



**China Securities (International) Brokerage Company Limited**

**Client Agreement – Institutional Professional Investor**

THIS AGREEMENT is made the date stated in the Client Information Form BETWEEN:

- (1) **China Securities (International) Brokerage Company Limited** (CE No. BAU373), being a licensed corporation under the Securities and Futures Ordinance (Chapter 571 of the Law of Hong Kong) licensed to carry on Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities) and Type 5 (advising on futures contracts) regulated activities; and an exchange participant of The Stock Exchange of Hong Kong Limited and Hong Kong Futures Exchange Limited, whose registered address is located at 18/F., Two Exchange Square, 8 Connaught Place, Central, Hong Kong (the “**Company**”); and
- (2) The party whose name, address and details are set out in the Client Information Statement (the “**Client**”).

The Client hereby agrees that the following terms and conditions (“**Terms and Conditions**”) will apply to all securities trading and related services, which the Company may in its absolute discretion provide to the Client from time to time:

## 1. Definitions and Interpretation

- 1.1 In these Terms and Conditions, save where the context otherwise requires, the following words and expressions shall have the following meanings:

“**Affiliate**” means, in relation to a party, an individual, corporation, partnership or any other form of entity, who is in a controlling entity relationship with that party, or any of such entities’ directors, officers or employees;

“**Agent**” means any person engaged or used by the Company to carry out or support any of its duties under this Agreement on behalf of the Client including, without limitation, brokers, banks, lawyers, custodians, nominees, Exchange, clearing house, clearing and settlement systems and an Affiliate of the Company;

“**Agreement**” means the Client Information Statement completed by or on behalf of the Client and these Terms and Conditions together with any addenda thereto, as amended and/or supplemented from time to time;

“**Authorized Persons**” means those individuals who have been designated by or duly authorized by the Client pursuant to necessary corporate or other action (which shall be evidenced by appropriate documentation delivered and acceptable to the Company) to act on behalf of the Client in connection with the Agreement. Such person(s) shall continue to be Authorized Person(s) until such time as the Company has received from the Client appropriate documents revoking the authority of such person(s). “**Authorized Person**” means any one of the Authorized Persons;

“**Business Day**” means a day on which the Company is open for business in Hong Kong but not including a Saturday, Sunday and any day which is a general holiday of Hong Kong or is otherwise specified by the Company from time to time;

“**Client Money Rules**” means the Securities and Futures (Client Money) Rules (Chapter 571I of the Laws of Hong Kong) made by the SFC under section 149 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended from time to time;

“**Client Money Standing Authority**” means the client money standing authority granted by the Client to the Company in the terms set out in Clause 13 as amended or supplemented from time to time;

“**controlling entity**” has the meaning given to it in Schedule 1 to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);

“**controlling entity relationship**”, in relation to any person, means its relationship with a party of the Agreement by virtue of:

- (a) the party being a controlling entity of the person;
- (b) the person being a controlling entity of the party; or
- (c) another person, who is a controlling entity of the said person, being also a controlling entity of the party;

“**Custodial Agent**” means such agents, correspondents, sub-custodians or nominees in Hong Kong or elsewhere employed by the Company as it thinks fit to hold securities or other assets, to pay for and receive, or to deliver or exchange or to make collections with respect to securities or other assets or otherwise to perform any of the Company’s duties as custodian under the Agreement and shall include (for the avoidance of doubt) any clearing systems;

“**Client Information Statement**” means the Client Information Statement in such form as may be prescribed by the Company which contains such information about the Client as the Company may require;

“**Exchange**” means The Stock Exchange of Hong Kong Limited, Hong Kong Futures Exchange Limited or, where applicable, any other stock or futures exchanges outside Hong Kong;

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

“**Instruction**” means a written, oral or electronic communication which the Company believes in good faith to have been given by the Client or any Authorized Person and shall, for the avoidance of doubt, include Electronic Instructions;

“**Institutional Professional Investor**” means a person falling under paragraphs (a) to (i) of the definition of “professional investor” in Section 1 of Part 1 of Schedule 1 to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);

“**Loss**” means any losses, damages, proceedings, claims, demands, actions, liabilities, costs, penalties, fines, taxes, fees and expenses whatsoever, including but not limited to any direct, indirect, special or consequential losses (whether or not the possibility of such were known about or reasonably in the contemplation of the relevant parties), any loss of profits, loss of revenue, damage to goodwill or reputation, loss of contracts or business opportunities, loss of use of money, money not recovered, money paid out in error, interest, and any liability to any third party of any nature whatsoever;

“**securities**” shall have the meaning in Schedule 1 of the Securities and Futures Ordinance (Chapter 571 of the Laws of

Hong Kong);

**“Securities Account”** means any account recording the Client’s securities transactions opened by the Company in its books in the name of the Client;

**“Services”** shall have the meaning ascribed to it in Clause 15.1 hereunder;

**“Settlement Account”** means the bank account of the Client designated as the Settlement Account in the Client Information Statement or such other bank account of the Client as the Client may notify the Company in writing from time to time;

**“Severe Weather”** means the scenario where a Typhoon Signal No. 8 or above, or Black Rainstorm Warning is issued by the Hong Kong Observatory or extreme conditions is announced by the Hong Kong Government;

**“SFC”** means the Securities and Futures Commission of Hong Kong;

**“short selling order”**:

(a) subject to paragraph (b), means an order to sell securities in respect of which the Client has a presently exercisable and unconditional right to vest the securities in the purchaser of them by virtue of having:

(i) under a securities borrowing and lending agreement:

(A) borrowed the securities; or

(B) obtained a confirmation from the counterparty to the agreement that the counterparty has the securities available to lend to the Client;

(ii) a title to other securities which are convertible into or exchangeable for the securities to which the order relates;

(iii) an option to acquire the securities to which the order relates;

(iv) rights or warrants to subscribe to and to receive the securities to which the order relates; or

(v) entered into with another person an agreement or an arrangement of a description as is prescribed by the SFC;

(b) in relation to paragraph (a) (ii), (iii), (iv) or (v), does not include an order where the Client has, at the time of placing the order, issued unconditional instructions to obtain the securities.

**“SWT”** means Severe Weather Trading, the maintenance of normal operations of the Hong Kong securities and derivatives markets during Severe Weather conditions under the implementation of SWT by the Hong Kong Exchanges and Clearing Limited with effect from 23 September 2024;

**“SWT Day”** means any Business Day from Monday to Friday except a Hong Kong public holiday on which Severe Weather falls. In addition, it would be considered an SWT Day for the derivatives market if Severe Weather falls on a Hong Kong public holiday which is a holiday trading day for selected derivatives products.

1.2 Words importing the singular include the plural and vice versa and words importing a gender include all genders. Words denoting person include a firm, sole proprietorship, partnership and corporation and vice versa.

1.3 Titles: The title of any provision of the Agreement shall not affect the meaning of that or any other provision.

## **2. Securities Account**

2.1 The Client shall open and maintain the Securities Account for recording all the Client’s securities transactions made pursuant to the Agreement.

2.2 In respect of transfers of securities into the Securities Account, the Client shall arrange for and instruct the transfer of the securities from the transferring party to the Company at his costs and expenses. The securities will not be credited to the Securities Account until the Company has actually received the securities.

2.3 The Company will as soon as reasonably practicable after receipt of an Instruction to such effect arrange for the transfer of the Client’s securities in the Securities Account to a third party nominated in the Instruction provided always that:

(a) the Client is responsible for procuring the third party to receive the securities transferred from the Company and for all the handling and transfer fees and charges for such transfer;

(b) the securities may not be transferred when they are being processed for transfer to and registration in the Company’s name or the name of a Custodial Agent; and

(c) the Client is not indebted to the Company.

## **3. Instructions and Service**

3.1 The Company is hereby authorized to buy and sell securities for the Client’s account and otherwise deal with securities, receivables or monies held in or for the Securities Account in accordance with and in reliance on the Instructions, but the Company shall be entitled at its sole and absolute discretion to refuse to accept any Instruction and shall not be obliged to give reasons for such refusal and shall not be liable to the Client for any Loss arising out of or in connection with its not accepting or acting on any Instruction or omitting to notify the Client of such refusal. Without prejudice to the generality of the foregoing, the Company may refuse to act if any Instructions are unclear or if the Company receives conflicting Instructions, or if the Company believes, in good faith, that Instructions are fraudulent, forged or unauthorised or that acting on any Instructions may be in breach of any law or regulation applicable to the Client, the Authorised Person and/or the Company.

3.2 Where the Client and/or the Authorised Person consists of more than one person, Instructions from any one of such persons may be accepted and acted on by the Company.

3.3 Notwithstanding the terms of the mandate or other agreement between the Client and the Company governing the operation of the Securities Account, the Company is authorized, but is not obliged, to accept and act upon Instructions given through telephone or electronic or other means in connection with any securities transaction or for transfer of funds to or from the Securities Account, for any purpose in connection with the Agreement. Any Instructions given by the

Client in connection with the Securities Account or the Agreement shall be deemed to be proper, valid and binding from the Client if given by any ONE person quoting or inputting the account number of the Securities Account and such information as may be required by the Company.

