

# TERMS OF BUSINESS FOR PROFESSIONAL INVESTORS

**\*TO BE READ CAREFULLY AND RETAINED BY THE CLIENT FOR RECORDS**

To : **CMB International Securities Limited ( "CMBIS" )**  
**CMB International Global Markets Limited ( "CMBIGM" )**  
45/F., Champion Tower,  
3 Garden Road, Central,  
Hong Kong.  
(CMBIS and CMBIGM are referred to individually or, as the context may require, collectively as "you" or the "Company" )

(Each a licensed person under the Securities and Futures Ordinance with C.E. Number : (CMBIS) AUZ441 and (CMBIGM) AAF261, being a Licensed Corporation to carry on (for CMBIS and CMBIGM) Type 1 (dealing in securities) and (for CMBIS) Type 4 (advising on securities) regulated activities pursuant to the Securities and Futures Ordinance Cap. 571 and an Exchange Participant of the SEHK )

I, being the client of the Company, hereby agree that the following terms and conditions will apply to all securities trading and related services which you may in your absolute discretion provide to me from time to time. This Agreement constitutes a legally binding agreement which I accept for myself (and where I am acting as agent, jointly with my principal(s)) once I sign the related account opening documents, give to you any instructions or accept from you any services in relation to the Account. I agree that CMBIS and CMBIGM shall be severally and not jointly liable for their respective performance, acts and omissions under this Agreement.

## 1. Definitions and Interpretation

1.1 In these Terms of Business for Professional Investors ( "these Terms" ), the following words and expression shall have the following meanings:-

"Account" means any account recording my Securities transactions and movement of my client money opened by and maintained with you in your books in my name;

"Affiliate" means, in relation to a party, an individual, corporation, partnership or any other form of entity directly or indirectly controlling, controlled by or under common control with such party or any director, officer or employee or agent of such entity;

"Agreement" means the written agreement between me and you regarding the opening, maintenance and operation of the Account as amended from time to time, including but not limited to the Client Information Sheet, these Terms and any authority given by me to you with respect to the Account;

"Associated Entity" has the same meaning described to it in the Securities and Futures Ordinance;

"Authorized Persons" means those individuals who have been designated by or duly authorized by me pursuant to necessary corporate or other action (which shall be evidenced by appropriate documentation delivered and acceptable to you) to act on my behalf in connection with this Agreement. "Authorized Person" means any one of the Authorized Persons;

"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 day;

"Client Information Sheet" means the client information sheet(s)/statement(s) completed or to be completed by me for the opening of the Account;

"CMBI Group" means you, your 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 Website" means [www.cmbi.com.hk](http://www.cmbi.com.hk) and such other websites as you may from time to time add and notify me;

"Exchange" means SEHK, or such other stock exchange or markets or over-the-counter markets;

"Instruction" means a written, oral or, subject to your agreement, electronic communication which you believe in good faith to have been given by me or an Authorized Person;

"Professional Investor" has the same meaning described to it in section 1 in Part 1 of Schedule 1 to the Securities and Futures Ordinance and section 3 of the Securities and Futures (Professional Investor) Rules (Cap.571D) of the laws of Hong Kong;

"Securities" has the same meaning described to it in the Securities and Futures Ordinance;

"Securities and Futures Ordinance" means the Securities and Futures Ordinance (Cap.571) of the laws of Hong Kong;

"SEHK" means The Stock Exchange of Hong Kong Limited.

## 2. Account

### 2.1 Opening of Account

I shall open and maintain the Account for recording my Securities transactions and movements of my client money made

pursuant to this Agreement.

## 2.2 Transfer of Securities

In respect of transfers of Securities into the Account, I shall arrange for and instruct the transfer of the Securities from the transferring party to you at my costs and expenses. The Securities will not be credited to the Account until you have received the Securities.

## 3. Instructions

### 3.1 Authorization

You are hereby authorized to buy and sell Securities for the Account and otherwise deal with Securities, receivables or monies held in or for the Account upon Instructions. However you are entitled, at your discretion (such discretion not to be exercised in an unreasonable manner), to refuse to accept any Instruction and shall not be liable to me for any loss whatever arising out of the same.

