

**PLEASE READ THIS AGREEMENT CAREFULLY AND THOROUGHLY BEFORE YOU SIGN THE ACCOUNT OPENING APPLICATION FORM INDICATING YOUR AGREEMENT TO BE BOUND BY THE TERMS AND CONDITIONS CONTAINED HEREIN AND IN ANY EVENT BEFORE YOU USE ANY PART OF THE SERVICES (AS DEFINED BELOW).**

## **SECTION 1 - TERMS AND CONDITIONS FOR SECURITIES TRADING**

THIS AGREEMENT is made on the date stated in Account Opening Application Form of Chong Hing Securities Limited BETWEEN:

- (1) CHONG HING SECURITIES LIMITED, a company incorporated in Hong Kong with its place of business at 2nd Floor, Chong Hing Bank Centre, 24 Des Voeux Road Central, Hong Kong (the “Broker”, “we”, “us”, “our”), a licensed corporation under the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong), CE No. AAA806; and
- (2) The party whose name, address and description are set out in Account Opening Application Form (the “Client”, “you”, “your”).

WHEREAS:

The Client hereby applies to open an Account with the Broker and agree to the Broker operating the Account on the terms set out in this Agreement.

### **1. Definitions**

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

“**Access Code**” means the Password and the User ID (or any of them);

“**Account**” means any securities trading account opened or to be opened by the Client with the Broker pursuant to this Agreement;

“**Agreement**” means the agreement comprising these terms and conditions (as from time to time amended in accordance with the terms hereof);

“**Approved Custodian**” means a company approved by the SFC under section 11 of the Client Securities Rules as being suitable for the safe custody of client securities and securities collateral of a corporation or financial institution licensed or registered under the SF Ordinance;

“**Associates**” in relation to the Broker means Chong Hing Bank Limited and its subsidiaries and “**Associate**” shall mean any of them;

“**Authorised Financial Institution**” means an authorised institution as defined under Section 2(1) of the Banking Ordinance (Cap.155 of the Laws of Hong Kong);

“**Authorized Persons**” means those individuals who have been designated by or duly authorized by the Client pursuant to the necessary corporate or other actions (which shall be evidenced by appropriate documentation delivered and acceptable to the Broker) 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 Broker has received from the Client appropriate documents revoking the authority of such person(s), prior to which time the Broker shall be entitled to assume that such person(s) shall hold the Broker harmless and continue at all relevant times to have such required authority to act as Authorized Person(s), and the Client shall indemnify the Broker against all losses, claims and damages arising as a result of the Broker acting in accordance with the instructions of the Authorized Person(s) under the Account. In the case of a Client being an individual, the Authorized Persons shall include the Client himself unless the Client has notified the Broker otherwise. “**Authorized Person**”, if there are more, than one Authorized Persons, means any one of the Authorized Persons;

“**business day**” has the meaning, in relation to SEHK, as defined in Chapter 1 of Rules of the Exchange of SEHK, and, in relation to any other Exchange, as defined in similar rules of such Exchange;

“**Clearing House**” means, in relation to SEHK, HKSCC and, in relation to any other Exchange, any clearing house providing similar services for such Exchange;

“**Client Money Rules**” means the Securities and Futures (Client Money) Rules (Cap.571I of the Laws of Hong Kong);

“**Client Securities Rules**” means the Securities and Futures (Client Securities) Rules (Cap.571H of the Laws of Hong Kong);

“**Deposited Securities**” means the Securities from time to time deposited with or otherwise held by the Broker for the account of the Client;

“**Exchange**” means, in relation to Securities, SEHK, SSE, SZSE and any other exchange, market or association in any part of the world on which that Security is traded;

“**Exchange rate**” means the rate for converting one currency into another currency which the Broker determines to be prevailing in the relevant foreign exchange rate market at the relevant time, such determination to be conclusive and binding on the Client;

“**Financial Product**” means any securities, futures contracts or leveraged foreign exchange contracts as defined under the SF Ordinance. Regarding “leveraged foreign exchange contracts”, it is only applicable to those traded by persons licensed for Type 3 regulated activity.

“**HKEX**” means Hong Kong Exchanges and Clearing Limited;

“**HKSCC**” means Hong Kong Securities Clearing Company Limited (the operator of the Central Clearing and Settlement System);

“**Instructions**” means any instruction or instructions given by the Client to the Broker for buying or selling of or other dealing in any Securities or for operating the Account and whether given orally or in writing or through the Internet Trading Service and/or Mobile Trading Service or such other means as the Broker may approve from time to time;

“**Internet Trading Service**” means the on-line facility provided by the Broker under this Agreement which enables the Client to give Instructions and/or access any information services provided by the Broker by electronic means through the Internet in such manner as the Broker may designate from time to time;

“**Mobile Trading Service**” means the on-line facility provided by the Broker under this Agreement which enables the Client to give Instructions and/or access any information services provided by the Broker by electronic means through the wireless mobile phone network in such manner as the Broker may designate from time to time;

“**Omnibus Account**” means an Account opened with the Broker by the Client in respect of which the Broker is notified that the Account is to be operated for a customer, or a number of customers, of the Client and not for the Client itself;

“**Password**” means the personal password of the Client used in conjunction with the User ID to gain access to the Internet Trading Service, the Mobile Trading Service and/or other services provided by the Broker;

“**Securities**” means all stocks, shares, debentures, bonds, notes, certificates of deposit, warrants, units in unit trusts or other securities which may be traded or held by the Client, and the word “**Security**” shall be construed accordingly;

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

“**settlement day**” has the meaning, in relation to HKSCC, as defined in Chapter 1 of General Rules of HKSCC, and, in relation to any other Clearing House, as defined in similar rules of such Clearing House;

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

“**SFC Rules**” means rules, regulations, codes or guidelines issued, revised or supplemented by SFC from time to time;

“**SF Ordinance**” means the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong);

“**Short Selling Order**” has the meaning as defined in Section 1 of Part 1 of Schedule 1 of the SF Ordinance;

“**SSE**” means Shanghai Stock Exchange;

“**SZSE**” means Shenzhen Stock Exchange;

“**trading day**” has the meaning, in relation to SEHK, as defined in Chapter 1 of Rules of the Exchange of SEHK, and, in relation to any other Exchange, as defined in similar rules of such Exchange;

“**Transactions**” means all transactions in Securities executed or handled by the Broker on behalf of and for the account of the Client; and

“**User ID**” means the personal identification of the Client used in conjunction with the Password to gain access to the Internet Trading Service, the Mobile Trading Service and/or other services provided by the Broker.

1.2 In this Agreement, where the context permits, words importing the singular shall include the plural and vice versa; words denoting one gender shall include all other genders; the expression “**person**” shall include any firm, partnership, association of persons and body corporate and any such persons acting jointly and the personal representatives or successors in title of any such persons; references to “**writing**” shall include mail, electronic mail, telex, cable and facsimile transmission; headings are inserted for convenience only and shall have no legal effect; and references to numbered clauses are references to the corresponding clauses of this Agreement.

1.3 Notwithstanding the other provisions (including Clause 1.1 of Section 2 and Clause 1.1 of Section 3 respectively) to the contrary in this Agreement and solely for purpose of the Broker’s following services and in relation to the Transactions:

- (a) securities dealing;
- (b) custodian;
- (c) nominee;
- (d) ancillary services provided through electronic means to support trading and clearing activities of Hong Kong’s securities and derivatives markets; and / or
- (e) other services as may be made available by the Broker from time to time for compliance with the SWT Arrangement (define below)

(collectively called “**SWT Services**”), this Agreement is subject to and shall be deemed as overruled or modified by the SWT Arrangement implemented by the HKEX from time to time including those published under the Appendix II to the Consultation Conclusions regarding Severe Weather Trading of Hong Kong Securities and Derivatives Markets (collectively called the “**SWT Arrangement**”). Those SWT Services relevant to the severe weather trading operational arrangements (such as trading, clearing and settlement services and operations) in Hong Kong’s securities and derivatives markets mentioned in this Agreement shall not be deferred despite that (i) Typhoon Signal No. 8 or above, or Black Rainstorm Warning is issued by the Hong Kong Observatory; or (ii) extreme conditions is announced by the Hong Kong Government (collectively called “**SW conditions**”). Details of the SWT Arrangement are available at the website of HKEX. To the extent of conflict or inconsistency between the provisions of (a) this Agreement and (b) the SWT Arrangement, the Transactions, business, operation, services and affairs of the Broker in relation to the Broker’s SWT Services under this Agreement during any SW conditions shall be subject to and deemed as modified to the intent of compliance with the SWT Arrangement.

## 2. Applicable Laws and Regulations

2.1 All Transactions taking place in Hong Kong shall be subject to this Agreement and to all applicable laws, rules and regulations whether imposed on the Client or the Broker including the laws of Hong Kong, subsidiary legislation and any codes and guidelines issued by the SFC as are in force from time to time and, in respect of those Transactions executed or to be executed on an Exchange or settled or to be settled through a Clearing House (including HKSCC), those Transactions shall also be subject to the constitution, rules, regulations, bye-laws, customs and usages of the relevant Exchange (including SEHK)

and/or Clearing House (including HKSCC) (including but not limited to those rules which relate to trading and settlement) provided that:

- (a) in the event of any conflict between this Agreement and any such applicable laws or any such constitution, rules, regulations, bye-laws, customs and usages, the latter shall prevail;
- (b) the Broker may take or omit to take any action it considers fit in order to ensure compliance with any such applicable laws or any such constitution, rules, regulations, bye-laws, customs and usage including, without limitation, adjusting any Account, disregarding any unexecuted Instructions or rescinding any executed Transactions;
- (c) such laws and such constitution, rules, regulations, bye-laws, customs and usages as are so applicable and all such actions so taken shall be binding upon the Broker and the Client; and
- (d) the Client shall be responsible for obtaining in advance and maintaining any governmental or other consents required in connection with the Client entering into this Agreement or the Broker effecting any Transaction in connection with this Agreement.

