

CMB International Securities Limited (“CMBIS”)

招銀國際證券有限公司（“招銀證券”）

CMB International Global Markets Limited (“CMBIGM”)

招銀國際環球市場有限公司（“招銀環球市場”）

Account Agreements

帳戶協議

招銀國際證券有限公司
招銀國際環球市場有限公司
香港中環花園道3號
冠君大廈45樓

電話 Tel. : (852) 3761-8811
傳真 Fax: (852) 3761-8788

CMB International Securities Limited
CMB International Global Markets
Limited
45/F, Champion Tower,
3 Garden Road, Central, Hong Kong

CASH CLIENT' S AGREEMENT	2
MARGIN CLIENT' S AGREEMENT	16
STOCK OPTIOSN TRADING AGREEMENT	31
Schedule 1-PERSONAL DATA PROTECTION STATEMENT	36
Schedule 2-EXPLANATION OF RISKS ASSOCIATED WITH EXCHANGE-TRADED DERIVATIVE PRODUCTS	38
Schedule 3-VIRTUAL ASSET KNOWLEDGE TRAINING	42

CASH CLIENT'S AGREEMENT

THIS AGREEMENT is made between the following parties on the date stated in the Client Information Form:

Company : (i) **CMB INTERNATIONAL SECURITIES LIMITED** (CE No. AUZ441), being a Licensed Corporation to carry on Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities pursuant to the Securities and Futures Ordinance Cap. 571 and an Exchange Participant of the SEHK, whose registered address is located at 45-46/F, Champion Tower, 3 Garden Road, Central, Hong Kong ("CMBIS"); and/or
(ii) **CMB INTERNATIONAL GLOBAL MARKETS LIMITED** (CE No. AAF261), being a Licensed Corporation to carry on Type 1 (dealing in securities) regulated activities pursuant to the Securities and Futures Ordinance Cap. 571 and an Exchange Participant of the SEHK, whose registered address is located at 45/F, Champion Tower, 3 Garden Road, Central, Hong Kong ("CMBIGM");
(CMBIS and CMBIGM are referred to individually or, as the context may require, collectively as the "Company")

and

Client: The client with the name, address and details information as stated in the Client Information Form

WHEREAS

- (1) The Client is desirous of opening one or more cash accounts (the "Account") with the Company from time to time for the purpose of trading in securities; and
- (2) The Company agrees that it will open and maintain such Account and act as an agent for the Client in purchase and sale of securities subject to the terms and conditions of this Agreement.

NOW IT IS HEREBY AGREED as follows:-

1. Definition

1.1 In this Agreement, unless the context requires otherwise, the following expressions shall have the following meanings:

"Access Codes" means together the Password and the Login Name (or any of them);

"Account(s)" means one or more cash accounts maintained by the Client with the Company from time to time for the purchase or sale of securities;

"Agreement" means the written agreement between the Client and the Company regarding the opening, maintenance and operation of the Account(s) as amended from time to time, including but not limited to the Client Information Form, the Terms and Conditions herein contained and any authority given by the Client to the Company with respect to the Account(s);

"Business Day" means any day on which the Exchange opens for trading other than Saturdays, Sundays, public holidays and any other day declared by the Exchange to be a non-business days;

"Business Hours" means the period during which on a Business Day the Company will be opened or trading as the Company may prescribe from time to time;

"China Connect Authorities" means the exchanges, clearing systems and regulators which provide services in relation to and/or regulate China Stock Connect and activities relating to China Stock Connect, including without limitation the Regulators, HKSCC, the relevant SEHK Subsidiar(ies), the relevant China Connect Market(s), ChinaClear, SAFE, SAT and other PRC local tax bureau, the SFC, the Hong Kong Inland Revenue Department and any other regulator, exchange, clearing system, agency or authority with jurisdiction, authority or responsibility in respect of China Stock Connect (including, without limitation, any tax or other authority that may impose or levy any form of tax, duty, fine or penalty on or in respect of any China Connect Securities under any applicable law or regulation); and

"China Connect Authority" means any one of them.

"ChiNext Shares" means any securities listed on the ChiNext Board of the SZSE which may be traded by Hong Kong and international investors under China Stock Connect.

"Company" means CMB International Securities Limited and/or CMB International Global Markets Limited, as the context may require;

"Client Money Rules" means the Securities and Futures (Client Money) Rules made by the SFC under section 149 of the Securities and Futures Ordinance as amended from time to time;

"Client Securities Rules" means the Securities and Futures (Client Securities) Rules made by the SFC under section 148 of the Securities and Futures Ordinance as amended from time to time;

"Client Money Standing Authority" means the client money standing authority granted by the Client to the Company in the terms set out in Clause 16 as amended from time to time;

"CMBI Group" means the Company, its subsidiary, ultimate holding company, holding company and fellow subsidiary of such holding company, including but not limited to CMB International Capital Limited, CMB International Futures Limited, CMB International Asset Management Limited, CMB International Securities Limited, CMB International Global Markets Limited and "CMBI Group Member" means each or any one of them;

"CMBI Mail" means the secure messaging facility operated by the Company for the delivery and receipt of confirmation, statement and other notices;

"CMBI Website" means [www.cmbi.com.hk] and such other websites as the Company may from time to time add and notify the Client;

"Electronic Trading Service" means any facility provided by the Company which enables the Client to give electronic instructions to purchase, sell or otherwise deal with securities, and information services;

"HKSCC" means the Hong Kong Securities Clearing Company Limited;

"Login Name" means the Client's personal identification used in conjunction with the Password to gain access to the Electronic

Trading Service, and to CMBI Mail and any other services offered by the Company;

“Password” means the Client’s personal password(s) used in conjunction with the Login Name to gain access to the Electronic Trading Service and to CMBI Mail and any other services offered by the Company;

“Securities and Futures Ordinance” means the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended or re-enacted from time to time;

“SEHK” means The Stock Exchange of Hong Kong Limited;

“SFC” means the Securities and Futures Commission;

“SFC Code of Conduct” means Code of Conduct for Personal Licensed by or Registered with the SFC as amended from time to time;

“Shanghai-Hong Kong Stock Connect” means a securities trading and clearing links programme developed or to be developed by SEHK, SSE, HKSCC and ChinaClear for the establishment of mutual market access between SEHK and SSE;

“Shenzhen-Hong Kong Stock Connect” means a securities trading and clearing links programme developed or to be developed by SEHK, SZSE, HKSCC and ChinaClear for the establishment of mutual market access between SEHK and SZSE;

“SPSA” means a Stock Segregated Account within the range of account codes specified by Hong Kong Securities Clearing Company Limited which is designated by a Custodian Participant or a General Clearing Participant which is not an Exchange Participant for one of its clients for the purpose of maintaining holdings of China Connect Securities of this client and for facilitating the determination of the maximum amount of China Connect Securities that may be sold by this client on a particular Trading day;

“SSE” means the Shanghai Stock Exchange;

SSE Listing Rules” means the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange as amended, supplemented, modified and/or varied from time to time;

“SSE Rules” means the Trading Rules of the Shanghai Stock Exchange;

“SSE Securities” means any securities listed on the SSE which may be traded by Hong Kong and international investors under China Stock Connect. SZSE means the Shenzhen Stock Exchange;

“SZSE Listing Rules” means the Rules Governing the Listing of Stocks on Shenzhen Stock Exchange and the Rules Governing the Listing of Stocks on the ChiNext Board as amended, supplemented, modified and/or varied from time to time;

“SZSE Rules” means the Trading Rules of the Shenzhen Stock Exchange;

“SZSE Securities” means any securities listed on the SZSE which may be traded by Hong Kong and international investors under China Stock Connect. For the avoidance of doubt, SZSE Securities shall include ChiNext Shares.

“Standing Order(s)” means instruction(s) given by the Client from time to time to take specified action when the conditions forming part of such instructions are met and the Client has requested the Company to carry out such instruction during Business Hours if the relevant conditions are met;

- 1.2 In this Agreement: unless the context otherwise requested, Words and expressions defined in the Securities and Futures Ordinance, the Client Money Rules and the Client Securities Rules shall have the same meanings in this Agreement; references to the “Client”, wherever used, shall in the case where the client(s) is/are individual(s) include the Client(s) and his/their respective executors and administrators and in the case where the Client is a sole proprietorship firm include the sole proprietor and his executors and administrators and his/their successors in the business and in the case of a partnership firm include the partners who are the partners of the firm at the time when the Client’s said Account(s) is/are being maintained and their respective executors and administrators and any other person or persons who shall at any time hereafter be or have been a partner of and in the firm and his or their respective executors and administrators and the successors to such partnership business and where the Client is a company include such company and its successors; references to clauses, sub-clauses and schedule unless otherwise stated are to clauses and sub-clauses of, and the schedule to, this Agreement; the headings to the Clauses are for convenience only and do not affect their interpretation and construction.

2. Applicable Rules and Regulations

- 2.1 All transactions for the Account(s) shall be subject to the relevant constitution, rules, regulations, by-laws, customs and usages, as amended from time to time, of SEHK, or such other stock exchange or markets or over-the-counter markets (“Exchange(s)”) and the HKSCC or such other clearing houses in or outside Hong Kong (“Clearing Houses(s)”) and of the laws of Hong Kong and other places in which the Company is dealing on the Client’s behalf, as amended from time to time.
- 2.2 The Rules of SEHK and the HKSCC, in particular those rules which relate to trading and settlement, shall be binding on both the Company and the Client in respect of transactions concluded on the instructions of the Client.
- 2.3 This Agreement shall be subject to the SFC Code of Conduct. In the event of any conflict between the SFC Code of Conduct and the terms and conditions hereof, the SFC Code of Conduct shall prevail.

3. Services

- 3.1 The Client hereby instructs and authorizes the Company to open and maintain in its book one or more Account(s) in the name of the Client for the purpose of purchasing, investing in, selling, exchanging or otherwise disposing of and generally dealing in and with all kinds of securities in accordance with the terms and conditions of this Agreement from time to time. Unless otherwise indicated by the Company or specified in the Agreement (in the contract not for the relevant transaction or otherwise), the Company shall act as agent for the Client in effecting transactions pursuant to this Agreement.
- 3.2 All transactions for the Account(s) may be effected by the Company directly on any Exchange where the Company is authorized to deal in securities, or, at its option, on any Exchanges indirectly through any other broker which the Company may, at its discretion, decide to appoint.
- 3.3 Where any securities are held in the Company’s name, the name of any associated entity of the Company or the name of any nominee of the Company in accordance with Clause 10.1, the Company will not attend any meeting or exercise any voting or other rights including the completion of proxies except in accordance with written instructions of the Client. Nothing in this Agreement shall in any way impose on the Company any duty to inform the Client or to take any action with regards the attendance of meetings and to vote at such meetings.

The Company has no duty in respect of notices, communications, proxies and other documents relating to the securities received by the Company or to send such documents or to give any notice of the receipt of such documents to the Client. The Company has the right to charge the Client for its services in taking any action pursuant to the Client's instruction.

3.4 If services are to be provided by the Company to the Client in relation to derivative products, including options, the Company shall provide to the Client upon request product specifications and any prospectus or other offering document covering such products.

4. Client Instructions

4.1 The Company is hereby authorized to act upon the instructions of the Client to deposit, purchase and/or sell securities for the Account(s) and otherwise deal with securities, receivable or monies held in or for the Account(s) subject to the Client Money Rules and the Client Securities Rules.

4.2 The Client will operate his Account(s) by giving orders himself or if the Client will operate his Account by appointing another person to give orders on his behalf, then the Client will provide the Company with the name and address of the person appointed, to be accompanied by an appointment in writing.

4.3 None of the Company's employees or representatives shall accept appointment by the Client as agent to operate the Client's Account unless a separate agreement is entered into in accordance with Code 7 of the SFC Code of Conduct.

4.4 All instructions shall be given by the Client orally either in person or by telephone, or in writing, delivered by post, by hand, by e-mail using CMBI Mail or otherwise, or by facsimile transmission or through any of the Electronic Services in accordance with the provisions of Clause 17 or by any other means acceptable to the Company. All orders and instructions given by telephone, in writing or otherwise will only be valid and effective if received by the Company within the Business Hours on a Business Day.

4.5 The Company shall be entitled to rely on any instructions, directions, notices or other communication which the Company reasonably believes to be from the Client or a person authorized to act on the Client's behalf and the Client shall be bound by such communication. The Company shall not be under any duty and obligations to verify the identity or authority of the person giving or making or purporting to give or make the instructions, directions, notices or other communications. The Company shall be entitled to treat such instructions, directions, notices or other communication as fully authorized by and absolutely and conclusively binding upon the Client and the Company shall be entitled (but not bound) to act on or take such steps in connection with or in reliance upon such instructions, directions, notices or other communication as the Company may consider appropriate regardless of the nature of the transaction or agreement or the value, type and quantity of securities involved and notwithstanding any error whether apparent or actual, in the terms of such instructions, directions, notices or other communication. The Client agrees to indemnify the Company and hold the Company harmless from and against all losses, costs and expenses (including legal costs) reasonably and properly incurred by the Company in reliance thereupon.

4.6 The Company may record all telephone conversations with the Client in order to verify the instructions of the Client. The Client agrees to accept the contents of any such recording as final and conclusive evidence of the instructions of the Client in case of dispute.

4.7 Notwithstanding anything herein contained, the Company shall be entitled, at its absolute discretion, to act on any of the Client's instructions and/or to refuse to accept any order for sale or purchase of securities from the Client and shall not be obliged to give any reason for such refusal. In particular and without prejudice to Clause 6.1, the Company may refuse to act on an instruction of the Client if at the time of such instruction, there are insufficient securities or, as the case may be, monies in the Account(s) in order to effect settlement of the relevant transaction on the due settlement date.

4.8 By reason of physical restraints on the Exchange and rapid changes in the prices of securities that frequently take place, there may, on occasions, be a delay in quoting prices or in dealing. The Company may not after using reasonable endeavors be able to trade at the prices quoted at any specific time. The Company is not liable for any loss arising by reason of its failing, or being unable, to comply with any terms of the Client's instructions. Where the Company is unable after using reasonable endeavors to execute any instruction in full, the Company is entitled to effect partial performance only without prior reference to the Client's confirmation. The Client shall in any event accept and be bound by the outcome when any request to execute orders is made. Client and the Company may agree shall be deemed to have been cancelled automatically (to the extent not executed if executed in part).

4.9 Any day order for purchase or sale of securities placed by the Company at the request of the Client that has not been executed before the close business of the relevant Exchange or such other expiration date required by the relevant Exchange or such other later time as the Client and the Company may agree shall be deemed to have been cancelled automatically (to the extent not executed if executed in part).

4.10 The Company may, for the purpose of carrying out any instruction given by the Client, contract with or otherwise deal with or through any other agent, including any person or party associated in any manner with the Company, on such terms and conditions as the Company may in its absolute discretion determine.

4.11 The Company may decline to act on instructions from the Client to effect any order which, in the Company's sole judgment, is an order for short selling any securities

4.12 The Client acknowledges that due to the trading practices of the Exchanges or other markets in which transactions are executed, it may not always be able to execute orders at the prices quoted "at best" or "at market" and the Client agrees in any event to be bound by transactions executed by the Company following instructions given by the Client.

4.13 Subject to applicable laws and regulations and market requirements, the Company may in its absolute discretion determine the priority in the execution of its client's orders, having due regard to the sequence in which such orders were received, and the Client shall not have any claim of priority to another client in relation to the execution of any order received by the Company.

5. Trading Decisions

5.1 Without prejudice to any rights or obligations arising under clause 19, the Client acknowledges and agrees that the Client retains full responsibility for all trading decisions in the Account(s), which are made on the basis of the Client's own judgment and analysis, and the Company is responsible only for the execution, clearing, and carrying out of transactions in the Account(s); that the Company has no responsibility or obligation regarding any conduct, action, representation or statement of any introducing firm, investment advisor or

other third party in connection with the Account(s) or any transaction therein.

6. Transaction Settlement

6.1 Unless otherwise agreed, in respect of each sale and purchase transaction executed on the Client' s behalf, unless the Company is already holding cash or securities on the Client' s behalf to settle the transaction, the Client will:

- (a) pay the Company cleared funds or deliver to it securities in deliverable form; or
- (b) otherwise ensure that the Company has received such funds or securities; by such time as the Company has notified (whether verbally or in writing) the Client in relation to the relevant transaction.

6.2 Unless otherwise agreed, the Client agrees that should the Client fail to make such payment or delivery of securities by the due date as mentioned in Clause 6.1, the Company is hereby authorized to:

- (a) in the case of a purchase transaction, to transfer or sell any such purchased securities to satisfy the Client' s obligations to the Company; or
- (b) in the case of a sale transaction, to borrow and/or purchase such securities to satisfy the Client' s obligations to the Company.

6.3 The Client hereby acknowledges that the Client shall be responsible to the Company for any loss, costs, fees and expenses incurred by the Company in connection with the Client' s failure to meet his obligations by the due date as described in Clause 6.1.

7 Commissions and Expenses

7.1 All transactions executed in pursuance of the instructions of the Client on the Exchanges shall be subject to a transaction levy and any other levies that the relevant Exchange from time to time may impose. The Company is authorized to collect any such levies in accordance with the rules prescribed by the relevant Exchange from time to time.

7.2 The Client shall on demand pay the Company commissions on purchase, sale and other transactions or services for the Account(s) at such rate as the Company may from time to time have notified him, together with all stamp duties, bank charges, transfer fees, interest, custodial expenses and other expenses in respect of or connected with the Account(s) or any transaction or services thereof or any securities therein.

7.3 The Company shall, at its absolute discretion, be entitled to solicit, accept and retain any benefit in connection with any transaction effected with any person for the Client pursuant to the terms and subject to the conditions of the Agreement, including any commissions, rebates or similar payments received in connection therewith, and rebates from standard commissions charges by brokers or other agents to their client. The Company shall also, at its absolute discretion, be entitled to offer any benefit in connection with any transaction effected with any person for the Client pursuant to the terms and subject to the conditions of this Agreement, including any benefit relating to commissions or similar payments in connection therewith.

8 Interest

8.1 Unless otherwise indicated, the Client undertakes to pay interest to the Company in respect of any debit balance on the Account(s) or any amount otherwise owing to the Company at any time at such rate as may be specified from time to time by the Company in its absolute discretion or failing any such specification at a rate equivalent to three per cent per annum above the best lending rate for the relevant currency quoted by such bank selected by the Company in its absolute discretion from time to time. Such interest shall accrue on a day-to-day basis and shall be payable on the last day of each calendar month or upon any demand being made by the Company.

9 Currencies in Transactions

9.1 The Account(s) shall be in Hong Kong Dollars or such other currencies as the Company may agree from time to time and in the event that the Client instructs the Company to effect any sale or purchase of securities in a currency other than Hong Kong Dollars, any profit or loss arising as a result of fluctuation in the exchange rate of the relevant currencies will be for the account of the Client solely. Any conversion from one currency into another required to be made for performing any action or step taken by the Company under this Agreement may be effected by Company in such manner and at such time as it may in its absolute discretion decide.

9.2 All payments to be made by the Client to the Company in a currency other than Hong Kong Dollars shall be in freely transferable and immediately available funds clear of any taxes, charges or payments of any nature when received by the Company.

10 Securities in the Account(s)

10.1 The Client specifically authorizes the Company, in respect of all securities deposited by the Client with the Company or purchased or acquired by the Company on behalf of the Client, and held by the Company for safe keeping, to register the same in the name of an associated entity of the Company or in the Client' s name, or deposit in safe custody in a segregated account which is designated as a trust account or client account and established and maintained in Hong Kong by the Company or an associated entity of the Company with an authorized financial institution, an approved custodian or another intermediary licensed for dealing in securities.

10.2 Any securities held by the Company, any associated entity of the Company, banker, institution, custodian or intermediary pursuant to Clause 10.1 shall be at the sole risk of the Client and the Company and the relevant associated entity, banker, institution, custodian and intermediary shall be under no obligation to insure the Client against any kind of risk, which obligation shall be the sole responsibility of the Client,

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

10.4 If in relation to any securities deposited with the Company but which are not registered in the name of the Client, and loss is suffered by the Company, the Account(s) may be debited (or payment made by the Client as may be agreed) with the proportion of such loss equal to the proportion of the securities held on behalf of the Client out of the total number or amount of such securities.

10.5 Except provided in Clause 6.2 and 10.6, the Company shall not, without the Client' s oral or written direction or standing authority under the Client Securities Rules, deposit, transfer, lend, pledge, re-pledge or otherwise deal with any securities of the Client for any purpose.

10.6 The Company is authorized, pursuant to section 6(3) of the Client Securities Rules, to dispose or initiate a disposal by its associated entity of any of the Client' s securities or securities collateral (and the Company shall have absolute discretion to determine which securities or

securities collateral are to be disposed of) for the purpose of settling any liability owed by or on behalf of the Client to the Company, the associated entity or a third person. The Company shall be entitled to transfer all securities or securities collateral in any Account to any other Account held by the Client with the Company, including without limitation transfer any securities or securities collateral between the Client' s respective Account(s) held with the Company and other CMBI Group Member, in order to satisfy the Client' s settlement obligations and other liabilities.

- 10.7 The Company' s obligations to deliver, to hold in safe custody or otherwise or to register in the Client' s name, securities purchased or acquired by the Company on the Client' s behalf shall be satisfied by the delivery, the holding or registration in the Client' s name or the Client' s nominee of securities of the same class, denomination and nominal amount as, and rank *pari passu* with, those originally deposited with, transferred to or acquired by the Company on the Client' s behalf (subject always to any capital reorganization which may have may have occurred in the meantime) and the Company shall not be bound to deliver or return securities which are identical with such securities in terms of number, class denomination, nominal amount and rights attached thereto.

11 Monies in the Account(s)

- 11.1 The Company shall be entitled to deposit all monies held in the Account(s) and all monies received for or on the account of the Client with one or more segregated account(s) in Hong Kong, each of which shall be designated as a trust account or client account, at one or more authorised financial institution(s) or any other person approved by the SFC for the purposes of section 4 of the Client Money Rules. Without prejudice to any provision of the Agreement, the Company shall be entitled to transfer all monies in any Account to any other Account(s) held by the Client with the Company, and the Client hereby directs and authorizes the Company to use or transfer any sum of monies from or to such Account(s) and/or segregated account(s) to satisfy and/or set off the Client's obligations or liabilities to the Company, other CMBI Group Members or in relation to any Transactions, whether such obligations and liabilities are actual or contingent, primary or collateral, secured or unsecured, or joint or several. Unless otherwise agreed between the Client and the Company, any interest accrued on such monies shall belong to the Company absolutely.

- 11.2 All losses, damages and risks, including without limitation any credit and default risks, that are associated with any monies and securities, in or relating to the Account or any Transaction, being deposited or held by the Company, an associated entity or other CMBI Group Member (whether or not held in their names, a trust account or other manners) in or with any bank, financial institution, custodian and/or intermediary shall be wholly borne by the Client.

12 New Listings

- 12.1 In the event that the Client requests and authorizes the Company to apply for securities in respect of a new listing and/or issue of securities on the Exchange as his agent and for his benefit of any other person, the Client hereby warrants to and for the Company' s benefit that the Company have authority to make such application on the Client' s behalf.

- 12.2 The Client shall familiarize himself and comply with all the terms and conditions governing the securities of the new listing and/or issue and the application for such new securities set out in any prospectus and/or offering document and the application form or any other relevant document in respect of such new listing and/or issue and the Client agrees to be bound by such terms and conditions in any such transaction the Client may have with the Company.

- 12.3 The Client hereby gives to the Company all the representations, warranties and undertakings which an applicant for securities in a new listing and/or issue is required to give (whether to the issuer, sponsors, underwriters or placing agents of the relevant securities, the SEHK or any other relevant regulator or person).