- 3.4 The Company may treat all Instructions given as fully authorised and binding on the Client regardless of the circumstances prevailing at the time of the Instructions being given or the nature or amount of the transaction and notwithstanding any error, misunderstanding, lack of clarity, error in transmission, fraud, forgery or lack of authority in the terms of such Instructions except in the case of gross negligence, wilful misconduct or fraud on the part of the Company as finally and judicially determined by a competent court in Hong Kong. The Client agrees that it is under an express duty to the Company to prevent any fraudulent, forged, erroneous or unauthorized Instructions being given. The Company shall be under no duty to inquire into the authenticity of any Instructions or the identity, authority or good faith of the person giving or purporting to give any Instructions.
- 3.5 The Client hereby unconditionally and irrevocably agrees to fully indemnify the Company, its officers, its Agents, directors and employees and hold them harmless from and against all Loss in connection with, directly or indirectly, the Company's agreeing to act and/or acting on Instructions hereunder.
- 3.6 The Company will act as the execution agent of the Client and does not warrant to the Client the value, merit or suitability of any securities transactions entered into by the Client.
- 3.7 The Company may effect the Client's securities transactions in such manner and through any of its Affiliate, participants of any exchange or clearing house, or brokers in the relevant markets as the Company may absolutely decide. The Company will usually act as the Client's execution agent, and if the Company acts as principal to the transactions, this will be disclosed to the Client in the relevant contract note. The Company will not be accountable to the Client for any commissions, remuneration, profit or other benefit resulting therefrom.
- 3.8 The Client undertakes that he will not give any Instruction which involves the sale of securities which he does not own, unless the Client proves to the satisfaction of the Company that such Instruction for sale is a short selling order. The Client further undertakes to inform the Company expressly that a sale is a short sale at the time of giving the Instructions to effect that sale, and to provide to the Company with documentary assurance that such order is covered within such time, in such form and with such information as the Company may require.
- 3.9 The Client will not, and will not attempt to, access to the services of the Company in any country or jurisdiction where the offering of the same by the Company or the use of the same by the Client is not lawful or where these Terms and Conditions may not be enforceable by the Company against the Client.
- 3.10 The Client will take reasonable precautions in using any service of the Company through electronic means, including ensuring that the browser cache memory will be cleared as soon as he signs off each time after having gained access to any service of the Company through use of computer and he will exit the browser immediately after each use of any service of the Company through use of computer.
- 3.11 The Client hereby authorises the Company to do or refrain from doing anything that the Company deems necessary or desirable for the purposes of compliance with applicable laws and regulations and/or to prevent or remedy a breach thereof, and the Company shall not be liable to the Client for any claims, losses or damages arising (directly or indirectly) out of or in connection with any such action or failure to act.
- 3.12 The Client undertakes not to engage in any conduct that will cause the Client, the Company, the Company's Agents, employees or Affiliates of the Company to be in breach of applicable laws and regulations, and shall indemnify, protect and hold the Company, its Affiliates and their respective officers, employees and Agents harmless in respect of any losses, claims, damages and liabilities arising out of or connected with any breach by the Client of its obligations under this Agreement including any costs reasonably and necessarily incurred by each indemnified person.
- 3.13 The Client shall comply with all applicable notification requirements established by the relevant market or exchange (including, without limitation, those applicable under the Securities and Futures (Contracts Limits and Reportable Positions) Rules) and shall not exceed the prescribed limit for the relevant options class and type in accordance with the contract limits and reportable position rules established by the relevant market or exchange, if any. The Client acknowledges that the Company shall not (except to the extent required by applicable laws and regulations) be responsible for any of the Client's transaction notification, filing or reporting obligations (including, where applicable, any filings required pursuant to Part XV of the Securities and Futures Ordinance or equivalent legislation) and undertakes that he shall not rely on the Company to discharge his transaction notification, filing or reporting obligations pursuant to applicable laws and regulations.
- 3.14 The Company shall have no obligation whatsoever to collect, receive, take any corporate action (including attending any general meeting and/or exercising any voting right) in respect of any securities are held in the Company's name and/or the name of any nominee of the Company (whether in Hong Kong or elsewhere) or to notify the Client of the existence of or the terms of any notice, circular, report, announcement of any corporate action in respect of any securities are held in the Company's name and/or the name of any nominee of the Company (whether in Hong Kong or elsewhere), unless the Client has specifically instructed the Company and the Company has agreed in writing to comply with such instruction. The Company shall respond promptly to the Client's requests for information on corporate actions in relation to the securities are held in the Company's name and/or the name of any nominee of the Company (whether in Hong Kong or elsewhere). The Client shall give sufficient time to the Company to make the necessary arrangements. If the Company shall make any such collection or receipt, take any such action or give the Client any such notification or shall take any action pursuant to any such notification, the Company shall not have any liability in respect of any inaccuracies or delays and any obligation to continue or repeat any such action. The Company has the right to charge the Client for its services in taking any action

pursuant to such instruction.

- 3.15 In the event that the Company in its sole discretion determines that it has entered into a trade that is in error of the Instruction as a result of its own negligence or willful default, then the Company shall unwind the trade at its cost, in which it shall not be liable for any further or indirect loss that may result from the error trade.

4. **Conflict of Roles, Rebates and Soft Commission Arrangements**

- 4.1 The Company may (without the prior consent from the Client) effect transactions for or on behalf of the Client through the agency of and/or with a counterparty which is related to the Company whether directly or indirectly (or through another Client of the Company) even if a conflict of interest may arise. The Company may also (without the prior consent from the Client) effect transactions for or on behalf of the Client in which the Company or its Affiliates has a direct or indirect interest (whether material or not), including but not limited to acting as agent for another party; acting as principal in selling its own property; receiving and retaining commission from other parties to a transaction and/or from the Client; executing a transaction with prior knowledge of other related transactions; being a holder, dealer or market maker in securities or other investments purchased or sold by the Client, or otherwise participating or having an interest in an issue or issuer of securities. The Company shall take all reasonable steps to ensure the Client receives fair treatment in the event that the Company has any such interest or in the event of an actual or potential conflict arising.
- 4.2 The Company may retain from brokers and other persons through whom the sale and purchase of securities for the Client is carried out (1) any cash or money rebates arising out of such investments and (2) such goods and services and other soft dollar benefits, which are of demonstrable benefit to the Client. These services may include, for example, research and analysis of the relative merits of individual shares of markets or the use of data and quoting services and other information facilities.
- 4.3 In all cases where cash or money rebates or goods and services and other soft dollar benefits are retained by the Company or any of its connected persons, the Company, as the case may be, shall ensure that (1) transaction execution is consistent with best execution standards, (2) any brokerage borne by the Client does not exceed customary full service brokerage rates for such transactions and (3) disclosure of the rebate and their approximate value is made to the Client.
- 4.4 The Company may also provide a portfolio manager with goods, services, or cash rebates provided that it shall comply with the requirements on retention of rebates, soft dollars and connected transactions that may be prescribed by the SFC from time to time.

**TERMS AND CONDITIONS FOR SECURITIES TRADING**

5. **Client Identity and Information**

- 5.1 The Company is authorised to conduct or cause to be conducted credit investigations, checks and enquiries regarding the Client and for such purpose to approach the Client's bankers (including for the purpose of ascertaining the Client's financial situation and investment objectives) and to pass any information about the Client, its accounts and its transactions and the ultimate beneficiary in respect of any such transaction to:
- (a) any exchange, market, clearing house, listed corporation, government agency or regulatory authority including the Exchange and the SFC (collectively, the **"Regulators"** and each a **"Regulator"**) in order to assist such Regulator with any investigation or enquiry which it is undertaking; and
  - (b) any of its Affiliate in connection with carrying out Instructions or fulfillment of the Company's obligations to the Client under the Agreement.
- 5.2 In the Agreement,
- (a) the expression **"ultimate beneficiary"**, in relation to any transaction effected or to be effected by the Company for the Client pursuant to the Agreement, means each and every person who:
    - (i) is the principal for whom the Client is acting as agent in relation to such transaction; or
    - (ii) stands to gain the commercial or economic benefit of such transaction and/or to bear its commercial or economic risk; or
    - (iii) is ultimately responsible for originating the Instruction in relation to such transaction; and
  - (b) the expression **"identity information"**, in relation to any person, means the true and full identity of such person, including such person's alias(es), address(es), occupation(s) and contact details.
- 5.3 The Client agrees that, where the Company has received an enquiry from the Regulators in relation to a transaction, the following provisions shall apply:
- (a) Subject as provided below, the Client shall, immediately upon request by the Company (which request shall include the relevant contact details of the Regulators), inform the Company or the Regulators of the identity and contact details of the clients for whose account the transaction was effected (whether on a discretionary or non-discretionary basis) and (so far as known to the Client) of the ultimate beneficiary(ies) in the transaction, or if different from the ultimate beneficiary(ies) and (so far as known to the Client) of the party who originated the Instructions for the transaction;
  - (b) If the Client effected the transaction for a collective investment scheme, discretionary account or discretionary trust, the Client shall immediately upon request by the Company (which request shall include the relevant contact details of the Regulators) inform the Regulators of the identity and contact details of the collective investment scheme, discretionary account or discretionary trust, and those of the person(s) who instructed the Client to effect the transaction on behalf of the collective investment scheme, discretionary account or discretionary trust;



- (c) If the Client effected the transaction for a collective investment scheme, discretionary account or discretionary trust, he shall as soon as practicable inform the Company when his discretion to invest on behalf of the scheme, account or trust has been overridden. He shall also immediately upon request of the Company (which request shall include the relevant contact details of the Regulators) inform the Regulators the identity and contact details of the person(s) who has or have given the instruction in relation to the transaction or, as applicable, given any instructions resulting in such instruction being given;
- (d) If the Client is aware that his client is acting as an intermediary for an underlying client(s), and it does not know the identity and contact details of the underlying client(s) for whom the transaction was effected, he confirms that:
  - (i) he has arrangements in place with his client which entitles the Client to obtain the information set out in Clauses 5.3(a), (b) and (c) from his client immediately upon request or procure that it be so obtained; and
  - (ii) he will, upon request from the Company in relation to a transaction, promptly request such information from his client on whose instructions the transaction was effected, and provide the information to the Regulators as soon as received from his client or procure that it be so provided; and
- (e) If the Client is based in a jurisdiction with client secrecy laws, he consents to the disclosure of information in accordance with the above paragraphs. In circumstances where he acts for the account of clients and such secrecy laws prohibit disclosure, the Client will procure the consent of the ultimate beneficiary(ies) of the transaction to the disclosure of any information in accordance with the above paragraphs. In addition, the Client agrees to waive, as a client, the protections afforded by any applicable client secrecy laws, or as a counterparty or intermediary, he agrees to procure the written waiver of the relevant ultimate beneficiary(ies) to such protections.