### 3. Internet Trading Service and Mobile Trading Service

- 3.1 The Broker may at its discretion provide the Client with the Internet Trading Service and/or the Mobile Trading Service on the terms and conditions of this Agreement or on such other terms and conditions as the Broker may determine from time to time. The Client acknowledges that the Internet Trading Service and the Mobile Trading Service are semi-automated facilities which enable the Client to give Instructions to and/or receive information service from the Broker by electronic means.
- 3.2 The Client agrees that the Client shall be the only authorised user of the Internet Trading Service and/or the Mobile Trading Service under the Account. The Client agrees and undertakes:
  - (a) not to disclose any Access Code to any third party;
  - (b) to assume full responsibility for all Instructions entered through the Internet Trading Service and/or the Mobile Trading Service; and
  - (c) to immediately report any loss, unauthorised disclosure or misuse of the Access Code to the Broker.
- 3.3 The Client agrees that the Broker shall have no obligation or duty to verify the authenticity of any Instructions or the identity or authority of any person giving any Instructions, other than to verify the Access Code used to gain access to the Internet Trading Service and/or the Mobile Trading Service.
- 3.4 The Client acknowledges that the Internet Trading Service and the Mobile Trading Service and all software contained therein are proprietary to the Broker. The Client undertakes that the Client shall not and shall not attempt to tamper with, modify, decompile, reverse engineer, damage or otherwise alter in any way and shall not and shall not attempt to gain unauthorised access to any part of the Internet Trading Service or the Mobile Trading Service or any software contained therein.
- 3.5 The Client undertakes to notify the Broker immediately if the Client becomes aware that any of the actions described in Clause 3.4 is being perpetrated by any other person.
- 3.6 The Broker shall have the right to take legal action (including without limitation reporting the breach to the competent authority for prosecution) against the Client if the Client shall at any time breach any of the undertakings under Clause 3.4.
- 3.7 Without prejudice to the right of the Broker under Clause 3.6, the Broker shall have the right at any time to suspend or terminate the Internet Trading Service and/or the Mobile Trading Service with the Client without notice if the Client shall at any time breach any of the undertakings under Clause 3.4.
- 3.8 The Client acknowledges and agrees that the Broker shall not be deemed to have received the Instructions or have executed the Instructions unless and until the Client is in receipt of the Broker's message acknowledging or confirming execution of such Instructions, either by faxed copy or by electronic or verbal means. The Client further acknowledges and agrees that, as a condition of using the Internet Trading Service and/or the Mobile Trading Service to give Instructions, the Client shall immediately notify the Broker if:
  - (a) the Instructions in respect of an Account has been placed through the Internet Trading Service and/or the Mobile Trading Service and the Client has not received an order number or an accurate acknowledgement of the Instructions or of its execution (whether by hard copy or by electronic or verbal means);
  - (b) the Client has received acknowledgement (whether by hard copy or by electronic or verbal means) of an Instruction of a Transaction which the Client has not so instructed the Broker; or
  - (c) the Client becomes aware of any unauthorised use of the Access Code.
- 3.9 The Client acknowledges and agrees that any real-time quote service available at the Internet Trading Service and/or the Mobile Trading Service is provided by third party providers ("**Information Providers**") appointed by the Broker and the use of such real-time quote service by the Client shall be subject to the following conditions:
  - (a) the Client agrees not to do any act which would constitute any infringement of any proprietary interests and rights over any market data or information provided by the Information Providers;
  - (b) the Client acknowledges that the Information Providers endeavour to ensure the accuracy and reliability of the real-time quote provided but the Broker and the Information Providers do not guarantee or warrant its timeliness, sequence, completeness, accuracy or reliability and accept no liability (whether in tort or contract or otherwise) for any loss or damage as a result thereof;
  - (c) the Client hereby undertakes and covenants to ensure that all and any of the real-time quote provided by the Information Providers shall be used on terms that:
    - (i) it shall not, without the prior written approval of the Information Providers and/or the Broker,

disseminate any information received under the real-time quote service to any other person;

- (ii) it shall not use or permit the use of the real-time quote service for any defamatory or illegal purpose; and
- (iii) it shall not use the real-time quote service or any part thereof other than in the ordinary course of its own business (which shall not include dissemination to third parties) ;

- (d) the Client acknowledges that the Broker may from time to time require (whether on its own initiative or pursuant to the request of the relevant Information Providers) the Client to comply with any directions reasonably required concerning the use of the real-time quote service and the Client undertakes to comply with such directions upon receipt of the relevant written notice from the Broker;
- (e) **the Client shall pay the applicable charges for the use of the real-time quote service from time to time determined by the Broker and/or the Information Providers;**
- (f) the Broker shall be entitled to terminate the provision of the real-time quote service without notice and without stating any reason therefor; and
- (g) the Client acknowledges and agrees that the Broker may provide any data of the Client to the Information Providers and any authorities pursuant to any agreements entered between the Broker and the Information Providers for the provision of the real-time quote service.

3.10 The Client acknowledges that the Internet is, due to unpredictable traffic congestion and other reasons, an inherently unreliable medium of communication and that such unreliability is beyond control of the Broker. As a result of such unreliability, there may be delays or errors in the transmission and receipt of Instructions and other information which may result in non-execution of Instructions or delays or errors in the execution of Instructions and/or the execution of Instructions at prices different from those prevailing at the time the Instructions were given. The Client further acknowledges and agrees that there may be risks of misunderstanding or errors in any communication and that such risks (if any) shall be absolutely borne by the Client. The Client also acknowledges and agrees that an Instructions using the Internet Trading Service or the Mobile Trading Service, once given, shall be irrevocable and binding on the Client and any request to amend or cancel such Instructions (“**Request**”) shall be deemed to be not effectively given unless and until such Request is confirmed by the Broker orally and in writing (either by electronic means and/or by hard copy) to have been successfully executed.

3.11 The Client acknowledges and agrees that in no circumstances shall the Broker be liable to the Client if the Internet Trading Service and/or the Mobile Trading Service are not available due to failure of telecommunication connection or computer downtime attributable to housekeeping, malfunctioning computer virus, unauthorised access by any person, upgrade or preventive or remedial maintenance activities or due to any cause beyond the Broker’s control.

3.12 Notwithstanding anything to the contrary herein contained, the Broker shall have the right exercisable at its absolute discretion at any time without prior notice to suspend or terminate the Internet Trading Service and/or the Mobile Trading Service without ascribing any reason therefor.

#### **4. Instructions**

4.1 Subject to the terms and conditions of this Agreement, the Client hereby requests and authorises the Broker to act on its Instructions from time to time. If the Client is an individual, the Client acknowledges and agrees that the signature(s) which appear(s) on the Account Opening Application Form shall be the specimen signature(s) for the Account. If there are two or more signatories, each such signatories shall be entitled to give Instructions to or communicate with the Broker in relation to the Account. Notwithstanding anything to the contrary herein contained, the Broker shall be entitled to but not bound to accept or act on any Instructions.

4.2 The Client confirms that the person(s) being appointed as Authorised Persons shall be authorised to give Instructions to or communicate with the Broker on the Client’s behalf. The Client undertakes to forthwith notify the Broker of any change to the person(s) so authorized and confirms that any Instructions or communication given to the Broker prior to notification of such change shall continue to be binding on the Client.

4.3 The Broker shall be entitled to accept and rely on any Instructions or communications given or purported to be given by or on behalf of the Client which the Broker believes to be genuine and the Client shall be responsible for all such Instructions or communications. Without prejudice to the foregoing, the Client undertakes to confirm all oral Instructions in writing promptly.

4.4 The Broker shall have no obligation to act on any Instructions or communication which does not, in the Broker’s sole determination, contain sufficient details or information for the Broker to act upon.

4.5 The Client agrees that the Broker may tape record conversations with its clients and the Client shall accept such records as conclusive evidence of the matters so recorded. Such records shall remain the Broker’s sole property and may be retained by the Broker for such period as the Broker may determine.

4.6 Subject to all other provisions of this Agreement, the Client may request the Broker to apply on the Client’s behalf for Securities in a new issue for listing on an Exchange (“**Application**”) and the provisions of this Clause 4.6 shall apply:

- (a) the Client authorizes the Broker to complete the application form and any other documents relating to the Application as may be required and represents and warrants to the Broker that all representations, warranties, confirmations and undertakings on the part of the applicant contained or incorporated in the application form are true and accurate in respect of the Client;
- (b) the Client agrees to be bound by the terms of the new issue and in particular, the Client hereby:
  - (i) warrants and undertakes that the Application shall be the only application made for the Client’s benefit in respect of the same issue of Securities and that the Client shall make no other application in that issue;
  - (ii) authorizes the Broker to represent and warrant to the Exchange that no other application shall be made or



shall be intended to be made by the Client or for the Client's benefit; and

- (iii) acknowledges that the Broker will rely on the above warranties, undertakings and authorizations in making the Application on the Client's behalf.

4.7 The Client agrees and acknowledges that:

- (a) the Client retains full responsibility for all trading decisions in the Account and the Broker is only responsible for the execution, clearing, and carrying out of any Transaction in the Account;
- (b) without prejudice to Clause 8.12, the Broker has no responsibility or obligation to provide the Client with any legal, tax, accounting or investment advice or advice regarding the suitability or profitability of any Security;
- (c) without prejudice to Clause 8.12, the Client should make independent judgment and decision with respect to each Instruction without reliance on the Broker, its officers, directors, employees or agents;
- (d) the Broker has no responsibility or obligation regarding any conduct, action, representation or statement of any introducing firm, investment advisor or other third party in connection with the Account or any Transaction therein; and
- (e) without prejudice to Clause 8.12, any advice or information provided by the Broker, its employees or agents, whether or not solicited, shall not constitute an offer to enter into a Transaction.

4.8 The Client agrees that the record kept by the Broker in respect of any Instructions (including Instructions entered through the Internet Trading Service and/or the Mobile Trading Service using the Access Code) shall be conclusive evidence of the matters so recorded.