- 12.4 The Client hereby further declares and warrants, and authorizes the Company to disclose and warrant to SEHK on any application form (or otherwise) and to any other person as appropriate, that any such application made by the Company as his agent is the only application made, and the only application intended to be made, by the Client or on the Client' s behalf, to benefit the Client or the person for whose benefit the Client is applying. The Client acknowledges and accepts that the aforesaid declaration and warranty will be relied upon by the Company and by the issuer, sponsors, underwriters or placing agents of the relevant securities, SEHK or any other relevant regulator or person in respect of any application made by the Company as the Client' s agent.

- 12.5 The Client acknowledges that any application made by an unlisted company which does not carry on any business other than dealing in securities and in respect of which the Client exercises statutory control shall be deemed to be an application made for the benefit of the Client.

- 12.6 The Client recognizes and understands that the legal, regulatory requirements and market practice in respect of applications for securities may vary from time to time as may the requirements of any particular new listing or issue of securities. The Client undertakes to provide to the Company such information and take such additional steps and makes such additional representations, warranties and undertakings may be required in accordance with such legal, regulatory requirements and market practice as the Company may in the Company' s absolute discretion determine from time to time.

- 12.7 In relation to a bulk application to be made by the Company or the Company' s agent on the Company' s own account and/or on behalf of the Client and/or the Company' s other client, the Client acknowledges and agrees:

- (1) that such bulk application may be rejected for reasons which are unrelated to the Client and the Client' s application and neither the Company nor the Company' s agent shall, in the absence of fraud, negligence or willful default, be liable to the Client or any other person in consequence to such rejection; and
- (2) to indemnify the Company in accordance with Clause 20 if such bulk application is rejected either in circumstances where the representations and warranties have been breached or otherwise because of factors relating to the Client. The Client acknowledges that the Client may also be liable in damages to other persons affected by such breach or other factors.

13 Event of Default

- 13.1 Any one of the following events shall constitute an event of default ("Event of Default"):

- (1) the Client' s failure to pay any deposits or any other sums payable to the Company or submit to the Company any documents or deliver any securities to the Company hereunder, when called upon to do so or on due date;

- (2) default by the Client in the due performance of any of the terms of this Agreement and the observance of any by-laws, rules and regulations of the appropriate Exchange and/or Clearing Houses;
- (3) the filing of a petition in bankruptcy, winding up or the commencement of other analogous proceedings against the Client;
- (4) the death of the Client (being an individual);
- (5) the levy or enforcement of any attachment, execution or other process against the Client;
- (6) any representation or warranty made by the Client to the Company in this Agreement or in any document being or becoming incorrect or misleading;
- (7) any consent, authorization or board resolution required by the Client (being a corporation or a partnership) to enter into this Agreement being wholly or partly revoked, suspended, terminated or ceasing to remain in full force and effect;
- (8) the occurrence of any event which, in the sole opinion of the Company, might jeopardize any of its rights under this Agreement;
- (9) the Company has made at least two attempts to demand from the Client any sums of monies, but for whatever reason, has not been able to communicate directly with the Client; and
- (10) the receipt by the Company of notice of any dispute as to the validity of any order or instruction from the Client..

13.2 If an Event of Default occurs, without prejudice to any other rights or remedies that the Company may have against the Client and without further notice to the Client, the Company shall be entitled to:

- (1) immediately close the Account(s);
- (2) terminate all or any part of this Agreement;
- (3) cancel any or all outstanding orders or any other commitments made on behalf of the Client;
- (4) subject to Clause 10.5 and 10.6, dispose of any or all securities held for or on behalf of the Client and to apply the proceeds thereof and any cash deposit(s) to settle all outstanding balance owing to the Company; and
- (5) combine, consolidate and set-off any or all account of the Client in accordance with Clause 15.

13.3 In the event of any sale or liquidation pursuant or this Clause:

- (1) the Company shall not be responsible for any loss occasioned thereby howsoever arising if the Company has already used reasonable endeavors to sell or dispose of the securities or any part thereof at the then available market price;
- (2) the Company will exercise its own judgment in determining the time to sell or dispose of the securities and the Company shall not be responsible for any loss occasioned thereby;
- (3) the Company shall be entitled to appropriate to itself or sell or dispose of the securities at the current price to any CMBI Group Member without being in any way responsible for loss occasioned thereby howsoever arising and without being accountable for any profit made by the Company and/or any CMBI Group Member; and
- (4) the Client undertake to pay the Company any deficiency if the net proceeds of sale or net proceeds of liquidation shall be insufficient to cover all the outstanding balances owing by the Client to the Company.

14 Proceeds of Sale

14.1 Subject to Clause 10.5 and 10.6, the proceeds of sale or liquidation of the Account(s) made under Clause 13 shall be applied in the following order of priority and any residue shall be paid to the Client or to his/its order:

- (1) payment of all costs, charges, legal fees and expenses including stamp duty, commission and brokerage properly incurred by the Company in transferring and/or selling all or any of the securities or properties in the Account(s) and/or in perfecting title thereto;
- (2) payment of all interest due;
- (3) payments of all monies and liabilities due, owing or incurred by the Client, to the Company; and
- (4) payments of all monies and liabilities due, owing or incurred by the Client to any CMBI Group Member.

14.2 Subject to the Client Money Rules, any dividends, interest or other payments which may be received or receivable the Company in respect of any of the securities may be applied by the Company as though they were proceeds of sale hereunder notwithstanding that the power of sale may not have arisen and notwithstanding that subsequent to the execution of the Agreement the Company may have paid of the said dividends, interest or other payments to the Client.

15 Rights of Set-off and Lien

15.1 In addition and without prejudice to any general liens, rights of set-off or other similar rights to which the Company may be entitled under law or this Agreement, all securities, receivable, monies (in any currency) and other property of the Client (held by the Client either individually or jointly with others) held by or in the possession of the Company at any time shall be subject to general lien in favor of the Company as continuing security to offset and discharge all of the Client's obligations, arising from the business of dealing in securities or otherwise, to the Company and any CMBI Group Member.

15.2 In addition and without prejudice to any general liens or other similar rights which the Company may be entitled under law or this Agreement and subject to applicable rules and regulations, including without limitation, the Client Money Rules and the Client Securities Rules, the Company for itself and as agent for any CMBI Group Member, at any time without notice to the Client, any combine or consolidate any or all accounts, of any nature whatsoever and either individually or jointly with others, with the Company or any CMBI Group Member and the Company may set off or transfer any monies (in any currency), securities or other property in any such accounts satisfy obligations or liabilities of the Client to the Company or any CMBI Group Member, whether such obligations and liabilities are actual or contingent, primary or collateral, secured or unsecured, or joint or several.

15.3 Without limiting or modifying the general provisions of the Agreement and subject to applicable rules and regulations, including without limitation, the Client Money Rule and the Client Securities Rules, the Company may, without notice, transfer all or any sum or properties interchangeably between any of the accounts maintained at any time by the Client with the Company and any CMBI Group Member.

16 Client Money Standing Authority

16.1 The Client Money Standing Authority covers money held or received by the Company in Hong Kong (including any interest derived from the holding of the money) in one or more segregated account(s) on the Client's behalf ("Monies").

- 16.2 The Client authorizes the Company to:
- (1) combine or consolidate any or all segregated accounts, of any nature whatsoever and either individually or jointly with others, maintained by the Company or any CMBI Group Member and the Company may transfer any sum of Monies to and between such segregated account(s) of the Client to satisfy the Client' s obligations or liabilities to the Company or any CMBI Group Member, whether such obligations and liabilities are actual or contingent, primary or collateral, secured or unsecured, or joint or several: and
 - (2) transfer any sum of Monies interchangeably between any of the segregated accounts maintained at any time with the Company or any CMBI Group Member.
- 16.3 The Client acknowledges and agrees that the Company may do any of the things mentioned in Clause 16.2 without giving the Client notice.
- 16.4 The Client Money Standing Authority is given without prejudice to other authorities or rights which the Company or any CMBI Group Member may have in relation to dealing in Monies in the segregated account.
- 16.5 The Client Money Standing Authority shall be valid for a period of 12 months from the date of this Agreement, subject to renewal by the Client or deemed renewal under the Client Money Rules as referred to in Clause 16.7.
- 16.6 The Client Money Standing Authority may be revoked by giving the Company written notice addressed to the Company at the Company address specified in the Agreement or such other address which the Company may notify the Client in writing for this purpose. Such notice shall take effect upon the expiry of 14 days from the date of the Company' s actual receipt of such notice.
- 16.7 The Client understands that the Client Money Standing authority shall be deemed to be renewed on a continuing basis without the Client' s written consent if the Company issues the Client a written reminder at least 14 days prior to the expiry date of the Client Money Standing Authority, and the Client does not object to such deemed renewal before such expiry date.
- 17 Electronic Trading Services to the Client**
- 17.1 Unless otherwise specified, this Clause is made without prejudice and in addition to all the provisions in the Agreement.
- 17.2 The Company may provide the Client with Electronic Services, and the Client hereby requests the provision of such services, upon the terms and conditions as embodied in the Agreement, as modified, amended or expanded by any notice, letter, publication or such other document as may be issued from time to time by the Company.
- 17.3 The Client may from time to time instruct the Company, acting as the Clients agent, to deposit, purchase and/or sell securities for the Account(s) or otherwise deal with securities, receivables or monies on behalf of the Client through the Electronic Services.
- 17.4 The Client agrees that the Client shall be the only authorized user of the Electronic Services under this Agreement. The Client shall be wholly and solely responsible for the confidentiality, security and use of the Access Codes issued to the Client by the Company.
- 17.5 The Client acknowledges and agrees that the Client shall be wholly and solely responsible for all instructions entered through the Electronic Services. The Client further acknowledges that the Electronic Services, CMBI Mail, the Company' s website, and the software comprised in them, are proprietary to the Company. The Client undertakes and warrants that the Client shall not, and shall not attempt to, tamper with, modify, decompile, reverse engineer, damage, destroy or otherwise alter in any way, and shall not attempt to gain unauthorized access to, any part of the Electronic Services, CMBI Mail, the Company' s website, and any of the software comprised in them. The Client agrees that the Company shall be entitled to close any or all of the Account(s) immediately without notice to the Client, and the Client acknowledges that the Company may take legal action against the Client, if the Client at any time breaches this warranty and undertaking or if the Company at any time reasonably suspects that the Client has breached the same. The Client undertakes to notify the Company immediately if the Client becomes aware that any of the actions described above in this paragraph is being perpetrated by any other person.
- 17.6 As and when the Company allows the Client to open an Account on-line with the Company, the Client agrees to return to the Company the hard copy of the Client Information Form and related documents and any authority given by the Client to the Company with respect to the Account(s) duly completed and executed.
- 17.7 Unless otherwise agreed between the Company and the Client, the Company will not execute any trading orders of the Client until there are sufficient cleared funds, securities or other assets acceptable to the Company in the Client' s Account(s) to settle the Client' s transactions and upon receipt of the documents as stated in Clause 17.6.
- 17.8 The Company will not be deemed to have received the Client' s instructions or have executed the Client' s orders unless and until the Client is in receipt of the Company' s message acknowledging receipt or confirming execution of the Client' s orders, either electronically or by hard copy.
- 17.9 The Client acknowledges and agrees that, as a condition of using the Electronic Services to give instructions, the Client shall immediately notify the Company if:
- (1) an instruction has been placed through the Electronic Services and the Client has not received an instruction number or has not received an accurate acknowledgement of the instruction or of its execution (whether by hard copy, electronic or verbal means);
 - (2) the Client has received acknowledgement (whether by hard copy, electronic or verbal means) of a transaction which the Client did not instruct or any similar conflict;
 - (3) the Client becomes aware of any of the acts stated in Clause 17.5 being done or attempted by any person;
 - (4) the Client becomes aware of any unauthorized use of the Client' s Access Codes; or
 - (5) the Client has difficulties with regard to the use of the Electronic Services.
- 17.10 The Client agrees to review every order before entering it as it may not be possible to cancel the Client' s instructions once given.
- 17.11 The Client agrees that the Company shall not be liable for any loss or damage the Client or any other person may suffer as a result of using or attempting to use the Electronic Services unless such loss or damage are caused by willful default or gross negligence on the part of the Company. The Client further undertakes to indemnify the Company, on a full indemnity basis, on demand, for any loss or damage the Company may suffer as a result of the use of the Electronic Services, except to the extent that such loss or damage is outside the Client' s control.
- 17.12 The Client acknowledges and agrees that if the mode of communication used by the Client in the course of the Electronic Services becomes

temporarily unavailable, the Client can during such period continue to operate the relevant Account subject to the right of the Company to obtain such information regarding the verification of the Client' s identity as it may from time to time think fit.

17.13 The Client acknowledges that the Exchanges and certain associations may assert proprietary interests and rights overall market data they furnish to parties who disseminate such data and agrees not to do any act which would constitute any infringement of such rights or interests. The Client also understands that the Company does not guarantee the timeliness, sequence, accuracy or completeness of market data or any market information (including any information provided to the Client through the Electronic Services). The Company shall not be liable in any way for any loss arising from or caused by (1) any inaccuracy, error in or omission from any such data, information or message; (2) any delay in the transmission or delivery thereof; (3) any suspension or congestion in communication; (4) any unavailability or interruption of any such data, message or information whether due to any act of the Company; or (5) by any forces beyond the control of the Company.

18 Risk Disclosure Statement

18.1 The Client acknowledges that the prices of securities fluctuate, sometimes dramatically. The price of a security may move up or down, and may become valueless. It is as likely that losses will 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.

18.2 The Client acknowledges that Growth Enterprise Market (GEM) stocks involve a high investment risk. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. GEM stocks may be very volatile and illiquid. The Client acknowledges and understands that he should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors. The Client acknowledges and understands that current information on GEM stocks may only be found on the internet website operate by SEHK. Gem companies are usually not required to issue paid announcements in gazetted newspapers. This sub-clause does not purport to disclose all the risks and other significant aspects of GEM. The Client understands and acknowledges that he should undertake his own research and study on the trading of securities on GEM before commencing any trading activities, and that he should seek independent professional advice if he is uncertain of or has not understood any aspect of this sub-clause or the nature and risks involved in trading of GEM stocks.

18.3 The Client acknowledges that client assets received or held by the Company 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 and the rules made thereunder. Consequently, such client assets may not enjoy the same protection as that conferred on client assets received or held in Hong Kong.

18.4 The Client also acknowledges that there are risks in leaving Securities in the custody of the Company, its associated entities or its agent. For example if the Company is holding the Client' s securities and becomes insolvent, the Client may experience significant delay in recovering securities. These are risks that the Client is prepared to accept.

18.5 The Client also understands and acknowledges the following:

- (1) 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.
- (2) Additionally, the Client' s authority may be deemed to be renewed (i.e. without the Client' s 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 then existing authority.
- (3) The Client is not required by any law to sign the authorities referred to in Clause 18.5 (1).

18.6 If the Company commits a default as defined in Part XII of the Securities and Futures Ordinance and a qualifying client thereby suffers a pecuniary loss, the qualifying client shall have a right to claim under the compensation fund established under the Securities and Futures Ordinance, subject to the terms of the compensation fund from time to time. The qualifying client' s right to claim under the compensation fund shall be restricted to the extent provided for in the Securities and Futures Ordinance and its rules and regulations.

18.7 The Client also understands and acknowledges the following:

- (1) 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.
- (2) The Client acknowledges and accepts that if he undertakes transaction on an electronic trading system, he will be exposed to risks associated with the system including the failure of hardware and software, and that the result of any system failure may be that his order is either not executed according to his instructions or not executed at all.

18.8 The Client acknowledges and accepts that due to unpredictable traffic congestion and other reasons, electronic transmission may not be a reliable medium of communication, that transactions conducted via electronic means are subject to delays in transmission and receipt of his instructions or other information, delays in execution or execution of his instructions at price different from those prevailing at the time his instruction were given, transmission interruption or blackout, that there are risks of misunderstanding or errors in communication, and that there is also usually not possible to cancel an instruction after it has been given.

18.9 The Client acknowledges and accepts that if he provides the Company with an authority to hold mail or direct mail to third parties, it is important for the Client to promptly collect in person all contract notes and statement of his Account and review them in detail to ensure that any anomalies or mistakes can be detected in a timely fashion.

18.10 The Client acknowledges and accepts that the securities under the Nasdaq-Amex Pilot Program ("PP") are aimed at sophisticated investors. The Client understands and acknowledges that he should consult his dealer and become familiarized with the PP before trading in the PP securities and that he should be aware that the PP securities are not regulated as a primary or secondary listing on the Main Board or GEM of SEHK.

- 18.11 In the event that the Client wishes to have transactions pursuant to this Agreement executed on Exchange other than the SEHK, the Client acknowledges and recognizes that, since such transactions will be subject to the rules and regulations of those Exchanges, and applicable local laws, and not those of the SEHK, the Client may have a markedly different level and type of protection in relation to those transactions compared to the level and type of protection afforded by the rules and regulations of the SEHK and Hong Kong law and the Client acknowledges and recognizes, without limitation, that such transactions executed on exchanges other than the SEHK will not be subject to a right to claim under the compensation fund established under the Securities and Futures Ordinance where the Client suffers a pecuniary loss.
- 18.12 The Client understands and acknowledges that the following risks associated with Derivative Warrants and Callable Bull/Bear Contracts ("Structured Product") that traded on exchanges:
- (1) In the event that a structured 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 structured product issuers;
 - (2) Uncollateralised structured products are not asset backed. In the event of issuer bankruptcy, the client can lose their entire investment. The client should read the listing documents to determine if a product is uncollateralized;
 - (3) Structured products such as derivative warrants and callable bull/bear contracts 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 a structured product may fall to zero resulting in a total loss of the initial investment;
 - (4) Structured products have an expiry date after which the issue may become worthless. The client should be aware of the expiry time horizon and choose a product with an appropriate lifespan for their trading strategy;
 - (5) The price of a structured 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;
 - (6) The client trading structured products with underlying assets not denominated in Hong Kong dollars are also exposed to exchange rate risk. Currency rate fluctuations can adversely affect the underlying asset value, also affecting the structured product price;
 - (7) The SEHK requires all structured 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 product until a new liquidity provider has been assigned;
 - (8) The Client further understands and acknowledges that the following additional risks involved in trading Derivative Warrants:
 - (1) All things being equal, the value of a derivative warrant will decay over time as it approaches its expiry date. The client should therefore not view derivative warrants as long term investments.
 - (2) 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.
- and;
- (9) The Client also understands and acknowledges that the following additional risks involved in trading Callable Bull/Bear Contracts:
 - (1) The client trading Callable Bull/Bear Contracts should be aware of their intraday "knockout" or mandatory call feature. A callable bull/bear contracts 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 callable bull/bear contracts as calculated by the product issuer in accordance with the listing documents. The client should also note that the residual value can be zero.
 - (2) The issue price of a callable bull/bear contracts includes funding costs. Funding costs are gradually reduced over time as the callable bull/bear contracts moves towards expiry. The longer the duration of the callable bull/bear contracts, the higher the total funding costs. In the event that a callable bull/bear contracts is called, the client will lose the funding costs for the entire lifespan of the callable bull/bear contracts. The formula for calculating the funding costs are stated in the listing documents.
- 18.13 The Client also understands and acknowledges that the following additional risks involved in trading in Shanghai and Shenzhen- Hong Kong Stock Connect:
- (1) Investors should note that any Northbound or Southbound trading will not be covered by Hong Kong' s Investor Compensation Fund. Hong Kong' s Investor Compensation Fund is established to pay compensation to investors of any nationality who suffer pecuniary losses as a result of default of a licensed intermediary or authorised financial institution in relation to exchange-traded products in Hong Kong. Examples of default are insolvency, in bankruptcy or winding up, breach of trust, defalcation, fraud, or misfeasance. As far as Southbound trading is concerned, since Mainland securities brokers are neither licensees nor registered institutions with the SFC in Hong Kong and they are not regulated by the SFC, the Investor Compensation Fund will not cover Southbound trading. As for Northbound trading, according to the Securities and Futures Ordinance, the Investor Compensation Fund will only cover products traded in Hong Kong' s recognised securities market (SEHK) and recognised futures market (Hong Kong Futures Exchange Limited, HKFE). Since default matters in Northbound trading do not involve products listed or traded in SEHK or HKFE, so similar to the case of investors trading overseas securities, they will not be covered by the Investor Compensation Fund. For further information on Hong Kong' s Investor Compensation Fund, please refer to the website of Investor Compensation Company Limited. For information on licensees and registered institutions under the SFC, please consult the Public Register of Licensed Persons & Registered Institutions in the SFC website. On the other hand, according to the Measures for the Administration of Securities Investor Protection Fund the functions of China Securities Investor Protection Fund (CSIPF) include "indemnifying creditors as required by China' s relevant policies in case a securities company is subjected to compulsory regulatory measures including dissolution, closure, bankruptcy and administrative takeover by China Securities Regulatory Commission (CSRC) and custodian operation" or "other functions approved by the State Council" . As far as Hong Kong investors participating in Northbound trading are concerned, since they are carrying out Northbound trading through securities brokers in Hong Kong and these brokers are not Mainland brokers, therefore they are not protected by CSIPF on the Mainland.
 - (2) When the respective aggregate quota balance for Northbound and Southbound trading is less than the daily quota, the corresponding

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

- (3) As mentioned above, it will only operate on days when both markets are open for trading and when banks in both markets are open on the corresponding settlement days. So it is possible that there are occasions when it is a normal trading day for the Mainland market but Hong Kong investors cannot carry out any A-share trading. Investors should take note of the days open for business and decide according to their own risk tolerance capability whether or not to take on the risk of price fluctuations in A-shares during the time when it is not trading.
- (4) For investors who usually keep their A-shares outside of their brokers, if they want to sell certain A-shares they hold, they must transfer those A-shares to the respective accounts of their brokers before the market opens on the day of selling (T day). If they fail to meet this deadline, they will not be able to sell those A-shares on T day.
- (5) When a stock is recalled from the scope of eligible stocks for trading for above-mentioned reasons, the stock can only be sold but restricted from being bought. This may affect the investment portfolio or strategies of investors. Investors should therefore pay close attention to the list of eligible stocks as provided and renewed from time to time by SSE and SEHK.
- (6) Hong Kong and overseas investor who holds a local currency other than RMB will be exposed to currency risk if he/she invests in a RMB product due to the need for the conversion of the local currency into RMB. During the conversion, you will also incur currency conversion costs. Even if the price of the RMB asset remains the same when you purchase it and when you redeem / sell it, you will still incur a loss when you convert the redemption / sale proceeds into local currency if RMB has depreciated.
- (7) No day trading is allowed in Northbound trading
- (8) For the Northbound trading, pre-trade checking is in place so that a client must have his/her shares transferred to the Company' s corresponding CCASS account before the commencement of trading on a trading day if he/she intends to sell the shares during a trading day, unless an SPSA arrangement is in place;
- (9) All trade in Northbound trading must be conducted on SSE, i.e., no over-the-counter (OTC) or manual trades are allowed
- (10) Naked short selling is not allowed in Northbound trading
- (11) For the Northbound trading, foreign shareholding restriction (including the forced-sale arrangement) is in place and the Company should have the right to "force-sell" client' s shares upon receiving the forced-sale notification from SEHK
- (12) For the Northbound trading, investors should understand fully the Mainland rules and regulations in relation to short-swing profits, disclosure obligations and follow such rules and regulations accordingly
- (13) The Company may have the right to cancel client' s orders in case of contingency such as hoisting of Typhoon Signal No 8 in Hong Kong
- (14) The Company may not be able to send in client' s order cancellation requests in case of contingency such as when SEHK loses all its communication lines with SSE, etc and investors should still bear the settlement obligations if the orders are matched and executed
- (15) The Client must comply with SSE Rules and other applicable laws of Mainland China relating to Northbound trading
- (16) The Company may forward the client' s identity to SEHK which may on-forward to SSE for surveillance and investigation purposes
- (17) If the SSE Rules are breached, or the disclosure and other obligations referred to in the SSE Listing Rules or SSE Rules is breached, SSE has the power to carry out an investigation, and may, through SEHK, require Company to provide relevant information and materials and to assist in its investigation
- (18) SEHK may upon SSE' s request, require the Company to reject orders from the client. Client needs to accept the risks concerned in Northbound trading, including but not limited to prohibition of trading SSE Securities, being liable or responsible for breaching the SSE Listing Rules, SSE Rules and other applicable laws and regulations
- (19) SSE may request SEHK to require Company to issue warning statements (verbally or in writing) to their clients, and not to extend Northbound trading service to their clients
- (20) HKEx, SEHK, SEHK Subsidiary, SSE and SSE Subsidiary and their respective directors, employees and agents shall not be responsible or held liable for any loss or damage directly or indirectly suffered by Company, its clients or any third parties arising from or in connection with Northbound trading or the CSC.
- (21) Trading of ChiNext Stocks is limited to institutional professional investor within the meaning of paragraph (a), (b), (c), (d), (e), (f), (g), (h) or (i) of the definition of "professional investor" in section 1 of Part 1 of Schedule 1 to the SFO or other types of investors that are permitted or approved by the China Connect Authorities to trade ChiNext Shares through Shenzhen-Hong Kong Stock Connect.
- (22) the Customer will trade ChiNext Shares only when the Customer is, and in the case where the Customer is an intermediary (including, but not limited to, a fund manager, asset manager, broker or order placer) trading for or on behalf of an underlying client or clients, each such underlying client is, an Eligible ChiNext Investor stated in (21).
- (23) ChiNext Shares involve a high investment risk. In particular, profitability and other financial requirements for listing on the ChiNext Board are less stringent than the Main Board and the SME Board of the SZSE. The Customer should make the decision to invest only after due and careful consideration. Companies listed on the ChiNext Board may include enterprises in the innovation and technology sector as well as other start-up and/or growth enterprises with smaller operating scale and share capital. Stock prices may also be more susceptible to manipulation due to fewer circulating shares. Accordingly, the ChiNext Shares may be very volatile and illiquid. In addition, current information on such companies may be limited and may not be widely available. It may be more common and easier for companies listed on the ChiNext Board to be delisted. The ChiNext Shares may become very illiquid after delisting. The Customer may suffer a total loss of its investment in the event of a delisting. The Customer should seek independent professional advice if the Customer is uncertain of or has not understood any aspect of these China Connect Securities Trading Risk Disclosures or the nature and risks involved in trading of ChiNext Shares.

