Fax: (852)2250 5788

10. 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.ccnew.com.hk or available from the Company upon written request.
11. Nothing in this Notice shall limit your rights under the PDPO.
12. In this Notice wherever the context so requires or admits where the Client comprises two or more persons, all references to the Client 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.