4.9 The Client acknowledges and agrees that the Broker shall act as the Client's agent in effecting the Transactions unless the Broker indicates (in the contract note for the relevant Transaction or otherwise) in writing that the Broker is acting as principal or as agent for a third party.

4.10 The Client hereby undertakes to:

- (a) check and observe all relevant laws and restrictions applicable to Short Selling Orders;
- (b) inform the Broker any and all Instructions which are Short Selling Orders; and
- (c) provide the necessary confirmation in such form and details as may be prescribed by the Broker or as may be prescribed by rules made by the SFC under Section 397 of the SF Ordinance in relation to Short Selling Orders; provided that the Broker shall have the right to refuse any or all such Instructions at its absolute discretion. The execution of any Instructions which is a Short Selling Order by the Broker on the Client's behalf is further subject to the full compliance by the Client of all procedures and regulations imposed by the Broker and by the SF Ordinance.

4.11 The Client further undertakes to indemnify the Broker and keep the Broker fully indemnified from and against all action, suits, proceedings, claims, demands, losses, damages, cost, fees, expenses and/or liabilities of whatsoever nature (including legal costs on a full indemnity basis) which may be suffered or incurred by the Broker as a result of the breach of any of the Client's undertaking under Clause 4.10.

## 5. Dealing Services

5.1 Without limiting the generality of Clause 4.1, the Broker may require the Client to put the Broker in funds or to deliver relevant Securities to the Broker before the Broker carries out a Transaction pursuant to the Instructions. The Broker reserves the right to impose position limits on any Account. Unless otherwise agreed, the Client agrees that when the Broker has executed a purchase or sale transaction on the Client's behalf, the Client shall by the due settlement date make payment to the Broker against delivery of or credit to the Client's account for the purchased Securities, or make good delivery of sold Securities to the Broker against payment, as the case may be. In respect of any Transaction, if the Client fails to pay the Broker (for a purchase) or deliver relevant Securities to the Broker (for a sale) when the payment has become due, the Broker shall be authorised, in respect of a purchase transaction, to sell or transfer the Securities purchased or, in respect of a sales transaction, to borrow and/or buy Securities in order to make delivery in respect of a sale Transaction, in each case, upon such terms and conditions and at such price as the Broker may in its absolute discretion consider appropriate.

5.2 Without prejudice to the rights of the Broker under Clause 5.1, the Client shall be responsible to the Broker for any loss, costs, fees and expenses in connection with the Client's failure to meet the Client's obligations due by settlement dates as described therein.

5.3 The Client confirms and agrees that the Client shall contract as a principal in relation to all Transactions and that no other person has or will have any interests in the Transactions. The Client acknowledges and agrees that in relation to any Transaction, the counterparty to such Transaction may be the Broker or its associates or another client of the Broker and that the Broker may combine orders from the Client with other orders before execution, in any case without disclosure by the Broker to the Client. The Client further acknowledges and agrees that the Broker may receive from any broker, agent or any other person rebates in respect of commission arising from any Transaction or any related services provided to the Client and that the Broker shall be entitled to keep any such rebates and the Client shall have no right to benefit from them.

5.4 Title to any Securities purchased by the Client shall not pass until full payment of the amount due to the Broker in respect of such purchase has been made. The Client undertakes to pay any amount due in respect of such purchase on the due date without set-off or counterclaim.

5.5 In relation to any Transaction effected or to be effected on an Exchange or settled or to be settled through a Clearing House, the Client acknowledges and agrees that (a) the determination of the Broker that a Transaction is subject to the rules and regulations of an Exchange or a Clearing House or relevant provisions thereof and (b) the allocation by the Broker to the Client of the consequences of actions, decisions or the exercise of rights of an Exchange or Clearing House which affect a Transaction, shall be binding on the Client and the Client shall take such actions as may be required by the Broker to enable

the Broker to comply with such actions, decisions or the exercise of rights by an Exchange or a Clearing House.

- 5.6 In consideration of the services to be provided by the Broker, the Client agrees and authorizes the Broker to dispose of or otherwise deal with the Deposited Securities in accordance with section 6(3) of the Client Securities Rules and the Client further agrees to execute from time to time such instruments or documents as the Broker may consider necessary in connection with such disposal or dealings. The authorization by the Client to the Broker under this Clause 5.6 shall be in addition to and shall not affect or prejudice any other right, power or remedy of the Broker under this Agreement or conferred by law.
- 5.7 Save as set out in Clause 5.6, the Broker may only deal with the Deposited Securities which has been deposited into a segregated account in accordance with Clause 6.1 or registered in accordance with Clause 6.3 pursuant to an oral or written direction or a standing authority given by the Client to the Broker.

## **6. Custody and Nominee Services**

- 6.1 Subject to the terms and conditions of this Agreement, the Broker shall be responsible for the safekeeping of all certificates, instruments or documents of title representing the Deposited Securities. The Broker may in its absolute discretion refuse to accept a deposit of Securities for credit into an Account and may refuse to hold all or part of the Deposited Securities. The Broker shall deposit all such certificates, instruments or documents of title representing the Deposited Securities in safe custody in segregated accounts maintained by the Broker or its Associate with an Approved Custodian, an Authorised Financial Institution or a corporation licensed for dealing in Securities under the SF Ordinance. The Client acknowledges and agrees that some or all of the Deposited Securities may be held by the Broker with a Clearing House; and in this connection, the Client agrees that (a) the determination of the Broker that some or all of the Deposited Securities are held in a Clearing House and (b) the allocation by the Broker to the Client of the consequences of actions, decisions or the exercise of rights by a Clearing House which affect some or all of such Deposited Securities shall be binding on the Client and the Client shall take such actions as may be required by the Broker to enable the Broker to comply with such actions, decisions or the exercise of rights by a Clearing House.
- 6.2 The Client represents and warrants that the Deposited Securities are free from defects and that the Client is entitled or authorised to deposit the Deposited Securities with the Broker and to deal with them free from all encumbrances and third party rights. If the representation and warranty in this Clause is untrue, the Broker may debit the Account in respect of the relevant Deposited Securities and if the Broker shall be liable or under any obligation to any other person as a result of the representation and warranty in this Clause being untrue, the Broker may require the Client to pay to it forthwith a cash sum of such amount as the Broker considers appropriate as collateral.
- 6.3 In respect of any Deposited Securities issued in registered form, the Broker may at its sole discretion register such Deposited Securities in the name of the Client, the Broker or its Associates. In relation to any Deposited Securities which are not registered in the Client's name:
- (a) if any dividend or other distribution or benefit accrues in respect of such Securities, the Client's account with the Broker shall be credited (or payment made to the Client as may be agreed) with the proportion of such benefit equal to the proportion of the total number or amount of the relevant Securities which shall comprise Securities held on the Client's behalf; and
  - (b) if any loss is suffered by the Broker therefrom, the Client's account with the Broker may be debited (or payment made by the Client as may be agreed) with the proportion of such loss equal to the proportion of the total number or amount of the relevant Securities which shall comprise Securities held on the Client's behalf.
- 6.4 The Client acknowledges and agrees that the Broker may also provide nominee services in respect of the Deposited Securities in such manner and to such extent as the Broker considers appropriate in its absolute discretion. Such nominee services may include:
- (a) the collection of dividends, interest, distributions, rights, entitlements and other securities accruing to the Deposited Securities to be allocated by the Broker to the Account; and
  - (b) the seeking of Instructions from the Client with regard to the exercise of rights or entitlements accruing to the Deposited Securities and giving effect to such Instructions.
- 6.5 Any nominee services provided shall be at the Broker's discretion and shall be provided in accordance with the Broker's usual business practice. Dividends, interest, distributions, rights, entitlements and other securities accruing to the Deposited Securities which are received by the Broker shall be credited to the Account or otherwise paid or delivered to the Client in accordance with arrangements agreed from time to time.
- 6.6 The Broker is entitled to treat the Deposited Securities or any part thereof as fungible and accordingly, any allocation by the Broker of specific Securities of the same class, type, denomination and nominal amount as, and rank *pari passu* with, the Deposited Securities (subject to any capital reorganization which may have occurred in the interim) into an Account shall be binding on the Client. The Broker shall not be bound to return the Deposited Securities so long as the Securities returned are of the same class, type, denomination and nominal amount and rank *pari passu* with those Deposited Securities originally deposited (subject to any capital reorganization which may have occurred in the interim).
- 6.7 The Broker may determine the purpose and nature of any deposit of Securities and may, if he/she considers appropriate, specify those provisions in this Agreement which shall not apply to any such deposit of Securities.
- 6.8 The Client agrees that:
- (a) whilst the Broker will try its best to inform the Client promptly of notices and other communications received in respect of the Deposited Securities, the Broker shall not be responsible to forward such notices or communications to the Client or liable for any failure or delay to inform the Client of any such notice or other communications;
  - (b) the Broker is not obliged to inform or ascertain with the Client for taking any action concerning calls, conversions,

offers, redemption, dividends, coupons, payments or any similar matters relating to the Deposited Securities;

- (c) notwithstanding anything herein to the contrary, if the Broker is of the opinion that it is not possible to obtain the Client's Instructions within reasonable time or if to obtain such Instructions would involve undue delay or expense, the Broker may take any action, exercise any right or satisfy any liability arising out of the Deposited Securities as he/she may deem advisable or expedient;
- (d) the Deposited Securities, whether held by the Broker or any of the nominees or agents of the Broker, are at the sole risk of the Client; and
- (e) the Broker is not liable for any deduction (by way of taxation or otherwise) from any fund received by the Broker as dividends and/or interest and/or proceeds of sale of the Deposited Securities, documents and/or other property deposited pursuant to this Agreement.