- (24) No Margin Trading Services, Short Selling and Stock Borrowing Lending services will be provided in Shenzhen-Hong Stock Connect and Shanghai-Hong Kong Stock Connect.
- 18.14 The Client also understands and acknowledges that the following additional risks involved in trading in United States exchange-listed or over-the-counter (OTC) securities or derivatives:
- (1) The Client should understand the US rules applicable to trades in security or security-like instrument in markets governed by US laws before undertaking any such trading. US laws could apply to trading in US markets irrespective of the law applicable in the Client's home jurisdiction.
 - (2) Many (but not all) stocks, bonds and options are listed and traded on the US stock exchanges. NASDAQ, which used to be an OTC market among dealers, has now also become a US exchange. For exchange-listed stocks, bonds and options, each exchange promulgates rules that supplement the rules of the US Securities & Exchange Commission ("SEC") for the protection of individuals and institutions trading in the securities listed on the exchange.
 - (3) OTC trading among dealers can continue in exchange-listed instruments and/or in instruments that are not exchange-listed. For securities that are not listed on any exchange, trading can continue through the OTC bulletin board or through the inter-dealer "pink sheets" that carry representative (not actual) dealer quotes. These facilities are outside of NASDAQ.
 - (4) Options on securities are subject to SEC rules and the rules of any securities exchange on which the options are listed. Options on futures contracts on commodities like wheat or gold are governed by rules of the US Commodity Futures Trading Commission ("CFTC"). There are also commercial options, like options on real estate, that are governed neither by SEC nor CFTC rules.
 - (5) When the Client intends to trade in US exchange-listed securities, OTC securities or derivatives (such as options or futures), the Client should understand the particular rules that govern the market in which the Client intends to trade. An investment in any of these instruments tends to increase the risk.
 - (6) Market makers of OTC bulletin board are unable to use electronic means to interact with other dealers to execute trades. They must manually interact with the market, i.e., use standard phone lines to communicate with other dealers to execute trades. This may cause delays in the time it takes to interact with the market place. This, if coupled with increase in trade volume, may lead to wide price fluctuation in OTC bulletin board securities as well as lengthy delays in execution time. The Client should exercise extreme caution when placing market orders and fully understand the risks associated with trading in the OTC bulletin board.
 - (7) Market data such as quotes, volume and market size may or may not be as up-to-date as expected with NASDAQ or listed securities.
 - (8) As there may be far fewer market makers participating in the OTC securities markets, the liquidity in that security may be significantly less than those in the listed markets. As such, the Client may receive a partial execution or the order may not be executed at all. Additionally, the price received on a market order may be significantly different from the price quoted at the time of order entry. When fewer shares of a given security are being traded, larger spreads between bid and ask prices and volatile swings in price may result. In some cases, the liquidation of a position in an OTC security may not be possible within a reasonable period of time.
 - (9) Issuers of OTC securities have no duty to provide any information to investors, maintain registration with the SEC or provide regular reports to investors. The Client is strongly advised to proceed with caution and thoroughly research companies before transacting in OTC equity securities. In some cases, issuers of OTC equity securities may have no obligation to provide information to investors and, in many cases, reliable information regarding issuers of OTC equity securities, their prospects, or the risks associated with the business of such issuers may not be available. As a result, it may be difficult to properly value investments in OTC equity securities. The Client should exercise additional care and perform thorough diligence before making any investment decision regarding an OTC equity security.
 - (10) The Company, at its sole discretion, may restrict the Client's ability to enter market orders and other order types in certain instances and require the Client to place limit orders to trade OTC equity securities. Some order types when used for OTC equity securities may trigger, route, or execute in a manner different than exchange-listed securities. The Company reserves the right to charge commissions or reject any order in any security including but not limited to OTC equity securities.

19 Suitability

If we solicit the sale of or recommend any financial product to you, the financial product must be reasonably suitable for you having regard to your financial situation, investment experience and investment objectives. No other provision of this agreement or any other document we may ask you to sign and no statement we may ask you to make derogates from this clause.

20 Client's Representations and Warranties

20.1 The Client hereby represents and warrants to the Company on a continuing basis that:

- (1) (in case of a corporation) it is validly incorporated and existing under the laws of its country of incorporation and has full power and capacity to enter into and perform its obligations hereunder; its entry into this Agreement has been duly authorized by its governing body and is in accordance with the memorandum and articles of association or by-laws as the case may be of the Client;
- (2) neither the signing, delivery or performance of this Agreement nor any instructions given hereunder will contravene or constitute a default under any existing applicable law, statute, ordinance, rule or regulation or judgment or cause to be exceeded any limit by which the Client or any of the Client's asset is bound;
- (3) save as otherwise disclosed to the Company in writing, all transactions to be effected under this Agreement are for the benefit of the Client and no other party has any interest therein;
- (4) subject to any security interest of any CMBI Group Member created pursuant to any agreement between the Client and such CMBI Group Member, all securities provided by the Client for selling or crediting into the Account(s) are fully paid with valid and good title and whose legal and beneficial titles are owned by the Client;
- (5) the information contained in the Client Information Form or other information supplied by or on behalf of the Client to the Company in connection with the Account(s) is complete, true and correct. The Company is entitled to rely on such information until written notice from the Client of any changes therein has been received by the Company; and

20.2 If the Client effects transactions for the account of his clients, whether on a discretionary or non-discretionary basis, and whether as agent or by entering into matching transactions as principal with any client of the Client, the Client hereby agrees that, in relation to a transaction

where the Company has received an enquiry from SEHK and/or SFC ("Hong Kong Regulations"), the following provisions shall apply;

- 20.2.1 Subject to as provided below, the Client shall, immediately upon request by the Company (which request shall include the relevant contact details of the Hong Kong Regulators), inform the Hong Kong Regulators of the identity, address, occupation and contact detail of the client for whose account the transaction was effect and (so far as known to the Client) of the person with the ultimate beneficial interest in the transaction. The Client shall also inform the Hong Kong Regulators of the identity, address, occupation and contact detail of any third party (if different from the client/the ultimate beneficiary) who originated the transaction.
- 20.2.2 (a) If the Client effected the 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 relevant contact details of the Hong Kong Regulators), inform the Hong Kong Regulators of the identity, address, occupation and contact details of the person(s) who, on behalf of the scheme, account or trust, instructed the Client to effect the transaction.
- (b) If the Client effected the transaction for a collective investment scheme, discretionary account or discretionary trust, the Client shall, as soon as practicable, inform the Company when his discretion to invest on behalf of the scheme, account or trust has been overridden. In the case where the Client' s investment discretion has been overridden, the Client shall immediately upon request by the Company (which request shall include the relevant contact details of the Hong Kong Regulators), inform the Hong Kong Regulators of the identity, address, occupation and contact details of the person(s) who has or have given the instruction.
- (c) If the Client is a collective investment scheme, discretionary account or discretionary trust and in respect of a particular transaction the discretion of the Client or its officers or employees has been overridden, the Client shall, as soon as practicable, inform the Company when his discretion to invest on behalf of the beneficiary of such scheme, account or trust has been overridden. In case where the Client' s investment discretion has been overridden, the Client shall, immediately upon request by the Company (which request shall include the relevant contact details of the Hong Kong Regulators), inform the Hong Kong Regulators of the identity, address, occupation and contact details of the person(s) who has or have given the instruction in relation to the relevant transaction.
- 20.2.3 If the Client is aware that his client is acting as intermediary for its underlying client(s), and the Client does not know the identity, address, occupation and contact details of the underlying client for whom the transaction was effected, the Client confirms that:
- (a) the Client has arrangements in place with his client which entitle the Client to obtain the information set out in sub-clause 20.2.1 and/or 20.2.2 from his client immediately upon request or procure that it be so obtained; and
- (b) the Client will, upon request from the Company in relation to a transaction, promptly request the information set out in sub-clauses 20.2.1 and/or 20.2.2 from his client on whose instructions the transaction was effected, and provide the information to the Hong Kong Regulators as soon as it is received from his client or procure that it be so provided.
- 20.2.4 The above terms shall continue in effect notwithstanding the termination of this Agreement.
- 20.3 The Client undertakes to perform such acts, sign and execute all such agreements or documents whatsoever as may be required by the Company for the performance or implementation of this Agreement or any part thereof.
- 20.4 The Client must notify the Company when a sale order relates to securities which the Client does not own i.e. where it involves short selling (including where the Client has borrowed stock for the purposes of the sale). The Client acknowledges and agrees that no short selling orders will be accepted by the Company unless the Client provides the Company with such confirmation, documentary evidence and assurance as the Company in the Company' s opinion considers necessary to show that the Client has a presently exercisable and unconditional right to vest such securities in the purchaser before placing any short selling order.
- 20.5 The Client agrees not to pledge or charge any securities or monies forming part of any Account(s) without the prior consent of the Company, or to sell, grant an option over, or otherwise deal in any securities or monies forming part of the Account(s).
- 20.6 The Company and the Client undertake to inform each other of any material change to the information provided in accordance with this Agreement. In particular, the Company and the Client agree that:
- (1) the Company will notify the Client of any material change to its licensing or registration status and its business, the nature of services provided or fees charged by the Company to the Client; and
- (2) the Client will notify the Company of any change of name and, address and identification documents and provide supporting documents as reasonably required by the Company.
- 21 Liabilities**
- 21.1 Nether the Company nor any of its directors, employees or agents shall have any liability whatsoever (whether in negligence or otherwise) for any loss, expense or damage suffered by the Client as a result of:
- (1) the Company acting or relying on any instruction given by the Client whether or not such instruction was given following any recommendation, advice or opinion given by the Company or by any of its directors, employees or agents; or
- (2) any condition or circumstances which are beyond the reasonable control or anticipation of the Company, its directors, officers, employees and agents, including but not limited to any delays in the transmission of orders due to disruption, breakdown, failure, unauthorized use of Access Codes, prevailing fast market conditions, governmental agency or exchange actions, theft, war (whether declared or not), severe weather, earthquakes and strikes; or
- (3) the Company exercising any or all of its rights conferred by the terms of this Agreement; or
- (4) any conversion of one currency to another pursuant to, in relation to or arising from this Agreement.
- 21.2 Without limiting the generality of Clause 21.1 above, neither the Company nor any of its directors, employees or agents shall have any liability whatsoever (whether in negligence or otherwise) for and loss, expenses or damage suffered by the Client arising out of or alleged to arise out of or in connection with any inconvenience, delay or loss of use of the Electronic Services or any delay or alleged delay in acting or any failure to act on any instruction given by the Client to the Company, even if the Company has been advised of the possibility of any costs, claims, damage.
- 21.3 The Client undertakers to indemnify and keep indemnified the Company in respect of any costs, claim, demands, damages and expenses whatsoever which may be reasonably and properly suffered or incurred by the Company directly or indirectly arising out of or in connection

with any transaction entered into by the Company as agent on behalf of the Client or otherwise whatsoever or howsoever arising out of anything done or omitted to be done by the Company in accordance with the terms of the Agreement or pursuant to any Client' s instruction or communication. The Client also agrees to pay promptly to the Company, on demand, all damages, costs and expenses (including legal expenses on a full indemnity basis) reasonably and properly incurred by the Company in the enforcement of any of the provisions of this Agreement.

21.4 The Client undertakes to indemnify and keep indemnified the Company and its officers, employees and agents for and loss, cost, claim, liability or expenses arising out of or connected with any breach by the Client of its obligations hereunder, including any costs reasonably and necessarily incurred by the Company in collecting any debts due to the Company or in connection with the closure of the Account(s).

21.5 The above terms shall continue to take effect notwithstanding the termination of this Agreement.

22 Confirmations and Statement

22.1 Reports, written confirmations, statements of the Client' s Account(s), notices, and any other communications may be transmitted to the Client (who, in the case of a joint account without nominating a person therefore, will be deemed for these purposes to be the Client whose name first appears in this Agreement) at the address, telephone, fax or telex number given in the Client Information Form, or at such other address, telephone, fax or telex number as the Client hereafter shall notify the Company in writing; and all communications so transmitted, whether by mail, telegraph, telephone, messenger or otherwise, shall be deemed transmitted when telephoned, when deposited in the mail, or when received by a transmitting agent, whether actually received by the Client or not.

22.2 Written confirmation of the execution of the Client' s orders and statements of the Client' s Account shall be conclusive and deemed to be accepted if not objected to in writing by the Client directed to the address stated in this Agreement (or such other address communicated in writing by the Company) within 2 days after transmittal thereof to the Client, by mail or otherwise.

22.3 Any notice or other communications including, but not limited to, written confirmations and statements of the Client' s Account(s) delivered to the Client by Company under this Agreement if by electronic devices through CMBI Mail or otherwise shall be deemed made or given upon transmission of the message to the Client.

22.4 Where applicable the Client can access account information via the CMBI Website Facility, the Client hereby consents to accept the posting of such information on the CMBI Website Facility as delivery of confirmation and account statements in lieu of postal mail or electronic mail. The Client may revoke this consent at any time upon written notice to the Company.

23 Amendment

23.1 The Company shall have absolute rights to amend, delete or substitute any of the terms herein or add new terms to this Agreement. An amendment notice and the revised Agreement will be posted at the "Download forms" column of CMBI Website. The Client should visit the CMBI Website from time to time for obtaining the latest Agreement and read the terms thereof. Such amendment, deletion, substitution or addition shall be deemed as effective and incorporated herein (and shall form part of this Agreement) on the date of publication of such amendment notice. The Client may raise written objection within fourteen (14) Business Days after the publication of such amendment notice at the CMBI Website, failing which it shall be deemed an acceptance of such amendment, deletion, substitution or addition.

24 Joint Clients

24.1 Where the Client consists of more than one person:

- (1) the liability and obligations of each of them shall be joint and several and references to the Client shall be construed, as the context requires, to any or each of them;
- (2) the Company shall be entitled to, but shall not be obliged to, act on instructions or requests from any of them;
- (3) each of them shall be bound though any other Client or any other person intended to be bound is not, for whatever reason, so bound; and
- (4) the Company shall be entitled to deal separately with any of the Client on any matter including the discharge of any liability to any extent without affecting the liability of any others.

24.2 Where the Client consists of more than one person, on the death of any of such persons (being survived by any other such persons), this Agreement shall not be terminated and the interest in the Account(s) of the deceased will thereupon vest in and ensure for the benefit of the survivor(s) provided that any liabilities incurred by the deceased Client shall be enforceable by the Company against such deceased Client' s estate. The surviving Client(s) shall give the Company written notice immediately upon any of them becoming aware of any such death.

25 Possibilities of Conflict of Interest

25.1 The Company and its directors, officers or employees may trade on its/their own account or on the account of any CMBI Group Member subject to any applicable regulatory requirements.

25.2 The Company may buy, sell, hold or deal in any securities or take the opposite position to the Client' s order whether it is on the Company' s own account or on behalf of its other clients.

25.3 The Company may match the Client' s orders with those of other clients.

25.4 The Company may effect transactions in securities where the Company or any CMBI Group Member has a position in the Securities or is involved with those securities as underwriter, sponsor or otherwise.

25.5 In any of the above-mentioned events the Company shall not be obliged to account for any profits or benefits obtained.

26 Termination of Agreement

26.1 Without prejudice to Clause 13, 20.2 and 21, this Agreement shall continue in effect until terminated by either party giving not less than seven (7) days (being days on which banks in Hong Kong are open for general business (other than a Saturday or Sunday)) prior written notice to the other.

26.2 Service of notice of termination by the Client pursuant to Clause 26.1 shall not affect any transaction entered into by the Company pursuant to this Agreement before the notice has actually been received by the Company.



- 26.3 Termination of this Agreement shall not affect any outstanding orders or any legal rights or obligations which may already have arisen.
- 27 **General provisions**
- 27.1 Each of the provisions of this Agreement is severable and distinct from the others and, if one or more of such provisions is or becomes illegal, invalid or unenforceable, the remaining provisions shall not be affected in any way. In the event that any provision would be invalid if part of the wordings thereof were not deleted, the provision shall apply as if the relevant wordings were deleted.
- 27.2 This Agreement constitutes a legally binding agreement of the Client (and where the Client acting as agent, jointly with its principal(s)) once the Client signs the related account opening documents, give to the Company any instructions or accept from the Company any services in relation to the Account. CMBIS and CMBIGM shall be severally and not jointly liable for their respectively performance, acts and omissions under this Agreement. The provisions of this Agreement shall be binding on and endure to the benefit of the successors, assigns and personal representative (where applicable) of each party hereto provided that the Client may not assign, transfer, charge or otherwise dispose of any of the Client' s rights or obligations hereunder without the prior written consent of the Company. The Company may assign all or a part only of its rights and obligations under this Agreement to any person without the prior consent or approval of the Client. The Company may by prior written notice to the Client assign and/or transfer all or part of the Company' s rights, benefits and obligations under this Agreement and under any unsettled transactions to CMBIS and/or CMBIGM without obtaining the Client' s further instruction.
- 27.3 The Client hereby authorizes the Company to conduct a credit enquiry (or a personal credit enquiry in case of an individual client) or check on the Client for the purpose of ascertaining the financial situation and investment objectives of the Client.
- 27.4 Nothing herein contained shall place the Company under any duty to disclose to the Client any fact or thing which comes to its notice in the course of acting in any capacity for any other person or in its own capacity.
- 27.5 Whenever the Company deals with the Client, it will always be on the basis that only the Client is the Company' s client and is acting as principal in all respects and so, if the Client acts on behalf of another person, whether or not the Client identifies him to the Company, he will not be the Company' s client and the Company does not and will not have or accept in any circumstances whatsoever any responsible towards any person on whose behalf the Client may act and the Client hereby acknowledges and agrees that the Client shall be solely responsible for settling all liabilities resulting from transactions effected pursuant to and in accordance with this Agreement in connection with or on behalf of any such person.
- 27.6 Whilst the Client expects the Company to keep confidential all matters relating to the Account(s), the Client hereby expressly agrees that the Company may make such disclosure of all matters relating to the Account(s) as may be required under any laws, orders, lawful requests or regulations of any relevant market, Banking or governmental authority without further consent from or notification to the Client.
- 27.7 Time shall in all respects be of essence in the performance of all of the Client' s obligations under this Agreement.
- 27.8 A failure or delay in exercising any right, power or privilege in respect of this Agreement will not be presumed to operate as a waiver, and a single or partial exercise of any right, power or privilege will not be presumed to preclude any subsequent or future exercise of that right, power or privilege.
- 27.9 The Client hereby declares that he has read the English/Chinese version of this Agreement and that the contents of this Agreement have been fully explained to him by the Company in language that the Client understands and that the Client accepts and agrees to be bound by this Agreement.
- 27.10 In the event of any difference in interpretation or meaning between the Chinese and English versions of this Agreement, the Client and the Company agree that the English version shall prevail.
- 27.11 This Agreement and all rights, obligations and liabilities shall be governed by and construed in accordance with the laws of the Hong Kong Special Administrative Region.
- 27.12 The Client hereby submits to the non-exclusive jurisdiction of the courts of Hong Kong in relation to all matters arising from or in connection with this Agreement.
- 27.13 At the sole option of the Company and in its absolute discretion, any dispute, controversy or claim arising out of or relating to this Agreement, or the breach, termination or invalidity thereof, shall be settled by arbitration in accordance with the UNCITRAL Arbitration Rules as at present in force and as may be amended by the rest of this Clause. The appointing authority shall be Hong Kong International Arbitration Centre. The place of arbitration shall be in Hong Kong at Hong Kong International Arbitration Centre (HKIAC). There shall be only one arbitrator. The language to be used in the arbitral proceedings shall be English.

MARGIN CLIENT'S AGREEMENT

THIS AGREEMENT is made between the following parties on the date of the **Client Information Form**

Company : (i) **CMB INTERNATIONAL SECURITIES LIMITED** (CE No. AUZ441), is a Licensed Corporation to carry on Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities pursuant to the Securities and Futures Ordinance Cap.571 whose registered address is located at 45-46/F, Champion Tower, 3 Garden Road, Central, Hong Kong ("**CMBIS**"); and/or

(ii) **CMB INTERNATIONAL GLOBAL MARKETS LIMITED** (CE No. AAF261), being a Licensed Corporation to carry on Type 1 (dealing in securities) regulated activities pursuant to the Securities and Futures Ordinance Cap. 571 and an Exchange Participant of the SEHK, whose registered address is located at 45/F, Champion Tower, 3 Garden Road, Central, Hong Kong ("**CMBIGM**"); (CMBIS and CMBIGM are referred to individually or, as the context may require, collectively as the "**Company**")

and

Client: The client with name, address and details information as stated in the **Client Information Form**

WHEREAS

- (1) The Client is desirous of opening one or more accounts (the "**Account**") with the Company from time to time for the purpose of trading in securities; and
- (2) The Company agrees that it will open and maintain such Account and act as an agent for the Client in purchase and sale of securities subject to the terms and conditions of this Agreement.
- (3) The Margin Trading Services is not available for Shenzhen-Hong Kong Stock Connect and Shanghai-Hong Kong Stock Connect.

