

Client Account Agreement

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

The parties are CMB International Futures Limited of Units 1803-04, 18/F, Bank of America Tower, 12 Harcourt Road, Hong Kong (hereinafter referred to as "CMBIF" or "Company") of the one part and the party whose name, address and description are set out in the Client Information Form (where the context permits is hereinafter collectively called "the Client") of the other part.

WHEREAS :

- (1) The Client is desirous of opening one or more accounts (the "Account") with CMBIF from time to time as the Client may decide for the purpose of dealing in Commodities and/or Exchange Contracts and/or F/O Contracts; and
- (2) CMBIF agrees that it will from time to time at the request of the Client and at its sole discretion allow the Client to open the Account with CMBIF and accept and maintain such Account to be designated by name(s), number(s) or otherwise, and will act directly or indirectly for the Client in dealing in Commodities and/or Exchange Contracts and/or F/O Contracts as broker upon the terms and conditions hereafter appearing.

NOW IT IS HEREBY AGREED as follows:

1. Definitions and Interpretation

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

"Account" means (an) account(s) in the Client's name opened and maintained with CMBIF for the purpose of CMBIF providing trading and related services including holding of funds relating to any purchases, sales holdings and other dealings in Commodities and/or Exchange Contracts and/or F/O Contracts as the Client may from time to time instruct CMBIF to effect;

"the Agreement" means this written agreement and **all schedules, appendices and attachments thereto**, 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 CMBIF with respect to the Account(s);

"Associated company" means the ultimate holding company of CMBIF and each and every subsidiary of such holding company, as defined in the Companies Ordinance (Cap. 32 of the laws of Hong Kong);

"Authorised Persons" means the persons who are specified or designated by the Client to be persons authorized on the Client's behalf to give instructions, whether written, oral or otherwise, in connection with the Services to be provided by CMBIF, and initially the persons specified as such in the Client Information Form and such other person as appointed by the Client in substitution therefor or in addition thereto from time to time (the Client shall in writing notify CMBIF of such appointment, which shall only be effective after the actual receipt of such notification and approved by CMBIF;

"Bid-offer spread" shall mean the difference between the bid price and the offer price;

"Client" 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 executor and administrator and his or 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 Account is being maintained and their respective executors and administrators and any other person 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, and shall include the Authorised Person where the context permits;

"Client Information Form" means the Client Information Form for the Account (including the declaration, information, notes and statements thereto) completed and signed by the Client as set out in Client Information Form;

"Client's Account Codes" shall mean the account number, account name, user code, user ID, user password and any other information given by CMBIF to the Client for the unique identification of the Account;

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

"Client's Liabilities" shall include all obligations and liabilities of the Client to CMBIF and its Associated companies, whether present or future, actual or contingent and whether incurred solely, severally, or jointly as principal or surety, together with interest, commission, charges and any other costs and expenses, including legal costs on a solicitor and client basis, incurred in respect of the Account;

"CMBIF" or "Company" shall mean CMB International Futures Limited, and its successors in title and assigns;

"CMBI Group" means CMBIF, its subsidiary, ultimate 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, and "CMBI Group Member" means each or any one of them;

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

"Commodity" or "Commodities" means any item and includes without limitation, agricultural commodities, metals, currencies, shares, interest rates, indices (whether stock market or otherwise), or other financial contracts, energy, right or authority, 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 the item is capable of being delivered;

"Electronic Trading Service" means the internet trading service and facilities, including but not limited to the CMBI Website, provided or operated by CMBI Group;

"Exchange" means HKFE or any other exchange, market or association of dealers in any part of the world on which

Commodities and/or Exchange Contracts and/or F/O Contracts are traded;

"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 an 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 as defined in HKFE Rules, and/or (b) a Futures Contract and/or an Options Contract;

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

"HKFE" shall mean the Hong Kong Futures Exchange Limited and its clearing house, and their successors and assigns;

"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;

"In writing" or "written" includes handwriting, printing, telegraph, telex, fax, the Electronic Trading Service, electronic mail and any other means capable of reproducing information in a visible form;

"Margin" means the collateral deposited by the Client with CMBIF as a guarantee of the Client's performance in connection with the Client's Liabilities;

"Market" means any commodity, futures, options or other exchange (including HKFE), responsible association of dealers or corporation, whether within or outside Hong Kong, so dealing in Commodities and/or Exchange Contracts and/or F/O Contracts as to provide a market for Commodities and/or Exchange Contracts and/or F/O Contracts;

"Market conditions" shall include rates, prices, news and any other information of a Market (including spot, forward, futures, swap, and any other derivatives) provided by an information provider, a bank, a financial institution or a regulated company, independent of CMBIF, construed and interpreted solely by CMBIF;

"Omnibus Account" means an account opened with CMBIF by the Client in respect of which CMBIF is notified that the account is to be operated by the Client not as principal but for a customer, or a number of customers, of the Client and not for the Client himself;

"Options Contract" means a contract executed between one party (the "first party") and another party (the "second party") on any Exchange under which: -

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

"Ordinance" shall mean the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong and any subsidiary legislation made, as amended or re-enacted from time to time thereunder;

"Risk Disclosure Statements and Disclaimers" means the risk disclosure statements and disclaimers (including Schedule 2 hereto) provided by CMBIF to the Client before opening of the Account and / or from time to time;

"Services" shall mean the services provided by CMBIF under the Agreement, through the Electronic Trading Service or otherwise;

"Settlement Currencies" shall mean Hong Kong Dollars and US Dollars, and any other currencies as accepted by CMBIF for settlement of monies with the Client from time to time; and

"SFC" shall mean the Securities and Futures Commission of Hong Kong.

1.2 The singular includes the plural and vice versa and words importing a gender include other genders.

1.3 Headings are inserted for reference only and shall not affect the construction and interpretation of the Agreement.

2. Warranties and Representations

2.1 CMBIF (CE No. AVX028), is a Licensed Corporation licensed to carry on Type 2 (dealing in futures contracts) regulated activity under the Ordinance.

2.2 Prior to entering into any transaction on Commodities and/or Exchange Contracts and/or F/O Contracts, the Client warrants and represents that he is fully aware of and understands the following:

- a) Contract information : Strike Price, Expiry Day, underlying commodity, option type, buy or sell order, opening or closing trade, current quoted price, and order type;
- b) Underlying commodity : method of delivery or settlement, contract size, calculation of settlement prices;
- c) Exercise procedure : American or European style exercise;
- d) Premium : calculation of contract value, settlement of premium;
- e) Margin : approximate client margin requirements, variation adjustment payments, collateral that may be lodged as margin, payment details;
- f) Transaction costs : Minimum Commissions, Exchange and Clearing House Fees, Exercise Fees, and applicable levies; and.
- g) Exchange Participant Representative and Registered Trader Obligations : An Exchange Participant Representative or Registered Trader shall have no obligation to provide firm bids and offers with respect to Long-dated Options.

- 2.3. The Client declares that:
- a) the Client is legally capable of validly entering into the Agreement;
 - b) the Agreement has been fully explained to the Client in a language that the Client can understand and that the Client agrees with the Agreement;
 - c) the Client has read and understood the contents of the Agreement;
 - d) the Client has understood from CMBIF's representative(s) any contract specifications, margin procedures, fee and charge schedule that may affect the Client's trading activities in connection with the Account, and the circumstances under which the Client's positions may be closed without the Client's consent; and .
 - e) any information given by the Client in the Agreement is true, correct and complete.
 - f) unless the Client has notified CMBIF otherwise in writing, the Account is not an Omnibus Account.
- 2.4 The Client and CMBIF shall notify each other forthwith of any material changes in the information supplied in the Agreement.
- 2.5 The Client shall not attempt to tamper with, modify, de-compile, reverse engineer, or otherwise alter in any way, capture data for onward distribution from, or gain unauthorized access to, the Electronic Trading Service.