**6.9** The Client shall give written notice to the Broker if the Client wishes to withdraw any Deposited Securities from the Broker. **Any such withdrawals shall take place at the Broker's office or at such location as shall be agreed by the Broker and at the Client's risks, costs and expenses.**

**6.10 Subject to the agreement of the Broker, if the Client wishes the Broker to make delivery of any Deposited Securities to another person other than the Client, the delivery shall be made by the Broker at the Client's risks, costs and expenses.** If the Client wishes the Broker to make delivery against payment by such other person, unless otherwise instructed in writing by the Client (but always subject to the Broker's right not to entertain such requests), the Broker shall be free to accept a cheque as payment and where a Clearing House is involved, the Broker shall be free to make use of any delivery versus payment or any other money settlement facilities of the Clearing House (if any).

**6.11** Nothing contained in this Clause 6 shall in any way affect or prejudice any right, power or remedy of the Broker over the Deposited Securities as conferred by this Agreement or by law.

## **7. Taxes**

The Client shall at all times be fully responsible for the payment of all taxes due (including stamp duty) (whether of a capital, income or other nature), and the making of all claims in relation thereto (whether for exemption from withholding taxes or otherwise), for filing any and all tax returns and for providing any relevant tax authorities with all necessary information in relation to any Transaction and the Client's business arising out of this Agreement.

## **8. Representations, Warranties and Undertakings**

**8.1** Where the Client or any one of them is a body corporate (in respect of such person), the Client hereby represents and warrants that:

- (a) it is a corporation duly incorporated and is validly existing under the laws of the country of its incorporation;
- (b) this Agreement has been validly authorised by the appropriate corporate action of the Client and when executed and delivered shall constitute valid and binding obligations of the Client in accordance with the terms herein;
- (c) all consents and approvals required by the Client to enter into this Agreement have been obtained;
- (d) the certified true copies of the Client's certificate of incorporation or registration, charter, statute or memorandum and articles or other instruments constituting or defining its constitution and the board resolutions of the Client delivered to the Broker are true and accurate and still in force. The Client will forthwith inform the Broker if there is any change to the constitution of the Client in future; and
- (e) no steps have been taken or are being taken to appoint a receiver and/or manager or liquidator over the assets of, or to wind up, the Client.

**8.2** Where the Client or any one of them is an individual, the Client hereby represents and warrants that:

- (a) the Client is legally capable of validly entering into and performing this Agreement and that he or she has attained the age of 18 years and is of sound mind;
- (b) the Client is not resident in a country where there is any restriction on the Client's purchase of any Securities. If the Client becomes resident in any such country, the Client will inform the Broker immediately and will if so required by the Broker sell or redeem any such restricted Securities.
- (c) all consents and approvals required by the Client to enter into this Agreement have been obtained; and
- (d) no step has been taken or is being taken to appoint a receiver and/or manager over the assets of, or to petition for the bankruptcy of, the Client.

**8.3** Where there are two or more persons included in the expression "**Client**", the Client and each person comprising the Client agrees, represents and warrants that :

- (a) the liabilities and obligations of each such person hereunder shall be joint and several;
- (b) each such persons agrees to be bound by this Agreement notwithstanding that any such person may not be effectually bound or that the Agreement may be invalid or unenforceable against any such persons;
- (c) unless the Broker shall have received written Instructions from the Client directing otherwise, any one of them shall have full authority to give any Instructions and to receive communication or delivery of Deposited Securities from the Broker hereunder provided that the Broker may insist that each such person to give Instructions to the Broker;
- (d) notwithstanding any other arrangements which may have been made between them, the rule of survivorship shall apply and on the death of any one of them, the moneys, Securities and other properties whatsoever for the time being standing to the credit of the Account and anything held by the Broker (whether by way of security or for sale, custody or collection or any other purpose whatsoever) shall be held to the order of the survivor(s) of them;

- (e) subject to Clause 8.3 (f) below, the Client authorizes the Broker to hold on the death of any of the persons constituting the Client any credit balance in any Account and the Securities and property of any description held in joint names to the order of the survivor(s) or the executor(s) or administrator(s) of the last survivor of the Client subject to any claim or objection on the part of the Estate Duty Commissioner or any other competent authority, but without prejudice to (i) any right the Broker may have in respect of such balance, Securities or properties, lien, charge, pledge, right of set-off, counterclaim or otherwise and (ii) any legal proceedings which the Broker may see fit to take in view of any claim by any person other than the survivor(s) or the executors or administrators of the last survivor of the Client PROVIDED HOWEVER that the Broker may on the death of one or more of the persons constituting the Client freeze all or any of such persons' Account with the Broker and/or any of their Securities, properties, deeds or documents deposited with the Broker and hold the same to the order of the survivor(s) only after the relevant probate/letters of administration/certificate of exemption from estate duty shall have been granted and lodged with the Broker;
  - (f) if any one or more of the persons constituting the Client passes away, any request or Instructions issued by the Client which is in accordance with the authorized signing arrangements and received and acted on by the Broker before notice in writing of such death shall have been received by the Broker shall be binding upon the Client and each of the persons constituting the Client and their respective executor(s), administrator(s), successor(s) and all other person(s) claiming from or under the Broker; upon receipt by the Broker of notice in writing of such death, the provisions of Clause 8.3(e) shall apply;
  - (g) the Broker may at any time, apply all or part of the funds standing to the credit of any other Account (whether a joint account or an individual account) in the name of any person constituting the Client with the Broker in or towards discharging any liabilities of any such person to the Broker;
  - (h) the Broker shall be entitled to deal separately with any person constituting the Client on any matter, including the discharge of any liability to any extent without affecting the liability of any other such person;
  - (i) in the absence of written Instructions to the contrary, if an Account is maintained in joint names, each person constituting the Client shall be entitled to operate and authorize closure of the Account individually and independently from the other(s); if, prior to acting on Instructions received from one such person, the Broker receives contradictory Instructions from another such person, it shall act thereafter only on the Instructions of all persons constituting the Client or by an Order of the Court;
  - (j) if the Client defaults, the Broker may release or discharge any one or more persons constituting the Client from liability or compound with, accept compositions from, or make any other arrangement with, any of them without affecting the Broker's right against the remaining persons;
  - (k) any notice to any one person constituting the Client will be deemed effective notification to all such persons; and
  - (l) references to the Client shall be construed, as the context requires, to any or all such persons.
- 8.4 Where the Client is a partnership and business is carried on under a firm's name, the Client hereby represents, warrants and agrees that this Agreement shall continue to be valid and binding for all purposes notwithstanding any change in the partnership or constitution of the firm by the introduction of a new partner or by the death, insanity, bankruptcy or retirement of any partner for the time being carrying on the business of or constituting the firm or otherwise.
- 8.5 The Client represents, warrants and agrees that:
- (a) the Client is and shall act as a principal and is not a nominee or trustee for any other person and there exists no arrangement whereby any other person has or will have any interest in any Transaction or in this Agreement unless Broker is notified that the account is an Omnibus Account;
  - (b) if the account opened by the Client with the Broker pursuant to this Agreement is an Omnibus Account;
    - (i) the Client must at all times remain licensed by the SFC for carrying out Type 1 regulated activities;
    - (ii) the Client is able to operate the Omnibus Account under the SFC Rules;
    - (iii) all positions in the Omnibus Account are maintained on a gross basis, and the Broker shall not be responsible for the allocation of trades and distribution of assets and cash within the Omnibus Account amongst the persons who are ultimately beneficially interested in the Omnibus Account;
    - (iv) the Broker is under no obligation to receive or accept any instructions from the persons who are ultimately beneficially interested in the Omnibus Account; and
    - (v) notwithstanding sub-clause (iii) above, the Client has an arrangement in place with the persons who are ultimately beneficially interested in the Omnibus Account and those persons or entities who are ultimately responsible for originating instructions to the Client whereby the Client would be entitled to obtain details of those persons or entities or such other information as the Broker, the Exchange or SFC may require from time to time and provide such information to the Broker, the Exchange or SFC within the specified period of time
- 8.6 The Client represents and warrants that the information supplied by or on behalf of the Client to the Broker in connection with this Agreement is complete, true, correct and up-to-date and the Client undertakes to advise the Broker forthwith of any changes to such information. The Broker shall be entitled to rely on such information until written notice from the Client of any changes therein has been received by the Broker.
- 8.7 The Client hereby authorises the Broker to conduct a personal credit enquiry or check on it for the purpose of ascertaining its financial situation and investment objectives and to pass such data of the Client to any third party for the purpose of such credit enquiry or check.
- 8.8 In the event that the Broker provides services in relation to derivative products to the Client, the Broker shall provide product



specifications and prospectus or other documents covering such products to the Client upon request.

- 8.9 The Client confirms having duly received, read and understood the Broker's Notice to Customers and other Persons relating to the Personal Data (Privacy) Ordinance (also known as "Personal Information Collection Statement") (hereinafter called "PICS"). The Client agrees to be bound by it. If the Client is not an individual, it shall ensure that all individual agents and staff member who in the course of their dealings with the Broker with respect to the operation and maintenance of the Client's Account(s) are or may be obliged to provide their personal data to the Broker have duly received, read, understood and agreed to the provisions of the PICS.
- 8.10 The Client acknowledges it clearly understands that the Client may request the Broker to cease to use its personal data for direct marketing of unrelated products / services or for the sale of the same for monetary gain, by sending the Broker a written Instructions at any time.
- 8.11 The Broker undertakes to advise the Client promptly of any material changes in the following:
  - (a) the name and address of the registered office of the Broker;
  - (b) the Broker's licensing or registration status with the SFC and the CE number of the Broker;
  - (c) the nature of services to be provided to or made available by the Broker to the Client; and
  - (d) the rates of fees, charges and interest to be charged by the Broker.
- 8.12 The Broker hereby represents, warrants and agrees that if the Broker solicits the sale of or recommend any Financial Product to the Client, the Financial Product must be reasonably suitable for the Client having regard to the Client's financial situation, investment experience and investment objectives. No other provision of this Agreement or any other document the Broker may ask the Client to sign and no statement the Broker may ask the Client to make derogates from this clause.