NOW IT IS HEREBY AGREED as follows:-

TERMS AND CONDITIONS

1. Definition Interpretation

1.1 In this Agreement, unless the context requires otherwise, the following expressions shall have the following meanings:

"**Access Codes**" means together the Password and the Login Name (or any of them);

"**Account(s)**" means one or more margin accounts provided with margin facilities maintained by the Client with the Company from time to time for the purchase or sale of securities;

"**Agreement**" means the written agreement between the Client and the Company regarding the opening, maintenance and operation of the Account(s) as amended from time to time, including but not limited to the Account Opening Agreement, Client Information Form, the Terms and Conditions herein contained and any authority given by the Client to the Company with respect to the Account(s);

"**Company**" means CMB International Securities Limited and/or CMB International Global Markets Limited, as the context may require;

"**Business Day**" means any day on which the Exchange opens for trading other than Saturdays, Sundays, public holidays and any other day declared by the Exchange to be a non-business days;

"**Business Hours**" means the period during which on a Business Day the Company will be opened for trading as the Company may prescribe from time to time;

"**Client Money Rules**" means the Securities and Futures (Client Money) Rules made by the SFC under section 149 of the Securities and Futures Ordinance as amended from time to time;

"**Client Securities Rules**" means the Securities and Futures (Client Securities) Rules made by the SFC under section 148 of the Securities and Futures Ordinance as amended from time to time;

"**Client Money Standing Authority**" means the client money standing authority granted by the Client to the Company in the terms set out in Clause 14.1 as amended from time to time;

"**Client Securities Standing Authority**" means the standing authority granted by the Client to the Company in the terms set out in Clause 14.2 as amended from time to time;

"**CMBI Group**" means the Company, its subsidiary, ultimate holding company, holding company and fellow subsidiary of such holding company, including but not limited to CMB International Capital Limited, CMB International Futures Limited, CMB International Asset Management Limited, CMB International Securities Limited, CMB International Global Markets Limited and "**CMBI Group Member**" means each or any one of them;

"**CMBI Mail**" means the secure messaging facility operated by the Company for the delivery and receipt of confirmations, statements and other notices.

"**CMBI Website**" means [www.cmbi.com.hk] and such other websites as CMBI may from time to time add and notify the Client;

"**Electronic Trading Service**" means any facility provided by the Company which enables the Client to give electronic instructions to purchase, sell or otherwise deal with securities, and information services;

"**GMSLA**" means the Global Master Securities Lending Agreement (which includes the 2000 version, 2010 version, 2018 version, and/or any other version(s) as may be published by the International Securities Lending Association from time to time);

"**Password**" means the Client's personal password(s) used in conjunction with the Login Name to gain access to the Electronic Trading Service and to CMBI Mail and any other services offered by the Company;

"**Login Name**" means the Client's personal identification used in conjunction with the Password to gain access to the Electronic Trading Service, and to CMBI Mail and any other services offered by the Company;

"**Margin**" means deposits, collateral and margin (including, but without limitation to, initial margin and additional margin) being an amount equal to the applicable percentage (as notified by the Company to the Client from time to time) of the current market value of the Client's securities held or purchased by the Company on the Client's behalf, as determined by the Company from time to time;

"**Securities**" has the meaning ascribed thereto by the Securities and Futures Ordinance and, if the context so admits, shall include securities collateral;

"**Securities and Futures Ordinance**" means the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended or re-enacted from time to time;

"**SEHK**" means The Stock Exchange of Hong Kong Limited;

"**HKSCC**" means the Hong Kong Securities Clearing Company Limited;

"**SFC**" means the Securities and Futures Commission;

"**SFC Code of Conduct**" means Code of Conduct for Persons Licensed by or Registered with the SFC as amended from time to time;

"**Standing Order(s)**" means instruction(s) given by the Client from time to time to take specified action when the conditions forming part of such instructions are met and the Client has requested the Company to carry out such instruction during Business Hours if the relevant conditions are met; and

1.2 In this Agreement, unless the context otherwise requires, words and expressions defined in the Securities and Futures Ordinance, the Client Money Rules and the Client Securities Rules shall have the same meanings in this Agreement; references to the "**Client**", wherever used, shall in the case where the Client(s) is/are individual(s) include the Client(s) and his/their respective executors and administrators and in the case where the Client is a sole proprietorship firm include the sole proprietor and his executors and administrators and his/their successors in the business and in the case of a partnership firm include the partners who are the partners of the firm at the time when the Client's said Account(s) is/are being maintained and their respective executors and administrators and any other person or persons who shall at any time hereafter be or have been a partner of and in the firm and his or their respective executors and administrators and the successors to such partnership business and where the Client is a company include such company and its successors; references to clauses and sub-clauses unless otherwise stated are to clauses and sub-clauses of this Agreement, and the headings to the clauses are for convenience only and do not affect their interpretation and construction.

2. Applicable Rules and Regulations

2.1 All transactions for the Account(s) shall be subject to the relevant constitution, rules, regulations, by-laws, customs and usages, as amended from time to time, of SEHK, or such other stock exchanges or markets or over-the-counter markets ("Exchange(s)") and the HKSCC or such other clearing houses in or outside Hong Kong ("Clearing House(s)") and of the laws of Hong Kong and other places in which the Company is dealing on the Client's behalf, as amended from time to time.

2.2 The Rules of SEHK and the HKSCC, in particular those rules which relate to trading and settlement, shall be binding on both the Company and the Client in respect of transactions concluded on the instructions of the Client.

2.3 This Agreement shall be subject to the SFC Code of Conduct. In the event of any conflict between the SFC Code of Conduct and the terms and conditions hereof, the SFC Code of Conduct shall prevail.

3. Services

3.1 The Client hereby instructs and authorizes the Company to open and maintain in its book one or more Account(s) in the name of the Client for the purpose of purchasing, investing in, selling, exchanging or otherwise disposing of and generally dealing in and with all kinds of securities in accordance with the terms and conditions of this Agreement from time to time. Unless otherwise indicated by the Company or specified in this Agreement (in the contract note for the relevant transaction or otherwise), the Company shall act as agent for the Client in effecting transactions pursuant to this Agreement.

3.2 All transactions for the Account(s) may be effected by the Company directly on any Exchanges where the Company is authorized to deal in securities, or, at its option, on any Exchanges indirectly through any other broker which the Company may, at its discretion, decide to appoint.

3.3 Where any securities are held in the Company's name, the name of any associated entity of the Company or the name of any nominee of the Company in accordance with Clause 8.1, 8.2, the Company will not attend any meeting or exercise any voting or other rights including the completion of proxies except in accordance with written instructions of the Client. Nothing in this Agreement shall in any way impose on the Company any duty to inform the Client or to take any action with regards the attendance of meetings and to vote at such meetings. The Company has no duty in respect of notices, communications, proxies and other documents relating to the securities received by the Company or to send such documents or to give any notice of the receipt of such documents to the Client. The Company has the right to charge the Client for its services in taking any action pursuant to the Client's instruction.

3.4 If services are to be provided by the Company to the Client in relation to derivative products, including options, the Company shall provide to the Client upon request product specifications and any prospectus or other offering document covering such products and, where applicable and supplemental to Clause 6 below, a full explanation of margin procedures and the circumstances under which the Client's positions may be closed without the Client's consent.

4. Trading Decisions and Client's Instructions

4.1 Without prejudice to any rights or obligations arising under clause 17, the Client acknowledges and agrees that the Client retains full responsibility for all trading decisions in the Account(s), which are made on the basis of the Client's own judgment and analysis, and the Company is responsible only for the execution, clearing, and carrying out of transactions in the Account(s); that the Company has no responsibility or obligation regarding any conduct, action, representation or statement of any introducing firm, investment advisor or other third party in connection with the Account(s) or any transaction therein.

4.2 The Company is hereby authorized to act upon the instructions of the Client to deposit, purchase and/or sell securities for the Account(s) and otherwise deal with securities, receivables or monies held in or for the Account(s) subject to the Client Money Rules and the Client

Securities Rules.

- 4.3 The Client will operate his Account(s) by giving orders himself or if the Client will operate his Account by appointing another person to give orders on his behalf, then the Client will provide the Company with the name and address of the person appointed, to be accompanied by an appointment in writing.
- 4.4 All instructions shall be given by the Client orally either in person or by telephone, or in writing, delivered by post, by hand, by e-mail using CMBI Mail or otherwise, or by facsimile transmission or through any of the Electronic Services in accordance with the provisions of Clause 15 or by any other means acceptable to the Company. All orders and instructions given by telephone, in writing or otherwise will only be valid and effective if received by the Company within the Business Hours on a Business Day.
- 4.5 The Company shall be entitled to rely on any instructions, directions, notices or other communication which the Company reasonably believes to be from the Client or a person authorized to act on the Client's behalf and the Client shall be bound by such communication. The Company shall not be under any duty and obligations to verify the identity or authority of the person giving or making or purporting to give or make the instructions, directions, notices or other communications. The Company shall be entitled to treat such instructions, directions, notices or other communication as fully authorized by and absolutely and conclusively binding upon the Client and the Company shall be entitled (but not bound) to act on or take such steps in connection with or in reliance upon such instructions, directions, notices or other communication as the Company may consider appropriate regardless of the nature of the transaction or agreement or the value, type and quantity of Securities involved and notwithstanding any error whether apparent or actual, in the terms of such instructions, directions, notices or other communication. The Client agrees to indemnify the Company and hold the Company harmless from and against all losses, costs and expenses (including legal costs) reasonably and properly incurred by the Company in reliance thereupon.
- 4.6 The Company may record all telephone conversations with the Client in order to verify the instructions of the Client. The Client agrees to accept the contents of any such recording as final and conclusive evidence of the instructions of the Client in case of dispute.
- 4.7 Notwithstanding anything herein contained, the Company shall be entitled, at its absolute discretion, to refuse to act on any of the Client's instructions from the Client and shall not be obliged to give any reason for such refusal. No failure on the part of the Company to execute any instruction or order given by the Client shall give rise to any claim by the Client against the Company.
- 4.8 By reason of physical restraints on the Exchanges and rapid changes in the prices of securities that frequently take place, there may, on occasions, be a delay in quoting prices or in dealing. The Company may not after using reasonable endeavors be able to trade at the prices quoted at any specific time. The Company is not liable for any loss arising by reason of its failing, or being unable, to comply with any terms of the Client's instructions. Where the Company is unable after using reasonable endeavors to execute any instruction in full, the Company is entitled to effect partial performance only without prior reference to the Client's confirmation. The Client shall in any event accept and be bound by the outcome when any request to execute orders is made.
- 4.9 Any day order for purchase or sale of securities placed by the Company at the request of the Client that has not been executed before the close of business of the relevant Exchange or such other expiration date required by the relevant Exchange or such other later time as the Client and the Company may agree shall be deemed to have been cancelled automatically (to the extent not executed if executed in part).
- 4.10 The Company may, for the purpose of carrying out any instruction given by the Client, contract with or otherwise deal with or through any other agent, including any person or party associated in any manner with the Company, on such terms and conditions as the Company may in its absolute discretion determine.
- 4.11 The Company may decline to act on any instructions from the Client to effect any order which, in the Company's sole judgement, is an order for short-selling any securities.
- 4.12 The Client acknowledges that due to the trading practices of the Exchanges or other markets in which transactions are executed, it may not always be able to execute orders at the prices quoted "at best" or "at market" and the Client agrees in any event to be bound by transactions executed by the Company following instructions given by the Client.
- 4.13 Subject to applicable laws and regulations and market requirements, the Company may in its absolute discretion determine the priority in the execution of its clients' orders, having due regard to the sequence in which such orders were received, and the Client shall not have any claim of priority to another client in relation to the execution of any order received by the Company.
- 4.14 None of the Company's employees or representatives shall accept appointment by the Client as agent to operate the Client's Account unless a separate agreement is entered into in accordance with Code 7 of the SFC Code of Conduct.

5. Transaction Settlement

- 5.1 Unless otherwise agreed, in respect of each sale and purchase transaction executed on the Client's behalf, the Client will by the due date make payment to the Company against delivery of or credit to the Account(s) for purchased securities, or make good delivery of sold securities to the Company against payment, as the case may be.
- 5.2 Unless otherwise agreed, the Client agrees that should the Client fail to make such payment or delivery of securities by the due date as mentioned in Clause 5.1, the Company is hereby authorized to:
 - (1) in the case of a purchase transaction, to transfer or sell any such purchased securities to satisfy the Client's obligations to the Company; or
 - (2) in the case of a sale transaction, to borrow and/or purchase such securities to satisfy the Client's obligations to the Company.
- 5.3 The Client hereby acknowledges that the Client shall be responsible to the Company for any loss, costs, fees and expenses incurred by the Company in connection with the Client's failure to meet his obligations by the due date as described in Clause 5.1.
- 5.4 The Account(s) shall be in Hong Kong Dollars or such other currencies as the Company may agree from time to time and in the event that the Client instructs the Company to effect any sale or purchase of securities in a currency other than Hong Kong Dollars, any profit or loss arising as a result of fluctuation in the exchange rate of the relevant currencies will be for the account of the Client solely. Any conversion from one currency into another required to be made for performing any action or step taken by the Company under this Agreement may be effected by the Company in such manner and at such time as it may in its absolute discretion decide.
- 5.5 All payments to be made by the Client to the Company in a currency other than Hong Kong Dollars shall be in freely transferable and immediately available funds clear of any taxes, charges or payments of any nature when received by the Company.

6. Margin

- 6.1 The Client agrees to maintain such Margin and shall on demand pay such additional Margin by means of cash, securities or in such form and/or amounts and within such time as may be determined by the Company to be payable by the Client or by the Company on the Client's behalf in respect of such Margin or any other payment in connection with any transaction in securities on the Client's behalf (or entered into with the Client) (as the case may be) under the terms of this Agreement.
- 6.2 The time for payment of any Margin is of the essence and if no other time is stipulated by the Company when making a demand then the Client is required to comply with such demand before the expiry of two hours from the time of making the demand (or more quickly if required by the Company to do so). The Client also agrees to pay immediately in full and on demand any amount owing with respect to any of the Company's accounts. All initial and subsequent deposits and payments for Margin and other purposes shall be made in cleared funds and in such currency and in such amounts as the Company may in its sole discretion require.
- 6.3 For the avoidance of doubt, failure by the Client to meet Margin calls made by the Company by the time prescribed by the Company or otherwise or any other accounts payable hereunder shall give the Company the right (without prejudice to other rights) to close the Account(s) and/or to close out any position in the Account(s) (as the case may be) without notice to and/or consent by the Client and to dispose of any or all securities held for or on behalf of the Client and to apply the proceeds and any cash deposit(s) to pay the Company all outstanding balances owing to the Company. Any monies remaining after that application shall be refunded to the Client.
- 6.4 The Company shall be entitled to revise Margin requirements from time to time in its absolute discretion. The Client shall be granted financial accommodation of up to such percentage as may be agreed from time to time of the market value of the collateral maintained with the Company. No previous Margin requirements shall establish a precedent and revised requirements once established shall apply to existing positions as well as to the new positions in the contracts affected by such revision.
- 6.5 Notwithstanding Clauses 6.1 and 6.2, in the event that it is, in the sole opinion of the Company, impracticable for the Company to make demands for additional Margin pursuant to Clause 6.1, including but without limitation, if the impracticability is due to a change or development involving a prospective change:
- (1) in the local, national or international monetary, financial, economic or political conditions or foreign exchange controls which has resulted or is in the opinion of the Company likely to result in a material or adverse fluctuation in the stock market, currency market, commodities or futures market in Hong Kong and/or overseas; or
 - (2) which is or may be of a material adverse nature affecting the condition or operations of the Client, the Company shall be deemed to have made Margin calls for such form and/or amounts as the Company may determine and such Margin shall become immediately due and payable by the Client.
- 6.6 Nothing in this Agreement shall be construed as taking away or affecting any lawful claim, lien or other rights and remedies which the Company may have in respect of any money held in any bank account pursuant to Clause 9 or in respect of any money received or paid into such bank account.
- 6.7 For the avoidance of doubt, if a debit balance arises on any of the Client's Account(s), the Company shall not be, nor shall the Company be deemed to be, obliged to make available or continue to make available any financial accommodation. In particular, but without limitation, the fact that the Company permits a debit balance to arise in any Account(s) so debited shall not imply any obligation on the part of the Company to advance monies or incur any obligation on the Client's behalf on any subsequent occasion, but without prejudice to the obligations of the Client in respect of any debit balance which the Company does permit to arise.
- 6.8 The parties agree that any securities deposited with, or otherwise provided by or on behalf of the Client to, the Company shall be securities collateral in favour of the Company.

7. Commissions and Expenses

- 7.1 All transactions executed in pursuance of the instructions of the Client on the Exchanges shall be subject to a transaction levy and any other levies that the relevant Exchange from time to time may impose. The Company is authorized to collect any such levies in accordance with the rules prescribed by the relevant Exchange from time to time.
- 7.2 The Client shall on demand pay the Company commissions on purchases, sales and other transactions or services for the Account(s) at such rate as the Company may from time to time have notified him, together with all stamp duties, bank charges, transfer fees, interest, custodial expenses and other expenses in respect of or connected with the Account(s) or any transaction or services thereof or any securities therein.
- 7.3 The Company shall, at its absolute discretion, be entitled to solicit, accept and retain any benefit in connection with any transaction effected with any person for the Client pursuant to the terms and subject to the conditions of this Agreement, including any commissions, rebates or similar payments received in connection therewith, and rebates from standard commissions charged by brokers or other agents to their clients. The Company shall also, at its absolute discretion, be entitled to offer any benefit in connection with any transaction effected with any person for the Client pursuant to the terms and subject to the conditions of this Agreement, including any benefit relating to commissions or similar payments in connection therewith.

8. Securities in the Account(s)

- 8.1 The Client specifically authorizes the Company, in respect of all securities deposited by the Client with the Company or purchased or acquired by the Company on behalf of the Client, and held by the Company for safe keeping, to register the same in the name of an associated entity or in the Client's name, or deposit in safe custody in a segregated account which is designated as a trust account or client account and established and maintained in Hong Kong by the Company or an associated entity of the Company with an authorized financial institution, an approved custodian or another intermediary licensed for dealing in securities.
- 8.2 The Client specifically authorizes the Company, in respect of all securities collateral deposited with, or otherwise provided by or on behalf of the Client to the Company, to:
- (1) deposit in safe custody in a segregated account which is designated as a trust account or client account and established and maintained in Hong Kong by the Company or associated entity for the purpose of holding securities collateral of the Company with an authorized financial institution, an approved custodian or another intermediary licensed for dealing in securities;

- (2) deposit in an account in the name of the Company or associated entity (as the case may be) with an authorized financial institution, an approved custodian or another intermediary licensed for dealing in securities; or
- (3) register in the name of the Client on whose behalf the securities collateral has been received, the Company or the associated entity.
- 8.3 Any securities and securities collateral held by the Company, any associated entity of the Company, banker, institution, custodian or intermediary pursuant to Clauses 8.1 and 8.2 shall be at the sole risk of the Client and the Company and the relevant associated entity, banker, institution, custodian and intermediary shall be under no obligation to insure the Client against any kind of risk, which obligation shall be the sole responsibility of the Client.
- 8.4 If in relation to any securities deposited with the Company which are not registered in the Client's name, any dividends or other distributions or benefits accrue in respect of such securities, the Account(s) shall be credited (or payment made to the Client as may be agreed) with the proportion of such benefit equal to the proportion of the securities held on behalf of the Client out of the total number or amount of such securities.
- 8.5 If in relation to any securities deposited with the Company but which are not registered in the name of the Client, and loss is suffered by the Company, the Account(s) may be debited (or payment made by the Client as may be agreed) with the proportion of such loss equal to the proportion of the securities held on behalf of the Client out of the total number or amount of such securities.
- 8.6 The Company is authorized, pursuant to section 6(3) of the Client Securities Rules, to dispose, or initiate a disposal by its associated entity, of any of the Client's securities or securities collateral (and the Company shall have absolute discretion to determine which securities or securities collateral are to be disposed of) for the purpose of settling any liability owed by or on behalf of the Client to the Company, the associated entity or a third person. The Company shall be entitled to transfer all securities or securities collateral in any Account to any other Account held by the Client with the Company, including without limitation transfer any securities or securities collateral between the Client's respective Account(s) held with the Company and other CMBI Group Member, in order to satisfy the Client's settlement obligations and other liabilities.
- 8.7 Except as provided in Clauses 5.2, 8.8 or 8.9 below, the Company shall not, without the Client's oral or written direction or standing authority under the Client Securities Rules, deposit, transfer, lend, pledge, re-pledge or otherwise deal with any of the Client's securities or securities collateral for any purpose.
- 8.8 The Company's obligations to deliver, to hold in safe custody or otherwise or to register in the Client's name, securities purchased or acquired by the Company on the Client's behalf shall be satisfied by the delivery, the holding or registration in the Client's name or the Client's nominee of securities of the same class, denomination and nominal amount as, and rank *pari passu* with, those originally deposited with, transferred to or acquired by the Company on the Client's behalf (subject always to any capital reorganization which may have occurred in the meantime) and the Company shall not be bound to deliver or return securities which are identical with such securities in terms of number, class denomination, nominal amount and rights attached thereto.
- 8.9 The Client authorizes the Company to apply any of the Client's securities and/or securities collateral pursuant to a GMSLA and/or other securities borrowing and lending agreement(s) in accordance with the Client Securities Rules, and has provided the Company a standing authority to repledge the Client's securities. Without limiting the generality of the foregoing, the Client acknowledges and agrees that the Company may pledge, re-pledge, hypothecate or re-hypothecate, either separately or together with the securities of the Company's other clients, all securities that the Client, now or in the future, carry, hold or maintain in the Account(s). The Client agrees that the securities held in the Account(s), now or in the future, may be borrowed by the Company (acting as principal) or by others. The Client agrees that the Company may receive and retain certain benefits (including, but not limited to, interest on collateral posted for such loans) to which the Client will not be entitled to. The Client acknowledges that, in certain circumstances, such borrowings could limit the Client's ability to exercise voting rights or receive dividends, in whole or in part, with respect to the Securities lent. In the event that the Company applies securities or securities collateral in accordance with of this Clause, the Company may either:
- (a) act as the Client's agent in entering into a GMSLA and/or other securities borrowing and lending agreement(s) with any person on such terms as the Company thinks fit, provided that (subject to any other written agreement between the Company and the Client):
- (i) the Company agrees to pay to the Client such fee, if any, as is set out in accordance with the Company's fee schedule;
- (ii) the Client's rights of dividends or other distributions or benefits in relation to any securities deposited with the Company which are registered in the name of the Client continue to apply but the Client's rights in Clause 8.4 above cease to apply; and
- (iii) the Company shall not be liable to the Client for any fee, dividend, distribution or other payment or return of any securities or securities collateral lent if an event of default occurred in relation to the borrower of such securities or securities collateral; or
- (b) act as principal in entering into a GMSLA and/or other securities borrowing and lending agreement(s) with any person for the purposes of onlending those Securities or Securities Collateral.
- 9. Monies in the Account(s) and Interest**
- 9.1 The Company shall be entitled to deposit all monies held in the Account(s) and all monies received for or on the account of the Client with one or more segregated account(s) in Hong Kong, each of which shall be designated as a trust account or client account, at one or more authorised financial institution(s) or any other person approved by the SFC for the purposes of section 4 of the Client Money Rules. Without prejudice to any provision of the Agreement, the Company shall be entitled to transfer all monies in any Account to any other Account(s) held by the Client with the Company, and the Client hereby directs and authorizes the Company to use or transfer any sum of monies from or to such Account(s) and/or segregated account(s) to satisfy and/or set off the Client's obligations or liabilities to the Company, other CMBI Group Members or in relation to any Transactions, whether such obligations and liabilities are actual or contingent, primary or collateral, secured or unsecured, or joint or several. Unless otherwise agreed between the Client and the Company, any interest accrued on such monies shall belong to the Company absolutely.
- 9.2 Unless otherwise indicated, the Client undertake to pay interest to the Company in respect of any debit balance on the Account(s) or any amount otherwise owing to the Company at any time compounded at such rate as may be specified from time to time by the Company in its absolute discretion or failing any such specification at a rate equivalent to three per cent per annum above the best lending rate for the

relevant currency quoted by such bank selected by the Company in its absolute discretion from time to time. Such interest shall accrue on a day-to-day basis and shall be payable on the last day of each calendar month or upon any demand being made by the Company.