The Client's obligations under these provisions shall survive notwithstanding completion of any transaction or termination of this Agreement.

5.4 Subject to Clause 5.3, the Client undertakes to supply to the Company on demand at any time or times such identity information, financial and other information about the Client (including, without limitation, the identities of the persons ultimately beneficially interested in the Securities Account and/or any trading contract executed on the Securities Account) as the Company may request. Each of the Client and the Company undertakes to notify the other in the event of any material change to the information provided in or in connection with the Agreement.

## **6. Acquisition of Securities in Public Offer / Placing, New Listing and Others**

- 6.1 The Client authorises the Company, upon the Client's Instruction, to apply for the subscription or purchase of securities in a public offer in respect of a new listing and/or placing of securities of companies listed on the Exchange as his agent and for the benefit of the Client or for the benefit of the ultimate beneficiary, whether singly or in conjunction with applications of other Clients or Affiliates of the Company as a bulk application. The Client acknowledges that the Company shall not be responsible for the accuracy or completeness of or any misstatement in any prospectus and other offering documents relating to a public offer and/or placing, copies of which are supplied by the Company to the Client.
- 6.2 In making such Instruction to the Company to apply for the subscription or purchase of securities in a public offer in respect of new listing and/or placing of securities of companies listed on the Exchange, the Client confirms and declares that:
  - (a) he has already read and understands the related prospectus, application forms and/or other relevant offering documents, and his application is subject to the terms and conditions of such prospectus, application forms and/or relevant offering documents (including the discretion of the relevant issuer to determine on the final pricing of the securities) or, in the absence of any written offering documents, he fully understands the terms and conditions of the relevant subscription/purchase;
  - (b) he is eligible to subscribe for or purchase the securities and will comply with or has complied with all the terms and conditions as stated in such prospectus, application forms and/or other relevant offering documents or, in the absence of any written offering documents, will comply with or has complied with the terms and conditions of the relevant subscription/purchase;
  - (c) the Company has the due authority to make such application on his behalf;
  - (d) the application made by the Company on the Client's behalf is the only application made, and the only application intended to be made, by the Client or on the Client's behalf (for the benefit of the Client or for the benefit of the ultimate beneficiary) and the Client authorises the Company to disclose and warrant to the Exchange of the same on any application form (or otherwise) or to any other person as appropriate; and
  - (e) he makes all the representations, warranties and declarations required to be made by an applicant for securities in the related prospectus, application forms and/or other relevant offering documents or, in the absence of any written offering documents, he makes all the representations, warranties and declarations required to be made by an applicant in the terms and conditions of the relevant subscription/purchase.
- 6.3 The Client acknowledges that the confirmations and declarations made under Clause 6.2 will be relied upon by the issuer or vendor of the relevant securities (or its agent) in deciding whether or not to make any allotment or allocation of securities in response to the application made by the Company as agent for the Client.
- 6.4 The Client agrees and acknowledges that the issuer or vendor of the relevant securities (and its agent) have the full discretion to reject or accept the application made by the Company on the Client's behalf or to accept only part of the application. In case of rejection or partial acceptance of the Client's application, no matter whether it is caused by reasons

- which are related to the Client's application or not, neither the Company nor its Affiliates shall, in the absence of gross negligence or wilful default, be liable to the Client or any other persons as a result of such rejection or partial acceptance.
- 6.5 In case of a bulk application made by the Company on behalf of Clients, the Client agrees that if such bulk application is only accepted in part, the Company has the sole and full discretion to allocate the securities among its Clients on the basis elected by the Company (at the Company's sole and absolute discretion).
- 6.6 The Client further acknowledges that an application made by an unlisted company whose principal business is securities dealing, and in respect of which the Client exercises statutory control, shall be deemed to be an application made for the benefit of the Client.
- 6.7 Upon receipt of an oral or written offer ("**Offer**") of the Client, the Company may in its sole and absolute discretion grant to the Client a loan ("**Loan**") to be used exclusively to finance the subscription or purchase by the Client of securities of a new listing for which listing is sought in a public offer and/or placing ("**New Listing Securities**") by issuing an acceptance notice ("**Acceptance Notice**") in writing to the Client setting out the terms and other details of the Loan. The terms and conditions of this Clause are deemed to be incorporated by reference to the Offer in the Acceptance Notice. Once the Company has issued the Acceptance Notice, the Client shall not revoke the Offer.
- 6.8 Payment for the New Listing Securities will be made in the name of the Company (or in its nominee's name) but for the Client exclusive account and risk. The Client acknowledges that its application for the subscription or purchase of New Listing Securities (made by the Company or the Company's nominee on the Client's behalf) may not be accepted by the issuer or vendor of the relevant securities, but the Client shall still be liable for the interest on the Loan.
- 6.9 Notwithstanding that the application is made by the Company on the Client's behalf, the Client shall have no right, title, interest or claim of whatever nature in or to any payment refunded ("**Refund Payment**") by the relevant issuer or vendor in respect of the application that has not been accepted to the extent that the Refunded Payment does not exceed the Loan and any outstanding balance owed by the Client.
- 6.10 Each Loan together with the accrued fees and interest thereon will be repayable (i) on demand, or (ii) the scheduled date on which the New Listing Securities are listed on the Exchange, whichever is the earlier, provided however that if any application for New Listing Securities is unsuccessful, or successful in part only, Refund Payment shall be applied immediately in repayment of the outstanding Loan and the fees and interest accrued thereon, whether before or after the repayment date ("**Repayment Date**") specified in the Acceptance Notice.
- 6.11 The Client agrees that the receiving bankers, custodians or nominees may pay to the Company all Refund Payment in respect of the unsuccessful application immediately, and the Company is authorized to give instructions to such receiving bankers, custodians or nominees as it deems appropriate or take other appropriate actions to give effect to such payment.
- 6.12 The Client hereby authorizes the Company to pledge or grant, at the Company's absolute discretion, security interests of whatever nature over the New Listing Securities (including all rights and interests derived therefrom) and all money in connection with the subscription of the New Listing Securities (including Refund Payment) in favour of any third party for credit facilities made to the Company to finance its funding of all or any part of the Loan.
- 6.13 The Client shall execute and sign all transfers, power of attorney, proxies and other documents and do all acts and things which the Company may require for the Company and any relevant parties to obtain full benefits of the security interests mentioned in this Clause 6, including without limitation, to perfect the Company's title to the New Listing Securities or enable the Company to vest such New Listing Securities in the name of its nominee or any relevant third parties.
- 6.14 The Client shall pay to the Company interest on the Loan at the rate of interest as specified in the Acceptance Notice and such interest shall accrue on a daily basis for the period from the date of drawdown of the Loan (as specified in the Acceptance Notice) to the date of final repayment of the Loan by the Client as determined by the Company on a 365 day basis (or such other basis stated in the Acceptance Notice).
- 6.15 Without limiting the generality of Clause 10, if the Client fails to repay the Loan on the Repayment Date, the Company shall have an absolute right to sell all or any part of the New Listing Securities in such manner and at such price(s) as the Company deems fit and appropriate without any notice to Client and to apportion the proceeds thereof towards repayment of the outstanding Loan, the costs of such sale and any fees and interest accrued thereon. The Client will have no right to claim against the Company in respect of any Loss arising out of any such sale.
- 6.16 The Client agrees to fully indemnify and hold harmless each of the Company, its Affiliates and Agents against all claims, actions, liabilities, proceedings against any of the Company, its Affiliates and Agents and bear all Loss (including legal fees) which they may suffer in connection with the Loan. The Company, its Affiliates and Agents shall in no event be liable for any Loss of the Client or anything whatsoever which may be suffered as a result of any default, insolvency, act or omission of any firm or company through or with whom the application is effected.
7. **Set-off**
- 7.1 Without prejudice to other authorities granted to the Company hereunder, the Client authorises the Company to set off any amount receivable from the Client against any amount payable to the Client where such amounts arise from the purchase and sale of securities by the Company for and on behalf of the Client under the Agreement and to dispose of any securities held for the Client in settlement of any liability owed by or on behalf of the Client to the Company or its associated entities (as defined in the Securities and Futures Ordinance) or any other person.
8. **Dealing Practices**