## **9. Payment, Fees and Expenses**

- 9.1 Notwithstanding any agreement to the contrary, all sums due by the Client to the Broker arising out of or in connection with this Agreement or any Transaction shall be due and payable on demand.
- 9.2 **The Client agrees to pay such fees, charges and expenses in respect of the Account, the Internet Trading Service and/or the Mobile Trading Service, the custody and nominee services as well as all other services provided by the Broker hereunder as may from time to time be prescribed by the Broker. Any fees of the Broker shall accrue on a day-to-day basis.**
- 9.3 **All Transactions executed on the Client's Instructions in the floor of the SEHK shall be subject to a transaction levy and any other levies that SEHK may from time to time impose. The Client agrees to pay all costs, taxes, expenses, levies and fees (including any applicable fees and expenses of any Exchange or Clearing House) in connection with or arising out of the operation of any Account. In relation to Transactions executed on SEHK, the Broker shall be authorised to collect Transactions and other levies in accordance with such rules as may be prescribed by SEHK from time to time.**
- 9.4 **The Broker shall be entitled to charge interest (both before and after judgment) on any amount owed to the Broker by the Client hereunder at the higher of the rate of (a) 6% per annum above the prime rate charged from time to time by Chong Hing Bank Limited or (b) 6% per annum above the cost of funding for such amount incurred by the Broker (expressed as a rate per annum) together with all charges incidental thereto and any interest so charged shall be calculated and payable on the last day of each calendar month or upon demand by the Broker.**
- 9.5 Without prejudice to the right and entitlement to interest under Clause 9.4, the Broker shall have the right to impose such late charge against the Client on any amount overdue to the Broker by the Client, at such rate and subject to such minimum amount as the Broker may notify the Client from time to time.
- 9.6 **To enable the Broker to exercise its powers and rights under the terms and conditions of this Agreement, the Broker shall have the rights to convert any sums due or payable by the Client to the Broker (whether actual or contingent) into other currencies and to purchase other currencies with sums standing to the credit of any account (in whatever currency) of the Client with the Broker. Such conversion shall be calculated at the Exchange rate from time to time.**

## **10. General Lien and Set-off**

- 10.1 The Broker shall have a general lien on all of the Deposited Securities as security for the payment of all amounts or liabilities owed to the Broker by the Client (whether actual or contingent) for the discharge of the Client's obligations or liability under the Account, this Agreement, and/or arising from the business of dealing in Securities.
- 10.2 In addition and without prejudice to any general lien or similar right which the Broker may be entitled by law and subject to the provisions of the SF Ordinance, its subsidiary legislation and any other applicable legislations, the Broker shall be entitled to apply any sums standing to the credit of any account (in whatever currency) of the Client with the Broker in satisfaction of any sums due or payable by the Client to the Broker (whether actual or contingent).

## **11. Duties and Responsibilities**

- 11.1 **Neither the Broker nor any of its officers or employees or any person to whom it has delegated any of its authority or functions hereunder shall be liable for any loss suffered by the Client or any other person arising from any exercise of or failure to exercise any authority given to the Broker hereunder by it or any of its officers or employees or by any person to whom it has delegated such authority.**
- 11.2 The Client agrees that the Broker and its officers, employees and agents shall not be liable for any loss and damage, claim or obligation as a result of any delay or failure to perform any of the Broker's obligations hereunder due to government restriction, suspension of trading, failure of electronic or mechanical equipment or communication lines, telephone or other interconnection problems, computer virus, unauthorized access, theft, war (whether declared or not), severe weather,

earthquakes, strikes or any other condition or circumstances beyond the control of the Broker.

**11.3 The Client accepts that the Broker assumes no responsibility in the event of loss of or damage to the Deposited Securities unless such loss or damage is due to the wilful default or neglect or a breach of Clause 8.12 on the Broker's part, or if the Deposited Securities are held by another person pursuant to this Agreement, due to the Broker's failure to exercise due care in the selection of such person.**

**11.4 In the event that the Broker commits a default which results in the Client suffering pecuniary loss, the Client shall have the right to claim under the Investor Compensation Fund established under Section 236 of the SF Ordinance, subject to the terms of the Investor Compensation Fund from time to time. The Client acknowledges that the Client's rights to claim under the Investor Compensation Fund shall be restricted to the extent provided for therein.**

## **12. Indemnity**

**The Client shall indemnify the Broker and its agents, nominees, representative, officers and employees and hold each of them harmless against all costs, fees, expenses, liabilities, taxes, assessments, losses and damages of any nature suffered or incurred by any of them directly or indirectly as a result of the breach of any of the Client's obligations hereunder or as a result of or in connection with the provision of any service by the Broker hereunder (including, without limitation, the Internet Trading Service, the Mobile Trading Service and/or custody and nominee services) or the exercise of its rights by the Broker pursuant to this Agreement and all matters in connection therewith.**

## **13. Authority**

**13.1 The Client authorises the Broker to perform all acts and things and to execute all such documents or instruments which the Broker in its sole discretion considers necessary or desirable in relation to the provision of services to the Client hereunder (including, without limitation, the giving effect to Instructions from the Client) and to comply with all laws, regulations, orders or obligations imposed on the Broker in relation to the Deposited Securities. For such purposes, the Client hereby appoints the Broker as its attorney and undertakes to ratify and confirm all acts and things done by the Broker on its behalf.**

**13.2 The Client hereby further unconditionally and irrevocably authorises the Broker at any time to transfer any available funds and/or Securities in the Account to any of the Client's accounts held with any Associate of the Broker for the purpose of effecting the Instructions given by the Client.**

**13.3 The Client acknowledges that the amount in the account(s) referred to in Clause 13.2 shall be paid into segregated accounts maintained by the Broker or its Associate with an Authorised Financial Institution or any other person approved by the SFC for the purposes of Section 4 of the Client Money Rules.**

**13.4 The Client acknowledges that under the permission given in Section 6 of the Client Money Rules, for any amount of interest generated from client money in the segregated account(s) as mentioned in Clause 13.3, such interest will not be credited to the Client in any circumstances.**

**13.5 The Client's authorization given in Clause 13.2 shall be treated as a standing authority given by the Client pursuant to Section 8 of the Client Money Rules for withdrawal of client money from the segregated account referred to in Clause 13.3 for the purposes set out in Clause 13.2. Subject to Clause 13.7, such standing authority shall be for a period of 12 months commencing from the date hereof and shall thereafter be deemed renewed for subsequent 12-months periods if the Broker shall have given to the Client not less than 14 calendar days written notice of the impending expiry of such standing authority and the Client shall not have objected to the renewal of the standing authority upon the expiration of its current term. A written notice confirming the renewal of the standing authority shall be issued by the Broker to the Client within one week from the date of expiry of the previous term.**

**13.6 The Client agrees that for so long as the standing authority referred to in Clause 13.5 remains valid, it is not necessary for the Broker to seek the Client's separate written direction every time a withdrawal of funds from the segregated account for the purposes set out in Clause 13.2 is made. However, the Broker shall notify the Client in writing after such withdrawal of funds has been made. The Client's authorization given under Clause 13.2 shall not extend to withdrawal of funds referable to the Client out of the segregated account for purposes other than those set out in Clause 13.2 and it shall be necessary for the Broker to seek separate written directions from the Client for such purposes.**

**13.7 The Client's authorization given under Clause 13.2 may be revoked by the Client at any time by written notice to the Broker. However, such revocation shall only take effect upon actual receipt of the written notice by the Broker. Such revocation shall not affect any Transaction effected by the Broker pursuant to the authorization given under Clause 13.2 before actual receipt of the said written notice of revocation from the Client.**

**13.8 The Client acknowledges and confirms that, in relation to the provision of services to the Client hereunder, the Broker shall be authorised to deal with its Associates and the Broker and its Associates shall be free to retain any profits made in connection therewith, whether or not notice of such dealings has been given to the Client.**

**13.9 The Broker shall be authorised to make such disclosure of any information in respect of the Deposited Securities, the Account and the Client as may be required by the Exchange, SFC or any other regulatory bodies under the applicable laws and obligation or as may be required by law, regulations, orders or any other obligations imposed on the Broker (whether under contract or otherwise) and the Client agrees to promptly provide such information as the Broker may require in that connection.**

## **14. Appointment of Authorized Person(s)**

**14.1 The Client hereby appoints the person(s) specified in Account Opening Application Form and/or such form(s) the Broker may prescribe from time to time hereto ("Authorized Persons") to be the Client's true and lawful attorney to act for the Client in the Client's name or in the name of the Authorized Persons to do the acts and things set in the following hereto for the purposes of the purchase and sale of Securities, subject to the authorization arrangement as specified in Account Opening Application Form:**

- (a) To give Instructions in respect of the purchase and sale of Securities through the Client's Account.
- (b) And to act generally in such matters and dealings for the purposes of completing the purchase and sale of Securities provided always that the proceeds of any purchase and sale of Securities in respect of the Client's Account shall only be dealt with in accordance with the arrangement agreed between the Broker and the Client.

14.2 The Client hereby undertakes to ratify and confirm everything which the Authorized Persons shall lawfully do or cause to be done by virtue of these presents.

14.3 The Client further declares that any act done or document signed by the Authorized Persons shall be conclusive and binding on the Client and his personal representative(s) notwithstanding the revocation (if any) of these presents until such revocation in writing shall have been delivered to the Broker.

14.4 The Client hereby agrees to indemnify the Broker for all losses, claims, liabilities, costs and expenses which the Broker may incur as result of any act or thing done by the Authorized Persons purportedly pursuant to this Appointment of Authorized Person (s) or otherwise on the Client's behalf.

14.5 Where two or more persons are specified in Account Opening Application Form and/or such form(s) the Broker may prescribe from time to time hereto, the appointment hereby effected shall be joint and several to the intent that they and each of them may act for the Client for the purposes aforesaid in the Client's name or in their names or any of them.

## 15. Power of Attorney

15.1 For the purpose of effecting the services in Securities from time to time, payments have to be made in respect of all costs, fees, taxes, levies, charges and other related expenses as mentioned in Clauses 7 and 9.