3 Services and Authorized Person

- 3.1 CMBIF will not offer discretionary account services to the Client.
- 3.2 CMBIF is acting as the Client's agent for dealing in Commodities and/or Exchange Contracts and/or F/O Contracts. The Client shall, unless otherwise agreed in writing, enter into transactions with CMBIF as a principal.
- 3.3 CMBIF shall have the right without assigning any reason to refuse to act for the Client in any particular trade instruction, including but not limited to the following: a) the trade instruction does not comply with the limitations and requirements specified by CMBIF, b) the price given by CMBIF, verbally or in writing, shall have expired or has been withdrawn by CMBIF, c) the terms of the trade instruction cannot be determined with certainty by CMBIF, d) there is a lack of funds in the Account for Margin and/or settlement, e) the limit of open positions that the Client may acquire or maintain at CMBIF shall have exceeded.
- 3.4 CMBIF does not guarantee the availability of the Electronic Trading Service. CMBIF may in its sole discretion without prior notice to the Client suspend or restrict the Electronic Trading Service, without affecting the rights and/or obligations of CMBIF and the Client incurred prior to such suspension or restriction. CMBIF shall not be responsible for any loss or damage caused, directly or indirectly, by any events, actions or omissions beyond the control of CMBIF including, without limitation, any delays or inaccuracies in the transmission of orders and/or information due to failure of any transmission or communication facilities in delivering Services to the Client.
- 3.5 Where CMBIF is acting as a principal, CMBIF determines in its sole discretion which products to be tradable by the Client with CMBIF, and the Client acknowledges that the size of the Bid-offer spread quoted by CMBIF is determined by Market conditions and the Client's profile and therefore CMBIF shall not guarantee at all times the size of the Bid-offer spread of any product, and the Bid-offer spread may vary from one client to another. Such bid and offer prices may vary in such a fast manner that trades may seem executed not at the advertised prices on the Electronic Trading Service, and the Client agrees to accept that such prices as CMBIF quotes from time to time as the best prices then available.
- 3.6 All communications to the Client shall be sent, at the Client's risk, to the address, e-mail address or telex or fax number indicated in the Client Information Form, or such other address or e-mail address or telex or fax number as the Client may subsequently notify to CMBIF in writing from time to time or to the Client's last known address. Any communication from the Client shall be deemed effective only upon actual receipt by CMBIF. The Client consents to CMBIF sending any communication to the Client by electronic means and to the Client receiving the same in electronic form. Written communication is deemed to have been transmitted when CMBIF has duly completed the procedure of release. The Client's failure to receive any communication in writing released by CMBIF shall not relieve CMBIF's right and the Client's obligation with respect to that communication. CMBIF shall not be liable for any loss suffered or incurred by the Client directly or indirectly as a result of CMBIF's inability to obtain the Client's instructions despite reasonable endeavours having been made on the part of CMBIF.
- 3.7 Where applicable the Client can access Account information via the CMBI Website, the Client hereby consents to accept the posting of such information on the CMBI Website 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 CMBIF.
- 3.8 Written communication for any account activities and statements of the Account shall be conclusive and deemed to be accepted if not objected to in writing by the Client within 7 days after transmittal thereof to the Client.
- 3.9 The Client acknowledges that any trading recommendation and market information communicated by CMBIF and its directors or employees or representative to the Client does not constitute an offer or solicitation for the Client to enter into a transaction.
- 3.10 The Client authorizes the Authorized Person to represent the Client in all matters in relation to all instructions and transactions, in particular, to give instructions and execute all agreements and documents in relation to the Agreement and the Account and its operation. All such instructions, transactions, agreements and documents shall be absolutely and conclusively binding on the Client. The Client agrees that CMBIF is entitled to act on the instructions of the Authorized Person until the Client notifies CMBIF in writing that the authority of the Authorized Person has been revoked or varied.
- 3.11 The Client undertakes with CMBIF from time to time and at all times to ratify and confirm any instructions whatsoever

given or purported to be given by the Authorized Person including but not limited to any instructions which may be given or purported to be given between the revocation of the authority of the Authorized Person and the actual receipt of notice of such revocation by CMBIF. The Client agrees that any instructions given or purported to be given by the Authorized Person after revocation of the Authorized Person's authority (but before the actual receipt of notice of such revocation by CMBIF) shall be absolutely and conclusively binding on the Client, and shall be valid and effectual in favour of CMBIF.

- 3.12 Notwithstanding anything herein contained, the Client acknowledges and confirms that the Authorized Person is neither an employee nor agent of CMBIF and there is no partnership or employment relationship between the Authorized Person and CMBIF. The Authorized Person is appointed by the Client as agent and shall have full authority to act on behalf of the Client under the Agreement as if he were the Client himself, and shall have the authority to give good and valid receipt to any payment, monies, funds, Commodities, securities, properties or assets comprised in the Account made or given to the Authorized Person. All instructions given by the Authorized Person shall be and be deemed to be the instructions of the Client and all acts, omissions, default or breach by the Authorized Person (whether with or without the instructions or consent of the Client) shall be and be deemed to be the acts, omissions, default or breach by the Client. CMBIF shall not be in any way liable to the Client or any other parties for the acts, omissions, default or breach by the Authorized Person (whether with or without the instructions or consent of the Client). In the Agreement, the expression "Client" shall, where the context permits, include the Authorized Person.

4 Margins, Payments and Delivery

- 4.1 Without prejudice and in addition to any general lien, right of set-off or similar right to which CMBIF may be entitled by law, all of the Client's properties held anywhere by CMBIF and its Associated companies in any form for any purposes, including safekeeping, shall be subject to a first and paramount lien in the favour of CMBIF (the "Lien"). CMBIF shall also have the right to sell such properties (and CMBIF is authorized to do all such things necessary in connection with such sale) and utilize the proceeds to offset and discharge the Client's Liabilities, regardless of whether any other person is interested in or CMBIF has made advances in connection with such property, and irrespective of the number of accounts the Client may carry with CMBIF. CMBIF shall be entitled at any time without notice to combine and/or consolidate all or any of the Client's accounts with CMBIF and its Associated companies. In respect of any payments by CMBIF to offset and discharge any Client's Liabilities to any Associated companies, CMBIF shall not be concerned whether or not such Client's Liabilities exist, provided demand has been made on CMBIF by such Associated companies. Without limiting or modifying the general provisions of the Agreement, **CMBIF is hereby specifically authorized to transfer any sums among the accounts that the Client has, individually and jointly with others, with CMBIF and its Associated companies.**
- 4.2 The proper Margin in Settlement Currencies, amount of which as determined solely by CMBIF, shall be maintained at all times by the Client in all the Client's accounts. Such Margin requirements shall be specified by CMBIF in writing from time to time. If the Client deposits Margin to CMBIF in a currency other than Settlement Currencies, the Margin value will be converted into Settlement Currencies at a rate according to Market Conditions solely determined by CMBIF. In the case of a transaction effected by CMBIF on an Exchange, CMBIF may require more Margin than that specified by the relevant Exchange and/or its clearing house. If CMBIF calls for additional Margin, the Client must deposit with CMBIF such additional Margin within the time period specified by CMBIF. CMBIF may change Margin requirements in the sole discretion of CMBIF and at any time without prior notice to the Client. No previous margin shall establish any precedent and these requirements once established may apply to existing positions as well as to the new position in the Exchange Contracts and F/O Contracts affected by such change.
- 4.3 Without prejudice to this Clause 4, calls or demands for Margin must be met or satisfied by the Client forthwith upon demand by CMBIF. CMBIF may close out the open position in respect of which any call or demand for Margin is not met or satisfied. The Client shall on demand put CMBIF in funds or moneys or arrange for CMBIF to be put in funds or moneys in time to enable CMBIF to discharge any liability incurred or to be incurred in connection with trading, dealing or transactions effected in relation to the Account. The Client shall on demand reimburse CMBIF for all costs and expenses incurred by it in connection with the trading, dealing or transaction effected in relation to the Account and/or pay or settle any outstanding amount under the Account.
- 4.4 CMBIF is not liable to pay interest on the moneys or funds paid to or received by CMBIF in respect of the Account whether on deposit or however described. CMBIF is entitled to retain for its own benefit any interest or other realized income or increase in value earned or received in respect of such moneys or funds. CMBIF is entitled to charge and the Client agrees to pay interest to CMBIF in respect of any Client's Liabilities or any moneys or funds otherwise owing to CMBIF at any time at such rate as may be specified from time to time by CMBIF.
- 4.5 Where the Client fails to meet a Margin requirement, CMBIF shall have an absolute discretion to carry out any acts as it deems fit to protect its interest. Such acts include, but are not limited to a) closing out the Exchange Contracts and/or F/O Contracts which CMBIF entered into with or on behalf of the Client without the Client's consent, b) canceling any or all outstanding orders or any commitments instructed by the Client. Any such acts shall be binding upon the Client as if proper instructions to effect the same have been duly given to CMBIF by the Client, and the Client irrevocably accepts that in carrying out such acts, CMBIF owes no duty or obligation of whatever nature to the Client to minimize or eliminate the Client's loss. The Client agrees to be responsible for, and promptly pay to CMBIF, any deficiency in the Account that arises from such closing out, liquidation or settlement or remains after such closing out, liquidation or settlement. In particular, where the Exchange Contracts and/or F/O Contracts were HKFE related, CMBIF may be required to report to HKFE and SFC particulars of all open positions in respect of which two successive calls for Margin are not met.
- 4.6 CMBIF is authorized to deposit any monies and other properties in any accounts of the Client with any such financial institution (including with any Associated company) as CMBIF shall think fit, and CMBIF (and any such Associated company) shall be entitled to retain any benefits resulting from such deposit.