- 8.1 The Company may determine the priority in the execution of Instructions having due regard to market practice, applicable regulations and fairness to all Clients.
- 8.2 The Company may, without prior notice to the Client, combine for execution his Instructions with the instructions of other Clients in accordance with applicable laws and regulations. Where there are insufficient securities to satisfy instructions so combined, the transactions will be allocated between Clients with due regard to market practice and fairness to Clients provided that the instructions of the Clients shall have priority over instructions of the Company for its own account.
- 8.3 The Company will not be liable for delays or failure in the transmission of Instructions due to breakdown or collapse of communication facilities or for any other delay or failure beyond the control of the Company.
- 8.4 By reason of physical restraints and rapid changes of securities prices, the Company may not always be able to execute Instructions in full or at the prices quoted at any specific time or “at best” or “at market” and the Client agrees to be bound by such executions.
- 8.5 A request to cancel or amend an Instruction is only possible before it has been executed and is subject to acceptance (the Company shall not refuse to accept such a request unless on reasonable grounds) by the Company. In the case of full or partial execution of any Instruction before the request for cancellation has been accepted by the Company, the Client agrees to accept full responsibility for the transactions. Instructions are, unless accepted by the Company for cancellation or amendment, good for the trading day on which it was accepted by the Company and shall lapse if not executed by the end of such trading day unless otherwise agreed to by the Company.
- 8.6 The Company will upon request provide the Client with product specification and any prospectus or other offering documents in relation to any derivative products, which the Client instructs the Company to purchase or sell on the Client’s behalf pursuant to the terms of the Agreement.
- 8.7 The Company may tape record conversations with the Client and Authorized Persons in order to permit the Company to verify information concerning Instructions or any other matters. The Client hereby consents to the recording of such telephone conversations.

## **9. Settlement**

- 9.1 Where the Company has executed a purchase or sale transaction on behalf of the Client, the Client will by the due settlement date as required by the Company or the relevant exchange or clearing house make payment of cleared funds or delivery of securities in deliverable form to the Company. Should the Client fail to do so by the due settlement date, the Company is hereby authorized, in its absolute discretion:
- (a) in the case of a purchase transaction, to transfer or sell any securities in the Securities Account (including the purchased securities) to satisfy the obligations; or
  - (b) in the case of a sale transaction, to borrow and/or purchase such sold securities as are necessary to satisfy the settlement obligations.
- 9.2 Notwithstanding Clause 9.1 above but without prejudice to Clause 3.1, the Company is entitled not to:
- (a) execute any Instruction for purchase transaction unless the Client has made available to the Company cleared funds of an amount which is, in the opinion of the Company, sufficient to cover the relevant purchase price together with the relevant stamp duties, commissions, exchange and other levies and any other charges and expenses liable to be incurred in connection with such purchase; and
  - (b) execute any Instruction for sale transaction unless the Client has deposited the relevant securities with the Company before giving the relevant Instruction.
- 9.3 The Client will reimburse any premiums which the Company may be required to pay and for any Loss (including legal expenses on a full indemnity basis) in connection with any settlement failure of the Client.
- 9.4 All currency exchange risks in respect of any transactions, settlement, actions or steps taken by the Company under the Agreement will be borne by the Client.
- 9.5 The Client hereby irrevocably authorises the Company’s licensed representatives to execute or otherwise give effect to the Instruction pursuant to the settlement of the Securities Account or of a purchase or sale transaction executed on behalf of the Client pursuant to the Agreement, including but not limited to, the deposit or transfer of amounts of the net proceeds to the Settlement Account or other bank account(s) designated by the Client or personal collection and delivery of, at the Client’s risk, the cheque(s) for the net proceeds drawn in favour of the Client to the address specified by the Client.

## **10. Security and Money Transfer**

- 10.1 All securities which are now or shall at any time hereafter be held or carried by the Company or its nominees for or on the Client’s account (including the New Listing Securities duly allotted for or on the Client’s account) and all money and other property at any time held by the Company for safe-keeping on behalf of the Client pursuant to this Agreement shall be charged to or held by the Company for the benefit of the Company as a first priority fixed continuing security for the payment and/or discharge to the Company of all and any of the Client’s liabilities to the Company under this Agreement and with respect to such security:
- (a) such security shall attach to all dividends or interest paid or payable after the date hereof on such securities and all stocks, shares (and the dividends or interest thereon), rights, moneys or property accruing or offered at any time



- by way of redemption, bonus, preference, option or otherwise to or in respect of such securities;
- (b) upon default by the Client in payment on demand or earlier when due of any of the Client's indebtedness to the Company or any other default by the Client under the Agreement, the Company shall have the right, acting in good faith and without notice to the Client, to dispose or initiate a disposal by its associated entity of the whole or any part (selected by the Company) of the subject matter of such security as when and how and at such price and on such terms as the Company shall think fit, in each case without any liability on the Company to the Client for any such action, except in the case of gross negligence or wilful default, and to apply the net proceeds of such sale or realization and any moneys for the time being in the Company's hands in or towards settlement of any liability owed by or on behalf of the Client to the Company or its associated entity or any third party in such order as it may select;
  - (c) without prejudice to the provisions of the foregoing sub-paragraph (b), if the Loan and fees and interest accrued thereon have not been fully settled when due, the Company may without notice to the Client dispose or initiate a disposal by its associated entity of the whole or any part (at the selection of the Company) of the New Listing Securities duly allotted to the Client (together with all rights, title and interest attached to such New Listing Securities) at such time or times and in such manner and for such reasonable consideration as the Company may think fit, in each case without any liability on the Company to the Client for any such action (except in the case of gross negligence or wilful default), and to apply the proceeds of any such sale or realization in or towards the discharge of the Loan, and any fees and interest accrued thereon in such order as the Company may select; and
  - (d) such security shall be a continuing security unaffected by any intermediate payment and shall be in addition to and shall not prejudice or be prejudiced by any lien, right of set-off or other security which the Company may hold at any time for the Client's indebtedness to the Company or by any release, modification, abstention from enforcement or other dealing therewith or thereof.
- 10.2 To the extent permitted under applicable laws and regulations, the Client irrevocably authorises the Company to do and execute all acts or things and documents necessary to transfer, complete and/or vest the title to any of the securities charged as aforesaid to the Company, the Company's nominee or in any purchaser or otherwise for the purpose of obtaining the full benefit of this security, and to perfect the security given hereunder.
- 10.3 The Company is hereby irrevocably authorised (without prejudice to the other authorities granted to the Company hereunder):
- (a) to instruct any of its Affiliate and any bank, including, without limitation, deposit-taking company or other person, firm or company with whom or which the Client may at any time maintain an account (a "**Deposit Holder**") to transfer on the Client's behalf any funds standing from time to time in any account maintained at any time by the Client with any Affiliate of the Company or any Deposit Holder to any of the Client's accounts with the Company and/or to any account maintained at any time by the Client with any Affiliate of the Company, and/or
  - (b) to transfer any funds standing from time to time in any account maintained by the Client with the Company to any account maintained at any time by the Client with any Affiliate of the Company, and/or
  - (c) to give any of its Affiliate and any Deposit Holder notice of such authority, and/or
  - (d) to provide to and request and receive from any of its Affiliate such information concerning the Client and/or the Securities Account as the Company shall think fit.

For the purpose of this Clause 10, the term "**Affiliate**" shall mean, in relation to a company, its subsidiaries, any holding companies of that company and any subsidiaries of such holding companies.

- 10.4 The authorities given under Clause 10.3 shall be for a period of not more than twelve months from the date of the Agreement and may be renewed by the Client's written consent, or deemed to be renewed, at or before the end of (1) the calendar year in which the Agreement is entered into and (2) each subsequent calendar year for, in each instance, a further twelve months in accordance with applicable law and rules.
- 10.5 The Client agrees not to, and not purport to, create or allow to subsist, a charge, pledge or other encumbrance over the Client's account or securities held or carried by the Company for or on the Client's account other than as created under the Agreement.
- 10.6 Any interest earned or received on any credit cash balance held by the Company on behalf of the Client shall belong to the Company absolutely; however, the Company may at its full discretion pay part or all of such interest to the Client.

## 11. Charges and Expenses

- 11.1 The Company will charge the Client fees and commissions calculated at such rate and on such basis as the Company may from time to time determine and notify to the Client. The Client shall be liable for payment upon demand of any debts whatsoever and howsoever arising in respect of the Securities Account including but not limited to commission, charges, fees, statutory fees, taxes, levies, delivery charges. The Company may withdraw cash from or liquidate securities in the Securities Account to discharge the amounts due.
- 11.2 All amounts due by the Client to the Company will be charged with interest at such rate(s) to be notified by the Company from time to time. In the absence of such notification interest will be charged at an annual rate of 5% above of the best annual prime lending rate on Hong Kong dollars quoted by The Hongkong and Shanghai Banking Corporation from time to time.