15.2 By the power of attorney as set out under this Clause 15 ("Power of Attorney"), the Client hereby appoints the Broker to be the Client's true and lawful attorney to act for it in its name (or in the name of the Broker):

- (a) to do the acts and things set out in the following for the purpose particularly mentioned in Clause 15.1 above by operating the bank account(s) ("**Bank Account(s)**") maintained by the Client with Chong Hing Bank Limited ("**Bank**"), particulars of such Bank Account(s) are set out in Chong Hing Bank Settlement Account Information of Account Opening Application Form and/or such form(s) the Broker may prescribe from time to time:

- (i) To withdraw and/or to hold from the Bank Account(s) such sum or sums of money and to draw, sign and endorse orders for payment notwithstanding that any such withdrawal or orders to the Bank Account(s) may cause the Bank Account(s) to be overdrawn or any overdraft to be increased;
- (ii) To deposit moneys, cheques, notes, drafts, orders and all other documents to the credit of the Bank Account(s);
- (iii) To withdraw any or all of the Client's Securities, bills, or other property in the hands of the Bank;
- (iv) And generally, in all dealings and transactions between the Client and the Bank, to act fully and effectually as the Client could if personally present and acting in such matters and transaction; and
- (v) To appoint and remove any substitute for or agent of the Broker in respect of all or any of the matters aforesaid as the Broker shall think fit.

- (b) generally to act in relation to the Bank Account(s) as fully and effectually in all respects as the Client could himself do.

15.3 The Client hereby undertakes to ratify and confirms everything which the Broker shall lawfully do or cause to be done by virtue of these presents and the Client agrees that the Bank shall not be obliged to ascertain whether or not any Instructions given by the Broker has been authorized by the Client.

15.4 The Client hereby authorizes the Broker to inform the Bank of this Power of Attorney for and on its behalf and delivers a copy of this Power of Attorney to the Bank for reference. The Client agrees that any notice of revocation of this Power of Attorney which the Client may give to the Broker shall be given in writing at least 7 business days prior to the date on which such revocation is to take effect and the Client shall at the same time give a copy of such notice to the Bank.

15.5 The Client further declares that any act done or deed signed by the Broker shall be conclusive and binding on the Client and his personal representative notwithstanding the revocation (if any) of these presents until such revocation came to be known to the Broker and the Bank.

15.6 The Client hereby agrees to indemnify the Broker for all losses, claims, liabilities and to reimburse the Broker for all expenses paid by the Broker for and on the Client's behalf in respect of the Bank Account(s).

15.7 The Client hereby confirms that its signature(s) on Account Opening Application Form and/or such form(s) the Broker may prescribe from time to time is/are the same as the specimen signature(s) for the Bank Account(s).

## 16. Statements

The Broker shall on a monthly basis provide the Client with statements in respect of the Account ("**Statement(s)**") and may from time to time in compliance with the SF Ordinance or upon the request of the Client provide the Client with the Statements. Upon receipt of a Statement, the Client shall within a period of 7 calendar days ("**Notice Period**") notify the Broker in writing of errors (if any) in the Statement. If the Client does not give notice to the Broker within the Notice Period, the Statement shall be deemed to have been accepted by the Client and shall be treated as conclusive evidence of the matters stated therein.

## 17. E-Statement Service

17.1 An E-Statement consists of only the "Combined Statement of Account & Contract Notes" and the "Monthly Statement".

17.2 For those Accounts for which the Client has opted to receive E-Statements, paper Statements will no longer be provided. All requests for such paper Statements will be charged in accordance with the prevailing Service Charge Schedule of the Broker.

17.3 The Client adopting the E-Statement Service is obliged to provide a correct and updated e-mail address to the Broker for

receiving electronic messages, including but not limited to E-Statements.

- 17.4 The download periods for “Combined Statement of Account & Contract Notes” and “Monthly Statement” are 3 calendar months and 24 calendar months from their respective dates of issuance. No E-Statement after those respective periods shall be available for download.
- 17.5 The Client agrees that all E-Statements shall be deemed to be delivered to the Client at the time they are uploaded to the E-Statement Service and made available for the Client to download, irrespective of whether the Client will have read or downloaded such E-Statements. You are urged to check **your** e-Statement Service on a regular basis.
- 17.6 All e-mails and other electronic messages shall be deemed to be delivered to the Client at the time when they are, according to the Broker’s record, successfully sent or re-sent to the Client’s designated e-mail addresses.
- 17.7 The Client confirms that the Client has assessed and analysed and so understand, acknowledge and accept all possible risks involved in having electronic messages sent to the designated email addresses including, without limitation, the electronic messages being intercepted, monitored, amended, tempered with or being sent or disclosed to other parties without the Client’s prior consent, knowledge or authorization.
- 17.8 The Client agrees to open, read or access and carefully review and examine all E-Statements in a timely manner and advise the Broker as soon as possible, of any errors, discrepancies, unauthorised transactions or other irregularities arising from whatever cause, including, without limitation, forgery, fraud, lack of authority or the Client’s own negligence or negligence of any other person(s) (“Errors”). In addition, the Client also agrees that the Client is obliged to inform the Broker of any discrepancy about the transaction details as set out in the E-Statements within 3 calendar days after the day on which E-Statements are made available for the Client to read and/or download via the E-Statement Service.

## 18. Closure and Suspension of an Account

- 18.1 Any Account may be closed by one party hereunder by giving not less than 30 calendar days’ prior notice in writing to the other party.
- 18.2 Broker may suspend the services to the Client in relation to or under the Account without prior notice:
  - (a) where the Account has recorded no trading activity for a continuous period of 12 months;
  - (b) in the event of any system failure, force majeure, suspicion of money laundering terrorist financing and/or other illegal activities through the Transactions and/or the use of the Account; and/or
  - (c) where requirements of court orders, applicable laws and regulations, regulatory authorities, investigation by any competent authority or the Broker for legal and regulatory compliance purposes warrant such suspension.
- 18.3 Broker may terminate the services to the Client in relation to or under the Account without prior notice where the Account has recorded no trading activity for a continuous period of 18 months.
- 18.4 Following the closure of an Account, the Client shall, subject to any right, power and remedy of the Broker over any Deposited Securities or monies therein, withdraw all Deposited Securities and/or monies held in that Account as soon as possible but in any event not later than 30 calendar days from the date of closure of the Account. **In the event that the Client fails to withdraw all such Deposited Securities and/or monies within the aforesaid period, the Broker shall be free to send the Deposited Securities and/or monies by post to the last known address of the Client, at the Client’s costs and risks.** This Clause shall also apply where the Account is an Omnibus Account; the Broker shall for the purposes of maintaining the Omnibus Account treat the Client as the sole legal owner of all Deposited Securities and/or monies held in the Omnibus Account and shall not be responsible for receiving and accepting instructions from or taking into account of the persons who are ultimately beneficially interested in the Omnibus Account.

## 19. Entire Agreement

The Risk Disclosure Statement, the Client Information Sheet together with a copy of the Client’s identification document(s) and all other agreements and documents attached hereto, all as amended from time to time, shall form an integral part of this Agreement. This Agreement represents the entire agreement and understanding between the parties with respect to the Account and supersedes all previous agreements or understandings between the parties.

## 20. Amendments, Variations and Additions

- 20.1 The Broker reserves the right at any time by notice in writing to the Client to amend, vary or add to the terms of this Agreement including, without limitation, those relating to the rates of any charges or fees of the Broker, the rates of interest and overdue interest charged on any sums due by the Client to the Broker and method of payment from time to time, taking effect on a date stipulated by the Broker, provided that the Broker shall give the Client not less than 30 calendar days’ notice before any change of such terms affecting fees and charges or the liabilities or obligations of the Client takes effect, unless such change is required by any applicable law or any competent authorities or is beyond the Broker’s control.
- 20.2 If the Client does not accept such amendment, variation or addition, the Client shall before the Broker’s stipulated effective date for the change of the terms of this Agreement give written notice to the Broker terminating this Agreement and close the Account, failing which the Client shall be deemed to have accepted and agreed to such change without reservation.
- 20.3 The Broker may notify the Client of any variation of the terms of this Agreement in accordance with Clause 21 or in such other manner as the Broker may determine.

## 21. Notice

- 21.1 Any notice, statement, contract note, confirmation, demand or other communications to be given by one party to the other party hereunder may be sent by personal delivery, by post, telex, facsimile, telephone, electronic mail or other electronic means prescribed by the Broker to the address, or telex, facsimile or telephone numbers or electronic mail address as notified by the other party to such party in writing from time to time.



21.2 All notice and other communications under this Agreement shall be deemed to be given (a) if delivered personally or by telephone, when actually delivered to the relevant recipient; (b) if sent by post, 48 hours after posting; and (c) if given or made by electronic mail, telex, fax, when the same is sent in its entirety to the electronic mail address or telex or fax number of the recipient for the purpose of this Clause.

## 22. Time

Time is of the essence of this Agreement.

## 23. Clauses Severable

If at any time any provision hereof is or becomes illegal, invalid or unenforceable in any respect under the laws of any jurisdiction, neither the legality, validity or enforceability of the other remaining provisions hereof nor the legality, validity or enforceability of such provisions under the laws of any other jurisdiction shall in any way be affected or impaired thereby.

## 24. Governing Law

24.1 This Agreement shall be governed by and construed in accordance with the laws of Hong Kong and the Client hereby irrevocably submits to the non-exclusive jurisdiction of the Hong Kong courts.

24.2 The Client undertakes, upon the request of the Broker, to nominate an agent with an address in Hong Kong to accept service of legal process on his/her behalf.

### 24.3 Third Party Rights

A person who is not a party hereto will have no right under the Contracts (Rights of Third Parties) Ordinance to enforce any provision of this Agreement.

## 25. Languages

This Agreement is written in both the English and Chinese languages. In the event of conflict or inconsistency between the two versions, the English version shall prevail.

## 26. Broker

The Broker is licensed by the SFC under the SF Ordinance for Type 1 regulated activity under that ordinance. The SFC CE number of the Broker is AAA806.