- 4.7 All monies, securities and other property received by CMBIF from the Client or from any other person (including a clearing house) for the account of the Client shall be held by CMBIF as trustee and segregated from CMBIF's own assets. These assets so held by CMBIF shall not form part of the assets of CMBIF for insolvency or winding up purposes but shall be returned to the Client promptly upon the appointment of a provisional liquidator, liquidator or similar officer over all or any part of CMBIF's business or assets. However, for transactions related to HKFE, any monies, approved debt securities or approved securities received by CMBIF from the Client or from any other person (including HKFE) are held in the manner specified by HKFE Rules and the Client authorizes CMBIF to apply any such monies, approved debt securities or approved securities in the manner specified by HKFE Rules. In particular, CMBIF may apply such monies, approved debt securities or approved securities in or towards meeting CMBIF's obligations to any party insofar as such obligations arise in connection with or incidental to HKFE related futures and options business transacted on the Client's behalf. The Client acknowledges where applicable that in respect of any account of CMBIF maintained with HKFE, whether or not such account is maintained wholly or partly in respect of HKFE related futures and options business transacted on behalf of the Client and whether or not monies, approved debt securities or approved securities paid or deposited by the Client has been paid to or deposited with HKFE, as between CMBIF and HKFE, CMBIF deals as principal and accordingly no such account is impressed with any trust or other equitable interest in favour of the Client and monies, approved debt securities and approved securities paid to or deposited with HKFE are thereby freed from the trust aforesaid.
- 4.8 The Client may make withdrawals from the Account by giving CMBIF sufficient notice in writing of his intention to withdraw. Notwithstanding the currency in which the Margin was deposited into CMBIF, the Client can only withdraw in Settlement Currencies. The minimum notice period shall be made known to the Client from time to time.
- 4.9 The Client shall monitor the Account so that at all times the Account shall contain a sufficient account balance to meet the applicable Margin. CMBIF may reject any instruction or order of the Client if the Client does not have a sufficient account balance to meet Margin and may delay the processing of any instruction or order while determining the correct margin status of the Account. The Client shall maintain, without notice or demand from CMBIF, 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 CMBIF.
- 4.10 CMBIF has no obligation to notify the Client of any failure to meet Margin in the Account prior to CMBIF exercising its rights, powers, discretion and remedies under the Agreement. The Client understands that CMBIF generally will not issue call or demand on Margin, that CMBIF generally will not credit the Account to meet any deficiency on Margin, and that CMBIF is authorized to close out, liquidate or settle open contracts or open positions in the Account in order to satisfy Margin without prior notice to the Client.
- 4.11 The Client expressly waives and relinquishes any rights to receive prior notice or demand from CMBIF and agrees that any prior demand, notice, announcement or advertisement shall not be deemed a waiver of CMBIF's right to close out, liquidate or settle any open position of the Client. The Client understands that, in the event open position is closed out, liquidated or settled by CMBIF, the Client shall have no right or opportunity to determine the open position to be liquidated or the order or manner of closing out, liquidation or settlement. CMBIF may, in its absolute and sole discretion, effect closing out, liquidation or settlement on any Exchange or Market, and CMBIF or its Associated company may take the other side of such closing out, liquidating or settlement transaction. In the event that CMBIF closes out, liquidates or settles any or all open positions in the Account, such closing out, liquidation or settlement shall establish the amount of the Client's gain or loss and indebtedness to CMBIF, if any. The Client shall reimburse and hold CMBIF harmless for all actions, omissions, costs, expenses, fees (including, but not limited to, legal fees), penalties, losses, claims or liabilities associated with any such transaction undertaken by CMBIF. The Client shall be liable to and responsible for all resulting losses on the Client's positions, notwithstanding CMBIF's delay in or failure to close out, liquidate or settle any such open positions. If CMBIF executes an order for which the Client did not have sufficient funds, CMBIF 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.
- 4.12 The Client irrevocably and unconditionally authorizes CMBIF transfer, debit or deduct any money in the Account and/or the Account so as to pay, discharge, satisfy the Client's Liabilities to CMBIF arising from, incurred under and relating to the Agreement, including but not limited to the outstanding purchase moneys, fees (including but not limited to 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 Account to be applied against the Margin. The Client's open positions are subject to closing out, liquidation or settlement as described herein if deduction of commissions, fees or other charges causes the Account to have an insufficient balance to satisfy the Margin.
- 4.13 If CMBIF does not, for any reason, effect a closing out, liquidation or settlement, and CMBIF 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 CMBIF by immediately depositing cleared funds in the Account to pay, in full, the under-margined open position. Notwithstanding such call or demand for Margin, the Client acknowledges that CMBIF, in its sole discretion, may close out, liquidate or settle the Client's open positions at any time.

5. Dealings

- 5.1 The Client shall provide CMBIF with instructions, directions, notices or other communication orally or in writing. Any instruction directions, notices or other communication made by the Client to CMBIF shall only be deemed to have been received by CMBIF when such instruction, directions, notices or other communication has been acknowledged by CMBIF orally or in writing. The mere transmission of an instruction by the Client shall not constitute a valid instruction between CMBIF and the Client. CMBIF shall be entitled to rely on any instructions, directions, notices or other communication which CMBIF 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. CMBIF 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. CMBIF 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 CMBIF 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 CMBIF may consider appropriate regardless of the nature of the transaction or agreement or the value, type and quantity of Commodities and/or Exchange Contracts and/or F/O Contracts 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 CMBIF and hold CMBIF harmless from and against all losses, costs and expenses (including legal costs) reasonably and properly incurred by CMBIF in reliance thereupon.