## 12. Indemnity

- 12.1 The Client agrees to fully indemnify and hold harmless each of the Company, its Affiliates, its Agents and the Custodial Agents against all claims, actions, liabilities, proceedings against any of the Company, its Affiliates, its Agents or the Custodial Agents and bear all Loss (including legal fees) which they may suffer in connection with their carrying out of obligations or services, or exercise of rights, powers or discretion under or in connection with the Agreement, including any action taken by the indemnified person to protect or enforce its rights, or its security interest hereunder whether or not as a result of any default or breach by the Client but other than due to fraud, willful default or gross negligence on the part of the indemnified person.
- 12.2 The Company shall in no event be liable for any Loss of the Client or anything whatsoever which may be suffered as a result of any default, insolvency, act or omission of the Custodial Agent, Agent or any person, firm or company through or with whom transactions are effected for the Securities Account.

## 13. Client Money Standing Authority and Combination of Accounts

- 13.1 The Client Money Standing Authority covers money held or received by the Company in Hong Kong (including any interest derived from the holding of the money which does not belong to the Company) in one or more segregated account(s) on the Client's behalf ("**Monies**").
- 13.2 The Client authorizes the Company, subject to applicable laws and regulations, to:
- (a) 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 of its Affiliates and the Company may transfer any sum of Monies to and between such segregated account(s) to satisfy the Client's obligations or liabilities to the Company or any of its Affiliates, whether such obligations and liabilities are actual, contingent, primary or collateral, secured or unsecured, or joint or several; and
  - (b) transfer any sum of Monies interchangeably between any of the segregated accounts maintained at any time with the Company or any of its Affiliates.
- 13.3 The Client acknowledges and agrees that the Company may do any of the things mentioned in Clause 13.2 without giving the Client prior notice.
- 13.4 The Client Money Standing Authority is given without prejudice to other authorities or rights which the Company or any of its Affiliates may have in relation to dealing in Monies in the segregated accounts.
- 13.5 The Client Money Standing Authority shall continue to be valid from the date of this Agreement, subject to the Client's right of revocation as set out in Clause 13.6.
- 13.6 The Client Money Standing Authority may be revoked by the Client serving a written notice to the Company at least fourteen (14) days prior to the actual date of revocation.
- 13.7 The Client agrees that in addition to any general lien or similar right to which the Company may be entitled at law, contract or otherwise, the Company may, at any time and without prior notice, combine, consolidate, set off or transfer any securities or Monies standing to the credit of the Client's account with the Company (or any Affiliates of the Company), and to set off or apply any obligation or liability of the Company (or any Affiliates of the Company) owed to the Client, of whatever description and in whatever currency and whether held singly or jointly with others towards discharge of all the obligations or liabilities of the Client to the Company (or any Affiliates of the Company) whether such obligations or liabilities be primary, collateral, several, joint or in other currencies, whether or not matured or contingent or not arising from the Agreement. The Company shall not be concerned whether or not such obligations or liabilities owed to the Affiliates of the Company exist, provided that demand has been made on the Company by such Affiliates. The Company (itself or through its Affiliates) may use any credit balance to purchase the currency of any indebtedness for this purpose and any such purchase may be effected by the Company (or, as the case may be, its Affiliates) at the spot rate of exchange (as conclusively determined by the Company) prevailing in such foreign exchange market as the Company shall determine to be relevant on the date of such purchase. Insofar as any liabilities to the Company (or its Affiliates) are contingent or future, the liability of the Company (or its Affiliates) to the Client to make payment of any sums standing to the credit of any such accounts after the application of set-off hereunder will to the extent necessary to cover such sums be suspended until the happening of the contingency or future event. For the purpose of this Clause 13, the term "**Affiliate**" shall mean, in relation to a company, its subsidiaries, any holding companies of that company and any subsidiaries of such holding companies.

## 14. Representations, Warranties and Undertakings

- 14.1 The Client hereby warrants and represents and undertakes to the Company in the following terms:
- (a) the Client is entering into the Agreement with the Company as principal and is not trading on behalf of any other person unless the Company is notified otherwise in writing;
  - (b) the Client has obtained and will maintain in full force and effect any necessary consents, licences and authorities;
  - (c) the Client will enter into securities transactions solely in reliance upon his own judgment and analysis, and not upon advice or recommendations by any director, employee or agent of the Company;
  - (d) the Client Information Statement is true and complete at the date hereof and the Client will notify the Company forthwith upon any material changes in the information provided in the Client Information Statement or any other

information relating to the Client. Until the Client gives such notification to the Company, the Company shall be entitled to rely on the information contained in the Client Information Statement. the Company is hereby authorized to conduct a credit enquiry or check on the Client for the purpose of ascertaining the financial situation and investment objectives of the Client as set out in the Client Information Statement or otherwise;

- (e) the Agreement constitutes a valid and legally binding agreement on the Client enforceable in accordance with their terms;
- (f) the Agreement and its performance and the obligations contained herein do not and will not:
  - (i) contravene any existing applicable law, statute, ordinance, rule or regulation or any judgment, decree or permit to which the Client is subject or any provisions of the memorandum and articles of association or bye-laws of the Client (if applicable); or
  - (ii) conflict with or result in any breach of the terms of or constitute any default under any agreement or other instrument to which the Client is a party or is subject or by which any of the Client's property is bound;
- (g) the Client, except as previously disclosed in writing to the Company, is not an officer or employee of any exchange, board of trade, clearing house, bank or trust company, or an affiliate of any introducing broker, or an officer, partner, director or employee of any securities broker or licensed corporation;
- (h) the Client is and will remain to be the beneficial owner of the securities in the Securities Account free from any lien, charge, equity or encumbrance (save as created by the Agreement) and will not charge, pledge or allow to subsist any charge or pledge over the securities or monies in the Securities Account (save as created by the Agreement) or grant or purport to grant an option over any securities or monies in the Securities Account without the prior written consent of the Company;
- (i) the Client is the person ultimately responsible for originating the Instructions in relation to each transaction in the Securities Account and shall stand to gain the commercial or economic benefit of such transactions and/or bear their commercial or economic risk (except where such other persons or entity has been disclosed to the Company in the Client Information Statement or other written notice to the Company); and
- (j) the Client understands the nature and risks of the products in which he is trading and has sufficient net worth to be able to assume the risks and bear the potential losses of trading in such products.

14.2 The above representations, warranties and undertakings shall be deemed to be repeated immediately before each Instruction is given or executed.

## 15. Electronic Trading Services

15.1 This Clause 15 shall apply where the Company provides the Client with the services of the System (the “Services”) to enable the Client to electronically connect to the order management system operated by the Company for execution of Electronic Instructions. Upon use of the Services for the first time, the Client shall be deemed to accept the terms and conditions set out herein.

15.2 In this Clause, the following words and expression shall have the following meanings:

“**Electronic Instruction**” means, in relation to the provision and use of the Services and the System, an electronic communication which the Company believes in good faith to have been given by the Client or any Authorized Person via the System;

“**Supplier**” means the provider and/or operator of any part of the System;

“**System**” means the electronic system (including, without limitation, the direct market access services) which is supported by computer-based component systems for the order-routing, execution, matching or registration, together with any associated software, hardware, facilities and services provided by the Company and used by the Client from time to time; and

“**Third-party Supplied Part**” means any part of the System (including any associated software, hardware, facilities and services) which is not supplied by the Company or any Affiliate of the Company.

15.3 The Company makes no warranty, express or implied, concerning the Services and the System. The Client acknowledges that the System has not been developed for the Client's individual needs and has been selected and is used by the Client on an “as is” basis at their own volition and risk and that the Company shall bear no responsibility whatsoever for any consequence arising from the Client's choice or use of the System.

15.4 The Client assumes full responsibility and risk of Loss whatsoever resulting from its use of, or access to data, files, information, content, or other materials (including without limitation software) on or through the System.

15.5 Unless the Company and the Client have agreed otherwise in writing, the Client shall be solely responsible for installing and maintaining any relevant hardware and software and for making all necessary arrangements with any Supplier in relation to obtaining access to and using the System, and complying with all requirements imposed in relation to the System, including installation and update of any applicable security procedures, and any applicable agreement entered into by the Client in relation to the supply of any part of the System.

15.6 The Company shall have no responsibility to maintain the Services and information made through the System or to supply any corrections or updates in connection therewith. Availability of the Services and information are subject to change without notice.