## **SECTION 2 - ADDITIONAL TERMS AND CONDITIONS FOR MARGIN FINANCING**

### 1. Definitions

1.1 These terms and conditions set out in this Section 2 are supplemental to and form part of the terms and conditions of the Agreement (as amended and/or supplemented from time to time). In the event of any inconsistency between these terms and conditions and the terms and conditions of the Agreement, these terms and conditions shall prevail. All references to the "Agreement" in these terms and conditions shall be to the Agreement as supplemented and amended by these terms and conditions.

1.2 Words and expressions defined in the Agreement (as amended and/or supplemented from time to time) shall, unless the context otherwise requires, have the same meanings when used here.

1.3 In this Agreement, the following terms shall have the following meanings, unless the context otherwise requires:

**"Account"** means any margin securities trading account opened or to be opened by the Client with the Broker pursuant to this Agreement;

**"Acquisition Costs"** means in relation to a Transaction, the aggregate of the price or consideration expended by the Broker for acquiring and/or holding the Securities on behalf of the Client, the stamp duty, brokerage and any levy for that Transaction, any other applicable fees and expenses imposed by the Exchange on that Transaction and any other fees, expenses and charges payable in connection with or arising out of that Transaction;

**"Additional Margin"** has the meaning ascribed thereto in Clause 2.4 of this Section;

**"Agreement"** means the Terms and Conditions for Securities Trading, including but not limited to these terms and conditions together with such other additional terms and conditions (as from time to time amended in accordance with the terms hereof);

**"Deposited Securities"** means the Securities from time to time deposited with or otherwise held by the Broker for the account of the Client other than Securities Collateral;

**"Factored Value"** means in relation to a Security, the current value of that Security as multiplied by its Stock Valuation Factor prevailing from time to time; for the purpose of this definition, the expression **"current value"** means, in relation to a Security listed in an Exchange, the price of that Security as quoted in that Exchange from time to time; where that Security is listed in 2 or more Exchanges, its current value shall be taken to be its price as from time to time quoted in the Exchange chosen by the Broker; Provided Always that where the trading in a Security (due to any reasons whatsoever) is suspended in an Exchange, the current value of that Security throughout the duration of such suspension shall be taken to be zero;

**"Floating Trading Loss"** means the depreciation in value of the Deposited Securities occurring from time to time as a result of market fluctuation;

**"Initial Margin"** means, in relation to a purchase of Securities made by the Broker on behalf of the Client regarding which the Broker agrees to provide margin trading facilities to the Client, the amount by which the Acquisition Costs exceeds the aggregate Factored Value of those Securities reckoned at the time of such purchase;

**"Loan Limit"** means the maximum amount of loan that the Broker may advance to the Client, regardless of the volume of the

Deposited Securities, which the Broker shall in its absolute discretion determine and notify to the Client in the manner prescribed by Clause [5 of this Section];

“**Margin**” means any Initial Margin or Additional Margin;

“**Margin Loan Outstanding**” means, in relation to any particular time, the Acquisition Costs of all Securities acquired including brokerage fees, commission, interest incurred and all indicated charges and expenses and/or held by the Broker on the Client’s behalf less the cash portions of all Margins provided by the Client to the Broker as of such time, which according to the books of the Broker remains outstanding and due from the Client to the Broker;

“**Securities Collateral**” means securities deposited (a) with the Broker as security for the provision of credit facilities to the Client by the Broker or (b) with any other person to facilitate the provision of credit facilities to the Client by the Broker under an arrangement that confers on the Broker a collateral interest in the securities; and

“**Stock Valuation Factor**” means the percentage that the Broker may in its absolute discretion determine from time to time for a Security and notify to the Client in the manner prescribed by Clause [5 of this Section] or by displaying a notice setting out the determined percentage at the Broker’s head office and/or its branches.

1.4 In this Agreement, where the context permits, words importing the singular shall include the plural and vice versa; words denoting one gender shall include all other genders; the expression “**person**” shall include any firm, partnership, association of persons and body corporate and any such persons acting jointly and the personal representatives or successors in title of any such persons; references to “**writing**” shall include mail, electronic mail, telex, cable and facsimile transmission; headings are inserted for convenience only and shall have no legal effect; and references to numbered clauses are references to the corresponding clauses of this Agreement.

1.5 These additional terms and conditions are only applicable when the Account is a margin account.

## **2. Margin Financing Facilities and Margin Call**

2.1 Subject to the Loan Limit, the Broker may in its absolute discretion make available margin trading facilities to the Client up to the extent of the aggregate Factored Value of the Deposited Securities. The Stock Valuation Factor and the Loan Limit will be subject to review under the absolute discretion of the Broker from time to time and notwithstanding any provision contained herein, the Broker reserves the right in its sole and absolute discretion to increase, reduce or vary any Stock Valuation Factor and the Loan Limit at any time by taking into account the financial position of the Client, the marketability of the Deposited Securities and such other factors as the Broker may in its absolute discretion consider relevant.

2.2 In respect of each purchase of Securities made by the Broker on the Client’s behalf regarding which the Broker agrees to provide margin trading facilities to the Client, the Client shall provide to the Broker an Initial Margin by way of cash, or Securities acceptable to the Broker (other than those forming the subject matter of such purchase), or a combination of both. Provided Always that where the Client tenders Securities with a view to satisfying the Initial Margin requirement (whether in whole or in part), the Broker will only take into account their aggregate Factored Value (and not their market values) in determining whether such requirement is satisfied.

**2.3 The Client undertakes to pay interest to the Broker in respect of any Margin Loan Outstanding or any debit balance on the Account or any amount otherwise owing to the Broker at any time at such rate as determined from time to time by the Broker. Such interest shall accrue on a day-to-day basis and be debited to the Account, and shall be payable on the last day of each calendar month or otherwise upon demand by the Broker.**

2.4 In the event of any Floating Trading Loss and/or any downward revision made by the Broker of the Stock Valuation Factor(s) of the Deposited Securities and/or any suspension of the trading in any Deposited Securities in an Exchange, which results in the Margin Loan Outstanding exceeding the aggregate Factored Value of the Deposited Securities, the Client shall provide to the Broker an additional margin by way of cash, or Securities acceptable to the Broker (in addition to those already held by the Broker on behalf of the Client), or a combination of both (“**Additional Margin**”), so that after the provision of such Additional Margin, the Margin Loan Outstanding shall be no greater than the aggregate Factored Value of the Deposited Securities.

2.5 The Client agrees that the time for payment of any Margin or any amount due by the Client to the Broker is of the essence, and that if no other time is stipulated by the Broker when making a demand and:

- (a) the demand is made before the end of the morning trading session of the SEHK on any trading day, the Client shall comply with such demand by 15 minutes before the end of the afternoon trading session of that trading day of the SEHK;
- (b) the demand is made after the end of the morning trading session of the SEHK on any trading day, the Client shall comply with such demand by 15 minutes before the end of the morning trading session of the next trading day of the SEHK.

2.6 Notwithstanding any provision herein contained to the contrary, the Client shall pay to the Broker forthwith on demand in full the Margin Loan Outstanding and all sums debited to the Account. All moneys payable by the Client to the Broker under this Agreement (including the cash portion of any Margin) shall be paid in cleared funds and in such currency as the Broker may at its absolute discretion determine from time to time.

2.7 If the Client commits a default in payment of the Margin or any other sums due and payable to the Broker hereunder, on the due date therefor or on demand, or otherwise fails to comply with any of the terms herein contained, then without prejudice to any other rights the Broker may have, the Broker shall have the right to close the Account without notice to the Client and to dispose of any or all Deposited Securities and to apply the proceeds thereof and any cash deposit(s) to pay the Broker all outstanding balances owing to the Broker, and the Client shall forthwith pay the shortfall (if any) to the Broker. Any surplus remaining after such application shall be refunded to the Client.

2.8 Notwithstanding any provision to the contrary herein, in the event that the Margin Loan Outstanding is greater than the

aggregate Factored Value of the Deposited Securities, the Broker is entitled to forthwith close the Account without notice to the Client and to dispose of any or all Deposited Securities and to apply the proceeds thereof and any cash deposit(s) to pay the Broker all outstanding balances owing to the Broker, and the Client shall forthwith pay the shortfall (if any) to the Broker. Any surplus remaining after such application shall be refunded to the Client.

- 2.9 In consideration of the services and/or credit facilities to be provided by the Broker, the Client agrees and authorises the Broker to:
- (a) dispose or otherwise deal with the Deposited Securities in accordance with section 6(3) of the Client Securities Rules; and
  - (b) dispose or otherwise deal with the Securities Collateral in accordance with section 6(3) of the Client Securities Rules; and the Client further agrees to execute from time to time such written consent and/or authorisation in such form as may be prescribed by the Broker. The authorisation by the Client to the Broker under this Clause 5.14 shall be in addition to and shall not affect or prejudice any other right, power or remedy of the Broker under this Agreement or conferred by law.
- 2.10 Save as set out in Clause 2.9 of this Section, the Broker may only deal with the Deposited Securities and Securities Collateral which has been deposited into segregated client accounts in accordance with Clause 3.1 of this Section or registered in accordance with Clause 3.2 of this Section pursuant to an oral or written direction or a standing authority given by the Client to the Broker.