- 5.2 The Client shall be wholly responsible for the confidentiality, security and use of the Client's Account Codes. The Client shall be liable to CMBIF for orders placed and trades executed with the use of the Client's Account Codes even if such use may be unauthorized or wrongful. The Client agrees to notify CMBIF immediately when a) he has placed an instruction but has not received an accurate acknowledgement in writing, b) he has received an acknowledgement of an instruction in writing that he did not place, c) he becomes aware of any unauthorized access to his Account, and/or d) he has difficulties in accessing the Electronic Trading Services.
- 5.3 Where CMBIF is acting as a principal and giving out bid and offer prices to the Client, the obligation of CMBIF to execute the Client's trade instruction at the prices given by CMBIF shall be limited to an amount specified and advised by CMBIF to the Client.
- 5.4 Any order pertaining to a specific position will be cancelled when that position is liquidated.
- 5.5 Unless the Client gives specific instructions to CMBIF to the contrary, the Client acknowledges that all orders or requests are good for the day only and that, to the extent unfulfilled, they will lapse at the end of the official trading day of the Exchange or Market in respect of which they are given.
- 5.6 Should errors occur to the bid and offer prices given by CMBIF will not be liable for the resulting errors and reserves the right to make the corresponding correction on the accounts involved. Any dispute arising from such bid and offer price error will be resolved with respect to the fair market price at the time the errors occurred.
- 5.7 Subject to applicable laws and regulations and Market requirements, CMBIF 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 CMBIF.
- 5.8 The Client agrees that all telephone conversations between CMBIF and the Client may be recorded. 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. The Client agrees that CMBIF will after a retention period destroy such recordings.
- 5.9 The Client consents that CMBIF may, subject to the provisions of the Ordinance and any applicable law, take the opposite position to the Client's order in relation to any exchange traded F/O Contracts, whether on CMBIF's own account or for the account of CMBIF's Associated companies or other clients of CMBIF, provided that such trade is executed competitively on or through the facilities of HKFE in accordance with its rules or the facilities of any other Exchange in accordance with the rules and regulations of such other Exchange.
- 5.10 CMBIF's directors, employees and representatives shall be allowed to trade contracts on their own accounts, subject to the Ordinance, the HKFE Rules and any other applicable laws.
- 5.11 The Client may be affected by any curtailment of, or restriction on, the capacity of CMBIF to trade in respect of open positions as a result of action taken by SFC under applicable rules and regulations or for any other reason, and that in such circumstances, the Client may be required to reduce or close out his open positions with CMBIF.
- 5.12 In the event that the Client directs CMBIF to enter into any contracts in a currency other than the currency in which the Client's account is denominated: (a) any profits or losses arising as a result of a fluctuation in the exchange rate affecting such currency will be entirely for the account and risk of the Client, (b) all initial and subsequent deposits for margin purposes shall be made in such currency in such amounts as CMBIF may, in the sole discretion of CMBIF, require, and (c) when such a contract is liquidated, CMBIF shall debit or credit the account of the Client in the currency in which such account is denominated at an exchange rate determined by CMBIF's sole discretion according to Market Conditions.
- 5.13 Where CMBIF, on the Client's oral request, is giving out orally bid and offer prices to the Client, the Client understands and accepts that when the Client instructs orally the Company to enter into a trade by accepting orally one of such prices ("the accepted price"), the Client is entering into a trade not at the accepted price, but at a price determined by the following:
- (a) where the accepted price is the bid price, the trade will be entered into at the accepted price less the bid markup for the Client, as posted on the Electronic Trading Service from time to time;
 - (b) where the accepted price is the offer price, the trade will be entered into at the accepted price plus the offer markup for the Client, as posted on the Electronic Trading Service from time to time.
- 5.14 The Client authorizes CMBIF to instruct such executing brokers, agents, custodians, nominees, overseas brokers and

dealers (including branches or associates of CMBIF) as CMBIF may in its absolute discretion deem fit to execute any Client's instructions and transactions, such persons shall have the benefit of all of CMBIF's rights, powers and remedies hereunder. The Client acknowledges that the terms of business of such persons and the applicable rules of any relevant Exchange and/or clearing system on and through which such instructions and transactions are executed and settled shall apply to such instructions and transactions.

6. Charges and Costs

- 6.1 The Client shall pay on demand such brokerage, commission, fee, duty, tax, levy, interest and all other charges incurred by the Client to CMBIF and all other parties (including without limitation, regulators, Exchanges, clearing houses, governments and agents of CMBIF) arising out of usage of Services, and the Client hereby authorizes CMBIF to withdraw the amount of any of such aforesaid charges from the Client's account. A description of the charges (and the basis for payment) payable by the Client to CMBIF shall be provided to the Client from time to time. Specifically, every contract entered into by the Client on HKFE shall be subject to the charge of an Investor Compensation Fund levy and a levy pursuant to the Ordinance, the cost of both of which shall be borne solely by the Client.
- 6.2 CMBIF may charge a monthly maintenance fee to be notified by CMBIF to the Client on the Client's dormant Account if the Client has no trading activity for six months or more. Payment of such fees (if any) will be automatically deducted from the Account or any other accounts maintained by the Client with any CMBI Group Member.

7. Default

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

- (a) at any time when CMBIF shall, in its sole discretion, consider it necessary for the protection of CMBIF or any of the CMBI Group Member;
- (b) the Client fails or refuses to pay or settle any outstanding amount, money, fund, purchase price or other payment becoming due or payable under the Agreement or any other agreement with any of the CMBIF Group Members;
- (c) the Client violates or fails to perform on a timely basis any term, undertaking, agreement, covenant or condition on its part to be performed under the Agreement;
- (d) the Client has not provided any Margin when the same become due or payable under the Agreement, or has failed or refused to comply with any request, call or demand made by CMBIF pursuant to the Agreement;
- (e) any representation or warranty made in the Agreement or in any document delivered to CMBIF or any of the CMBIF Group Members being or becoming incomplete, untrue or incorrect;
- (f) any consent or authorization required by the Client to enter into the Agreement being wholly or partly revoked, suspended, terminated or ceasing to remain in full force and effect;
- (g) the filing or commencement of a petition or application in bankruptcy, liquidation or winding up, petition or application for the appointment of a receiver, or the commencement of other similar proceedings against the Client;
- (h) the Lien or any security created or any part thereof respectively in relation to the indebtedness, obligations or Client's Liabilities under the Agreement being avoided or discontinued;
- (i) the levying of attachment or charge against the Account or any account(s) of the Client with CMBIF or any of the CMBIF Group Members;
- (j) any third party asserts a claim, right or interest in respect of any moneys or funds in the Account or any accounts of the Client with CMBIF or any of the CMBIF Group Members;
- (k) the Client takes advantage of any bankruptcy, liquidation, reorganization, moratorium, insolvency or similar law or makes or proposes to make any arrangements or compositions for the benefit of any of the Client's creditors, or is the subject of any order, judgment or decree entered by any court providing for the winding up, reorganization, liquidation or appointment of a liquidator, trustee in bankruptcy or receiver of the Client or a substantial part of the Client's business or assets;
- (l) the Client becomes insolvent or dissolved for any reason whatsoever, merges or becomes consolidated with any non-affiliated party, or sells all or a substantial portion of the Client's business or assets;
- (m) the death, liquidation or judicial declaration of incompetence of the Client;
- (n) any action or proceeding is commenced or any claim or demand is made by any person against the Client in connection with any matter herein contained or against CMBIF in connection with any matter herein contained;
- (o) any adverse change (in the sole and subjective opinion of CMBIF) in the corporate structure, business, assets, financial condition, and general condition or prospects of the Client;
- (p) at any time when CMBIF and/or any of the CMBIF Group Members is or becomes under any obligation imposed by any relevant Exchange and/or clearing house and/or broker or any applicable laws, rules and regulations to do any of the acts mentioned in Clauses 7 and 8;
- (q) the occurrence of any event which, in the sole and subjective opinion of CMBIF, may or shall jeopardize, prejudice or affect any of the rights, interests or benefits of CMBIF or any of the CMBIF Group Members.