### 3.2 Instructions

You are authorized, but are not obliged, to accept and act upon Instructions given through telephone or other means in connection with any Securities transaction or for transfer of funds to or from the Account, for any purpose in connection with this Agreement. Any Instructions given by me in connection with the Account or this Agreement shall be deemed to be proper, valid and binding Instructions from me if given by any ONE person quoting such information about the Account as may be required by you.

### 3.3 Execution Agent

You will act as my execution agent in relation to my Instructions.

### 3.4 Execution through Affiliates

You may effect my Securities transactions in such manner and through any Affiliate, participants of any Exchange or clearing house, or brokers in the relevant markets as you may absolutely decide.

### 3.5 Short Sales

I undertake to notify you when I instruct you to execute a short sale on my behalf. For the purposes of this Agreement, a short sale means an Instruction from me to you to sell Securities that I do not own and includes an Instruction to sell Securities I have borrowed. This undertaking is repeated each time I place an order with you.

### 3.6 Product Specifications

If services are to be provided by you to me in relation to derivative products, including options, you shall provide to me 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 my positions may be closed without my consent.

## 4. Execution of Instructions

### 4.1 Priority

You may determine the priority in the execution of Instructions or otherwise execute Instructions in such manner having due regard to market practice, applicable regulations and fairness to all clients.

### 4.2 Delays

You will not be liable for delays or failure in the transmission of Instructions due to breakdown or collapse of communication facilities or for any other delay or failure beyond your control.

### 4.3 Cancellation and Amendment

Request to cancel or amend an Instruction is only possible before it has been executed and is subject to your acceptance (you shall not refuse to accept such a request unless on reasonable grounds). Instructions are, unless accepted by you for cancellation or amendment, good for the trading day on which it was accepted by you and shall lapse if not executed by the end of such trading day unless otherwise agreed to by you, or in the case of an Instruction relating to an Exchange outside Hong Kong if the day on which the Instruction is accepted by you is not a trading day of the relevant Exchange, the immediate following trading day of such Exchange.

### 4.4 Tape Recording

You may tape record conversations with me and the Authorized Persons.

## 5. Settlement

### 5.1 Payment

Where you have executed a purchase or sale transaction on my behalf, I will by the due settlement date as required by you or the relevant Exchange or clearing house make payment of cleared funds or delivery of Securities in deliverable

form to you.

## 5.2 Settlement Failure

I will indemnify you and keep you indemnified against any losses, damages, demands, costs, fees and expenses in connection with any settlement failure.

## 5.3 Currency Exchange

All currency exchange risks in respect of any transactions, settlement, action or steps taken by you under this Agreement will be borne by me.

## 6. Margin

6.1 I agree to maintain such Margin and shall on demand pay such additional Margin (as defined in the Margin Client' s Agreement) 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 me or by the Company on my behalf in respect of such Margin or any other payment in connection with any transaction in securities on my behalf (or entered into with me) (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 I am 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). I also agree 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 me 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 me and to dispose of any or all securities held for or on behalf of me 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 me.

6.4 The Company shall be entitled to revise Margin requirements from time to time in its absolute discretion. I 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 impracticality 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 me, 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 me.

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 8 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 my 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 my behalf on any subsequent occasion, but without prejudice to the obligations of me 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 me to, the Company shall be securities collateral in favour of the Company.

## 7. Securities in the Account(s)

7.1 I specifically authorize the Company, in respect of all securities deposited by me with the Company or purchased or

acquired by the Company on behalf of me, and held by the Company for safe keeping, to register the same in the name of an associated entity or in my 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.