9.3 All losses, damages and risks, including without limitation any credit and default risks, that are associated with any monies and securities, in or relating to the Account or any Transaction, being deposited or held by the Company, an associated entity or other CMBI Group Member (whether or not held in their names, a trust account or other manners) in or with any bank, financial institution, custodian and/or intermediary shall be wholly borne by the Client.

10. New Listings

10.1 In the event that the Client requests and authorises the Company to apply for securities in respect of a new listing and/or issue of securities on the Exchange as his agent and for his benefit or for the benefit of any other person, the Client hereby warrants to and for the Company's benefit that the Company have authority to make such application on the Client's behalf.

10.2 The Client shall familiarize himself and comply with all the terms and conditions governing the securities of the new listing and/or issue and the application for such new securities set out in any prospectus and/or offering document and the application form or any other relevant document in respect of such new listing and/or issue and the Client agrees to be bound by such terms and conditions in any such transaction the Client may have with the Company.

10.3 The Client hereby gives to the Company all the representations, warranties and undertakings which an applicant for securities in a new listing and/or issue is required to give (whether to the issuer, sponsors, underwriters or placing agents of the relevant securities, the SEHK or any other relevant regulator or person).

10.4 The Client hereby further declares and warrants, and authorises the Company to disclose and warrant to SEHK on any application form (or otherwise) and to any other person as appropriate, that any such application made by the Company as his agent is the only application made, and the only application intended to be made, by the Client or on the Client's behalf, to benefit the Client or the person for whose benefit the Client is applying. The Client acknowledges and accepts that the aforesaid declaration and warranty will be relied upon by the Company and by the issuer, sponsors, underwriters or placing agents of the relevant securities, SEHK or any other relevant regulator or person in respect of any application made by the Company as the Client's agent.

10.5 The Client acknowledges that any application made by an unlisted company which does not carry on any business other than dealing in securities and in respect of which the Client exercises statutory control shall be deemed to be an application made for the benefit of the Client.

10.6 The Client recognises and understands that the legal, regulatory requirements and market practice in respect of applications for securities may vary from time to time as may the requirements of any particular new listing or issue of securities. The Client undertakes to provide to the Company such information and take such additional steps and make such additional representations, warranties and undertakings as may be required in accordance with such legal, regulatory requirements and market practice as the Company may in the Company's absolute discretion determine from time to time.

10.7 In relation to a bulk application to be made by the Company or the Company's agent on the Company's own account and/or on behalf of the Client and/or the Company's other clients, the Client acknowledges and agrees:

- (1) that such bulk application may be rejected for reasons which are unrelated to the Client and the Client's application and neither the Company nor the Company's agent shall, in the absence of fraud, negligence or willful default, be liable to the Client or any other person in consequence of such rejection; and
- (2) to indemnify the Company in accordance with Clause 19 if such bulk application is rejected either in circumstances where the representations and warranties have been breached or otherwise because of factors relating to the Client. The Client acknowledges that the Client may also be liable in damages to other persons affected by such breach or other factors.

11. Event of Default

11.1 Any one of the following events shall constitute an event of default ("**Event of Default**"):

- (1) the Client's failure to pay any deposits, Margins or any other sums payable to the Company or submit to the Company any documents or deliver any securities to the Company hereunder, when called upon to do so or on due date;
- (2) default by the Client in the due performance of any of the terms of this Agreement and the observance of any by-laws, rules and regulations of the appropriate Exchanges and/or Clearing Houses;
- (3) any representation or warranty made by the Client to the Company in this Agreement or in any document being or becoming incorrect or misleading;
- (4) any consent, authorisation or board resolution required by the Client (being a corporation or a partnership) to enter into this Agreement being wholly or partly revoked, suspended, terminated or ceasing to remain in full force and effect;
- (5) the levy or enforcement of any attachment, execution or other process against the Client;
- (6) the occurrence of any event which, in the sole opinion of the Company, might jeopardize any of its rights under this Agreement;
- (7) the Company has made at least two attempts to demand from the Client any Margin, but, for whatever reason, has not been able to communicate directly with the Client;
- (8) the receipt by the Company of notice of any dispute as to the validity of any order or instruction from the Client;
- (9) the continued performance of this Agreement becomes illegal or claim by any government authority to be illegal;
- (10) the filing of a petition in bankruptcy, winding up or the commencement of other analogous proceedings against the Client; and
- (11) the death of the Client (being an individual).

11.2 If an Event of Default occurs, without prejudice to any other rights or remedies that the Company may have against the Client and without further notice to the Client, the Company shall be entitled to:

- (1) cancel any or all outstanding orders or any other commitments made on behalf of the Client;
- (2) immediately close the Account(s);
- (3) terminate all or any part of this Agreement;

- (4) close any or all contracts between the Company and the Client, cover any short position of the Client through the purchase of securities on the relevant Exchange(s) or, subject to Clause 8.6 and Clause 8.7, liquidate any long position of the Client through the sale of securities on the relevant Exchange(s);
- (5) subject to Clauses 8.6 and 8.7, dispose of any or all securities and other property held for or and on behalf of the Client and to apply the proceeds thereof and any cash deposit(s) to settle all outstanding balances owing to the Company; and
- (6) combine, consolidate and set-off any or all accounts of the Client in accordance with Clause 13.

11.3 In the event of any sale or liquidation pursuant to this Clause:

- (1) The Company will exercise its own judgement in determining the time to sell or dispose of the securities or any part thereof and the Company shall not be responsible for any loss occasioned thereby;
- (2) The Company shall be entitled to appropriate to itself or sell or dispose of the securities or any part thereof at the current price to any CMBI Group Member without being in any way responsible for loss occasioned thereby howsoever arising and without being accountable for any profit made by the Company and/or any CMBI Group Member;
- (3) the Client undertake to pay to the Company any deficiency if the net proceeds of sale or net proceeds of liquidation shall be insufficient to cover all the outstanding balances owing by the Client to the Company; and
- (4) The Company shall not be responsible for any loss occasioned thereby howsoever arising if the Company has already used reasonable endeavors to sell or dispose of the securities or any part thereof at the then available market price.

12. Proceeds of Sale

12.1 Subject to Clauses 8.6 and 8.7, the proceeds of sale or liquidation of the Account(s) made under Clause 11 shall be applied in the following order of priority and any residue shall be paid to the Client or to his/its order:

- (1) payment of all costs, charges, legal fees and expenses including stamp duty, commission and brokerage properly incurred by the Company in transferring and/or selling all or any of the securities or properties in the Account(s) and/or in perfecting title thereto;
- (2) payment of all monies and liabilities due, owing or incurred by the Client, to the Company;
- (3) payment of all monies and liabilities due, owing or incurred by the Client to any CMBI Group Member; or
- (4) payment of all interest due.

12.2 Subject to the Client Money Rules, any dividends, interest or other payments which may be received or receivable by the Company in respect of any of the securities may be applied by the Company as though they were proceeds of sale hereunder notwithstanding that the power of sale may not have arisen and notwithstanding that subsequent to the execution of this Agreement the Company may have paid any of the said dividends, interest or other payments to the Client.

13. Rights of Set-off and Lien

13.1 In addition and without prejudice to any general liens, rights of set-off or other similar rights to which the Company may be entitled under law or this Agreement, all securities, receivables, monies (in any currency) and other property of the Client (held by the Client either individually or jointly with others) held by or in the possession of the Company at any time shall be subject to a general lien in favor of the Company as continuing security to offset and discharge all of the Client's obligations, arising from the business of dealing in securities or otherwise, to the Company and any CMBI Group Member.

13.2 In addition and without prejudice to any general liens or other similar rights which the Company may be entitled under law or this Agreement and subject to applicable rules and regulations, including without limitation, the Client Money Rules and the Client Securities Rules, the Company for itself and as agent for any CMBI Group Member, at any time without notice to the Client, may combine or consolidate any or all accounts, of any nature whatsoever and either individually or jointly with others, with the Company or any CMBI Group Member and the Company may set off or transfer any monies (in any currency), securities or other property in any such accounts to satisfy obligations or liabilities of the Client to the Company or any CMBI Group Member, whether such obligations and liabilities are actual or contingent, primary or collateral, secured or unsecured, or joint or several.

13.3 Without limiting or modifying the general provisions of this Agreement and subject to applicable rules and regulations, including without limitation, the Client Money Rules and the Client Securities Rules, the Company may, without notice, transfer all or any sum or properties interchangeably between any of the accounts maintained at any time by the Client with the Company and any CMBI Group Member.

14. Client's Standing Authority

14.1 The Client Money Standing Authority covers money held or received by the Company in Hong Kong (including any interest derived from the holding of the money which does not belong to the Company) in one or more segregated account(s) on the Client's behalf ("Monies"), the Client authorizes the Company to:

- (1) combine or consolidate any or all segregated accounts, of any nature whatsoever and either individually or jointly with others, maintained by the Company or any CMBI Group Member and the Company may transfer any sum of Monies to and between such segregated account(s) to satisfy the Client's obligations or liabilities to the Company or any CMBI Group Member, whether such obligations and liabilities are actual or contingent, primary or collateral, secured or unsecured, or joint or several; and
- (2) transfer any sum of Monies interchangeably between any of the segregated accounts maintained at any time by the Company or any CMBI Group Member.

14.2 The Client Securities Standing Authority is in respect of the treatment of the Client's securities or securities collateral as set out below. The Client authorizes the Company to:

- (1) lend or deposit the Client's securities to/with a person in accordance with the rules and regulations of SEHK and HKSCC, or to/with a person of a class specified by the relevant rules of the SFC;
- (2) apply any of the Client's securities or securities collateral pursuant to a GMSLA and/or other securities borrowing and lending agreement(s);
- (3) deposit any of the Client's securities collateral with an authorized financial institution as collateral for financial accommodation provided to the Company;
- (4) deposit any of the Client's securities collateral with HKSCC as collateral for the discharge and satisfaction of the Company's settlement

- obligations and liabilities. The Client understands that HKSCC will have a first fixed charge over the Client's securities to the extent of the Company's obligations and liabilities;
- (5) deposit any of the Client's securities collateral with any other recognized clearing house, or another intermediary licensed or registered for dealing in securities, as collateral for the discharge and satisfaction of the Company's settlement obligations and liabilities; and
- (6) apply or deposit any of the Client's securities collateral in accordance with Clauses 14.2(2), 14.2(3), 14.2(4) and/or 14.2(5) above if the Company provides financial accommodation to the Client in the course of dealing in securities and also provides financial accommodation to the Client in the course of any other regulated activity for which the Company is licensed or registered.
- 14.3 The Client acknowledges and agrees that (i) the Company may do any of the things set out in Clauses 14.1 and 14.2 without giving the Client notice; and (ii) the Client has been informed of the Company's replying practice and has provided the Company with a standing authority to repledge the Client's securities or securities collateral.
- 14.4 The Client also acknowledges that:
- (1) the Client Money Standing Authority is given without prejudice to other authorities or rights which the Company or any CMBI Group Member may have in relation to dealing in Monies in the segregated accounts; and
- (2) the Client Securities Standing Authority shall not affect the Company's right to dispose or initiate a disposal by the Company's associated entity of the Client's securities or securities collateral in settlement of any liability owed by or on behalf of the Client to the Company, the associated entity or a third person.
- 14.5 The Client understands that a third party may have rights to the Client's securities, which the Company must satisfy before the Client's securities can be returned to the Client.
- 14.6 The Client understands that each of the Client Money Standing Authority and the Client Securities Standing Authority shall be deemed to be renewed on a continuing basis without the Client's written consent if the Company issues the Client a written reminder at least 14 days prior to the expiry date of the relevant authority, and the Client does not object to such deemed renewal before such expiry date. Each of the Client Money Standing Authority and the Client Securities Standing Authority is valid for a period of 12 months from the date of this Agreement, subject to renewal by the Client or deemed renewal under the Client Money Rules or Client Securities Rules.
- 14.7 Each of the Client Money Standing Authority and the Client Securities Standing Authority may be revoked by giving the Company written notice addressed to the Customer Service Department at the Company's address specified in the Account Opening Agreement or such other address which the Company may notify the Client in writing for this purpose. Such notice shall take effect upon the expiry of 14 days from the date of the Company's actual receipt of such notice.
- 15. Electronic Trading Services to the Client**
- 15.1 Unless otherwise specified, this Clause is made without prejudice and in addition to all the other provisions in this Agreement.
- 15.2 The Company may provide the Client with Electronic Services, and the Client hereby requests the provision of such services, upon the terms and conditions as embodied in this Agreement, as modified, amended or expanded by any notice, letter, publication or such other document as may be issued from time to time by the Company.
- 15.3 The Client may from time to time instruct the Company, acting as the Client's agent, to deposit, purchase and/or sell securities for the Account(s) or otherwise deal with securities, receivables or monies on behalf of the Client through the Electronic Services.
- 15.4 The Client agrees that the Client shall be the only authorised user of the Electronic Services under this Agreement. The Client shall be wholly and solely responsible for the confidentiality, security and use of the Access Codes issued to the Client by the Company.
- 15.5 The Client acknowledges and agrees that the Client shall be wholly and solely responsible for all instructions entered through the Electronic Services. The Client further acknowledges that the Electronic Services, CMBI Mail, the Company's website, and the software comprised in them, are proprietary to the Company. The Client undertakes and warrants that the Client shall not, and shall not attempt to, tamper with, modify, decompile, reverse engineer, damage, destroy or otherwise alter in any way, and shall not attempt to gain unauthorised access to, any part of the Electronic Services, CMBI Mail, the Company's website, and any of the software comprised in them. The Client agrees that the Company shall be entitled to close any or all of the Account(s) immediately without notice to the Client, and the Client acknowledges that the Company may take legal action against the Client, if the Client at any time breaches this warranty and undertaking or if the Company at any time reasonably suspects that the Client has breached the same. The Client undertakes to notify the Company immediately if the Client becomes aware that any of the actions described above in this paragraph is being perpetrated by any other person.
- 15.6 As and when the Company allows the Client to open an Account on-line with the Company, the Client agrees to return to the Company the hard copy of including the Client Information Form, and any related documents, applicable Risk Disclosure Statement and any authority given by the Client to the Company with respect to the Account(s) duly completed and executed.
- 15.7 Unless otherwise agreed between the Company and the Client, the Company will not execute any trading orders of the Client until there are sufficient cleared funds, securities or other assets acceptable to the Company in the Client's Account(s) to settle the Client's transactions and upon receipt of the documents as stated in Clause 15.6.
- 15.8 The Company will not be deemed to have received the Client's instructions or have executed the Client's orders unless and until the Client is in receipt of the Company's message acknowledging receipt or confirming execution of the Client's orders, either electronically or by hard copy.
- 15.9 The Client acknowledges and agrees that, as a condition of using the Electronic Services to give instructions, the Client shall immediately notify the Company if:
- (1) an instruction has been placed through the Electronic Services and the Client has not received an instruction number or has not received an accurate acknowledgement of the instruction or of its execution (whether by hard copy, electronic or verbal means);
- (2) the Client has received acknowledgement (whether by hard copy, electronic or verbal means) of a transaction which the Client did not instruct or any similar conflict;
- (3) the Client becomes aware of any of the acts stated in Clause 15.5 being done or attempted by any person;
- (4) the Client becomes aware of any unauthorised use of the Client's Access Codes;

- (5) the Client has difficulties with regard to the use of the Electronic Services.
- 15.10 The Client agrees to review every order before entering it as it may not be possible to cancel the Client's instructions once given.
- 15.11 The Client agrees that the Company shall not be liable for any loss or damage the Client or any other person may suffer as a result of using or attempting to use the Electronic Services unless such loss or damage are caused by willful default or gross negligence on the part of the Company. The Client further undertakes to indemnify the Company, on a full indemnity basis, on demand, for any loss or damage the Company may suffer as a result of the use of the Electronic Services, except to the extent that such loss or damage is outside the Client's control.
- 15.12 The Client acknowledges and agrees that if the mode of communication used by the Client in the course of the Electronic Services becomes temporarily unavailable, the Client can during such period continue to operate the relevant Account subject to the right of the Company to obtain such information regarding the verification of the Client's identity as it may from time to time think fit.
- 15.13 The Client acknowledges that Exchanges and certain associations may assert proprietary interests and rights over all market data they furnish to parties who disseminate such data and agrees not to do any act which would constitute any infringement or encroachment of such rights or interests. The Client also understands that the Company does not guarantee the timeliness, sequence, accuracy or completeness of market data or any market information (including any information provided to the Client through the Electronic Services). The Company shall not be liable in any way for any loss arising from or caused by:
- (1) any inaccuracy, error in or omission from any such data, information or message;
 - (2) any delay in the transmission or delivery thereof;
 - (3) any suspension or congestion in communication;
 - (4) any unavailability or interruption of any such data, message or information whether due to any act of the Company; or
 - (5) by any forces beyond the control of the Company.
- 16. Risk Disclosure Statements**
- 16.1 The Client acknowledges that the prices of securities fluctuate, sometimes dramatically. The price of a security may move up or down, and may become valueless. It is as likely that losses will 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.
- 16.2 The Client acknowledges that 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 licensed or registered person. The Client understands that 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. The Client understands and accepts that 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(s) and interest charged on his Account(s). The Client acknowledges that he should therefore carefully consider whether such a financing arrangement is suitable in light of his own financial position and investment objectives.
- 16.3 The Client acknowledges that Growth Enterprise Market (GEM) stocks involve a high investment risk. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. GEM stocks may be very volatile and illiquid. The Client acknowledges and understands that he should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors. The Client acknowledges and understands that current information on GEM stocks may only be found on the internet website operated by SEHK. GEM companies are usually not required to issue paid announcements in gazetted newspapers. This sub-clause does not purport to disclose all the risks and other significant aspects of GEM. The Client understands and acknowledges that he should undertake his own research and study on the trading of securities on GEM before commencing any trading activities, and that he should seek independent professional advice if he is uncertain of or has not understood any aspect of this sub-clause or the nature and risks involved in trading of GEM stocks.
- 16.4 The Client acknowledges and accepts that the securities under the Nasdaq-Amex Pilot Program ("PP") are aimed at sophisticated investors. The Client understands and acknowledges that he should consult his dealer and become familiarised with the PP before trading in the PP securities and that he should be aware that the PP securities are not regulated as a primary or secondary listing on the Main Board or GEM of SEHK.
- 16.5 The Client also understands and acknowledges the following:
- (1) There is a risk if the Client provides the Company with an authority that allows it to apply 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.
 - (2) 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.
 - (3) Additionally, the Client's authority may be deemed to be renewed (i.e. without the Client's 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 then existing authority.
 - (4) The Client is not required by any law to sign the authorities referred to in Clause 16.5(2). 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 or securities collateral to be loaned to or deposited as collateral with third parties. The Company should explain to the Client the purposes for which one of these authorities is to be used.
 - (5) If the Client signs one of these authorities referred to in Clause 16.5(2) 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. Although the Company is responsible to the Client for the Client's securities or securities collateral lent or deposited under the authority, a default by it could result in the loss of Client's securities or securities collateral.

- (6) A cash account not involving securities borrowing and lending is available from most licensed or registered persons. 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 the authorities referred to in Clause 16.5(2) above and should ask to open this type of cash account.
- 16.6 The Client also acknowledges that there are risks in leaving securities in the custody of the Company, its associated entities or its agents. For example, if the Company is holding the Client's securities and becomes insolvent, the Client may experience significant delay in recovering securities. These are risks that the Client is prepared to accept.
- 16.7 If the Company commits a default as defined in Part XII of the Securities and Futures Ordinance and a qualifying client thereby suffers a pecuniary loss, the qualifying client shall have a right to claim under the compensation fund established under the Securities and Futures Ordinance, subject to the terms of the compensation fund from time to time. The qualifying client's right to claim under the compensation fund shall be restricted to the extent provided for in the Securities and Futures Ordinance and its rules and regulations.
- 16.8 The Client acknowledges and accepts that if he undertakes transactions on an electronic trading system, he will be exposed to risks associated with the system including the failure of hardware and software, and that the result of any system failure may be that his order is either not executed according to his instructions or is not executed at all.
- 16.9 The Client acknowledges and accepts that due to unpredictable traffic congestion and other reasons, electronic transmission may not be a reliable medium of communication, that transactions conducted via electronic means are subject to delays in transmission and receipt of his instructions or other information, delays in execution or execution of his instructions at prices different from those prevailing at the time his instructions were given, transmission interruption or blackout, that there are risks of misunderstanding or errors in communication, and that there is also usually not possible to cancel an instruction after it has been given.
- 16.10 The Client acknowledges and accepts that if he provides the Company with an authority to hold mail or to direct mail to third parties, it is important for the Client to promptly 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.
- 16.11 The Client acknowledges that client assets received or held by the Company 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 and the rules made thereunder. Consequently, such client assets may not enjoy the same protection as that conferred on client assets received or held in Hong Kong.
- 16.12 In the event that the Client wishes to have transactions pursuant to this Agreement executed on Exchanges other than the SEHK, the Client acknowledges and recognises that, since such transactions will be subject to the rules and regulations of those Exchanges, and applicable local laws, and not those of the SEHK, the Client may have a markedly different level and type of protection in relation to those transactions compared to the level and type of protection afforded by the rules and regulations of the SEHK and Hong Kong law (and the Client acknowledges and recognises, without limitation, that such transactions executed on exchanges other than the SEHK will not be subject to a right to claim under the compensation fund established under the Securities and Futures Ordinance where the Client suffers a pecuniary loss).
- 16.13 The Client understands and acknowledges that the following risks associated with Derivative Warrants and Callable Bull/Bear Contracts ("Structured Product") that traded on exchanges:
- In the event that a structured 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 structured product issuers;
- Uncollateralised structured products are not asset backed. In the event of issuer bankruptcy, the client can lose their entire investment. The client should read the listing documents to determine if a product is uncollateralized;
- Structured products such as derivative warrants and callable bull/bear contracts 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 a structured product may fall to zero resulting in a total loss of the initial investment;
- Structured products have an expiry date after which the issue may become worthless. The client should be aware of the expiry time horizon and choose a product with an appropriate lifespan for their trading strategy;
- The price of a structured 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;
- The client trading structured products with underlying assets not denominated in Hong Kong dollars are also exposed to exchange rate risk. Currency rate fluctuations can adversely affect the underlying asset value, also affecting the structured product price;
- The SEHK requires all structured 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 product until a new liquidity provider has been assigned;
- The Client further understands and acknowledges that the following additional risks involved in trading Derivative Warrants:
- All things being equal, the value of a derivative warrant will decay over time as it approaches its expiry date. The client should therefore not view derivative warrants as long term investments.
- 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.
- and;
- The Client also understands and acknowledges that the following additional risks involved in trading Callable Bull/Bear Contracts:
- The client trading Callable Bull/Bear Contracts should be aware of their intraday "knockout" or mandatory call feature. A callable bull/bear contracts 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 callable bull/bear contracts as calculated by the product issuer in accordance with the listing documents. The client should also note that the residual value can be zero.