### **3. Custody and Nominee Services**

- 3.1 Subject to the terms and conditions of this Agreement, the Broker shall be responsible for the safekeeping of all certificates, instruments or documents of title representing the Deposited Securities. The Broker may in its absolute discretion refuse to accept a deposit of Securities for credit into an Account and may refuse to hold all or part of the Deposited Securities. The Broker shall deposit all such certificates, instruments or documents of title representing the Deposited Securities in safe custody in segregated accounts maintained by the Broker or its Associate with an Approved Custodian, an Authorised Financial Institution or a corporation licensed for dealing in Securities under the SF Ordinance. In respect of Securities Collateral, the Broker shall ensure that the relevant certificates, instruments or documents of title are deposited into a separate segregated client account different from the segregated client account for depositing of Deposited Securities or deposited into an account in the name of the Broker or its Associate with an Authorized Financial Institution, an Approved Custodian or a corporation licensed for dealing in Securities under the SF Ordinance. The Client acknowledges and agrees that some or all of the Deposited Securities may be held by the Broker with a Clearing House; and in this connection, the Client agrees that (a) the determination of the Broker that some or all of the Deposited Securities are held in a Clearing House and (b) the allocation by the Broker to the Client of the consequences of actions, decisions or the exercise of rights by a Clearing House which affect some or all of such Deposited Securities shall be binding on the Client and the Client shall take such actions as may be required by the Broker to enable the Broker to comply with such actions, decisions or the exercise of rights by a Clearing House.
- 3.2 In respect of any Deposited Securities issued in registered form, the Broker may at its sole discretion register such Deposited Securities in the name of the Client, the Broker or its Associates. In relation to any Deposited Securities which are not registered in the Client's name:
- (a) if any dividend or other distribution or benefit accrues in respect of such Securities, the Client's account with the Broker shall be credited (or payment made to the Client as may be agreed) with the proportion of such benefit equal to the proportion of the total number or amount of the relevant Securities which shall comprise Securities held on the Client's behalf; and
  - (b) if any loss is suffered by the Broker therefrom, the Client's account with the Broker may be debited (or payment made by the Client as may be agreed) with the proportion of such loss equal to the proportion of the total number or amount of the relevant Securities which shall comprise Securities held on the Client's behalf.

### **4. Representations, Warranties and Undertakings**

- 4.1 The Broker undertakes to advise the Client promptly of any material changes in: the Margin requirements, the circumstances under which Margin call shall be made, and the circumstances under which the Client's positions shall be closed without the Client's consent.
- 4.2 The margin trading facilities offered by the Broker under this Section 2 shall also be available to the Client whose Account is an Omnibus Account. The Client represents, warrants and agrees that:
- (a) all positions in the Omnibus Account are maintained and margined, in accordance with the provisions under this Section 2, on a gross basis, and the Broker shall not be responsible for the individual positions of the persons who are ultimately beneficially interested in the Omnibus Account; and
  - (b) in order to avoid any unanticipated requirement to pay Margin, Additional Margin and/or Margin Loan Outstanding as a result of any individual positions of the persons who are ultimately beneficially interested in the Omnibus Account, the Client shall use its best endeavors to ensure that provisions similar to those set out in this Section 2, in particular provision on margin requirements, are applicable by the Client to the persons who are ultimately beneficially interested in the Omnibus Account.

### **5. Notice**

- 5.1 All notice and other communications under this Agreement shall be deemed to be given (a) if delivered personally or by telephone, when actually delivered to the relevant recipient; (b) if sent by post, 48 hours after posting; and (c) if given or made by electronic mail, telex, fax, when the same is sent in its entirety to the electronic mail address or telex or fax number of the

recipient for the purpose of this Clause.

- 5.2 Notwithstanding anything contained in Clause 5.1 of this Section, a demand for payment of the Additional Margin attempted to be given by the Broker to the Client orally shall be deemed to have been duly given if the Broker has used all practicable endeavours to communicate with the Client by telephone or other means of oral communication but the Client remains uncontactable.

#### **6. Memorandum of Deposit Relating to Shares and Others Securities**

In consideration of the Broker's making or continuing to make credit facilities available to the Client for the margin account and/or the Broker's agreeing to provide brokerage services to the Client, the Client hereby acknowledges to and agrees with the Broker as follows:

- 6.1 The Client acknowledges that all shares, stocks, bonds, and other securities of every type and description, which are now or may at any time hereafter be in the Broker's possession or deposited with the Broker or the Broker's agents or nominees by the Client or in the Client's name(s), whether for safe custody or security and whether in Hong Kong or elsewhere (the "Securities") are to be a continuing security for the due payment to the Broker of all sums (including interest, commission, charges and expenses) and the satisfaction of all liabilities, present or future, absolute or contingent, owed or may be owing to the Broker by the Client.
- 6.2 This security is to be a continuing security, notwithstanding any intermediate payment or settlement of accounts, and is to be in addition to, and without prejudice to, any other security which the Broker may now or hereafter hold in respect thereof.
- 6.3 The Client shall deposit with the Broker all bonus, shares, stocks or other securities which may be issued in respect of any of the Securities and the proceeds or amount of all dividends, interest or other monies paid or payable to the Client in respect of the Securities to the intent they shall be subject to the provision of this Clause 6.
- 6.4 The Client shall maintain such margin of security over the Client's aggregate liabilities to the Broker either by the deposit with the Broker of additional collateral approved or by the payment to the Broker in cash.
- 6.5 If the Client fails to repay any sum on the due date or on demand, the Broker may without notice to the Client and without the Client's consent, sell the Securities or any of them in such manner and at such price, as the Broker may deem expedient and to apply the net proceeds to satisfy the Client's indebtedness. If the net proceeds of sale shall be insufficient to cover the Client's debt owing to the Broker, the Client shall pay the Broker on demand any balance which may then be due.
- 6.6 The Client will on the Broker's request, execute any documents as the Broker may require to vest the title to the Securities in the Broker or the Broker's nominee(s) or the purchaser or transferee.
- 6.7 The Client shall be liable to the Broker for all charges, costs and expenses which may be incurred by the Broker in enforcing any of the Securities.
- 6.8 The Client shall duly and promptly pay all calls made in respect of any unpaid moneys under any of the Securities and duly and promptly pay any other money which the Client may lawfully be required to pay in respect of any of the Securities.
- 6.9 Subject to Clause 8.5, the Client warrants that the Client is the beneficial owner(s) of the Securities free from encumbrances and that the Client will be the beneficial owner(s) free from encumbrances of all the Securities which may hereafter become subject to the terms hereof.
- 6.10 For all purposes, including any legal proceedings, a certificate by any of the Broker's officers as to the sums and liabilities for the time being due to the Broker by the Client shall be conclusive evidence except for manifest error.
- 6.11 Upon release of any of the Securities, the Broker shall not be bound to return the identical securities which were deposited and the Client will accept securities of the same class and denomination or such other securities as shall then represent the Securities.
- 6.12 This security and the provisions of this Section 2 shall remain binding on the Client despite:
- (a) any amalgamation or merger of the Broker with any other company; or
  - (b) any reconstruction of the Broker's company involving formation of a new company or transfer of undertakings and assets by the Broker to a new company; or
  - (c) the sale or transfer of the whole or any part of the Broker's undertakings and assets to another company.

### **SECTION 3 - ADDITIONAL TERMS AND CONDITIONS FOR FOREIGN LAW REQUIREMENTS**

#### **1. Definitions**

- 1.1 These terms and conditions set out in this Section 3 are supplemental to and form part of the terms and conditions of the Agreement (as amended and/or supplemented from time to time). In the event of any inconsistency between these terms and conditions and the terms and conditions of the Agreement, these terms and conditions shall prevail. All references to the "Agreement" in these terms and conditions shall be to the Agreement as supplemented and amended by these terms and conditions.
- 1.2 Words and expressions defined in the Agreement (as amended and/or supplemented from time to time) shall, unless the context otherwise requires, have the same meanings when used here.
- 1.3 Foreign Law Requirements
- (a) The Client agrees to provide any self-certification, information and documentation which the Broker may from time to time require pursuant to any present or future legal, regulatory or contractual requirements of any government, tax or regulatory authorities in or outside Hong Kong ("Requirements") affecting the Broker and/or its group members



including by reason of the Foreign Account Tax Compliance Act (“**FATCA**”) of the United States of America (the “U.S.”).

- (b) The Client will notify the Broker in writing within 30 calendar days of any change in circumstances that results in any self-certification or other documentation associated with the Client’s account(s) becoming incorrect, obsolete, misleading or unreliable.
- (c) The Client agrees that the Broker and its group members may, pursuant to the Requirements, from time to time disclose any information and documentation about the Client, the Client’s account(s), and (if applicable) any natural persons who exercise control over the Client to the Broker’s group members, any government, tax or regulatory authorities in and outside Hong Kong, or any other persons, including (to the extent applicable):
  - (i) The Client’s name, address and taxpayer identifying number (including taxpayer identifying number of the U.S. Government) and (if applicable) the name, address and taxpayer identifying number (including taxpayer identifying number of the U.S. Government) of any natural persons who exercise control over the Client;
  - (ii) The Client’s account number;
  - (iii) The Client’s account balance or value;
  - (iv) the gross receipts or payments to the Client’s account(s) (for such period and in such manner as required by the Requirements)
  - (v) date of birth, entity type, country of incorporation or organisation (including the “chapter 4 status” as defined for the purposes of FATCA).

Such disclosure may be made through or to intermediaries, service providers (including external auditors or consultants), counterparties, government or regulatory authorities.

If a payee or any third party information is involved in any information or documentation to be disclosed, the Client confirms that the Client has obtained all necessary consent from all such parties.

- (d) The Client agrees that the Broker and its group members may, without notice or liability to the Client, make any deduction and withholding in respect of any sum payable by the Broker and/or its group members to the Client pursuant to the Requirements.
- (e) If the Client does not consent to or withdraws the Client’s consent to the above disclosures, or if the Broker is otherwise required to do so pursuant to the Requirements, the Client agrees that the Broker may, without liability to the Client, close, transfer or block the Client’s account(s).
- (f) 「Foreign Account Tax Compliance Act」 means:
  - (i) sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (as amended) or any amended or successor version thereof;
  - (ii) any intergovernmental agreement, memorandum of understanding, undertaking and other arrangement between governments and regulators in connection with (a) above including as entered into by the government of Hong Kong;
  - (iii) agreements between the Broker and the Internal Revenue Service of the U.S. or other regulator or government agency pursuant to or in connection with (a) above; and
  - (iv) any laws, rules, regulations, interpretations or practices adopted in the U.S., Hong Kong or elsewhere pursuant to any of the foregoing.

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