- 7.2 I specifically authorize the Company, in respect of all securities collateral deposited with, or otherwise provided by or on behalf of me 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 me on whose behalf the securities collateral has been received, the Company or the associated entity.
- 7.3 Any securities and securities collateral held by the Company, any associated entity of the Company, banker, institution, custodian or intermediary pursuant to Clauses 7.1 and 7.2 shall be at the sole risk of me and the Company and the relevant associated entity, banker, institution, custodian and intermediary shall be under no obligation to insure me against any kind of risk, which obligation shall be the sole responsibility of me.
- 7.4 If in relation to any securities deposited with the Company which are not registered in my name, any dividends or other distributions or benefits accrue in respect of such securities, the Account(s) shall be credited (or payment made to me as may be agreed) with the proportion of such benefit equal to the proportion of the securities held on behalf of me out of the total number or amount of such securities.
- 7.5 If in relation to any securities deposited with the Company but which are not registered in the name of me, and loss is suffered by the Company, the Account(s) may be debited (or payment made by me as may be agreed) with the proportion of such loss equal to the proportion of the securities held on behalf of me out of the total number or amount of such securities.
- 7.6 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 my 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 me to the Company, the associated entity or a third person. The Company shall be entitled to transfer all securities or securities collateral held in any Account to any other Account held with the Company, including without limitation transfer any securities or securities collateral between my respective Account held with the Company and other CMBI Group Member, in order to satisfy my settlement obligations and other liabilities.
- 7.7 Except as provided in Clauses 7.8 below, the Company shall not, without my oral or written direction or standing authority under the Client Securities Rules, deposit, transfer, lend, pledge, re-pledge or otherwise deal with any of my securities or securities collateral for any purpose.
- 7.8 The Company's obligations to deliver, to hold in safe custody or otherwise or to register in my name, securities purchased or acquired by the Company on my behalf shall be satisfied by the delivery, the holding or registration in my name or my 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 my 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. Monies in the Account(s) and Interest**
- 8.1 The Company shall be entitled to deposit all monies held in the Account(s) and all monies received for or on the account of me 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 authorized financial institution(s) or any other person approved by the SFC for the purposes of section 4 of the Client Money Rules. The Company shall be entitled to transfer all monies held in any Account to any other Account held with the Company, including without limitation transfer any monies between my respective Account held with the Company and other CMBI Group Member, in order to satisfy my settlement obligations and other liabilities. Unless otherwise agreed between me and the Company, any interest accrued on such monies shall belong to the Company absolutely.
- 8.2 Unless otherwise indicated, I 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 or failing any such specification at a rate equivalent to three per cent per annum above the best lending rate quoted by The Hongkong and Shanghai Banking Corporation Limited 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. Safekeeping of Securities**

### **9.1 Safekeeping**

Any Securities which are held by you for safekeeping may at my own risks and expense, at your discretion:

- (a) (in the case of registrable Securities) be registered in my name or in the name of your Associated Entity or nominee; or
- (b) be deposited in safe custody in a designated account with your bankers or with any other institution which provides facilities for the safe custody of documents to the satisfaction of the Securities and Futures Commission of Hong Kong.

### **9.2 Dividends**

Where Securities are not registered in my name, any dividends or other benefits arising in respect of such Securities shall, when received by you, be credited to the Account or paid or transferred to me, as agreed with you. Where the Securities form part of a larger holding of identical Securities held for your clients, I shall be entitled to the same share of the benefits arising on the holding in proportion to my share out of the total holding, rounded up or down in such manner as you may reasonably determine.

### **9.3 Losses of Securities**

If, in relation to any Securities deposited with you which are not registered in my name, any loss is suffered by you arising therefrom, the Account may be debited (or payment made by us as may be agreed) with the proportion of such loss equal to the proportion of the total number or amount of the relative Securities which shall comprise Securities held on my behalf, rounded up or down in such manner as you may reasonably determine. You shall not be liable for any such loss in the absence of fraud or willful default on your part.

### **9.4 Pooling of Securities**

Any Securities deposited with you may, at your absolute discretion, either be treated as fungible and pooled like with like with the other Securities held by your clients or specially allocated to the Account. I will only be entitled to be returned and shall accept delivery of Securities of the same company, class and denomination (or in the event of any change in class or denomination, Securities of such equivalent class or denomination) as the Securities originally deposited.

### **9.5 Calls**

I shall duly and promptly pay all calls which may from time to time be made in respect of any unpaid moneys under any of the Securities from time to time in the Account and duly and promptly pay any other moneys which I may lawfully be required to pay in respect of any of the Securities from time to time in the Account. In default you may, but are not obliged to, make such payments on my behalf and any sums so paid by you shall be repayable by us on demand, together with any costs or expenses incurred by you as a result.