- 15.7 The Client is responsible for the accuracy and adequacy of all Electronic Instructions and information communicated via the System to the Company and for all use made of the System through the access provided to the Client. The Company shall be entitled to rely and act on such Electronic Instructions (without conducting any due diligence as to the authenticity or authority of the Electronic Instructions) and information as being accurate, complete and duly authorized by and binding on the Client. Any transaction executed by the Company in accordance with any such Electronic Instruction or information shall be binding on the Client regardless of whether or not it has in fact been effected with the Client's authority. Electronic Instructions may only be revoked or amended via the System or such other way(s) as agreed between the Company and the Client from time to time. The Client agrees to maintain adequate security procedures to prevent unauthorized access to or use of the System by any person other than the Authorised Persons who are duly authorized by the Client to give such Electronic Instructions to the Company via the System. Without prejudice to the generality of Clause 15.3, the Company makes no warranty whatsoever to the Client, express or implied, regarding the security of the Services and the System, including with respect to the ability of unauthorized persons to intercept or access information transmitted by the Client through the System.
- 15.8 The Company may accept the digital signature of the Client supported by a digital certificate tendered to the Company issued by such certification authority as may be acceptable to the Company. The Company is entitled to treat such digital signature as the manual signature of the relevant person, and may presume the correctness of the information contained in a digital certificate tendered by or on behalf of the Client if the relevant digital certificate was published in a repository.
- 15.9 Under no circumstances shall the Company be responsible for any Electronic Instructions for which it has not duly and properly received. Electronic Instructions will only be executed during normal trading hours of the relevant market or exchange.
- 15.10 The Client agrees that the Authorized Person(s) shall be the only authorised user(s) of the System, and shall be solely and wholly responsible for the confidentiality, security and use of the Client's digital certificate, or the password and/or log-in name issued to the Client by the Company.
- 15.11 Unless otherwise agreed, the Company will not execute any Electronic Instructions of the Client through the System until it is satisfied that the Client has sufficient cleared funds or securities in the Securities Account to settle the related transactions as set out in Clause 9.
- 15.12 The Company shall not be deemed to have received and/or executed the Electronic Instructions given through the System unless and until the Client is in receipt of an order acknowledgement confirming receipt and/or execution of the Electronic Instructions (subject to details set out in the confirmation and periodic statements, if any).
- 15.13 The Client acknowledges and agrees that, as a condition of the Company's provision of the Services and the System, the Client shall immediately notify the Company if:
- (a) after giving an Electronic Instruction, the Client has not received any order acknowledgement or the acknowledgement contains incorrect details; and
  - (b) the Client becomes aware of any unauthorised use of or disclosure of or access to the Client's digital certificate, log-in name or password, or that any unauthorized transactions have been effected.
- 15.14 The Client acknowledges that he has no proprietary interests in any of the market data, and the intellectual property rights subsist in the computer software comprised in the component parts of the System. The Client also warrants that it shall not, and shall not attempt to, tamper with, modify, decompile, reverse engineer, damage, destroy or otherwise alter in any way of any such component parts.
- 15.15 The Client further acknowledges that the Company makes no representation and warranties on the timeliness, accuracy or completeness of market data or other information services, nor does the Company warrant the availability of the Services. The Client agrees that the Company shall not be liable in any inaccuracy, error, or omission in the data and other information, or from any interruption or delay in the transmission, or suspension or breakdown of the System or the Services, or other Loss arising from or caused by forces beyond the control of the Company.
- 15.16 Subject as provided in this Clause 15, neither the Company nor any of its Affiliates or Agents shall be liable to the Client (or to any third party) for any Loss suffered by the Client (or any other third party) arising out of or in connection with the Company's provision of the Services or the System hereunder or any act or omission undertaken by it in connection with effecting any transaction in accordance with the Electronic Instructions from the Client.
- 15.17 In the event of any failure, interruption or delay in the performance of the Company's obligations hereunder as a result of any act, event or circumstance not within the control of the Company from time to time, including but not limited to:
- (a) industrial disputes, acts or regulations of any government or governmental or supranational bodies, agencies or authorities, or of any exchange or any regulatory body whether in Hong Kong or elsewhere;
  - (b) service malfunctions, delay, suspension, interference, or operational difficulties encountered by third party service providers of electronic communications and telecommunication facilities wherever located;
  - (c) breakdown, failure, delay, interference or malfunction (in each case, whether total or partial, temporary or permanent) of or in any communications, telecommunication or computer services or electronic equipment;
  - (d) defaults by third parties in the performance of their obligations necessary to have been performed for the completion of any transactions;
  - (e) suspension or restriction of trading on any exchange or other market, or the failure of any relevant exchange,



clearing house and/or broker for any reason to perform their respective obligations; and

- (f) orders of courts, fire, war, natural disaster, Severe Weather, terrorist acts, riots or civil commotion, then neither the Company nor any of its Affiliates nor any of their respective agents shall be liable or have any responsibility of any kind for any Loss thereby suffered or incurred by the Client (or any third party).

15.18 Neither the Company nor any of its Affiliate nor any of their respective agents shall be liable to the Client (or any third party) for any Loss arising directly or indirectly out of or in connection with:

- (a) the Client's choice and/or use (whether by Authorised Persons or otherwise) of the System or any part thereof for communication with the Company;
- (b) the Client's inability to access to or use of the Services or System or any part thereof for any reason;
- (c) any failure by the System to transmit (or any delay in the transmission of) any Electronic Instruction (including acknowledgement of receipt of an Electronic Instruction, if any) or notification of execution or rejection of such Electronic Instruction; or
- (d) any errors or omissions in any Electronic Instruction from the Client to the Company that arise due to any equipment or software error or malfunction in or affecting the System or constraints on the capacity of the System or any error by any Supplier of any part of the System or any operator of the System.

15.19 The Company makes no express or implied guarantee, warranty or representation of any kind whatsoever in relation to any Third-party Supplied Part, or to the Client's choice or use of such Third-party Supplied Part, including, without limitation, as to the suitability or otherwise of such Third-party Supplied Part for the Client's use or as to the availability, accuracy, capabilities, performance or integrity of such Third-party Supplied Part, and none of the Company's representatives has authority to agree to the contrary. To the extent permitted by applicable laws, all representations and warranties, express or implied, statutory or otherwise, as to such matters are hereby expressly excluded.

15.20 The Company may, from time to time, impose such restrictions or limits on (where the Company is the Supplier) the Client's use of the System or on (regardless of whether or not the Company is the Supplier) the type of Electronic Instructions or other communications which the Client may transmit to the Company, and which the Company may accept, via the System, as the Company, in its sole discretion, determines.

15.21 Any record maintained by the Company relating to the Electronic Instructions and information communicated via the System shall be conclusive evidence of such, save in the case of manifest error, and shall be the property of the Company.

## **16. Severe Weather Arrangements in Hong Kong**

16.1 If a Severe Weather condition is in effect on a Business Day, the Company will use all reasonable endeavours to perform and maintain necessary operations in a fully digital and remote manner; and other special arrangements to the fullest extent possible as required and promulgated by the relevant authorities, including the SFC and the Hong Kong Exchanges and Clearing Limited, except for exceptional circumstances beyond the Company reasonable control such as equipment malfunctioning, temporary power outages or the suspension of electronic money transfer channels.

16.2 The Client shall check with the Company as to the services that the Company provides on an SWT Day.

16.3 Under SWT, the Client shall use non- physical means and electronic channel to place trade orders and conduct money transfers on an SWT Day.

16.4 The Company will use all reasonable endeavours to carry out Instructions concerning SWT given by the Client. All Instructions for effecting the transactions in respect of SWT shall be subject to such conditions as may be prescribed by applicable laws, and/or other arrangements as stipulated by the Company in its sole discretion from time to time. The Company shall have sole discretion on the acceptance of any Instructions, in whole or in part, on SWT Day. In particular, the Company shall not be obliged to act on any Instructions and is authorised to reject or cancel any Instructions, in whole or in part, without prior notice to the Client where the Company considers in its sole discretion trading on an SWT Day is suspended or not available due to reasons beyond the reasonable control of the Company or will result in the non-compliance by the Client or the Company or any of its Affiliates of any applicable law.

16.5 The arrangements for SWT are determined by the relevant regulators from time to time and they may change the relevant arrangements for SWT whether temporarily or otherwise at any time and without advance notice. Any such change to the arrangements with respect to SWT may affect the Company's ability to accept and/or process the Instructions and/or to provide, in a timely manner, any services generally. The Client shall note the SWT arrangements as promulgated by the Hong Kong Exchanges and Clearing Limited, SFC and/or the Company from time to time.

## **17. Default**

17.1 Despite any of the other terms and conditions herein or in any other agreement between the Client and the Company, the Client will pay all its indebtedness to the Company (whether actual or contingent, present or future) on demand or when due (whichever is earlier) and at the request of the Company will deposit such amounts in good funds, securities or otherwise and maintain such security with the Company as the Company deems satisfactory or which may be required by the rules of any exchange, market or authority of which the Company is a member or to which the Company may have any obligation. Each such security call shall be met immediately.

17.2 (1) In the event of any proceedings in or analogous to the bankruptcy, insolvency of the Client being started or any legal process being levied or enforced against any of the Client's assets or (2) whenever and so often as the Company

deems it advisable for its protection, by reason of insufficiency of margin, security or otherwise or for compliance with any rules of any relevant exchange, clearing house or broker, and upon any closure of the Securities Account or termination of the Company's relationship with the Client, all amounts owing by the Client to the Company will (to the extent, if any, not already due and payable on demand) immediately become due and payable to the Company on demand and the Company is irrevocably authorised at its discretion (as to timing, terms and otherwise), without demand of any kind upon or notice to the Client, and on the stock exchanges or commodity exchanges where such business is usually transacted or by private sale, or purchase as the case may be, to buy in any or all securities of which the Client's account is short and/or sell any or all securities which the Company is holding or carrying for or on the Client's account and/or close out any open contract or position and/or cancel any outstanding orders, in each case without any liability on the Company's part to the Client for any such action taken, except in the case of gross negligence or wilful default. The net proceeds of any such sale, or the securities received on any such purchase, shall be applied in such order as the Company may select against the Client's indebtedness to the Company, or to the Client's short position with the Company, without prejudice to the Client's liability for any deficiency.

17.3 After the Company has taken any action referred to in Clause 17.2, the Company will give notice to the Client as soon as practicable.