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

The Client also understands and acknowledges that the following additional risks involved in trading in Shanghai and Shenzhen- Hong Kong Stock Connect:

Investors should note that any Northbound or Southbound trading will not be covered by Hong Kong' s Investor Compensation Fund. Hong Kong' s Investor Compensation Fund is established to pay compensation to investors of any nationality who suffer pecuniary losses as a result of default of a licensed intermediary or authorised financial institution in relation to exchange-traded products in Hong Kong. Examples of default are insolvency, in bankruptcy or winding up, breach of trust, defalcation, fraud, or misfeasance. As far as Southbound trading is concerned, since Mainland securities brokers are neither licensees nor registered institutions with the SFC in Hong Kong and they are not regulated by the SFC, the Investor Compensation Fund will not cover Southbound trading. As for Northbound trading, according to the Securities and Futures Ordinance, the Investor Compensation Fund will only cover products traded in Hong Kong' s recognised securities market (SEHK) and recognised futures market (Hong Kong Futures Exchange Limited, HKFE). Since default matters in Northbound trading do not involve products listed or traded in SEHK or HKFE, so similar to the case of investors trading overseas securities, they will not be covered by the Investor Compensation Fund. For further information on Hong Kong' s Investor Compensation Fund, please refer to the website of Investor Compensation Company Limited. For information on licensees and registered institutions under the SFC, please consult the Public Register of Licensed Persons & Registered Institutions in the SFC website. On the other hand, according to the Measures for the Administration of Securities Investor Protection Fund the functions of China Securities Investor Protection Fund (CSIPF) include "indemnifying creditors as required by China' s relevant policies in case a securities company is subjected to compulsory regulatory measures including dissolution, closure, bankruptcy and administrative takeover by China Securities Regulatory Commission (CSRC) and custodian operation" or "other functions approved by the State Council" . As far as Hong Kong investors participating in Northbound trading are concerned, since they are carrying out Northbound trading through securities brokers in Hong Kong and these brokers are not Mainland brokers, therefore they are not protected by CSIPF on the Mainland.

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

As mentioned above, it will only operate on days when both markets are open for trading and when banks in both markets are open on the corresponding settlement days. So it is possible that there are occasions when it is a normal trading day for the Mainland market but Hong Kong investors cannot carry out any A-share trading. Investors should take note of the days open for business and decide according to their own risk tolerance capability whether or not to take on the risk of price fluctuations in A-shares during the time when the market is closed. For investors who usually keep their A-shares outside of their brokers, if they want to sell certain A-shares they hold, they must transfer those A-shares to the respective accounts of their brokers before the market opens on the day of selling (T day). If they fail to meet this deadline, they will not be able to sell those A-shares on T day.

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

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

No day trading is allowed in Northbound trading

For the Northbound trading, pre-trade checking is in place so that a client must have his/her shares transferred to the EP' s corresponding CCASS account before the commencement of trading on a trading day if he/she intends to sell the shares during a trading day;

All trade in Northbound trading must be conducted on SSE, i.e., no over-the-counter (OTC) or manual trades are allowed

Naked short selling is not allowed in Northbound trading

For the Northbound trading, foreign shareholding restriction (including the forced-sale arrangement) is in place and EPs should have the right to "force-sell" client' s shares upon receiving the forced-sale notification from SEHK

For the Northbound trading, investors should understand fully the Mainland rules and regulations in relation to short-swing profits, disclosure obligations and follow such rules 18 and regulations accordingly

The Company may have the right to cancel client' s orders in case of contingency such as hoisting of Typhoon Signal No 8 in Hong Kong

The Company may not be able to send in client' s order cancellation requests in case of contingency such as when SEHK loses all its communication lines with SSE, etc and investors should still bear the settlement obligations if the orders are matched and executed

The Client must comply with SSE Rules and other applicable laws of Mainland China relating to Northbound trading

The Company may forward the client' s identity to SEHK which may on-forward to SSE for surveillance and investigation purposes

If the SSE Rules are breached, or the disclosure and other obligations referred to in the SSE Listing Rules or SSE Rules is breached, SSE has the power to carry out an investigation, and may, through SEHK, require Company to provide relevant information and materials and to assist in its investigation

SEHK may upon SSE' s request, require the Company to reject orders from the client. Client needs to accept the risks concerned in

Northbound trading, including but not limited to prohibition of trading SSE Securities, being liable or responsible for breaching the SSE Listing Rules, SSE Rules and other applicable laws and regulations

SSE may request SEHK to require Company to issue warning statements (verbally or in writing) to their clients, and not to extend Northbound trading service to their clients

HKEx, SEHK, SEHK Subsidiary, SSE and SSE Subsidiary and their respective directors, employees and agents shall not be responsible or held liable for any loss or damage directly or indirectly suffered by Company, its clients or any third parties arising from or in connection with Northbound trading or the CSC.

17. Suitability

If we solicit the sale of or recommend any financial product to you, the financial product must be reasonably suitable for you having regard to your financial situation, investment experience and investment objectives. No other provision of this agreement or any other document we may ask you to sign and no statement we may ask you to make derogates from this clause.

18. Client's Representations and Warranties

18.1 The Client hereby represents and warrants to the Company on a continuing basis that:

- (1) (in case of a corporation) it is validly incorporated and existing under the laws of its country of incorporation and has full power and capacity to enter into and perform its obligations hereunder; its entry into this Agreement has been duly authorized by its governing body and is in accordance with the memorandum and articles of association or by-laws as the case may be of the Client;
- (2) neither the signing, delivery or performance of this Agreement nor any instructions given hereunder will contravene or constitute a default under any existing applicable law, statute, ordinance, rule or regulation or judgment or cause to be exceeded any limit by which the Client or any of the Client's assets is bound;
- (3) save as otherwise disclosed to the Company in writing, all transactions to be effected under this Agreement are for the benefit of the Client and no other party has any interest therein;
- (4) subject to any security interest of any CMBI Group Member created pursuant to any agreement between the Client and such CMBI Group Member, all securities provided by the Client for selling or crediting into the Account(s) are fully paid with valid and good title and whose legal and beneficial titles are owned by the Client;
- (5) the information contained in the Client Information Form or other information supplied by or on behalf of the Client to the Company in connection with the Account(s) is complete, true and correct. The Company is entitled to rely on such information until written notice from the Client of any changes therein has been received by the Company; and

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

- (1) Subject to as provided below, the Client shall, immediately upon request by the Company (which request shall include the relevant contact details of the Hong Kong Regulators), inform the Hong Kong Regulators of the identity, address, occupation and contact details of the client for whose account the transaction was effected and (so far as known to the Client) of the person with the ultimate beneficial interest in the transaction. The Client shall also inform the Hong Kong Regulators of the identity, address, occupation and contact details of any third party (if different from the client/the ultimate beneficiary) who originated the transaction.
- (2) (a) If the Client effected the 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 relevant contact details of the Hong Kong Regulators), inform the Hong Kong Regulators of the identity, address, occupation and contact details of the person(s) who, on behalf of the scheme, account or trust, instructed the Client to effect the transaction.
(b) If the Client effected the transaction for a collective investment scheme, discretionary account or discretionary trust, the Client shall, as soon as practicable, inform the Company when his discretion to invest on behalf of the scheme, account or trust has been overridden. In the case where the Client's investment discretion has been overridden, the Client shall immediately upon request by the Company (which request shall include the relevant contact details of the Hong Kong Regulators), inform the Hong Kong Regulators of the identity, address, occupation and contact details of the person(s) who has or have given the instruction.
(c) If the Client is a collective investment scheme, discretionary account or discretionary trust and in respect of a particular transaction the discretion of the Client or its officers or employees has been overridden, the Client shall, as soon as practicable, inform the Company when his discretion to invest on behalf of the beneficiary of such scheme, account or trust has been overridden. In case where the Client's investment discretion has been overridden, the Client shall, immediately upon request by the Company (which request shall include the relevant contact details of the Hong Kong Regulators), inform the Hong Kong Regulators of the identity, address, occupation and contact details of the person(s) who has or have given the instruction in relation to the relevant transaction.
- (3) If the Client is aware that his client is acting as intermediary for its underlying client(s), and the Client does not know the identity, address, occupation and contact details of the underlying client for whom the transaction was effected, the Client confirms that:
 - (a) the Client has arrangements in place with his client which entitle the Client to obtain the information set out in sub-clauses 18.2.1 and/or 18.2.2 from his client immediately upon request or procure that it be so obtained; and
 - (b) the Client will, upon request from the Company in relation to a transaction, promptly request the information set out in sub-clauses 18.2.1 and/or 18.2.2 from his client on whose instructions the transaction was effected, and provide the information to the Hong Kong Regulators as soon as it is received from his client or procure that it be so provided.
- (4) The above terms shall continue in effect notwithstanding the termination of this Agreement.

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

18.4. The Client must notify the Company when a sale order relates to securities which the Client does not own i.e. where it involves short selling (including where the Client has borrowed stock for the purposes of the sale). The Client acknowledges and agrees that no short

selling orders will be accepted by the Company unless the Client provides the Company with such confirmation, documentary evidence and assurance as the Company in the Company's opinion considers necessary to show that the Client has a presently exercisable and unconditional right to vest such securities in the purchaser before placing any short selling order.

- 18.5. The Client agrees not to pledge or charge any securities or monies forming part of any Account(s) without the prior consent of the Company, or to sell, grant an option over, or otherwise deal in any securities or monies forming part of the Account(s).
- 18.6. The Company and the Client undertake to inform each other of any material change to the information provided in this Agreement. In particular, the Company and the Client agree that:
- (1) the Company will notify the Client of any material change to its business which may affect the services provided by the Company to the Client; and
 - (2) the Client will notify the Company of any change of name and address and provide supporting documents as reasonably required by the Company.

19. Liabilities

- 19.1. Neither the Company nor any of its directors, employees or agents shall have any liability whatsoever (whether in negligence or otherwise) for any loss, expense or damage suffered by the Client as a result of:
- (1) the Company acting or relying on any instruction given by the Client whether or not such instruction was given following any recommendation, advice or opinion given by the Company or by any of its directors, employees or agents; or
 - (2) any condition or circumstances which are beyond the reasonable control or anticipation of the Company, its directors, officers, employees and agents, including but not limited to any delays in the transmission of orders due to disruption, breakdown, failure or malfunction of transmission of communication facilities, failure of electronic or mechanical equipment, telephone or other interconnection problems, unauthorised use of Access Codes, prevailing fast market conditions, governmental agency or exchange actions, theft, war (whether declared or not), severe weather, earthquakes and strikes; or
 - (3) the Company exercising any or all of its rights conferred by the terms of this Agreement; or
 - (4) any conversion of one currency to another pursuant to, in relation to or arising from this Agreement.
- 19.2 Without limiting the generality of Clause 19.1 above, neither the Company nor any of its directors, employees or agents shall have any liability whatsoever (whether in negligence or otherwise) for any loss, expense or damage suffered by the Client arising out of or alleged to arise out of or in connection with any inconvenience, delay or loss of use of the Electronic Services or any delay or alleged delay in acting or any failure to act on any instruction given by the Client to the Company, even if the Company has been advised of the possibility of such loss or damage.
- 19.3 The Client undertakes to indemnify and keep indemnified the Company in respect of any costs, claims, demands, damages and expenses whatsoever which may be reasonably and properly suffered or incurred by the Company directly or indirectly arising out of or in connection with any transaction entered into by the Company as agent on behalf of the Client or otherwise whatsoever or howsoever arising out of anything done or omitted to be done by the Company in accordance with the terms of this Agreement or pursuant to any Client's instruction or communication. The Client also agrees to pay promptly to the Company, on demand, all damages, costs and expenses (including legal expenses on a full indemnity basis) reasonably and properly incurred by the Company in the enforcement of any of the provisions of this Agreement.
- 19.4 The Client undertakes to indemnify and keep indemnified the Company and its officers, employees and agents for any loss, cost, claim, liability or expense arising out of or connected with any breach by the Client of its obligations hereunder, including any costs reasonably and necessarily incurred by the Company in collecting any debts due to the Company or in connection with the closure of the Account(s).
- 19.5 The above terms shall continue to take effect notwithstanding the termination of this Agreement.

20. Confirmations and Statements

- 20.1 Reports, written confirmations, statements of the Client's Account(s), notices, and any other communications may be transmitted to the Client (who, in the case of a joint account without nominating a person therefor, will be deemed for these purposes to be the Client whose name first appears in the Account Opening Agreement) at the address, telephone, fax or telex number given in the Account Opening Agreement or Client Information Form, or at such other address, telephone, fax or telex number as the Client hereafter shall notify the Company in writing; and all communications so transmitted, whether by mail, telegraph, telephone, messenger or otherwise, shall be deemed transmitted when telephoned, when deposited in the mail, or when received by a transmitting agent, whether actually received by the Client or not.
- 20.2 Written confirmation of the execution of the Client's orders and statements of the Client's Accounts shall be conclusive and deemed to be accepted if not objected to in writing by the Client directed to the address stated in the Account Opening Agreement (or such other address communicated in writing by the Company) within 2 days after transmittal thereof to the Client, by mail or otherwise.
- 20.3 Any notice or other communications including, but not limited to, written confirmations and statements of the Client's Account(s) delivered to the Client by the Company under this Agreement if by electronic devices through CMBI Mail or otherwise shall be deemed made or given upon transmission of the message to the Client.
- 20.4 Where applicable the Client can access account information via the CMBI Website Facility, the Client hereby consents to accept the posting of such information on the CMBI Website Facility as delivery of confirmation and account statements in lieu of postal mail or electronic mail. The Client may revoke this consent at any time upon written notice to the Company.

21. Joint Clients

- 21.1 Where the Client consists of more than one person:
- (1) the liability and obligations of each of them shall be joint and several and references to the Client shall be construed, as the context requires, to any or each of them;
 - (2) each of them shall be bound though any other Client or any other person intended to be bound is not, for whatever reason, so bound;
 - (3) the Company shall be entitled to, but shall not be obliged to, act on instructions or requests from any of them;

- (4) the Company shall be entitled to deal separately with any of the Client on any matter including the discharge of any liability to any extent without affecting the liability of any others.
- 21.2 Where the Client consists of more than one person, on the death of any of such persons (being survived by any other such persons), this Agreement shall not be terminated and the interest in the Account(s) of the deceased will thereupon vest in and enure for the benefit of the survivor(s) provided that any liabilities incurred by the deceased Client shall be enforceable by the Company against such deceased Client's estate. The surviving Client(s) shall give the Company written notice immediately upon any of them becoming aware of any such death.
- 22. Possibilities of Conflict of Interest**
- 22.1 The Company and its directors, officers or employees may trade on its/their own account or on the account of any CMBI Group Member subject to any applicable regulatory requirements.
- 22.2 The Company may buy, sell, hold or deal in any securities or take the opposite position to the Client's order whether it is on the Company's own account or on behalf of its other clients.
- 22.3 The Company may match the Client's orders with those of other clients.
- 22.4 The Company may effect transactions in securities where the Company or any CMBI Group Member has a position in the securities or is involved with those securities as underwriter, sponsor or otherwise.
- 22.5 In any of the above-mentioned events the Company shall not be obliged to account for any profits or benefits obtained.
- 23. Amendment and Termination**
- 23.1 The Company shall have absolute rights to amend, delete or substitute any of the terms herein or add new terms to this Agreement. An amendment notice and the revised Agreement will be posted at "Download forms" column of CMBI Website. The Client should visit the CMBI Website from time to time for obtaining the latest Agreement and read the terms thereof. Such amendment, deletion, substitution or addition shall be deemed as effective and incorporated herein (and shall form part of this Agreement) on the date of publication of such amendment notice. The Client may raise written objection within fourteen (14) Business Days after the publication of such amendment notice at the CMBI Website, failing which it shall be deemed an acceptance of such amendment, deletion, substitution or addition.
- 23.2 Without prejudice to Clauses 11, 18.2 and 19, this Agreement shall continue in effect until terminated by either party giving not less than seven (7) days (being days on which banks in Hong Kong are open for general business (other than a Saturday or Sunday)) prior written notice to the other.
- 23.3 Service of notice of termination by the Client pursuant to Clause 19.1 shall not affect any transaction entered into by the Company pursuant to this Agreement before the notice has actually been received by the Company.
- 23.4 Termination of this Agreement shall not affect any outstanding orders or any legal rights or obligations which may already have arisen.
- 23.5 Notwithstanding Clause 23.2, the Client shall have no right to terminate this Agreement if the Client has open positions or outstanding liabilities or obligations.
- 24. General Provisions**
- 24.1 Each of the provisions of this Agreement is severable and distinct from the others and, if one or more of such provisions is or becomes illegal, invalid or unenforceable, the remaining provisions shall not be affected in any way. In the event that any provision would be invalid if part of the wordings thereof were not deleted, the provision shall apply as if the relevant wordings were deleted.
- 24.2 This Agreement constitutes a legally binding agreement of the Client (and where the Client acting as agent, jointly with its principal(s)) once the Client signs the related account opening documents, give to the Company any instructions or accept from the Company any services in relation to the Account. CMBIS and CMBIGM shall be severally and not jointly liable for their respectively performance, acts and omissions under this Agreement. The provisions of this Agreement shall be binding on and enure to the benefit of the successors, assigns and personal representatives (where applicable) of each party hereto provided that the Client may not assign, transfer, charge or otherwise dispose of any of the Client's rights or obligations hereunder without the prior written consent of the Company. The Company may assign all or a part only of its rights and obligations under this Agreement to any person without the prior consent or approval of the Client. The Company may by prior written notice to the Client assign and/or transfer all or part of the Company's rights, benefits and obligations under this Agreement and under any unsettled transactions to CMBIS and/or CMBIGM without obtaining the Client's further instruction.
- 24.3 The Client hereby authorizes the Company to conduct a credit enquiry (or a personal credit enquiry in case of an individual client) or check on the Client for the purpose of ascertaining the financial situation and investment objectives of the Client.
- 24.4 Nothing herein contained shall place the Company under any duty to disclose to the Client any fact or thing which comes to its notice in the course of acting in any capacity for any other person or in its own capacity.
- 24.5 Whenever the Company deals with the Client, it will always be on the basis that only the Client is the Company's client and is acting as principal in all respects and so, if the Client acts on behalf of another person, whether or not the Client identifies him to the Company, he will not be the Company's client and the Company does not and will not have or accept in any circumstances whatsoever any responsibility towards any person on whose behalf the Client may act and the Client hereby acknowledges and agrees that the Client shall be solely responsible for settling all liabilities resulting from transactions effected pursuant to and in accordance with this Agreement in connection with or on behalf of any such person.
- 24.6 Whilst the Client expects the Company to keep confidential all matters relating to the Account(s), the Client hereby expressly agrees that the Company may make such disclosure of all matters relating to the Account(s) as may be required under any laws, orders, lawful requests or regulations of any relevant market, banking or governmental authority without further consent from or notification to the Client.
- 24.7 Time shall in all respects be of essence in the performance of all of the Client's obligations under this Agreement.
- 24.8 A failure or delay in exercising any right, power or privilege in respect of this Agreement will not be presumed to operate as a waiver, and a single or partial exercise of any right, power or privilege will not be presumed to preclude any subsequent or future exercise of that right, power or privilege.
- 24.9 The Client hereby declares that he has read the English/Chinese version of this Agreement and that the contents of this Agreement have been fully explained to him by the Company in a language that the Client understands and that the Client accepts and agrees to be bound

by this Agreement.

- 24.10 In the event of any difference in interpretation or meaning between the Chinese and English versions of this Agreement, the Client and the Company agree that the English version shall prevail.
- 24.11 This Agreement and all rights, obligations and liabilities shall be governed by and construed in accordance with the laws of the Hong Kong Special Administrative Region.
- 24.12 The Client hereby submits to the non-exclusive jurisdiction of the courts of Hong Kong in relation to all matters arising from or in connection with this Agreement.
- 24.13 At the sole option of the Company and in its absolute discretion, any dispute, controversy or claim arising out of or relating to this Agreement, or the breach, termination or invalidity thereof, shall be settled by arbitration in accordance with the UNCITRAL Arbitration Rules as at present in force and as may be amended by the rest of this Clause. The appointing authority shall be Hong Kong International Arbitration Centre. The place of arbitration shall be in Hong Kong at Hong Kong International Arbitration Centre (HKIAC). There shall be only one arbitrator. Any such arbitration shall be administered by HKIAC in accordance with HKIAC Procedures for Arbitration in force at the date of this Agreement including such additions to the UNCITRAL Arbitration Rules as are therein contained. The language to be used in the arbitral proceedings shall be English.

STOCK OPTIONS TRADING AGREEMENT

The Stock Options Trading Agreement (the “**Agreement**”) is additional and supplemental to the Cash Client’ s Agreement between the Company and the Client. All transactions effected, conducted, carried on and entered into by the Client with and through the Company or its agent for or on the Stock Options Account and the Exchange Traded Options Business (as defined below) to be provided by the Company to the Client shall be subject to the Agreement. **By entering into any Stock Options Trading or related transactions, the Client agrees (or shall be deemed to have agreed) to the Agreement.** Where any conflict or inconsistency arises between any provision of the Stock Options Trading Agreement and any provision of Cash Client’ s Agreement, the Company has absolute discretion to determine which terms and conditions shall prevail.

1. Definition

1.1. In this Stock Options Trading Agreement, unless redefined herein or the context requires otherwise, words and expressions not otherwise defined herein shall have the same meanings as are given to them in the SEHK Rules (including the Options Trading Rules, the Operational Trading Procedures and the Operational Clearing Procedures) and Cash Client’ s Agreement. In addition, the following expressions shall have the following meanings:

“**Client Offset Claim Account**” means the client offset claim account established and maintained by HKFE Clearing Corporation Limited upon the request of its participant. The Client Offset Claim Account is for recording positions of individual clients of the participant which are of an offset nature;

“**DCASS**” means the Derivatives Clearing and Settlement System operated by SECH and HKFE Clearing Corporation Limited;

“**Exchange Traded Option Business**” has the meanings ascribed thereto under the Rules and Regulations of the Exchange and the Options Trading Rules;

“**Client Contract**” has the meanings ascribed thereto under the Rules and Regulations of the Exchange and the Options Trading Rules;

“**Commodity**” means (a) a property as defined in the Securities and Futures Ordinance, and/or (b) a commodity as defined in HKFE Rules, and/or (c) any items, interests, rights and properties, agricultural products, assets, goods, things, commodities, oil, lands, securities, metals, currencies, shares, interest rates, indices (whether stock market or otherwise), products, ratings, references, derivatives, or other financial contracts, energy, physical assets, right or authority, and/or (d) any other items or descriptions as announced by the Company as commodity for the purpose of the Agreement from time to time, and shall where the case requires include a F/O Contract in respect of any of the above and in each case whether or not any of the above is capable of being delivered, and “**Commodities**” shall be construed accordingly;

“**Contract**” has the meanings ascribed thereto under the Rules and Regulations of the Exchange and the Options Trading Rules;

“**Exchange Contract**” means, as the case may be, (a) an Exchange Contract as defined in HKFE Rules, and/or (b) a contract for a Commodity approved by the relevant foreign futures exchange for trading on a Market and which may result in a F/O Contract;

“**F/O Contract**” means, as the case may be, (a) a Futures/Options Contract or F/O Contract as defined in HKFE Rules, and/or (b) a Futures Contract and/or an Option Contract;

“**Foreign Futures Laws**” means the relevant laws, legislations, rules and regulations of the relevant Foreign Jurisdiction relating to the futures transactions;

“**Foreign FE Rules**” means the rules, regulations, bylaws and procedures of or made by the foreign futures exchange, and any amendments, supplements, variations or modifications thereto from time to time in force;

“**Futures Contract**” means (a) a futures contract as defined in SFO, and/or (b) a Futures Contract or future as defined in HKFE Rules, and/or (c) a futures contract as defined in or deemed or ascribed as such in the relevant Foreign Futures Laws and/or the relevant Foreign FE Rules and/or relevant Clearing Rules, and/or (d) a contract executed on any Exchange, the effect of which is that: (i) one party agrees to deliver to the other party at an agreed future time an agreed Commodity or quantity of a Commodity at an agreed price; or (ii) the parties will make an adjustment between them at an agreed future time according to whether the agreed Commodity is worth more or less or, as the case may be, stands higher or lower at that time than a level agreed at the time of making of the contract, the difference being determined in accordance with the rules of the Exchange in which the contract is made;

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

“**HKFE Rules**” means the rules, regulations and procedures of or made by HKFE, and any amendments, supplements, variations or modifications thereto from time to time in force;

“**Operational Clearing Procedures**” means the Operational Clearing Procedures for Options Trading Exchange Participants of SECH as from time to time in force and as amended and supplemented from time to time;

“**Option Contract**” has the meanings ascribed thereto under the Rules and Regulations of the Exchange and the Options Trading Rules;

“**Options Exchange Participant**” has the meanings ascribed thereto under the Rules and Regulations of the Exchange and the Options Trading Rules;

“**Options System**” has the meanings ascribed thereto under the Rules and Regulations of the Exchange and the Options Trading Rules;

“**Operational Trading Procedures**” means the Operational Trading Procedures for Options Trading Exchange Participants of SEHK as from time to time in force and as amended and supplemented from time to time;

“**Options Trading Rules**” means the Options Trading Rules of SEHK as from time to time in force and as amended and supplemented from time to time;

“Premium” has the meanings ascribed thereto under the Rules and Regulations of the Exchange and the Options Trading Rules;

“SEOCH” means The SEHK Options Clearing House Limited including, where the context so requires, its agents, nominees, representatives, officers and employees;

“SEHK Rules” means the rules, regulations and procedures of or made by SEHK, and any amendments, supplements, variations or modifications thereto from time to time in force;

“Standard Contract” has the meanings ascribed thereto under the Rules and Regulations of the Exchange and the Options Trading Rules;

“Stock Options Account” means any stock options account opened and maintained in the name of the Client with the Company for conducting transactions in accordance with the Agreement, and/or all other account(s) of whatsoever nature now or in future opened and maintained in the name of the Client with the Company in accordance with the Agreement or other agreement or document; and

“Stock Options Trading” means the purchase, trading, dealing, closing, exercise, settlement and discharge of long stock options transactions, and the writing of stock options through the Stock Options Account or otherwise creating any short open position.