### **9.6 Terms of Custody**

If the Securities are registered in the name of your Associated Entity or nominee, the Securities will be held by such Associated Entity or nominee on its standard terms and conditions as may from time to time be in force. You or your Associated Entity or nominee shall be under no responsibility to forward any notices, proxies or other documents or communications in respect of the Securities to me. However, if you or your Associated Entity or nominee determines that any action is required in respect of such Securities and I cannot be contacted or fail to give you punctual or adequate Instructions for such action, I hereby authorize you or your Associated Entity or nominee to act on my behalf in such manner as it may determine in its absolute discretion, including without limitation, exercising any voting rights in respect of Securities of which I am the beneficial owner but which are registered in the name of your Associated Entity or nominee and you and your Associated Entity or nominee shall not be liable, in the absence of gross negligence, fraud or willful default, for such action it may take. I will indemnify you and your Associated Entity or nominee against all costs, charges and expenses that may be incurred by them in respect of Securities held by it for safe-keeping on my behalf.

## **10. Remuneration**

### **10.1 Commission**

I will pay such commissions to you as you may notify me, as well as applicable levies imposed by the relevant Exchange and regulatory bodies, and all applicable stamp duties. You may deduct such commissions, other charges, levies and duties from the Account. You are authorized to solicit, accept and retain for your own benefit, without making disclosure to me, any rebate, brokerage, commission, fee, benefit, discount and/or other advantage from any person arising from any transaction effected by you.

### **10.2 Interest**

All amounts due by me to you will be charged with interest at such rate(s) to be notified by you from time to time.

#### **11. Indemnity and Exclusion of Liability**

- 11.1 We hereby fully indemnify you, your directors, officers, employees, your Associated Entities and nominees and your Affiliates and keep all such persons indemnified against all claims, actions, liabilities, proceedings against any of such persons and bear any losses, costs, charges or expenses (including legal fees) (together "Losses" ) which they may suffer in connection with their carrying out of obligations or services, or exercise of rights, powers or discretion under or in connection with this Agreement save to the extent that such Losses arise directly as a result of your gross negligence, fraud, or willful default
- 11.2 You shall not be liable for any Losses suffered by me as a result of or in connection with my utilizing any of the services or in connection with this Agreement other than Losses arising directly as a result of any gross negligence, fraud, or willful default on your part, or that of your Associated Entities, nominees or your Affiliates You shall in no event be liable for any loss of profit indirect, special or consequential damages of any kind or the default of your directors, officers, employees, Associated Entities, nominees or Affiliates or any person, firm or company through or with whom transactions are effected for the Account.

#### **12. Set-off**

- 12.1 In addition to any general lien or similar right to which you may be entitled at law, you may, at any time and without prior notice, set off or transfer any monies standing to the credit of the Account or my account with any CMBI Group Member of whatever description and in whatever currency and whether held singly or jointly with others towards discharge of all my liabilities to you or any CMBI Group Member whether such liabilities be primary, collateral, several, joint or in other currencies. Insofar as any of the liabilities to you or any CMBI Group Member are contingent or future, your liability to me to make payment of any sums standing to the credit of any such accounts will to the extent necessary to cover such sums be suspended until the happening of the contingency or future event.
- 12.2 You may hold as security and subject to a general lien in your favour all or any of the money, Securities and other property held by you for the Account until I have fully paid any amount owed to you.

#### **13. Suitability**

If I 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 I may ask you to sign and no statement I may ask you to make derogates from this clause.