7.2 If an Event of Default (in the sole and subjective judgment of CMBIF) occurs, then all amounts owing by the Client to CMBIF shall become immediately payable on demand, and interest will accrue, at the rate specified in Clause 4.4, on the amounts outstanding from time to time, the further performance by CMBIF of any of its outstanding obligations to the Client under the Agreement (whether for payment of money or otherwise) shall be conditional upon the Client having fully discharged all its obligations to CMBIF under the Agreement, and CMBIF or any of the CMBIF Group Members 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, to forthwith: -

- (a) satisfy any obligations the Client may have to CMBIF (either directly or by way of guarantee or other security) by selling, realizing or otherwise dealing with, in such manner as CMBIF in its absolute discretion may determine, all or part of any property held by any of the CMBIF Group Members for any purpose in any of the Client's accounts maintained with any of the CMBIF Group Members, and to apply the proceeds in reduction of all or part of any Client's Liabilities to CMBIF;
- (b) set-off, combine or consolidate any of the Client's accounts (of any nature) maintained with CMBIF or any of the CMBIF Group Members or any obligations of CMBIF to the Client under the Agreement against any obligations of the Client to CMBIF under the Agreement;
- (c) suspend CMBIF's obligations to perform pursuant to the Agreement;
- (d) revise, change, withdraw, stop or cancel the facilities, advances, credits or loans made or granted to the Client, or any part thereof respectively;
- (e) enforce the Lien and/or the security constituted or created under and pursuant to the Agreement;
- (f) liquidate the Account or any Account of the Client with any of the CMBIF Group Members;
- (g) close out or perform any or all open contracts in the Account;
- (h) transfer in, transfer out, settle, clear all or any Commodities, Exchange Contracts or F/O Contracts;
- (i) call upon or enforce any security which may have been issued, made or created in favour of CMBIF or any of the CMBIF Group Members as security for the indebtedness, Client's Liabilities or obligations of the Client under the Agreement;
- (j) exercise any or all the rights and powers of CMBIF under the Agreement;
- (k) cancel any or all outstanding instructions, orders or any other commitments made on behalf of the Client;
- (l) take any actions, or do any acts, matters or things as authorized, instructed, directed, appointed or empowered under the Agreement;
- (m) take or not to take any actions, or do or not to do any acts, matters or things as CMBIF shall think fit.

7.3 CMBIF may at its absolute discretion apply the net proceeds (after deduction of all fees, costs and expenses incurred in connection with the exercise of the powers conferred on CMBIF by this Clause 7) actually received by CMBIF pursuant to the exercise of powers under this Clause 7 in reduction of the Client's then outstanding obligations to CMBIF in such order or manner as CMBIF considers fit.

7.4 CMBIF shall have absolute discretion in all matters relating to the exercise of its rights under this Clause 7, and may sell any securities, Commodities, Exchange Contracts or F/O Contracts on a single or collective basis. The Client hereby waives all claims and demands (if any) against CMBIF in respect of any loss, involuntary or otherwise, directly arising from the exercise by CMBIF of the powers conferred by this Clause 7, howsoever such loss may have been caused (other than through wilful default of CMBIF, or the reckless disregard of the obligations of CMBIF under this Clause 7), whether in relation to the timing or manner of the exercise of such powers or otherwise.

7.5 In the event that any of the events set out in Clause 7.1 shall occur, then the Agreement may be terminated by CMBIF forthwith without notice to the Client. Any such termination shall be without prejudice to the accrued rights and obligations of the parties contained in any provision hereof which shall remain in full force and effect and shall be enforceable notwithstanding such termination.

7.6 The Client shall be liable for any deficit that may exist after CMBIF has exercised any or any combination of rights in this Clause 7, and any cost or expense (including legal costs) incurred by CMBIF, on a full indemnity basis, related to such exercise.

7.7 CMBIF shall be entitled at all times to employ debt collecting agent(s) to collect any sum due but unpaid by the Client hereunder and for doing so, CMBIF may and is hereby authorized to disclose to such agent(s) any or all information available in relation to the Client and CMBIF shall not be howsoever liable or responsible (whether in contract or tort) for such disclosure or for any default negligence act conduct misconduct and/or deeds of such agent(s). The Client is hereby warned that the Client shall indemnify and keep CMBIF indemnified on a full indemnity basis against all reasonable costs and expenses which CMBIF may reasonably incur in employing debt collecting agent(s).

8 Liquidation of Account

8.1 At any time as CMBIF shall determine appropriate and/or upon the occurrence (in the sole and subjective judgment of CMBIF) of any Event of Default, CMBIF shall have the right, without notice and in its absolute discretion, to: -

- (a) take such action or do such act, matter or thing as it shall consider necessary or desirable to comply with or to perform, cancel or satisfy any obligations of CMBIF to the Client or any obligations of the Client and/or CMBIF to the relevant Exchange and/or clearing house and/or broker, as the case may be, in respect of any outstanding transaction of or dealing in the Commodities and/or Exchange Contracts and/or F/O Contracts or in respect of any

- open contract (such action includes but not limited to closing out and/or performing such open contract);
- (b) close out or perform any or all open contracts in the Account;
- (c) sell, purchase, transfer in, transfer out, trade, dispose of, deal with, settle, clear all or any Commodities, Exchange Contracts or F/O Contracts; and/or
- (d) cancel any outstanding orders in order to close the Account.

Any sale, purchase, disposal, trading, dealing, transfer and/or closing out of the Commodities and/or Exchange Contracts and/or F/O Contracts or open contract shall be made according to the judgment of and at the discretion of CMBIF, either by direct sale, purchase, disposal, trading, dealing, transfer or closing out at any time or in the same contract month or on any Exchange or Market where such business is then usually transacted. In all cases, a prior demand or call, or prior notice of the time or place of sale, purchase, disposal, trading, dealing, transfer or closing out shall not be considered as waiver of the right of CMBIF herein provided.

- 8.2** On the exercise of the rights of CMBIF under Clause 8.1, all moneys or funds owing to CMBIF hereunder shall become immediately payable and CMBIF shall not be obliged to deliver to the Client any amount of the underlying Commodity or any money or fund due to the Client in respect of any transaction, dealing, Exchange Contract or F/O Contract until all indebtedness, obligations and Liabilities of the Client to CMBIF under the Agreement are paid, satisfied or discharged.

9. Termination

- 9.1 CMBIF and the Client may terminate the Agreement at any time by written notice to the other party. Such notice shall not affect any transaction entered into by CMBIF prior to the receipt of such written notice and shall be without prejudice to any of the rights, power or duties of CMBIF or the Client prior to such receipt. CMBIF may liquidate the Client's account(s) as herein before provided or transfer the Client's account(s) to such broker or dealer as agreed by the Client and CMBIF.
- 9.2 Upon closure of the Client's account(s), CMBIF shall repay the Client any positive balance left in the Client's account(s) or the Client shall repay CMBIF any negative balance in the Client's account(s). Negative balances in such accounts shall be charged per calendar month with interest at 3 % per annum above the prime lending rate applicable to the Settlement Currencies and the Client shall promptly settle all liabilities outstanding to CMBIF, together with all costs of collection (including reasonable legal fees).