- 1.2. Where it is necessary for the true construction or interpretation of any provision of the Agreement, all references to (i) **Account(s)** in Section I shall be construed to include Stock Options Account; (ii) **Securities** in Section I shall be construed as references to include Contracts; and (iii) **Clearing Rules** in Section I shall be construed as references to include the clearing rules of SEOCH as from time to time in force.

2. Law and Rules

- 2.1. All Exchange Traded Options Business shall be effected in accordance with all applicable laws and regulations applying to the Company, including the SEHK Rules, the Options Trading Rules, the Operational Trading Procedures, the Operational Clearing Procedures, the Clearing Rules and the rules of HKSCC, and Clearing House Procedures for Futures/Options Contracts Traded on the Automated Trading System of the Exchange. In particular, SEOCH has authority under such applicable laws and regulations to make adjustments to the terms of contracts, and the Company shall notify the Client of any such adjustments which affect Client Contracts to which the Client is a party. The Client agrees that all actions taken by the Company, by SEHK, by SEOCH or by HKSCC in accordance with the applicable laws and regulations shall be binding on the Client.
- 2.2. The Client agrees that the terms of the Standard Contract for the relevant options series shall apply to each Client Contract between the Company and the Client, and that all Client's client contracts shall be created, exercised, settled and discharged in accordance with the applicable laws and regulations.

3. Instructions and Dealing Practice

- 3.1. The Company is hereby authorised to act upon the instructions to create, exercise, settle and/or discharge Options Contracts for the Stock Options Account and otherwise deal with any margin, collateral, securities, Premium, Options Contracts, receivables or monies held in or for the Stock Options Account subject to the Client Money Rules and Client Securities Rules.
- 3.2. The Client acknowledges and consents that the Company shall, at its absolute discretion, be entitled to claim margin offset for the Client's positions through the Client Offset Claim Account in DCASS.

4. Options Contracts

- 4.1. The Client hereby confirms that the Stock Options Account is operated solely for the Client's account and benefit, and not for the benefit of any other person. In respect of all Options Contracts effected on the instructions, the Client shall pay the Company, within the time period notified by the Company, Premium, the Company's commission and any other charges, and applicable levies imposed by SEHK, as have been notified to the Client. If no time period is specified by the Company, then the Client is required to comply with such demand before expiry of two hours from the time of making the demand (or more quickly if the Company requires the Client to do so). The Company may require the Client to make arrangements for payment of Premium, the Company's commission and any other charges, and/or applicable levies imposed by SEHK in advance of accepting instructions or may impose other requirements from time to time for the payment of the above items as the Company in its absolute discretion thinks fit. The Company may deduct such Premium, commissions, charges and levies from the Stock Options Account or any Account.
- 4.2. The Company will provide product specifications for Options Contracts to the Client upon request. However, the Company may from time to time place limits on the open positions or delivery obligations that the Client may have without notice to the Client.
- 4.3. The Client acknowledges that:
- the Company may be required to close out or give-up Client's Options Contracts to comply with position limits imposed by SEHK;
 - if the Company goes into default, the default procedures of SEHK may result in Client Contracts being closed out or given-up, or replaced by Client's Option Contracts between the Client and other Options Exchange Participant(s); and
 - where there is a change in the capital structure or composition of the issuer of the underlying securities of an option class or in any other exceptional circumstances, SEOCH may make adjustments to the terms and conditions of that option class as are, in its opinion, necessary and desirable to ensure that all parties to Contracts comprised in open positions in that option class are treated fairly. The Client hereby acknowledges and agrees that all such adjustments shall be binding on the Client.
- 4.4. On exercise of a Client Contract by or against the Client, the Client shall perform the Client's delivery obligations under the relevant contract, in accordance with the Standard Contract and as notified by the Company. The Client may on or before 4:15 p.m. on the date of maturity of the Client Contract (or such earlier time(s) as required by the Company or the terms of the Contract), notify the Company to

exercise his rights under the Client Contract. Because the maturity date for different products is different, the Client should decide on his own when and whether he should exercise the Client Contract or not, the Company has no responsibility to inform the Client what to do on or before the maturity date, and the Client should bear his own loss and consequences.

- 4.5. The Client acknowledges that on the expiry day but only on the expiry day, the Options System will automatically generate exercise instructions in respect of all open long positions which are in-the-money by or above the percentage prescribed by SEOCH from time to time. The Client may instruct the Company to override such an **"automatically generated exercise instruction"** before the System Closure on the expiry day in accordance with the Operational Clearing Procedures.
- 4.6. The Client acknowledges that the Company may, at the Client's request, agree to the Client Contracts between the Company and the Client being replaced, in accordance with the applicable laws and regulations, by Client Contracts between the Client and other Options Exchange Participant(s).
- 4.7. The Client acknowledges that, although all Options Contracts are to be executed on SEHK, the Client and the Company shall contract as principals under Client Contracts.
- 4.8. In respect of the Client's short positions, in cases where the Client Contract is validly exercised (including cases pursuant to Clause [4.9] below) the Client shall fulfill his obligations under the relevant Client Contract by 3:15 p.m. on the Business Day following the day of exercise (or as amended and notified by the Company from time to time). In default thereof, without prejudice to other rights or remedies that the Company may have against the Client, the Company may without demand or notice cover any liability of the Client under any short positions or deal with the same in the manner deemed most appropriate by the Company. The Client agrees that the Client will be responsible for all the expenses of the Company in connection with the above and that the Company will not be liable for any loss that may thereby be incurred.
- 4.9. The Client understands and agrees that in accordance with the Options Trading Rules and Clearing Rules, SEOCH may randomly select any Options Trading Exchange Participant to exercise a Client Contract in a short open position in which case, that Options Trading Exchange Participant shall randomly select a Client Contract from among all Client Contracts comprised in short open positions of clients in the same option series as that Client Contract. The Client Contract so selected shall, by operation of the Agreement and the Options Trading Rules and Clearing Rules, for all purposes be treated as having been validly exercised at the time of such selection. The Company shall notify the Client of the details of such exercise as soon as possible.
- 4.10. Delivery obligation shall arise when a Client Contract is validly exercised. On exercise of a Client Contract by or against the Client, the Client will perform its delivery obligations under the relevant Contract in accordance with the Standard Contract and as the Client has been notified by the Company.
- 4.11. The Client hereby acknowledges that the Client shall be responsible to the Company for any losses, costs, fees and expenses (including legal costs) incurred by the Company (on an indemnity basis) in connection with the Client's failure to meet his obligations by the due date as described in this Clause [4]. The Client agrees to indemnify the Company, its employees and agents, against all losses and expenses resulting from breach of the Client's obligations under this Agreement, including costs reasonably incurred in collecting debts from the clients, and in closing the Stock Options Account.

5. Margin

- 5.1. The Client agrees to provide and maintain such margin in the Stock Options Account (the **"Margin"**) in cash, securities and/or other assets in such form and amount and on such terms as the Company may in its absolute discretion require from time to time as security for the Client's obligations under the Agreement. The amounts required by way of Margin should not be less than, but may exceed the amounts as may be required by the applicable laws and regulations in respect of the Client's open positions and delivery obligations. The Company may change any Margin in its sole discretion and at any time without prior notice to the Client. If the Company determines that additional Margin is required, the Client agrees to make payment to and/or deposit with the Company such additional Margin forthwith upon demand. 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. No previous Margin shall establish any precedent. Change on Margin shall apply to existing positions as well as to new positions after the date of such change.
- 5.2. If the Company accepts securities by way of Margin, the Client shall on request provide the Company with such authority as the Company may require under the applicable laws and regulations to authorise the Company to deliver such securities, directly or through an Options Exchange Participant, to SEOCH as SEOCH collateral in respect of Exchange Traded Options Business resulting from the instructions; and the Company does not have any further authority from the Client to borrow or lend the Client's securities or otherwise part with possession (except to the Client or on the instructions) of any of the Client's securities for any other purpose.
- 5.3. Without prejudice to Clauses [5.5] to [5.12] hereto, calls or demands for Margin must be met or satisfied by the Client forthwith upon demand by the Company. The Client shall on demand put the Company in funds or moneys or arrange for the Company to be put in funds or moneys in time to enable the Company to discharge any liability incurred or to be incurred in connection with transactions effected in relation to the Stock Options Account. The Client shall on demand reimburse the Company for all costs and expenses incurred by it in connection with the transactions effected in relation to the Stock Options Account and/or pay or settle any outstanding amount under the Stock Options Account.
- 5.4. The Company is not liable to pay interest on the moneys or funds paid to or received by the Company in respect of the Stock Options Account whether on deposit or however described. The Company is entitled to retain for its own benefit any interest or other realised income or increase in value earned or received in respect of such moneys or funds. The Company is entitled to charge and the Client agrees to pay interest to the Company in respect of any deficit in the Stock Options Account or any moneys or funds otherwise owing to the Company at any time at such rates and on such other terms as the Company announced in the CMBI Website and/or notifies the Client from time to time. Interest shall be payable on the last day of each calendar month or forthwith upon demand by the Company.

- 5.5. The Client shall monitor the Stock Options Account so that at all times the Stock Options Account shall contain a sufficient account balance to meet the Margin. The Company may reject any instruction or order of the Client if the Client does not have a sufficient account balance to meet the Margin and may delay the processing of any instruction or order while determining the correct margin status of the Stock Options Account. The Client shall maintain, without notice or demand from the Company, a sufficient account balance at all times so as to continuously meet the Margin. The Client must at all times satisfy whatever Margin calculated by the Company.
- 5.6. The Company has no obligation to notify the Client of any failure to meet the Margin prior to the Company exercising its rights, powers, discretion and remedies under the Agreement. The Client understands and accepts that the Company generally will not issue call or demand on the Margin, that the Company generally will not credit the Stock Options Account to meet any deficiency on the Margin, and that the Company is authorised to exercise any of its rights under (a) Clause [13] of Cash Client' s Agreement and/or (b) Clause [7] of Stock Options Trading Agreement in order to satisfy the Margin without prior notice to the Client.
- 5.7. In the event that the balance of the Stock Options Account has zero equity or is in deficit at any time, or the Stock Options Account does not have a sufficient account balance to meet the Margin, the Company shall have the right, in its sole discretion, but not the obligation, to exercise any of its rights under (a) Clause [13] of Cash Client' s Agreement and/or (b) Clause [7] of Stock options Trading Agreement at any time and in such manner and in any Market as the Company deems necessary, without prior notice demand or call to the Client. The Client agrees to be responsible for, and promptly pay to the Company, any deficiency in the Stock Options Account that arises from such exercise of rights or remain after such exercise of rights. The Company shall not have any liability to the Client for any losses or damages sustained by the Client in connection with such exercise of rights (or if the Company experiences a delay in exercising, or does not exercise such rights).
- 5.8. The Client expressly waives and relinquishes any rights to receive prior notice or demand from the Company and agrees that any prior demand, notice, announcement or advertisement shall not be deemed a waiver of the Company' s right to exercise any of its rights under (a) Clause [13] of Cash Client' s Agreement and/or (b) Clause [7] of Stock Options Trading Agreement. The Client understands that, in the event that the Company exercise such rights, the Client shall have no right or opportunity to determine the manner of exercising such rights by the Company. The Company may, in its absolute and sole discretion, exercise such rights on any Exchange or Market, and the Company or its associated company may take the other side of any closing out, liquidating or settlement transaction. In the event that the Company exercise such rights, such exercise of rights shall establish the amount of the Client' s gain or loss and indebtedness to the Company, if any. The Client shall reimburse and hold the Company harmless for all actions, omissions, costs, expenses, fees (including, legal costs), penalties, losses, claims or liabilities associated with any exercise of such rights by the Company. The Client shall be liable to and responsible for all resulting losses, notwithstanding the Company' s delay in or failure to exercise such rights. If the Company executes an order for which the Client did not have sufficient funds, the Company has the right, without notice to the Client, to liquidate the transaction and the Client shall be responsible for any loss as a result of such liquidation, including any costs, and shall not be entitled to any profit that results from such liquidation.
- 5.9. The Client irrevocably and unconditionally authorises the Company to transfer, debit or deduct any money in the Stock Options Account and/or the Account so as to pay, discharge, satisfy the Client' s indebtedness, obligations and Liabilities to the Company arising from, incurred under and relating to the Agreement, including the outstanding purchase moneys, fees (including market data fees), charges, expenses, commissions and interests payable by the Client under and pursuant to the Agreement. The Client acknowledges and agrees that such deductions may affect the amount of money in the Stock Options Account to be applied against the Margin. The Company may exercise any of its rights under (a) Clause [13] of Cash Client' s Agreement and/or (b) Clause [7] of Stock Options Trading Agreement if deduction of commissions, fees or other charges causes the Stock Options Account to have an insufficient balance to satisfy the Margin.
- 5.10. If the Company issues a call or demand for Margin to the Client, the Client must satisfy such call or demand immediately. The Client agrees to satisfy any call or demand for Margin issued by the Company by immediately depositing cleared funds in the Stock Options Account to pay, in full, the under-margined open position.
- 5.11. The Company shall also have the right to exercise any of its rights under (a) Clause [13] of Cash Client' s Agreement and/or (b) Clause [7] of Stock Options Trading Agreement without prior notice to the Client in the same manner as provided above: (a) if any dispute arises concerning any trading or transaction of the Client; (b) upon the Client' s failure to timely discharge the liabilities, whether actual or contingent, present or future, due, owing or incurred from or by the Client to CMBI Group; (c) upon the Client' s insolvency or filing of a petition in bankruptcy or for protection from creditors; (d) upon the appointment of a receiver, or (e) whenever the Company, in its absolute and sole discretion, deems necessary or advisable for the protection of the Company.
- 5.12. Any failure by the Client to comply with this Clause [5] shall constitute an Event of Default under clause [13] of Cash Client' s Agreement.

6. Foreign Currency Transactions

If the Client gives instructions to the Company to enter into any Contract requiring a conversion from one currency to another, then: -

- (a) the costs thereof and any profit or loss arising as a result of fluctuations in the exchange rate of the relevant currency will be entirely for the account and risk of the Client;
- (b) all initial and subsequent deposits for Margin shall be made in such currency and in such amounts as the Company may require in its discretion; and
- (c) when such Options Contract is closed out, the Company shall debit or credit the Stock Options Account in such currency (as the Company may determine in its discretion) at such exchange rate as determined by the Company in its discretion.

7. Default

If the Client fails to comply with any of the Client' s obligations and/or to meet the liabilities under the Agreement, including failure to

provide Margin, or on the occurrence of any Event of Default (in the sole and subjective judgment of the Company), the Company, in addition to its rights and powers under Clause [13] of Cash Client' s Agreement, shall be entitled at their absolute discretions, without further notice or demand and in addition to and without prejudice to any other rights or powers conferred under the Agreement and/or other agreement, to forthwith: -

- (a) decline to accept further instructions in respect of Exchange Traded Options Business;
- (b) close out some or all of the Client Contracts with the Company;
- (c) enter into Contracts, or into any transactions in securities, Commodities, Exchange Contracts, F/O Contracts, in order to settle obligations arising or to hedge the risks to which the Company is exposed in relation to the Client' s failure;
- (d) sell, realise or otherwise dispose of the Margin (whole or any part thereof) in such manner and for such consideration as the Company may in its absolute discretion think fit, and the Company does not have the responsibility to explain to the Client how it exercises its discretion, and apply the proceeds thereof to discharge all or part of the liabilities; or
- (e) if the amount of the Margin is not sufficient, the Client must immediately increase the amount of the Margin at the request of the Company, otherwise, the Company has the right to claim all the loss and damages against the Client.

Any proceeds remaining after discharge of all the Client' s liabilities to the Company shall be paid to the Client.

8. Closure of Positions

Without prejudice to the Company's rights under Clause [7] above, the Company may, without the Client's consent, close all or any of the Client's positions if the Company is of the opinion that there has been a change or development involving a prospective change:

- (a) in the local, national or international monetary, financial, economic or political conditions or foreign exchange controls which has resulted or is in the opinion of the Company likely to result in a material or adverse fluctuation in the stock market or stock options market in Hong Kong and/or overseas; or
- (b) which is or may be of a material adverse nature affecting the condition or operations of the Client.

9. Language

In the event of any discrepancy between the English version and the Chinese version, the English version shall prevail.

Schedule 1-PERSONAL DATA PROTECTION STATEMENT

This Personal Data Protection Statement forms part of the Agreement and are additional and supplemental to Section I of the Trading Account Terms. Where any conflict or inconsistency arises between any provision of this Schedule 1 and any provision of the terms and conditions governing the Account(s), the Company has absolute discretion to determine which terms and conditions shall prevail.

In this Schedule 1, unless redefined herein or the context requires otherwise, words and expressions not otherwise defined herein shall have the same meanings as are given to them in the Cash Client's Agreement. This Schedule 1 is binding on you as a Client. The following information is brought to your attention in accordance with the Personal Data (Privacy) Ordinance (the "Ordinance"). Please read the following before you send us any personal data.

1. The Client understands that the Client may have been or may in future be requested to supply personal information from time to time to the Company relating to the Client in connection with various matters such as (i) the opening, operation and continuation of Account(s), (ii) the provision of dealing, securities brokerage, nominee, investment advisory, custody, asset management and/or other financial services and credit facilities provided by the Company, and (iii) the provision of supplies or services, and in the carrying out of Transactions contemplated under the Agreement, further information shall or may be collected by the Company (all such information is referred to as "Data" in this Schedule 1.) Data may also be collected from the Client in the ordinary course of continuation of business relationship with the Client, for example, when the Client issues cheques to, deposit money in or give instructions to the Company.
2. The Client understands that a request for the Data on the "Client Information Form" or otherwise shall oblige the Client to complete the same, and any failure so to do may result in the Company being unable to open or continue the Account(s), or unable to effect Transactions under the Account(s).
3. Purpose of Collection/Use of Personal Data
In submitting personal data to the CMBI Group, you agree that any such data may be collected/ used for the following purposes:
 - a. giving effect to your order relating to Transactions or otherwise, and carrying out your other instructions;
 - b. opening or maintaining accounts for you (or your principal) with any CMBI Group Member;
 - c. providing services in connection with any account maintained by you with the CMBI Group, whether the services are provided by or through any member of the CMBI Group or any other person;
 - d. conducting credit enquiries or checks on you and ascertaining your financial situation and investment objectives, and enabling or assisting any other person to do;
 - e. collection of amounts due, enforcement of security, charge or other rights and interests in favour of any member of the CMBI Group;
 - f. marketing existing and future services or products of any member of the CMBI Group;
 - g. forming part of the records of the persons or any member of the CMBI Group to whom the personal data may be passed;
 - h. observing any legal, regulatory or other requirements to which any members of the CMBI Group or any other persons may be subject;
 - i. opening and administering the Account(s);
 - j. verifying the data and information provided by the Client or any third party to the Company;
 - k. conducting credit checks, background checks and/or status checks on the Client;
 - l. ascertaining the Client's financial situation and investment objectives;
 - m. assisting other financial institutions to conduct credit checks and collect debts;
 - n. ensuring ongoing credit worthiness and good standing of the Client;
 - o. operating internal controls of the Company including but not limited to determining the amount of indebtedness owed to or by the Client;
 - p. for operational purposes, credit assessment, credit scoring or risk related models, statistical analysis (including but not limited to behaviour analysis and evaluation on overall relationship with the Company which includes using such Data to comply with any obligations, requirements, policies, procedures, measures or arrangements for sharing data and information within the Company and/or any other use of Data and information in accordance with any group-wide programmes for compliance with sanctions or prevention or detection of money laundering, terrorist financing or other unlawful activities), whether on the Client or otherwise;
 - q. researching and/or designing dealing, securities brokerage, nominee, investment advisory, custody, asset management and/or financial services and/or related products or services for the Client's use;
 - r. marketing dealing, securities brokerage, nominee, investment advisory, custody, asset management and/or financial services and/or related products or services;
 - s. where applicable, marketing reward, loyalty or privileges programmes and related services and products provided by the Company from time to time, and services and products offered by the Company's co-branding partners and entities with whom the Company provides affinity/co-branded services or products to the Client;
 - t. exercising the Company's rights and obligations, including but not limited to (i) collection of amounts outstanding from the Client or those providing security for any Client's obligations and (ii) enforcement of security, charges or other rights and interests against the Client or those providing security for any Client's obligations in favor of the Company;
 - u. enabling an actual or proposed assignee or transferee of all or any part of the Company's business and/or assets, or participant or sub-participant of the Company's rights in respect of loans/credit facilities relating to the Client, to evaluate the transaction intended to be the subject of the assignment, transfer, participation or sub-participation and enabling the actual assignee or transferee to use such data in the operation of the business or rights assigned;
 - v. customer services (including but not limited to communicating with Client via telephone, mail, e-mail, facsimile or any other

- means of communications and providing references (status inquiries) provided by the Company;
- w. preventing, detecting or reporting any crime or any fraudulent or dishonest behavior, or any other purpose relating thereto;
- x. other purposes related or incidental to any one or more of the above;
- y. discharging the responsibilities of capital market intermediary (CMI) and overall coordinator (OC) under any Applicable Laws and Regulations (including the SFC Code of Conduct) during the bookbuilding process of a share or debt offering transaction, for identifying and eliminating duplicated orders, inconsistencies and errors;
- z. any other lawful purposes disclosed in the CMBI Website from time to time.

4. Transfer of Personal Data

- (1) Personal data held by the CMBI Group relating to a data subject will be kept confidential but, to the extent applicable and to the extent permitted by Applicable Laws and Regulations, CMBI Group may provide such data received from you to the following parties (whether within or outside Hong Kong):
 - a. any CMBI Group Member;
 - b. any nominees in whose name securities or other assets may be registered;
 - c. any contractor, agent or service provider which provides administrative, data processing, financial, computer, telecommunication, payment or securities clearing, financial, professional or other services to any CMBI Group Member or to any other person to whom data is passed;
 - d. any person with whom the CMBI Group enters into or proposes to enter into transaction on your behalf or account, or persons representing the same;
 - e. any assignee, transferee, participant, sub-participant, delegate or successor in respect of the data subject;
 - f. any capital market intermediary (CMI) and overall coordinator (OC) relevant to a share or debt offering transaction;
 - g. governmental, regulatory or other bodies or institutions, whether as required by law, regulations applicable to any member of the CMBI Group, or otherwise.
- (2) The Client agrees to allow the Company to disclose the Client's data for the purposes and to the users and to use such data pursuant to this Schedule 1.
- (3) If the Client does not wish the Company to use or provide to other persons their data for use out of Hong Kong or the Client wishes to withdraw their consent previously given, please inform the Company of such decision by sending written notice to the Company. The Company shall then, without charge to the Client, ensure that the Client's personal data will not be transferred outside of Hong Kong. The withdraw notice shall take effect upon the expiry of three (3) Business Days from the date of the Company's actual receipt for such notice.