#### **14. Representations, Warranties and Undertaking**

##### **14.1 Representations**

I hereby warrant and represent and undertake to you that:

- (a) I am entering into this Agreement as principal and are not trading on behalf of any other person unless you are notified otherwise in writing, in which case, I warrant that I am expressly authorized by my principal to effect all transactions pursuant to this Agreement and my principal will duly perform all the obligations and liabilities arising out of this Agreement, failing which I will be liable to you as if I were the principal in respect of such obligations and liabilities;
- (b) The information provided by me to you in the Client Information Sheet or otherwise from time to time is true, accurate and complete in all respects;
- (c) This Agreement constitutes a valid and legally binding agreement on me enforceable in accordance with its terms;
- (d) This Agreement and performance of my obligations contained herein do not and will not:
  - (i) Contravene any existing applicable law, statute, ordinance, rule or regulation or any judgement, decree or permit to which I am subject; or
  - (ii) Conflict with or result in any breach of the terms of or constitute any default under any agreement or other instrument to which I am a party or subject or by which any of my property is bound;
- (e) Unless otherwise agreed by you, I am and will remain to be the beneficial owner of the Securities in the Account free from any lien, charge, equity or encumbrance save as created by this Agreement and will not charge, pledge or allow to subsist any charge or pledge over the Securities or monies in the Account or grant or purport to grant an option over any Securities or monies in the Account without your prior written consent; and
- (f) I am the person ultimately responsible for originating the Instruction in relation to each transaction in the Account and shall stand to gain the commercial or economic benefit of such transactions and/or bear their commercial or economic risk (except where such other person or entity has been disclosed to you in writing and the arrangement has been agreed by you).

##### **14.2 Repeating Nature**

The above representations and warrants shall be deemed to be repeated immediately before each Instruction is given or executed.

##### **14.3 Instructions from Other Persons**

Even if I have disclosed to you that I am trading on behalf of other person(s), you are not required to act on any instruction other than the Instructions. You will not be liable for refusing to act upon the instructions given by any persons who purport to be my principal or for acting upon the Instructions notwithstanding any notice that my authority to act on behalf of my principal has been revoked, withdrawn or varied.

#### 14.4 Other Interests

I acknowledge that if you give any investment recommendation to me, you or any of your Affiliates may have an interest, relationship or arrangement which is material in respect of the Securities, transaction, arrangement or service concerned. In particular, you or your Affiliates may have interest or may owe duty to other persons which conflict with my interests or your duty owed to me.

### 15. Default

#### 15.1 Consequences of Defaults

Upon the occurrence of any of the events referred to in Clause 15.2, you will be entitled at your absolute discretion, without notice or demand and without prejudice to any other rights or remedies available to you, forthwith to :-

- (a) Sell or realize all or any part of the Securities or property held by you for the Account in such manner and upon such terms as you may conclusively decide to satisfy my obligations and indebtedness towards you, your Associated Entities and nominees out of the net sale proceeds (with fees, expenses and costs deducted) thereof;
- (b) Cancel any outstanding Instructions for the purchase or sale of Securities;
- (c) Exercise any of your rights under this Agreement.

#### 15.2 Events of Defaults

The events referred to in Clause 15.1 are

- (a) Any breach of this Agreement by me; or
- (b) Any failure by me to pay monies of whatever nature when due under this Agreement; or
- (c) Our insolvency or liquidation, the filing of a petition in winding up or the commencement of any analogous proceedings against me; or
- (d) The levying of any attachment against any of the Account or my other property; or
- (e) Any dispute or proceedings amongst my directors or shareholders; or
- (f) Any other matter or event including any regulatory requirement which in your opinion renders termination necessary or advisable in your interests.

#### 15.3 Application of Monies

Any monies received by you will be applied in the following order of priority and any residue will be paid to me or to my order:-

- (a) Payment of all costs, charges, legal fees and expenses including stamp duty, commission and brokerage properly incurred by you in transferring and selling all or any of my Securities or property;
- (b) Payment of interest accrued on the aggregate outstanding amount due and owing to you or your Associated Entities or nominees for the time being; and
- (c) Payment of all money and liabilities due or owing by me to you or your Associated Entities or nominees.

### 16. Confirmation

#### 16.1 Provision of Confirmations

I agree that unless I object or otherwise notified you in writing, you will not be required to provide to me any contract notes, statements of account or receipts in accordance with the applicable laws and regulations. Nevertheless, if you provide the same to me, then all correspondence, notices, contract notes, certificates and statements will be sent to me at my last known address shown in your record, unless I expressly authorize you in writing to send to some other address.