17.4 The Company may place the proceeds of sale or realisation of any securities pursuant to the Agreement to the credit of a suspense account with a view to preserve the Company's rights to prove for the whole of the Company's claim against the Client in the event of any proceedings in or analogous to bankruptcy, liquidation, winding up, composition or arrangement.

## 18. Investment Information

18.1 The Client fully understands that any transaction effected by the Client shall be made solely upon exercise of his own judgment and at his own discretion notwithstanding any information, suggestion or documents the Company may have provided to the Client.

18.2 The Client agrees that the Company will not be liable for any inaccuracy or incompleteness of any information provided by the Company or the performance or outcome of any transactions effected by the Client after receipt of such information.

## 19. Termination

19.1 The Agreement may be terminated by either party by giving not less than two business days' (other than a Saturday, Sunday or public holidays in Hong Kong) prior written notice to the other party. Notwithstanding the aforesaid, the Company may terminate the Agreement immediately upon the happening of any of the events referred to in Clause 17.2. Termination of the Agreement shall not affect any Instruction executed by the Company or prejudice or affect any rights, powers, duties and obligations of either party accrued prior to the termination.

19.2 Upon termination of the Agreement, the Client shall immediately repay to the Company any amounts due or owing to it. All warranties, representations, undertakings, covenants, exclusions, exclusion of liability and indemnities given by the Client under this Agreement and the provisions in Clauses 7 (Set-off), 10 (Security and Money Transfer), 11 (Charges and Expenses), 12 (Indemnity), 14 (Representations, Warranties and Undertakings), 23 (Governing Law and Applicable Regulations), 24 (Arbitration) and 25 (Rights of Third Parties) shall survive termination of this Agreement.

## 20. Notice

20.1 Any notice or other communication to be given or made pursuant to the Agreement by the Company to the Client may be made by personal delivery, prepaid post (airmail if overseas), electronic means or facsimile and shall be deemed to have been duly served:

- (a) if delivered personally or by electronic means, at the time of delivery;
- (b) if sent by prepaid post, 48 hours or (if by airmail) 96 hours after posting; and
- (c) if sent by facsimile, at the time of issuing of a transaction report indicating that the fax was sent in its entirety.

Any such notice or communication shall be sent to the Client at the address, facsimile number or e-mail address set out in the Client Information Statement or such other address, facsimile number, e-mail address or through other means as the Company may agree from time to time upon receiving the Client's notification for the purpose of this clause.

20.2 Any notice or communication made or given by the Client will be sent at his own risk and will be effective only upon actual receipt by the Company.

20.3 Where the Client has agreed that the Company may send any notice, contract notes, confirmations, periodic statements and communication (if any) to the Client in electronic form ("**Electronic Communication**"), and the Client agrees to accept and bear all the risks associated with the sending and receiving of the Electronic Communication, including but not limited to the risks as follows:

- (a) communication, sending and receiving of the Electronic Communication conducted through the internet or other electronic media is, inherently an unreliable medium and may be subject to interruption, transmission blackout, delayed transmission or incorrect data transmission due to, where applicable, unpredictable traffic congestion, the public nature of the media used or other reasons;
- (b) communication, sending and receiving of the Electronic Communication conducted through the internet or other

electronic media may not be executed or may be delayed; and

- (c) communication and sending and receiving of personal data through the internet or other electronic media may be accessed by unauthorized third parties,

and the Client acknowledges and agrees that none of the Company and its affiliates and their respective shareholders, directors, officers, employees, representatives or agents (collectively “**Relevant Persons**”) assumes any liability or responsibility to the Client or to any other person for any consequences arising therefrom or in connection therewith and hereby waives all the rights of making any claims against the Company and the Relevant Persons in connection therewith.

## 21. General Provisions

21.1 Time shall in every respect be of the essence under the Agreement.

21.2 No provision of the Agreement shall operate to remove, exclude or restrict any rights and obligations of the Client or the Company under the laws or regulations of Hong Kong except to the extent permitted thereunder.

21.3 If any one or more of the provisions contained in the Agreement shall be deemed invalid, unlawful or unenforceable in any respect under any applicable law, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired.

21.4 (a) The Agreement shall benefit and be binding on the Company and the Client, their respective successors and subject to this Clause 21.4, any permitted assignee or transferee of some or all of the Company’s rights or obligations under the Agreement.

(b) The Client may not assign or transfer all or any of his rights or obligations under the Agreement.

(c) The Company may assign or transfer all or part of its rights, benefits and obligations under the Agreement and disclose to a potential assignee or transferee or any other person proposing to enter into contractual arrangements with the Company in relation to the Agreement such information as the Company may think fit for the purposes of such contractual arrangements.

21.5 Failure or delay in exercising any rights, power or privilege by the Company in respect of the Agreement shall not operate as a waiver, nor shall a single or partial exercise, enforcement or waiver of any such rights, power or privilege preclude the Company from further exercise, enforcement, or the exercise or enforcement of any other right, power or privilege hereunder.

21.6 The Client agrees that the data requested by the Company in the Client Information Statement or otherwise from time to time is necessary for the Company to provide the services in connection herewith. If the Client fails to provide the same to the Company, the Company may not be able to provide or continue to provide such services to the Client. The Client may always contact the head of brokerage operations of the Company to gain access to and request correction or amendment to such data. Such data together with any other data of the Client obtained by the Company from time to time may be disclosed to such persons and may be used for such purposes as are respectively set out in the Circular relating to the Personal Data (Privacy) Ordinance of Hong Kong issued by the Company as amended or supplemented from time to time. Without prejudice to the foregoing, the Company may, if requested by the Exchange or the SFC, provide to the Exchange or the SFC details of the Securities Account in order to assist the Exchange or the SFC with any investigation or enquiry it is undertaking.

21.7 The Client acknowledges and agrees that the Company may appoint any person as its agent (“**debt collection agent**”) to collect any amount due by the Client to the Company under the Agreement and the Client shall be responsible for all costs and expenses which may be incurred by the Company for that purpose on each occasion. Further, the Company shall have, and the Client admits and agrees that the Company does have, the right to disclose to debt collection agency any of the Client’s personal data for that purpose on any occasion.

21.8 Either party will notify the other in the event of any material change to the information in the Agreement (including, for the avoidance of doubt, the Client Information Statement).

21.9 Neither the Company nor its Affiliates shall be liable for any delay or failure to perform obligations and any Loss resulting therefrom so long as they have acted in good faith. Moreover, the Company and its Affiliates shall not be held responsible for any Loss or consequences resulting whether directly or indirectly from any events not within their control including, without limitation, government restrictions, imposition of emergency procedures, exchange ruling, third party’s conduct, suspension of trading, war, strike, market conditions, civil disorder, acts or threatened acts of terrorism, natural disasters, or any other circumstances beyond the Company’s control whatsoever.

21.10 All sums to be payable by the Client hereunder shall be paid on the relevant due dates or on demand by the Company in immediately available and freely transferable funds in the relevant currency on the relevant due dates for payment. All such payments shall be made in full without set off or counter claim and free and clear of and without any deductions or withholdings for or on account of any present or future taxes, imposts, duties or other withholdings or deductions of any nature whatsoever. If any payment to be made to the Company is subject to any deduction, tax or other withholdings (other than tax on the Company’s income), then the Client will forthwith pay to the Company such additional amount(s) as may be necessary to ensure that the Company’s receipt is equivalent to the amount which the Company would otherwise have received had there been no such deduction, tax or withholding.

21.11 The Client hereby confirms that he has received and read the English/Chinese version of the Agreement and that the

Client understands and accepts the terms of the Agreement. In the event of discrepancy between the Chinese version and the English version, the English version shall prevail.

21.12 These Terms and Conditions revoke and supersede all previous mandates and agreements. Subject to contrary arrangements in writing between the Client and the Company, any account subsequently opened will be operated on these Terms and Conditions.

**22. Amendment**

The Company shall be entitled to add, amend or delete any of these Terms and Conditions at any time by giving prior notice to the Client.

**23. Governing Law and Applicable Regulations**

23.1 The Agreement and all rights, obligations and liabilities under it shall be governed by and construed in accordance with the laws of Hong Kong.

23.2 The Client hereby submits to the non-exclusive jurisdiction of the courts of Hong Kong in the event of any dispute arising out of the Agreement. Such submission shall not prejudice the Company's right to commence action against the Client in any other court of competent jurisdiction.

23.3 The Client, the Company and all transactions with respect to securities made for or on the Client's behalf shall be subject to the constitution, by-laws, rules, rulings, regulations, transaction levies and other levies, customs and usages (including, without limitation, with respect to trading and settlement) prevailing from time to time of the exchange or market and its clearing house, if any, where made (including, without limitation, the Exchange, the Hong Kong Securities Clearing Company Limited and the SEHK Options Clearing House Limited) and to all laws, regulations and orders of any governmental or regulatory authorities that may be applicable as amended from time to time. The Company is authorised to collect any such transaction or other levies in accordance with the rules prescribed by the relevant exchange, market or clearing house. The Client shall be bound by all the Company's rules and regulations applicable from time to time to the Securities Account or the Client's securities trading or the financing of such trading. The Company or any of its Affiliate may be the counterparty to any transaction effected by the Company on the Client's behalf.