10. Omnibus Account

- 10.1 If the Account is an Omnibus Account, the Client further warrants, represents and undertakes to CMBIF that: -
- (a) the Client shall, in respect of the Client's dealings with each of the persons from whom the Client receive instructions with respect to the Omnibus Account, comply with and enforce the margin and variation adjustment requirements and procedures as stipulated in the HKFE Rules as if the Client were an exchange participant of HKFE and as though each person for whose account or benefit such instructions are given were the Client;
 - (b) the Client shall enter into Exchange Contracts in fulfilment of instructions relating to the Omnibus Account, so that there shall in no circumstances be any dealing with the instructions in a manner which constitutes unlawful dealing in differences in market quotations of Commodities under the laws of Hong Kong or any other applicable jurisdiction or in a manner which constitutes or involves betting, wagering, gaming or gambling with respect to such items in contravention of Hong Kong laws or any other applicable laws; and
 - (c) the Client shall ensure that each person from whom the Client receive instructions in relation to the Omnibus Account complies with the margin and variation adjustment requirements and procedures as stipulated in the HKFE Rules and the Client shall ensure that such requirements and procedures are complied with by all persons through whom instructions pass with respect to the Omnibus Account as if each in turn is the Client for whom the Omnibus Account is operated.

11. Indemnity

- 11.1 The Client shall indemnify CMBIF in full against all actions, suits, proceedings, claims, demands, costs and expenses (including legal fees on a solicitor and client basis and any interests and commission payments) which may be taken or made against CMBIF pursuant to or in connection with any of the Client's accounts, the Client's properties of any kinds and forms held by CMBIF, the Agreement or the performance of its obligations hereunder or which may be incurred by CMBIF in connection with any claims by it for monies payable to CMBIF. Without limiting the foregoing, the Client hereby agrees on demand to indemnify CMBIF against:
- (a) any taxes (including all present and future taxes, levies, imposts or duties whatsoever and wheresoever imposed) for which CMBIF is or may be liable or accountable in connection with the Client's positions, properties of any forms, the Agreement or the performance of its obligations hereunder provided that this indemnity shall not extend to tax on or attributable to CMBIF's fee income hereunder or for which a deduction or withholding has been made by CMBIF.
 - (b) any liabilities hereunder resulting from the fact that the Client's Commodities and securities of any kinds and forms are registered in the name of CMBIF or its nominee or sub-custodian, or as a result of any indemnities properly given by CMBIF to a nominee or a sub-custodian to whom CMBIF shall have delegated the performance of its duties hereunder against liabilities incurred by such nominee or sub-custodian in the performance of such duties.

- 11.2 The Client shall indemnify CMBIF, all the CMBIF Group Members and their respective directors, officers, delegates,

agents, employees, nominees, correspondents or representatives from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, legal expenses and other expenses or disbursements of any kind or nature whatsoever (other than those resulting from fraud or wilful default on the part of CMBIF) which may be imposed on, incurred by or asserted against CMBIF or any CMBIF Group Member (or any of their respective directors, officers, delegates, agents, employees, nominees, correspondents or representatives) in the performance or exercise of their duties or discretion under the Agreement or arising out of or in connection with the default or breach by the Client of any provision of the Agreement or any of the Client's obligations to CMBIF or any CMBIF Group Member, or any representation or warranty by the Client becoming untrue or inaccurate, including but not limited to any costs incurred by any of them in the collection of debts owed by the Client to any of them.

- 11.3 The Client shall indemnify CMBIF, all the CMBIF Group Members and their respective directors, officers, delegates, agents, employees, nominees, correspondents or representatives against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, legal expenses and other expenses or disbursements of any kind or nature whatsoever arising out of or in connection with any act or omission of the Authorized Person of the Client.
- 11.4 If the Client suffers pecuniary loss by reason of CMBIF's default, the liability of the Investor Compensation Fund will be restricted to valid claims as provided for in the Ordinances and will be subject to the monetary limits specified in the Ordinances and accordingly there can be no assurance that any pecuniary losses sustained by reason of such a default will necessarily be recouped from the Investor Compensation Fund in full, in part or at all.

12. Dispute

- 12.1 Any controversy between CMBIF and the Client shall be settled by arbitration in accordance with the provisions of the arbitration rules of the board of arbitration (if any) of the organized market or board of trade or exchange upon which the transaction giving rise to such controversy was effected or (without limitation to the foregoing) in any other arbitral forum, provided that CMBIF only, in the sole discretion of CMBIF, may at any time before the hearing of the arbitration give notice to the Client in writing that CMBIF veto either the arbitral forum or the arbitration of such controversy. The sole obligation of either CMBIF or the Client under any claims in court of law by the other shall be to pay such sum as may be awarded under arbitration pursuant to this clause, except where CMBIF shall have vetoed such arbitration. Any award resulting from such arbitration shall be final, and a judgment upon the award rendered may be entered in any court having jurisdiction.

13 Amendment

- 13.1 CMBIF 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.

14 Client Money 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) in one or more segregated account(s) on the Client's behalf ("Monies").
- 14.1 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.
- 14.2 The Client acknowledges and agrees that the Company may do any of the things mentioned in Clause 14.2 without giving the Client notice.
- 14.3 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.
- 14.4 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 14.7.
- 14.5 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.
- 14.6 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.

15 Miscellaneous

- 15.1 The Agreement and its enforcement shall be governed by and construed in accordance with the Hong Kong law and its provisions shall be continuous; shall cover individually and collectively all accounts which the Client may open or re-open with CMBIF; and shall insure to the benefit of, and bind CMBIF, CMBIF's successors and assigns, whether by merger, consolidation or otherwise, as well as the heirs, executors, administrators, legatees, successors, personal representatives and assigns of the Client and the Client hereby submits to the jurisdiction of the court of Hong Kong. In the event that certain words, sentences, clauses or paragraphs in the Agreement are held unenforceable or against the law by a court of law, then only that word, sentence, clause or paragraph will be considered as such. The rest of the Agreement will be enforceable and within the law.
- 15.2 No provision of the Agreement shall operate to remove, exclude or restrict any rights of the Client or obligations of CMBIF under Hong Kong law or shall in any respects be waived, altered, modified or amended unless such waiver, alteration, modification or amendment be committed in writing by CMBIF.
- 15.3 (a) All transactions under the Agreement shall be subject to the Ordinance and any constitution, rules, regulations, customs, usage, rulings and interpretations, from time to time in force of the exchange or other market, and of their clearing houses, if any, where the transactions are executed. CMBIF is required, upon the request of HKFE or SFC, to disclose the name, beneficial identity and such other information concerning the Client as HKFE or SFC may require, and the Client agrees to provide such information as CMBIF may require in order for CMBIF to comply with such requirement.
- (b) Transactions related to HKFE shall be subject to the HKFE Rules. If the Client wishes to have transactions executed in markets other than those operated by the HKFE, such transactions will be subject to the rules and regulations of those markets and not the rules and regulations of the HKFE, with the result that the Client may have a markedly different level and type of protection in relation to those transactions as compared to the level and type of protection afforded by the HKFE Rules. HKFE may take steps to limit the positions or require the closing out of contracts on behalf of the Client who in the opinion of HKFE are accumulating positions which are or may be detrimental to any particular market operated by HKFE, or which are or may be capable of adversely affecting the fair and orderly operation of any market operated by HKFE as the case may be.
- (c) To the extent that CMBIF enters into a transaction for NYMEX (New York Mercantile Exchange) Contracts on NYMEX ACCESS (an electronic trading system of NYMEX) for the account of the Client,
- (i) the transaction shall be subject to the NYMEX Rules; and
- (ii) if the Client is dealing in NYMEX Contracts for the benefit of another person, the Client shall ensure that in its agreement with that other person there shall be a provision to the effect of this sub-paragraph (i) and sub-paragraph (ii).
- 15.4 This Agreement supersedes all previous agreements and arrangements, if any, between the Client and CMBIF in relation to the opening of the account(s) with CMBIF.
- 15.5 The Client agrees that if there is any inconsistency between the Chinese and English versions of the Agreement, the English version shall prevail.