#### 16.2 Conclusiveness

Confirmations shall, in the absence of manifest error, be conclusive and binding on me, unless you receive from me objection in writing within three Business Days upon receipt by me

#### 16.3 Title to Securities

Title to Securities purchased by me will pass only upon payment by me of the amount due in respect of such purchase.

### 17. Online Trading Service

#### 17.1 Application for Use

I may at any time after you have notified me that your online trading service is offered to your clients apply to you to utilize your online trading service.

#### 17.2 Giving of Instructions

You shall be entitled to refuse to accept my application to utilize your online trading service without giving any reason

therefor. However, if you accept my application, I may give Instructions by electronic means in such manner as may be prescribed by you and you are authorized, but are not obliged, to accept and act upon Instructions given through your online trading service in connection with any Securities transactions or for transfer of funds to or from the Account, or any purpose in connection with this Agreement. Any Instructions given in connection with the Account, for this Agreement through use of the online trading service shall be deemed to be proper, valid and binding Instructions from me if given by any ONE person quoting or inputting the user name of the Account and the password assigned by you or otherwise selected by me and accepted by you for the purpose of the online trading service.

#### 17.3 User Name and Password

I undertake to: a) keep and procure each Authorized Person to keep the user name and password in relation to the Account for the purpose of your online trading service secret; (b) inform you as soon as reasonably practicable if I know or suspect that, any unauthorized person knows such user name or password or that unauthorized transactions have been effected.

#### 17.4 Property in Information

I acknowledge that the information made available to me through your online trading service may be provided by you or any other person. I acknowledge that such information is the property of the person providing the same and is protected by copyright or contractual restrictions on its use. I agree not to reproduce, retransmit, disseminate, sell, distribute, publish, broadcast, circulate or commercially exploit such information without your prior written consent.

#### 17.5 Accuracy of Information

Neither you nor any person supplying the information made available through your online trading service guarantees the timeliness, sequence, accuracy or completeness of the market data or any other market information or messages disseminated by any party. Neither you nor any disseminating party shall be liable in any way, and I agree to indemnify and hold harmless you and such disseminating party, for (a) any inaccuracy, error or delay in, or omission of (i) any such data information or message or (ii) the transmission or delivery of any such data, information or messages; or (b) any loss or damage arising from or occasioned by (i) any such inaccuracy, error, delay or omission, (ii) non-performance, or (iii) interruption of any such data, information, or message, due either to any negligent act or omission by you or any disseminating party or to any force majeure (i.e., flood, extraordinary weather conditions, earthquake, or other acts of God, fire, war, insurrection, riot, labour dispute, accident, action of government, communications or power failure or equipment or software malfunction) or any other cause beyond the reasonable control of yourself or any disseminating party. I shall use any real-time quotes made available by you only for my individual use and shall not furnish such data to any other person or entity.

#### 17.6 Disclaimer

Neither you nor the information providers guarantee the accuracy, completeness, timeliness, reliability, content or correct sequencing of the information. I acknowledge that there may be delays, omissions, errors or inaccuracies in the provision of the information and that neither you nor any information provider warrants that the service will be uninterrupted or error-free. I agree that you and the information providers shall not have any liability, contingent or otherwise, for the accuracy, completeness, timeliness, reliability, content or correct sequencing of the information or for actions taken or decisions made by me in reliance upon the information or for any interruption of any data, information or access to the software, the site or the services. Should any information prove incorrect or defective, I (and not you or the information providers) will assume the entire responsibility for its use. Neither you nor any information provider shall be liable, and I agree to indemnify and hold you and the information providers in connection with the online trading service for:

- (a) Any losses or damages occurring from or occasioned by any such inaccuracy, error or delay in or omission of information or the transmission of, delivery of, or content of information; or
- (b) Interruption in any information, due either to any act or omission (negligent or otherwise) by you or an information provider, or to any force majeure or any other cause beyond the reasonable control of yourself or an information provider.

#### 17.7 Risks

I expressly agree that my use of the trading interface, CMBI Website and the online trading service is at my sole risk. The trading interface, the information and all aspects of the online trading service (including, but not limited to, order execution) are provided on an 'as is' basis, without warranty of any kind, express or implied, including but not limited to warranties of title or implied warranties of merchantability or fitness for a particular purpose. No oral advice or written information given by you, your Affiliates, or any information providers shall create a warranty; or shall I rely on any such information or advice.