**24. Arbitration**

At the sole option of the Company and at its absolute discretion, any dispute, controversy or claim arising out of or relating to the Agreement, or the breach termination or invalidity thereof, shall be settled by arbitration in accordance with the UNCITRAL Arbitration Rules as at present in force and as may be amended by the rest of this Clause. The appointing authority shall be Hong Kong International Arbitration Centre ("HKIAC"). The place of arbitration shall be in Hong Kong at HKIAC. There shall be only one arbitrator. Any such arbitration shall be administered by HKIAC in accordance with HKIAC Procedures for Arbitration in force at the date of the Agreement including such additions to the UNCITRAL Arbitration Rules as are therein contained. The language to be used in the arbitral proceedings shall be English.

**25. Rights of Third Parties**

Unless otherwise specified, no provision of these Terms and Conditions is enforceable under the Contracts (Rights of Third Parties) Ordinance (Chapter 623 of the Laws of Hong Kong) by a person who is not a party to this Agreement. Any rights conferred on third parties by these Terms and Conditions exclude the right to assign, and their consent is not required to rescind or vary these Terms and Conditions.

**26. Process Agent**

If the Client is an individual domiciled outside Hong Kong or a company incorporated outside Hong Kong, the Client shall appoint a process agent in Hong Kong to receive all notices and communications relating to any legal proceedings involving the Client and the Securities Account.

**27. Electronic Signature**

The Client acknowledges and agrees that the signature, execution or deliver of any document or written instrument arising from or in connection with any transactions or in respect of the Agreement shall be deemed to include electronic signatures and the keeping of records in electronic form, each of which shall be of the same legal effect, validity, and/or enforceability as a manually executed signature with wet ink in hard copy, as the case may be, to the extent and as permitted in the Electronic Transactions Ordinance (Chapter 553 of the Laws of Hong Kong). For purposes hereof, the "electronic signatures" includes but not limited to the scanned copy of the documents with manually executed signatures transmitted via email, facsimile or other electronic transmission from the Client or a person duly authorized by the Client, or utilization of the application published by the Company or its Affiliates.



### Personal Information Collection Statement

This Statement is provided to the Client as an individual client of the Company in accordance with the requirements of Hong Kong Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong) (the “**Ordinance**”). Terms defined in this statement has the same meaning as in the Agreement.

#### 1. Disclosure Obligation

Unless otherwise stated, the Client must supply the personal data requested on the Client Information Form to the Company. If the Client does not supply this data, it will not be possible for the Client to open an account with the Company as the Company will not have sufficient information to open and administer the account.

#### 2. Use of Personal Data

##### A. Users

All personal data concerning the Client (whether provided by the Client or any other person, and whether provided before or after the date the Client receives the Agreement containing this information) may be used by the following companies or persons (each, a “**User**”):

- (a) directors, officers, compliance officers or any other designated staff of the Company and/or any of its Affiliates;
- (b) any financial institution and credit agency with which the Client has or proposes to have dealings with to enable such financial institutions and credit agencies to conduct credit checks;
- (c) any person (such as lawyers, advisers, nominee, custodian etc) authorized by the group companies of the Company when carrying out the Client's Instructions and/or the business of the group companies of the Company;
- (d) the Exchange, SFC or any regulatory or governmental body having jurisdiction over the Company or its Affiliates in the event that such disclosure is required by any such authority, whether or not the requirement has the force of law;
- (e) any designated third party service provider from time to time for the purpose of conducting any AML Checks or regular AML reviews;
- (f) any actual or proposed participant or sub-participant in, or assignee, novatee or transferee of any of the Company's rights in relation to the account(s) and under the Agreement;
- (g) any Agent, contractor or third party service provider, which provide services of any kind to the Company or to any of its Affiliate in connection with the Electronic Trading Services, trades monitoring or other business operations; and
- (h) any other person under a duty of confidentiality to the Company or to any of its Affiliate.

##### B. Purposes

All personal data concerning the Client may be used by any User for the following purposes:

- (a) carrying out new or existing client verification and credit checking procedures and assisting other financial institutions to do so;
- (b) ongoing account administration and services in connection with the Client's account, including the collection of amounts due, enforcement of security, charge or other rights and interests;
- (c) conducting AML checks and regular reviews;
- (d) any other purpose relating to the execution of the Instructions or in connection with the business or dealings of the group companies of the Company;
- (e) comparison with the Client's personal data (irrespective of the purposes and sources for which such data were collected, and whether collected by a User or any other person) for the purpose of:
  - i. credit checking;
  - ii. data verification; and/or
  - iii. otherwise producing or verifying data which may be used for the purpose of taking such action that a User or any other person may consider appropriate (including action that may relate to the rights, obligations or interest of the Client or any other person);
- (f) audit, risk management and internal control conducted for the Company or for its Affiliates;
- (g) determining the amount of indebtedness owed to or by you;
- (h) collection of amounts outstanding from you and those providing security for your obligations;
- (i) commencing, defending or otherwise participating in any legal or administrative proceedings or inquiry before any court or competent authority;
- (j) any purpose relating to or in connection with compliance with any law, regulation, court order, order of any regulatory body or any requirement, whether or not the requirement has the force of law; and

- (k) transferring of such data to any place outside Hong Kong for processing, storage, financial and transactional reporting and for any other purposes described above or as the User considers appropriate and necessary. Such data may also be processed, stored, released or disclosed in accordance with the local practices and laws, rules and regulations (including any governmental acts and orders), codes, guidelines, circulars and directions issued by regulatory or other authorities in such jurisdiction.

### **3. Rights of Access and Correction**

The Client has the right to have access to and correction of the Client's personal data as set out in the Ordinance. In general, and subject to certain exemptions, the Client may:

- (a) enquire whether the Company holds personal data in relation to the Client;
- (b) request access to the Client's personal data within a reasonable time, at a fee which is not excessive, in a reasonable manner and in a form that is intelligible;
- (c) request the correction of the Client's personal data; and
- (d) be given reasons if a request for access or correction is refused, and object to any such refusal.

### **4. Contact Person**

If the Client wishes to request access to and/or correction of personal data concerning the Client, the Client should address the request to the Personal Data Protection Officer or other responsible person of the Company.

### **5. Client consent under the Hong Kong Investor Identification Regime (HKIDR) and Over-the-counter Securities Transactions Reporting Regime (OTCR)**

The Client acknowledges and agrees that the Company may collect, store, process, use, disclose and transfer personal data relating to the Client (including the Client's CID and BCAN(s)) as required for the Company to provide services to the Client in relation to securities listed or traded on the Exchange and for complying with the rules and requirements of the Exchange and the SFC in effect from time to time. Without limiting the foregoing, this includes –

- (a) disclosing and transferring the Client's personal data (including CID and BCAN(s)), directly or indirectly through another broker or other intermediaries the Client may use in relation to the services the Company provide to the Client (if any), to the Exchange, the SFC and/or Hong Kong Securities Clearing Company Limited ("HKSCC"), in accordance with the rules and requirements of the Exchange, the SFC and HKSCC in effect from time to time;
- (b) allowing the Exchange to: (i) collect, store, process and use your personal data (including CID and BCAN(s)) for market surveillance and monitoring purposes and enforcement of the rules of the Exchange; and (ii) disclose and transfer such information to the relevant regulators and law enforcement agencies in Hong Kong (including, but not limited to, the SFC) so as to facilitate the performance of their statutory functions with respect to the Hong Kong financial markets; and (iii) use such information for conducting analysis for the purposes of market oversight;
- (c) allowing the SFC to: (i) collect, store, process and use your personal data (including CID and BCAN(s)) for the performance of its statutory functions including monitoring, surveillance and enforcement functions with respect to the Hong Kong financial markets; and (ii) disclose and transfer such information to relevant regulators and law enforcement agencies in Hong Kong in accordance with applicable laws or regulatory requirements; and
- (d) providing BCAN to HKSCC allowing HKSCC to: (i) retrieve from the Exchange (which is allowed to disclose and transfer to HKSCC), process and store the Client's CID and transfer the Client's CID to the issuer's share registrar to enable HKSCC and/ or the issuer's share registrar to verify that the Client has not made any duplicate applications for the relevant share subscription and to facilitate IPO balloting and IPO settlement; and (ii) process and store the Client's CID and transfer the Client's CID to the issuer, the issuer's share registrar, the SFC, the Exchange and any other party involved in the IPO for the purposes of processing your application for the relevant share subscription or any other purpose set out in the IPO issuer's prospectus.

The Client also agrees that despite any subsequent purported withdrawal of consent by the Client, the Client's personal data may continue to be stored, processed, used, disclosed or transferred for the above purposes after such purported withdrawal of consent.

Failure to provide the Company with the personal data or consent as described above may mean that the Company will not, or will no longer be able to, as the case may be, carry out the Client's trading instructions or provide the Client with securities related services (other than to sell, transfer out or withdraw your existing holdings of securities, if any).

The Client also acknowledges and undertakes to the Company that, CID and any other personal data provided by the Client are true and accurate and the Client shall promptly notify the Company of any changes or updates or errors related to such CID and any other personal data provided and shall promptly provide the Company with any updated or changed CID and other personal data. Further, the Client acknowledges, confirms and undertakes to the Company to assist the Company with verification and maintenance of CID and any other personal data.

Note: The terms "BCAN" and "CID" used in this clause shall bear the meanings as defined in paragraph 5.6 of the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission issued by the SFC as amended from time to time.