Schedule 1**PERSONAL DATA PROTECTION STATEMENT**

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, and in the carrying out of transactions contemplated under this Agreement, further information shall or may be collected by the Company (all such information is referred to as "Data" in this Schedule 1.)
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, or unable to effect transactions under the Account.
3. The Client understands that the Company may provide the Data received from the Client to the following person:-
 - (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 the Data is passed;
 - (d) any person with whom the Company enters into or proposes to enter into transaction on the Client's behalf or account, or persons representing the same;
 - (e) any assignee, transferee, participant, sub-participant, delegate, successor or person to whom this Agreement is novated; and
 - (f) Governmental, regulatory or other bodies or institutions, whether as required by law, regulations applicable to any CMBI Group Member, or otherwise.
4. The Client understands that the purposes for which the Data provided by the Client from time to time may be used are:-
 - (a) Giving effect to the Client's orders relating to transactions or otherwise, and carrying out the Client's other instructions;
 - (b) Providing services in connection with the Account, whether the services are provided by or through any CMBI Group Member or any other person;
 - (c) Conducting credit enquiries or checks on the Client and ascertaining the Client's financial situation and investment objectives, and enabling or assisting any other person to do;
 - (d) Collection of amounts due, enforcement of security, charge or other rights and interests in favour of the Company and any CMBI Group Member;
 - (e) Marketing existing and future services or products of any CMBI Group Member;
 - (f) Forming part of the records of the persons or any CMBI Group Member to whom the Data may be passed;
 - (g) Observing any legal, regulatory or other requirements to which any CMBI Group Member or any other persons may be subject; and
 - (h) Other purposes related or incidental to any one or more of the above.
5. The Client understands that the Client may request a copy of such Data. The Client also understands that the Client may request the correction of the Data. Any such request may be addressed to the Data Protection Officer of CMB International Capital Corporation Limited at the address of Rooms 1803-4, 18/F., Bank of America Tower, 12 Harcourt Road, Central, Hong Kong. The Client understands that a fee shall be charged by the Company for any such request.

Schedule 2**Risk Disclosure Statement and Disclaimers****IMPORTANT ACKNOWLEDGEMENT**

The licensed or registered person, who signs and dates in the Schedule to the Client Account Deed, declares that (s)he has provided this "Risk Disclosure Statement and Disclaimers" in a language of the Client's choice, invited the Client to read such, ask questions and take independent advice if the Client wishes.

The Client, who signs and dates in the Schedule to the Client Account Deed, confirms that this "Risk Disclosure Statement and Disclaimers" is provided in a language of the Client's choice, and the Client is invited to read such, ask questions and take independent advice if the Client wishes.

Client's Signature: _____

This brief statement does not disclose all of the risks and other significant aspects of trading in futures contracts and options. In light of the risks, you should undertake such transactions only if you understand the nature of the contracts (and contractual relationships) into which you are entering and the extent of your exposure to risk. Trading in futures contracts and options is not suitable for many members of the public. You should carefully consider whether trading is appropriate for you in light of your experience, financial resources, objectives and other relevant circumstances.

Risk of Trading Futures and Options

The risk of loss in trading futures contracts or options is substantial. In some circumstances, you may sustain losses in excess of your initial margin funds. Placing contingent orders, such as "stop-loss" or "stop-limit" orders, will not necessarily avoid loss. Market conditions may make it impossible to execute such orders. You may be called upon at short notice to deposit additional margin funds. If the required funds are not provided within the prescribed time, your position may be liquidated. You will remain liable for any resulting deficit in your account. You should therefore study and understand futures contracts and options before you trade and carefully consider whether such trading is suitable in light of your own financial position and investment objectives. If you trade options, you should inform yourself of exercise and expiration procedures and your rights and obligations upon exercise or expiry.

Risk of Client Assets Received or Held Outside Hong Kong

Client assets received or held by the licensed or registered person 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.

Risk of Providing an Authority to Hold Mail or to Direct Mail to Third Parties

If you provide the licensed or registered person with an authority to hold mail or to direct mail to third parties, it is important for you to promptly collect in person all contract notes and statements of your account and review them in detail to ensure that any anomalies or mistakes can be detected in a timely fashion.

The licensed or registered person should confirm with the client at least on an annual basis whether that client wishes to revoke the authority.

Risk of Margin Trading

The risk of loss in financing a transaction by deposit of collateral is significant. You may sustain losses in excess of your cash and any other assets deposited as collateral with the licensed or registered person. Market conditions may make it impossible to execute contingent orders, such as "stop-loss" or "stop-limit" orders. You may be called upon at short notice to make additional margin deposits or interest payments. If the required margin deposits and interest payments are not made within the prescribed time, your collateral may be liquidated without your consent. Moreover, you will remain liable for any resulting deficit in your account and interest charged on your account. You should therefore carefully consider whether such a financing arrangement is suitable in light of your own financial position and investment objectives.

Additional Risk Disclosure for Futures and Options**FUTURES****1. Effect of 'Leverage' or 'Gearing'**

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

2. Risk-reducing orders or strategies

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

OPTIONS**3. Variable degree of risk**

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

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

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

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

ADDITIONAL RISKS COMMON TO FUTURES AND OPTIONS**4. Terms and conditions of contracts**

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

5. Suspension or restriction of trading and pricing relationships

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

Further, normal pricing relationships between the underlying interest and the futures, and the underlying interest and the option may not exist. This can occur when, for example, the futures contract underlying the option is subject to price limits

while the option is not. The absence of an underlying reference price may make it difficult to judge 'fair value'.

6. Deposited cash and property

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

7. Commission and other charges

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

8. Transactions in other jurisdictions

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

9. Currency risks

The profit or loss in transactions in foreign currency-denominated contracts (whether they are traded in your own or another jurisdiction) will be affected by fluctuations in currency rates where there is a need to convert from the currency denomination of the contract to another currencies.

10. Trading facilities

Most open-outcry and 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. Your ability to recover certain losses may be subject to limit on liability imposed by the system provider, the market, the clearing house and/ or member firms. Such limits may vary: you should ask the firm with which you deal for details in this respect.

11. Electronic trading

Trading on an electronic trading system may differ not only from trading in an open-outcry market but also from trading on other electronic trading systems. If you undertake transactions on an electronic trading system, you will be exposed to risk associated with the system including the failure of hardware and software. The result of any system failure may be that your order is either not executed according to your instructions or is not executed at all.

12. Off-exchange transactions

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

DISCLAIMER delivered pursuant to Circular Ref CIR/LEGAL/980141 issued by the Hong Kong Futures Exchange Limited dated 8th May 1998

Stock indices and other proprietary products upon which contracts traded on Hong Kong Futures Exchange Limited (the "Exchange") may be based may from time to time be developed by the Exchange. The HKFE Taiwan Index is the first of such stock indices developed by the Exchange. The HKFE Taiwan Index and such other indices or proprietary products as may from time to time be developed by the Exchange (the "Exchange Indices") are the property of the Exchange. The process of compilation and computation of each of the Exchange Indices is and will be the exclusive property of and proprietary to the Exchange. The process and basis of compilation and computation of the Exchange Indices may at any time be changed or altered by the Exchange without notice and the Exchange may at any time require that trading in and settlement of such futures or option contracts based on any of the Exchange Indices as the Exchange may designate be conducted by reference to an alternative index to be calculated. The Exchange does not warrant or represent or guarantee to any Member or any third party the accuracy or completeness of any of the Exchange Indices or their compilation and computation or any information related thereto and no such warranty or representation or guarantee of any kind whatsoever relating to any of the Exchange Indices is given or may be implied. Further, no responsibility or liability whatsoever is accepted by the Exchange in respect of the use of any of the Exchange Indices or for any inaccuracies, omissions, mistakes, errors, delays, interruptions, suspensions, changes or failures (including but not limited to those resulting from negligence) of the Exchange or any other person or persons appointed by the Exchange to compile and compute any of the Exchange Indices in the compilation and computation of any of the Exchange Indices or for any economic or other losses which may be directly or indirectly sustained as a result thereof by any Member or any third party dealing with futures or option contracts based on any of the Exchange Indices. No claims, actions or legal proceedings may be brought by any Member or any third party against the Exchange in connection with or arising out of matters referred to in this disclaimer. Any Member or any third party engages in transactions in futures and option contracts based on any of the Exchange Indices in full knowledge of this disclaimer and can place no reliance on the Exchange in respect of such transactions.