5. Transmission of Personal Data

There may be instances where data subjects elect to provide personal data to the CMBI Group through electronic means (such as internet or voice recording system). Whilst the CMBI Group generally uses best effort to maintain the security and integrity of its systems, due to many unpredictable traffic or other reasons, electronic communication may not be a reliable medium of communication. Data subjects should aware of such weaknesses and communicate personal data through electronic means with caution.

6. Other applicable Personal Data Statement

If personal data is collected in an application form of certain activity, such as seminar attendance or for employment, the personal data collection statement in such application form will supplement this Statement.

If you are a client of the CMBI Group, terms and conditions entered into between you and the CMBI Group shall apply in respect of the relevant account and will supplement this Statement. You understand that you may have been or may in future be requested to supply personal information from time to time to the CMBI Group, and in the carrying out of transactions contemplated under any agreements with the CMBI Group, further information shall or may be collected by the CMBI Group.

7. Access and Correction of Personal Data

Under and in accordance with the terms of the Ordinance, you have the right to request access to and correction of information about you held by the CMBI Group. Any such request may be addressed to the Data Protection Officer of CMB International Capital Corporation Limited at the address of 45-46/F, Champion Tower, 3 Garden Rd, Central, Hong Kong. You understand that a fee shall be charged by the CMBI Group for any such request. You also understand that a request for the personal data on any request form or otherwise shall oblige you to complete the same, and any failure so to do may result in the CMBI Group being unable to provide services to you.

8. PRC Personal Information Protection Law (PIPL)

PRC Clients should also refer to and make sure you are agreeable with CMBI Group's PRC Client's Personal Data Policy (中国内地客户隐私政策) as updated from time to time and accessible through our website <https://www.cmbi.com.hk/en-US/>

9. Miscellaneous

The Company reserves the right, at any time and without prior notice, to add to, change, update or modify this Schedule 1. If the Company decides to amend or supplement this Schedule 1, those changes will be notified to the Client either on CMBI Website or in writing so that the Client is aware of the change, update or modification. Any such change, update or modification will be effective immediately upon posting.

Schedule 2-EXPLANATION OF RISKS ASSOCIATED WITH EXCHANGE-TRADED DERIVATIVE PRODUCTS

If you wish to trade exchange-traded derivative products (as defined below) mentioned below, you should read carefully and understand fully the relevant risks associated with the products as mentioned herein.

Common Types of Exchange-Traded Derivative Products and Relevant Risks

Derivative Warrants ("DWs")

DWs are issued by third parties such as financial institutions and are generally divided into Calls and Puts. Holders of call warrants have the rights, but not obligation, to purchase from the warrant issuer a given amount of the underlying asset at a predetermined price (also known as the exercise price) within a certain time period. Conversely, holders of put warrants have the right, but not obligation, to sell to warrant issuer a given amount of the underlying asset at a predetermined price within a certain time period. DWs in Hong Kong are usually settled in cash when they are exercised at expiry and are likely to have a unique expiry date.

The time value of a DW decreases over time. All things being equal, the value of a DW will decrease over time as it approaches its expiry date. DWs are not principal protected and the price of DWs may fall in value as rapidly as they may rise and investors may not be able to get back the principal and may lose all the investment.

Equity Warrants / Subscription Warrants

They are issued by a listed company and give holders the rights to buy the underlying shares of the company. They are either attached to new shares sold in initial public offerings, or distributed together with declared dividends, bonus shares or rights issues. Upon exercise, the underlying company will issue new shares and deliver them to the warrant holders.

The time value of an equity warrant decreases over time. All things being equal, the value of an equity warrant/subscription warrant will decrease over time as it approaches its expiry date. Investors may not be able to get back the principal and may lose all the investment.

Callable Bull / Bear Contracts ("CBBCs")

CBBCs are a type of structured product that tracks the performance of an underlying asset without requiring investors to pay the full price required to own the actual asset. They are issued either as Bull or Bear contracts with a fixed expiry date, allowing investors to take bullish or bearish positions on the underlying asset.

CBBCs have a call price and a mandatory call feature – For bull contracts, the call price must be either equal to or above the Strike Price. For bear contracts, the call price must be equal to or below the Strike Price. If the underlying asset's price reaches the Call Price at any time prior to expiry, the CBBCs will expire early. The issuer must call the CBBCs and trading of the CBBCs will be terminated immediately. Such an event is referred to as a mandatory call event ("MCE"). However, when the underlying asset of a CBBC is trading at a price close to its call price, the change in the value of CBBCs may be more volatile and disproportionate with the change in the value of the underlying asset.

There are two categories of CBBCs, namely Category N CBBC and Category R CBBC. A Category N CBBC refers to a CBBC where its call price is equal to its Strike Price, and the CBBC holder will not receive any cash payment once the price of the underlying asset reaches or goes beyond the call price. A Category R CBBC refers to a CBBC where its call price is different from its Strike Price, and the CBBC holder may receive a small amount of cash payment ("Residual Value") upon the occurrence of an MCE but in the worst case, no Residual Value will be paid. CBBCs can be held until maturity (if not called before expiry) or sold on the HKEx (as defined below) before expiry. Investors should not trade in CBBCs unless he/she understands the nature of the product and is prepared to lose his/her total investment.

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. In the event that a CBBC is called, investors 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.

Although the price of a CBBC tends to follow closely the price of its underlying asset, but in some situations it may not (i.e. delta may not always be close to one). Prices of CBBCs are affected by a number of factors, including its own demand and supply, funding costs and time to expiry.

Exchange Traded Funds ("ETFs")

ETFs are passively managed and open-ended funds. All listed ETFs on the HKEx securities market are authorised by the SFC (as defined below) as collective investment schemes. ETFs are designed to track the performance of their underlying benchmarks (eg an index, a commodity such as gold, etc) and offer investors an efficient way to obtain cost-effective exposure to a wide range of underlying market themes. Synthetic ETFs utilising a synthetic replication strategy use swaps or other derivative instruments to gain exposure to a benchmark.

Investors are exposed to the political, economic, currency and other risks related to the underlying asset pool or index or market that the ETF tracks. There may be disparity between the performance of the ETF and the performance of the underlying asset pool or index or market due to, for instance, failure of the tracking strategy, currency differences, fees and expenses. Where the underlying asset pool/index/market that the ETF

tracks is subject to restricted access, the efficiency in unit creation or redemption to keep the price of the ETF in line with its net asset value (NAV) may be disrupted, causing the synthetic ETF to trade at a higher premium or discount to its NAV. Investors who buy an ETF at a premium may not be able to recover the premium in the event of the termination. Where a synthetic ETF invests in derivatives to replicate the index performance, customers are 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 synthetic ETF seeks to realize the collateral. A higher liquidity risk is involved if a synthetic ETF involves derivatives which do not have an active secondary market. Wider bid-offer spreads in the price of the derivatives may result in losses.

Rights Issue

For exercising and trading of the rights issue, investors have to pay attention to the deadline and other timelines. Rights issues that are not exercised will have no value upon expiry. But if investors decide to let the rights lapse, then investors will not need to take any action unless investors want to sell the rights in the market. In that case, the rights must be sold during the specified trading period within the subscription period, after which they will become worthless. If investors pass up the rights, the shareholding in the expanded capital of the company will be diluted.

Leveraged and Inverse Investment Product

Certain Products are collective investment scheme falling within Chapters 8.6 and 8.4A and Appendix I of the Code on Unit Trusts and Mutual Funds (the “Code”). Certain Products may also be subject to additional Chapters of the Code. Certain Trust and Products are authorized by the SFC in Hong Kong under Section 104 of the Securities and Futures Ordinance. The Leveraged Products will utilize leverage to achieve a daily return equivalent to (x) times the return of the Index. Both gains and losses will be magnified. The risk of loss resulting from an investment in the Products in certain circumstances including a bear market will be substantially more than a fund that does not employ leverage. The Inverse Products track the inverse daily performance of the Index. Should the value of the underlying securities of the Index increase, it could have a negative effect on the performance of the Products. Unitholders could, in certain circumstances including a bull market, face minimal or no returns, or may even suffer a complete loss, on such investments.

Futures

Futures are financial contracts for underlying assets, such as stock, market index, currency or commodity. The underlying assets are bought or sold at an agreed price today, for a set date in the future.

Investors can trade futures on the HKEx. Investors can buy or sell them with a margin deposit, which only partly covers the value of the contract. Going into leverage can increase the size of their gain or loss. Trading futures can be risky as a broker can make a margin call. This means investors must put in more cash or securities to cover the shortfall of their margin deposit in case the price of the underlying asset moves against your view. The loss could be much more than their margin deposit.

Options

Options are financial contracts that give the buyer the right to buy or sell an underlying asset (stock, market index, currency or commodity) from the seller at a set price within a certain time.

Investors can trade options on the HKEx. The risks and returns of the option buyer and seller are different. If investors are the buyer, the maximum loss is the premium they pay to the seller. If investors are the seller, they get the premium. But they must also make a deposit as a guarantee to go ahead to buy or sell the underlying asset. Like futures trading, the option seller faces the risk of a margin call. Again, the loss for the seller could be much more than the premium.

General Major Risks Associated with Exchange-Traded Derivative Products (including but not limited to the following)

1. Issuer default risk

In the event that an exchange-traded derivative product issuer becomes insolvent and defaults on their issued products, investors will be considered as unsecured creditors and will have no preferential claims to any assets held by the issuer. Investors should therefore pay close attention to the financial strength and credit worthiness of exchange-traded derivative product issuers. Since exchange-traded derivative products are not asset backed, in the event of issuer bankruptcy, investors can lose their entire investment.

2. Gearing risk

Exchange-traded derivative products such as DWs, CBBCs and Leveraged and Inverse Investment Products are leveraged and can change in value rapidly according to the gearing ratio relative to the underlying assets. Investors should be aware that the value of an exchange-traded derivative product may fall to zero resulting in a total loss of the initial investment.

3. Limited life

Most of the exchange-traded derivative products have an expiry date after which the products may become worthless. Investors should be aware of the expiry time horizon and choose a product with an appropriate lifespan for their trading strategy.

4. Extraordinary price movements

The price of an exchange-traded 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.

5. Foreign exchange risk

Investors trading exchange-traded derivative products with underlying assets not denominated in Hong Kong dollars are also exposed to exchange rate risk. Currency rate fluctuations can adversely affect the underlying asset value and thereby also affect the exchange-traded

derivative product price.

6. Liquidity risk

HKEx requires all exchange-traded 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, investors may not be able to buy or sell the product until a new liquidity provider has been assigned.

7. Volatility risk

Prices of DWs and CBBs can increase or decrease in line with the implied volatility of underlying asset price. Investors should be aware of the underlying asset volatility.

8. Intraday investment risk

Leveraged and Inverse Investment Products are normally rebalanced at day end. As such, return for investors that invest for period less than a full trading day will generally be greater than or less than (x) times 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.

9. Portfolio turnover risk

Daily rebalancing of Leveraged and Inverse Investment Products' holdings causes a higher level of portfolio transactions than compared to the conventional ETFs. High levels of transactions increase brokerage and other transaction costs.

10. Difference in price limit risk

Leveraged and Inverse Investment Products' investment objective is to provide investment results that closely correspond to (x) times the daily performance of the Index. Although the Index is an equity index, the Products will invest in Index Futures. For example, the daily price limit for individual stocks of the Index at present is +/- 30% while the daily price limit for Index Futures is +/- 20%. As such, should the Index' s daily price movement be greater than the price limit of the Index Futures, the Products may not be able to achieve its investment objective as the Index Futures are unable to deliver a return beyond their price limit.

11. Trading suspension risk

During the suspension of trading of the Products, investors and potential investors cannot buy and sell units in the Stock Exchange. In terms of providing a fair and orderly market with regarding the interests of investors, the Exchange may suspend the units trading whenever it is appropriate. If the trading of units is suspended, the subscription and redemption of units may also be suspended.

12. Inverse performance risk

Inverse Investment Products track the inverse daily performance of the Index. Should the value of the underlying securities of the Index increase, it could have a negative effect on the performance of the Products. Unitholders could, in certain circumstances including a bull market, face minimal or no returns, or may even suffer a complete loss, on such investments.

13. Inverse Product vs. short selling risk

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

14. Long term holding risk

Some Products are not intended for holding longer than one day as the performance of the Products 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 (e.g. the loss may be more than (X) times the fall in the Index). The effect of compounding becomes more pronounced on the Product' s performance as the Index experiences volatility. With higher Index volatility, the deviation of the Product' s performance from the inverse performance of the Index will increase, and the performance of the Products 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 Products will lose money over time while the Index' s performance falls or is flat.

15. Futures contracts risks

Some Products are futures based products. 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 Products. Exposures to futures contracts may lead to a high risk of significant loss by the Products. 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 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 Products from achieving its investment objective.

16. Passive investments risks

Some Products are not "actively managed" and therefore the Manager will not adopt any temporary defensive position when the Index moves in an unfavourable direction. In such circumstances the Products will also decrease in value.

Disclaimer

This document does not disclose all risks and features of the common types of derivative products ("exchange -traded derivative products") mentioned herein which are traded on the Hong Kong Exchanges and Clearing Limited (the "HKEx"). This document has been issued by the Company for reference and information purposes only. You should not rely on this document alone to make any investment decision but should read carefully the related offering documentation and any other relevant documentation, in particular, detailed risks relating to each product contained in such documents. You should not deal in exchange -traded derivative products unless you understand the nature of the product and the extent of the exposure to risk. The Company will not be responsible or liable for any loss caused by the investment in any products mentioned herein. You should not only consider the information contained neither in this document nor in the offering documentation but should also

consider your own financial position and particular circumstances before making any investment decision. In case of doubt, you are strongly advised to obtain independent professional advice.

The information contained in this document regarding exchange -traded derivative products are based on the information available on the websites of The Securities and Futures Commission (the "SFC"), the HKEx and the Hong Kong Monetary Authority (the "HKMA ") etc. For more detailed information regarding financial derivative products, you can refer to the websites of the SFC (www.sfc.hk/sfc/html/EN), the HKEx (www.hkex.com.hk/eng/index.htm) and the HKMA (www.info.gov.hk/hkma/).

This document does not constitute, nor is it intended to be nor should it be construed as offer or solicitation to invest in any of the products mentioned herein. This document is not intended to be distributed to persons in the jurisdiction or countries that will violate the law or regulation, and it is not intended to be used by such persons.

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Schedule 3-VIRTUAL ASSET KNOWLEDGE TRAINING

Introduction of Virtual Assets

1. Virtual assets refers to digital representations of value which may be in the form of digital tokens (such as utility tokens, stablecoins or security- or asset-backed tokens) or any other virtual commodities, crypto assets or other assets of essentially the same nature (such as Non-Fungible Token (NFT)), irrespective of whether or not they amount to "securities" or "futures contracts" as defined under the Securities and Futures Ordinance (SFO), but excludes digital representations of fiat currencies issued by central banks.
2. VA-related products refers to investment products which:
 - Have a principal investment objective or strategy to invest in virtual assets;
 - Derive their value principally from the value and characteristics of virtual assets; or
 - Track or replicate the investment results or returns which closely match or correspond to virtual assets.
3. Except for institutional professional investors and qualified corporate professional investors, customers should be assessed whether they have sufficient knowledge of investing in virtual assets or VA-related products prior to effecting a transaction in VA-related products. If derivative features are involved, in addition, the customers should be also assessed whether they have sufficient knowledge of investing in derivative products or its relevant products.

Common Types and Features of Virtual Assets

There are a variety of derivative instruments in the market, which can be divided into two basic types:

1. Virtual Currency/ Crypto Currency
Cryptocurrency, also known as cryptographic currency, encrypted currency, and digital currency, e.g. Bitcoin, Ethereum, is an electronic currency formed through the application of blockchain technology, and uses cryptographic principles to verify transactions. Unlike currencies, cryptocurrencies need to be authenticated by a third party, for example, when using a credit card for online shopping, the transaction may subject to verification process requested by the bank). Cryptocurrencies are decentralized, the transactions will not be recorded in the bank, in which directly recorded on the blockchain system.
2. Security Tokens Offering
STOs typically refer to specific offerings which are structured to have features of traditional securities offerings, and involve Security Tokens which are digital representations of ownership of assets (e.g. gold or real estate) or economic rights (e.g. a share of profits or revenue) utilizing blockchain technology. Security Tokens are normally offered to professional investors only.

Applications of Virtual Assets and Regulatory Remits

BACKGROUND

Public interest in virtual assets has grown exponentially around the world since the creation of the most widely-known digital token, Bitcoin, in 2008. Over 2,000 different digital tokens are currently traded around the world with an estimated total market capitalization of over US\$200 billion. In recent years, crypto-asset markets have grown significantly, with the Non-Fungible Tokens (NFT) issued by different institutions and individuals prompting a new wave of crypto-asset investment in recent years. There is also a growing demand for funds which invest in virtual assets.

USE OF VIRTUAL ASSETS

Technology is transforming the landscape of the financial industry. Distributed ledger technology offers an anonymous way to digitally record ownership of virtual assets and facilitates peer-to-peer trading. A virtual asset is a digital representation of value, which is also known as "cryptocurrency", "crypto-asset" or "digital token". The polymorphous and evolving features of virtual assets mean that they may be, or claim to be, a means of payment, may confer a right to present or future earnings or enable a token holder to access a product or service, or a combination of any of these functions

REGULATORY APPROACH

Current Regulatory Framework

1. Complex Product Regulation
 - Suitability
 - Information
 - Warning Statement
2. General Point of Sales Requirements
 - Suitability of Recommendation
 - Derivative Product Requirements
 - Due Diligence
3. Virtual Asset Knowledge
 - Relevant Experience in Education, Work or Trading
 - Virtual Assets Training
 - Net Worth

Unregulated/ Light-touch Regulated

1. Service Providers
 - Counterparty Risks
2. Spot Markets
 - Lack of Pricing Transparency
 - Potential Market Manipulation

** Clients should have sufficient net worth to be able to assume the risks and bear the potential losses of trading.

Key Risk Associated with Virtual Assets

RISKS ASSOCIATED WITH INVESTING IN VIRTUAL ASSETS

Virtual assets pose significant risks to investors. Some of these risks are inherent in the nature and characteristics of the virtual assets themselves and others stem from the operations of platforms or portfolio managers.

1. Valuation, volatility and liquidity
Virtual assets are generally not backed by physical assets or guaranteed by the government. They have no intrinsic value. There are currently no generally accepted valuation principles governing certain types of virtual assets. Prices on the secondary market are driven by supply and demand and are short-term and volatile by nature. The volatility faced by investors may be further magnified where liquidity pools for virtual assets are small and fragmented.
2. Accounting and auditing
Among the accounting profession, there are no agreed standards and practices for how an auditor can perform assurance procedures to obtain sufficient audit evidence for the existence and ownership of virtual assets, and ascertain the reasonableness of the valuations.
3. Cybersecurity and safe custody of assets
Trading platform operators and portfolio managers may store clients' assets in hot wallets (i.e., online environments which provide an interface with the internet). These can be prone to hacking. Cyber-attacks resulting in the hacking of virtual assets trading platforms and thefts of virtual assets are common. Victims may have difficulty recovering losses from hackers or trading platforms, which can run to hundreds of millions of US dollars. Virtual asset funds face a unique challenge due to the limited availability of qualified custodian solutions. Available solutions may not be totally effective.
4. Market integrity
Unlike regulated stock exchanges, the market for virtual assets is nascent and does not operate under a set of recognized and transparent rules. Outages are not uncommon, as are market manipulative and abusive activities, and these all result in investor losses.
5. Risk of money laundering and terrorist financing
Virtual assets are generally transacted or held on an anonymous basis. In particular, platforms which allow conversions between fiat currencies and virtual assets are inherently susceptible to higher risks of money laundering and terrorist financing. Where criminal activities are involved, investors may not be able to get back their investments as a result of law enforcement action.
6. Conflicts of interest
Virtual assets trading platform operators may act as agents for clients as well as principals. Virtual assets trading platforms may facilitate the initial distribution of virtual assets (e.g. initial coin offerings), facilitate secondary market trading, or both, as in a traditional exchange, alternative trading system or securities broker. If these operators are not under the purview of any regulator, it would be difficult to detect, monitor and manage conflicts of interest.
7. Fraud
Virtual assets may be used as a means to defraud investors. Virtual assets trading platform operators or portfolio managers may not have conducted sufficient product due diligence before allowing a virtual asset to be traded on their platforms or investing in a virtual asset for their portfolios. As a result, investors may become victims of fraud and lose their investments.

OTHER IMPORTANT DISCLOSURE

1. Virtual assets are highly risky and investors should exercise caution in relation to these products;
2. A virtual asset may or may not be considered as “property” under the law, and such legal uncertainty may affect the nature and enforceability of a client’s interest in such virtual assets;
3. The offering documents or product information issued by the issuer have not been subject to scrutiny by any regulatory body;
4. The protection offered by the Investor Compensation Fund does not apply to transactions involving virtual assets (irrespective of the nature of the tokens);
5. A virtual asset is not legal tender, i.e. it is not backed by the government and authorities;
6. Transactions in virtual assets may be irreversible, and, accordingly, losses due to fraudulent or accidental transactions may not be recoverable;
7. The value of a virtual asset may be derived from the continued willingness of market participants to exchange fiat currencies for a virtual asset, which means that the value of a particular virtual asset may be completely and permanently lost should the market for that virtual asset disappear. There is no assurance that a person who accepts a virtual asset as payment today will continue to do so in the future;
8. The volatility and unpredictability of the price of a virtual asset relative to fiat currencies may result in significant losses over a short period of time;
9. Legislative and regulatory changes may adversely affect the use, storage, transfer, exchange and value of virtual assets;
10. Some virtual asset transactions may be deemed to be executed only when they are recorded and confirmed by an SFC-licensed platform, which may not necessarily be the time at which the client initiates the transaction;
11. The nature of virtual assets exposes them to an increased risk of fraud or cyberattack; and
12. The nature of virtual assets means that technological difficulties experienced by an SFC-licensed platform may prevent clients from dealing in their virtual assets.

WARNING STATEMENTS OF INVESTING IN VA-RELATED PRODUCTS

For virtual asset futures contracts, in addition to the general risks of trading in futures contracts, please also pay extra attention to below warning statements covered the risks specific to virtual asset futures contracts, such as:

- the risks of the underlying virtual assets (eg, insufficient liquidity, high price volatility and potential market manipulation) may be magnified in trading virtual asset futures contracts by the speculative nature of the underlying virtual assets and the leverage inherent in futures contracts; and
- the difficulty of valuing the underlying virtual assets poses significant challenges for investors in reliably valuing virtual asset futures contracts.

For all VA-related products, in addition to the risks specific to the product, please be aware of below warning statements:

- the continuing evolution of virtual assets and how this may be affected by global regulatory developments;
- price volatility;
- potential price manipulation on trading, lending or other dealing platforms;
- a lack of secondary markets for certain virtual assets;
- most trading, lending or other dealing platforms and custodians of virtual assets are presently unregulated;
- counterparty risk when effecting transactions with issuers, private buyers and sellers or through trading, lending or other dealing platforms;
- risk of the loss of virtual assets, especially if held in “hot wallets”;
- hacking and technology-related risks; and
- new risks which may arise from investing in new types of virtual assets or market participants’ engagement in more complex transaction strategies.

The abovementioned is not an exhaustive list of warning statements. Investors should refer to the Product Key Facts Keys for specific products. Please seek independent professional advice if necessary.

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