#### 17.8 Interruption, etc.

I acknowledge that transactions over the Internet may be subject to interruption, transmission blackout, delayed transmission due to Internet traffic or incorrect data transmission due to the public nature of the Internet.



## **18. Client Identity Rule**

### **18.1 Response to Enquiries from Regulators**

Where you have received an enquiry from SEHK and/or the Securities and Futures Commission of Hong Kong (collectively the "Hong Kong regulators" ) or request from a stockbroker/licensed person/intermediary in response to the enquiry from any of the Hong Kong regulators, and I have notified you in writing that I am trading on behalf of other person, I shall, upon your request (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 dealing was undertaken and (so far as known to me) of the person with the ultimate beneficial interest in the relevant dealing. I 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 dealing). You may also comply with such requests directly without reference to me if you are in possession of the relevant information.

### **18.2 Dealing for Collective Investment Schemes**

If I effected the dealing for a collective investment scheme, discretionary account or discretionary trust, I shall upon your request (which request shall include the relevant contact details of the Hong Kong regulators), inform the Hong Kong regulators of the identity, address and contact details of the scheme, account or trust and, if applicable, the identity, address, occupation and contact details of the person who, on behalf of the scheme, account or trust, instructed me to effect the dealing.

If I effected the dealing for a collective investment scheme, discretionary account or discretionary trust, I shall as soon as practicable, inform you when my discretion to invest on behalf of the scheme, account or trust has been overridden. In the case where my investment discretion has been overridden, I shall, immediately upon your request (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 dealing.

### **18.3 Intermediaries**

If I am aware that my client is acting as intermediary for its underlying client(s), and I do not know the identity, address, occupation and contact details of the underlying client for whom the dealing was effected, I confirm that:-

- (a) I have arrangements in place with my client which entitle me to obtain such information from my client immediately upon request or procure that it be so obtained; and
- (b) I will, upon your request in relation to any dealing, promptly request such information from my client on whose Instructions the dealing was effected, and provide the information to the Hong Kong regulators as soon as received from my client or procure that it be so provided.

### **18.4 The terms contained in this Clause 18 shall continue in effect notwithstanding the termination of this Agreement.**

### **18.5 I confirm that I am not subject to any law which prohibits the performance by me of the undertaking contained in this Clause 18 or, where I am subject to such law, that I or my clients, as may be the case, have waived the benefit of such law or consented in writing to the performance by me of such undertaking.**

## **19 Termination**

### **19.1 Termination by Notice**

This Agreement may be terminated by either party by giving not less than two Business Days' (other than a Saturday) prior written notice to the other party. Notwithstanding the aforesaid, you may terminate this Agreement immediately upon the happening of any of the events referred to in Clause 15.2. Termination of this Agreement shall not affect any Instruction executed by you or prejudice or affect any right, powers, duties and obligations of either party accrued prior to the termination.

### **19.2 Payment on Termination**

Upon termination of this Agreement, I will immediately repay to you any amounts due or owing to you.

## **20 Notice**

### **20.1 Any notice or other communication to be given or made pursuant to this Agreement by you to me may be made by personal delivery, prepaid post (airmail of overseas), electronic means or facsimile and shall be deemed to have been duly served:-**

- (a) If delivery personally or by electronic means, at the time of delivery;
- (b) If sent by prepaid post, 48 hours of (if by airmail) 96 hours after posting; and
- (c) If sent by facsimile, at the time of sending.

Any such notice or communication shall be sent to me at the address, facsimile number or e-mail address last known to you.

- 20.2 Any notice or communication made or given by me will be effective only upon actual receipt by you.
- 20.3 I agree that you may send any notice, contract notes, confirmations, periodic statements and communication to me in electronic form.