DISCLAIMER delivered pursuant to Relevant Provision of the Regulations for the Hang Seng Index Futures Market, the Hang Seng Sub-Index Futures Market

The Hang Seng Index and each of the four Sub-Indices of the Hang Seng Index (namely Hang Seng Finance Sub-index, Hang Seng utilities Sub-Index, Hang Seng Properties Sub-Index and Hang Seng Commerce & Industry Sub-Index [collectively "the Hang Seng Sub-Index"]), their respective marks, names and processes of compilation and computation are the exclusive property of and proprietary to Hang Seng Data Service Limited and are published, compiled and computed by HSI Services Limited. HSI Services Limited has granted to the Exchange by way of license the use of the Hang Seng Index and the Hang Seng Sub-Indices solely for the purpose of and in connection with the creation, marking and trading of futures and index option contracts based on the Hang Seng Index and the Hang Seng Sub-Indices (collectively "the Futures and Index Option Contracts"). The process and basis of compilation and computation of Hang Seng Index and each of the Hang Seng Sub-Indices and any of the related formula and formulae, constituent stocks and factors may at any time be changed or altered by HSI Services Limited without notices and the Exchange may at any time require that trading in and settlement of such of the Futures Contracts and Index Option as the Exchange may designate be conducted by reference to an alternative index or alternative indices to be calculated. Neither the Exchange nor Hang Seng Data Services Limited nor HSI Services Limited warrants or represents or guarantees to any Exchange Participant or any third party the accuracy or completeness of the Hang Seng Index and/or any of the Hang Seng Sub-Indices and its compilation and computation or any information related thereto and no such warranty or representation or guarantee of any kind whatsoever relating to the Hang Seng Index and/or any of the Hang Seng Sub-Indices is given or may be implied. Further, no responsibility or liability whatsoever is accepted by the Exchange, Hang Seng Data Services Limited or HSI Services Limited in respect of the use of the Hang Seng Index and/or any of the Hang Seng Sub-Indices for the purpose of and in connection with the Futures and Index Option Contracts and/or dealings therein, of for any inaccuracies, omission, mistakes, errors, delays, interruptions, suspension, changes of failures (including but not limited to those resulting from negligence) of HSI Services Limited in the compilation and computation of Hang Seng Index and/or any of the Hang Seng Sub-Indices or for any economic or other losses which may be directly or indirectly sustained as a result thereof by any Exchange Participant or any third party dealing with the Futures and Index Option Contracts. No Claims, actions or legal proceedings may be brought by any Exchange Participant or any third party against the Exchange and/or Hang Seng Data Services Limited and/or HSI Services Limited in connection with or arising out of matters referred to in this disclaimer. Any Exchange Participant or any third party deals in the Futures and Index Option Contracts in full knowledge of this disclaimer and can place no reliance whatsoever on the Exchange, Hang Seng Data Services Limited and/or HSI Services Limited.

Appendix For Joint Account Holders

This appendix, on being signed by the clients, shall be treated as an integral part of the Client Account Agreement to which it is appended provided that it shall be wholly ineffective unless either Clause 1(A) or Clause 1(B) is crossed out.

To CMBIF:

- 1 The Clients hereby state that the Clients are:

(A)* Joint tenants with rights of survivorship and not tenants in common. In the event of the death of either or any of the Clients, the entire interest in any account opened on the Clients' behalf shall be vested in the survivor(s) on the same terms and conditions as theretofore held. The estate of the deceased shall have no interest in the assets of any such account at the date of death or in its operation thereafter. However, the estate shall remain liable for obligations in respect of such account as provided in Clause 2 below.

**(A) or (B) must be
crossed out*

Clients' Initials

(B)* Tenants in common, each of the Clients having an undivided interest in any account opened on the Clients' behalf. In the event of the death of either or any of the Clients, CMBIF may, in the sole discretion of CMBIF and without having to assign a reason thereto, either liquidate any such account or accept the instructions of the survivor, or a majority of the survivors, as the case may be, as to its continuance and as to the respective interest of the parties (including the estate) therein. In either event, the deceased's estate shall remain liable for the obligations of the account as provided in Clause 2 below.

- 2 The Clients hereby state that whether the Clients are joint tenants or tenants in common, the Clients' liability hereunder shall be joint and several. In the event of the death of any one of the Clients, in the case of a joint tenancy the estate of the deceased shall remain so liable in respect of any obligations, debit balance or loss incurred before or existing at the death of the deceased in respect of any account opened on the Clients' behalf, and, in the case of a tenancy in common, the estate of the deceased and the survivor(s) shall continue to remain jointly and severally liable for any obligations, debit balance or loss in respect of any such account (including those incurred in the liquidation of the account) until termination of the account.

- 3 The Clients will give CMBIF immediate notice in writing of the death of any one of the Clients. In the event of the death of any one of the Clients, whether the Clients are joint tenants or tenants in common, CMBIF may take such steps in the sole discretion (without having to assign a reason thereto) deem necessary or desirable to protect CMBIF with respect to taxes and other claims. Before releasing any property held by CMBIF for any purposes or carried by CMBIF in any account opened on the Clients' behalf or which may be in CMBIF's possession at any time and for any purposes, including safe-keeping, CMBIF may require such proofs of death, tax waivers, other documents, and instrument of guarantee by the survivors and/or by the estate of the deceased as in the sole discretion of CMBIF (without having to assign a reason thereto) deem necessary or desirable in connection with the liquidation or continuation of any such account.

4. (A)* The Clients elect to have any account opened on the Clients' behalf managed on the Clients' behalf and the Clients hereby nominate (ID No.)

as the sole person(s) authorized to act for the Clients with respect to any such account (hereinafter referred to as the "Manager", whether one or more person has been so nominated). Any such nominations may be revoked and any other person may be nominated in substitution therefore or addition thereto by **a majority in number/all** of the undersigned by notice in writing to CMBIF. CMBIF may in all respects accept the instructions of the Manager (or of any one Manager, where more than one person has been so nominated) in respect of the administration and operation of any such account. Notwithstanding any provision of the Client Account Agreement, so long as one or more persons have been nominated as Manager and notice of the death of such person (or of all such persons, where more than one person has been so nominated) has not been received by CMBIF, all notices and communications from CMBIF shall be addressed to the Manager or, if more than one person has been so nominated, to the first-named. All dealings with the Manager shall be binding upon all of the Clients, and the Clients consent to all actions and omissions taken by CMBIF upon the instructions or representations of the Manager.

**Delete as
appropriate*

Clients' Initials

(B)* If a Manager has not been nominated pursuant to Paragraph (A) above, the Clients hereby authorize CMBIF to accept and follow the instructions of any of the Clients in all matters relating to the administration and operation of any account opened on the Clients' behalf and to make payments to and to deliver and receive funds, securities, commodities or other property to or from any of the Clients. In those circumstances the Company shall not be bound to enquire as to the Clients' respective interests in any such account, nor as to the application of any property or funds withdrawn from it.

5. The Clients hereby ratify and confirm all transactions heretofore entered into by any of the Clients in respect of any account opened on the Clients' behalf. This Appendix shall be binding upon each of the Clients and the Clients respective heirs, legal representatives and assigns.

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Signature

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Signature

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Signature

Name

Name

Name

Dated this _____ day of _____