## 21 General Provisions

- 21.1 Time of the essence  
Time shall in every respect be of the essence under this Agreement.
- 21.2 Invalidity  
If anyone or more of the provisions contained in this Agreement shall be invalid, unlawful or unenforceable in any respect under any applicable law, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired.
- 21.3 Assignment
- (a) This agreement shall benefit and be binding on you and me, their respective successors and subject to this Clause 21.3, any permitted assignee or transferee of some or all of your rights or obligations under this Agreement.
  - (b) I may not assign or transfer all or any of my rights or obligations under this Agreement.
  - (c) You may assign or transfer all or part of your rights, benefits and obligations hereunder to such person(s) and disclose to a potential transferee or any other person proposing to enter into contractual arrangements with you in relation to this Agreement such information about me as you may at your absolute discretion think fit. You may by prior written notice to us assign and/or transfer all or part of your rights, benefits and obligations under this Agreement and under any of our unsettled transactions to CMBIS and/or CMBIGM without obtaining our further instruction.
- 21.4 Non-Waiver  
Failure or delay in exercising any rights, power or privilege by you in respect of this Agreement shall not operate as a waiver, nor shall a single or partial exercise, enforcement or waiver of any such rights, power or privilege preclude you from further exercise, enforcement, or the exercise or enforcement of any other right, power or privilege hereunder.
- 21.5 Joint and Several Liabilities  
If I consist of more than one person, then the liabilities of each such person hereunder shall be joint and several. Any notice, payment or delivery by you to either or any one of the joint account holders shall be a full and sufficient discharge of your obligations to notify, pay or deliver under this Agreement.
- 21.6 Material Change  
Either party will notify the other in the event of any material change to the information contained in this Agreement or provided to the other party pursuant to this Agreement.
- 21.7 Disclaimer of Liabilities  
Neither you, your Associated Entities or nominees nor your Affiliates shall be liable for any delay or failure to perform obligations and any losses, damages or costs resulting therefrom so long as they have acted in good faith. Moreover, your Associated Entities and nominee and your Affiliates shall not be held responsible for any consequences resulting whether directly or indirectly from any events not within their control including without limitation government restrictions, imposition of emergency procedures, exchange ruling, third party' s conduct, suspension of trading, war, strike, market conditions, civil disorder, acts or threatened acts of terrorism, natural disasters, or any other circumstances beyond their control whatsoever.
- 21.8 Disposal of Securities  
I agree that you may dispose of or initiate a disposal of the Securities in the Account for the purpose of setting any liability owed by me to you or any of your Associated Entities.
- 21.9 Language  
The Agreement is written in an English version and a Chinese version. Both versions are equally authentic and have equal weight. In the event of any conflict between the two versions, the English version shall take precedence.

## 22 Amendment

You 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. I 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. I 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 Governing Law and Applicable Regulations**

### **23.1 Governing Law**

This Agreement shall be governed by and construed in accordance with the laws of the Hong Kong Special Administrative Region of the People's Republic of China ( "Hong Kong SAR" ).

### **23.2 Jurisdiction**

I hereby submit to the non-exclusive jurisdiction of the courts of the Hong Kong SAR in the event of any dispute arising out of this Agreement. Such submission shall not prejudice your right to commence action against me in any other court of competent jurisdiction.

### **23.3 Customs**

Securities transactions effected by you on my behalf are subject to the laws, regulations, constitution, by-laws, rules, customs, usage, rulings and interpretations and transaction levies of the relevant market, Exchange, clearing house or jurisdiction as amended from time to time.

### **23.4 Rules of SEHK**

In respect of Securities transactions on SEHK:

- (a) The rules and regulations of the SEHK and the Hong Kong Securities Clearing Company Limited ( "HKSCC" ), in particular those rules which relate to trading and settlement, shall be binding on both me and you and the rules and regulations of the SEHK and the HKSCC will prevail in the event of any conflict between the said rules and regulations and the terms and conditions hereof;
- (b) Every Securities transaction executed on the SEHK will be subject to a transaction charge, the cost of which shall be borne by me;
- (c) Every Securities transaction executed on the SEHK will be subject to other levies the SEHK may impose from time to time; and
- (d) In the event of your default which results in my having incurred a loss as a result thereof, the liability of the Compensation Fund established under the Securities and Futures Ordinance of the Laws of the Hong Kong SAR will be restricted to the extent provided for therein.

### **23.5 Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission (the "Code" )**

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