



香港證監會中央編號：AUE 994 | 香港聯交所經紀代號：3498 及 3499

## Future Growth Financial Services Limited

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# CLIENT AGREEMENT AND SCHEDULES (DEALING IN SECURITIES)

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Licensed under the Securities and Futures Ordinance (Cap. 571, Law of Hong Kong) to carry on  
Type 1 (Dealing in Securities) regulated activities; and  
Type 2 (Dealing in Futures Contracts) regulated activities  
(CE Number: AUE994)

Customer Services Hotline: (852)3719-9733  
Customer Services Hotline(Fee in Mainland China): 400-120-9280  
Fax: (852)3719-9777 Website: [www.fgfinance.hk](http://www.fgfinance.hk)

### **THIS IS AN IMPORTANT DOCUMENT, PLEASE READ IT CAREFULLY**

CLIENTS MUST NOTE THAT THE PRICES OF SECURITIES CAN AND DO FLUCTUATE. SECURITIES PRICES MAY EXPERIENCE SHARP DOWNWARD OR UPWARD MOVEMENTS AND SECURITIES MAY UNDER SOME CIRCUMSTANCES BE SUSPENDED FROM TRADING OR BECOME VALUELESS. THERE IS AN INHERENT RISK THAT LOSSES MAY BE INCURRED RATHER THAN PROFIT MADE AS A RESULT OF TRADING OR INVESTING IN SECURITIES. IF YOU ARE IN ANY DOUBT ABOUT THIS DOCUMENT OR ABOUT THE SALE AND PURCHASE OF SECURITIES OR OTHERWISE, YOU SHOULD CONSULT YOUR SOLICITOR, ACCOUNTANT OR OTHER INDEPENDENT PROFESSIONAL ADVISERS.

THERE ARE RISKS ASSOCIATED WITH THE USE OF MARGIN FACILITIES AND MARGIN TRADING IN SECURITIES BUYING OR SELLING. YOU SHOULD READ THIS DOCUMENT CAREFULLY BEFORE YOU DECIDE TO ACCEPT THE MARGIN FINANCING ARRANGEMENT. THERE ARE RISKS ASSOCIATED WITH USING THE INTERNET OR OTHER ELECTRONIC TRADING SERVICE WHICH ARE ADDITIONAL TO THOSE NORMALLY INCURRED IN SECURITIES TRADING.

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## 1. INTERPRETATION

### 1.1 In this Agreement:

- 1.1.1 "Account" means the securities trading account(s) (including, without limitation, stock options trading account) opened and maintained by FGFSL on behalf of Client pursuant to the Account Application and the terms of this Agreement;
- 1.1.2 "Securities Account Application Form" means the application submitted by Client to FGFSL in such form as required by FGFSL for the opening and maintaining of a securities trading account under the terms of this Agreement;
- 1.1.3 "Advice" means a written or typed record (including facsimile or other electronic means from which it is possible to produce a hard copy) (a) confirming and setting out the particulars of any transaction executed by FGFSL on any Account, or (b) recording any other event (including, without limitation, receipts or withdrawals of assets) in relation to the Account, and containing such information as FGFSL shall consider appropriate;
- 1.1.4 "this Agreement" means this Client Agreement and Schedules, the Securities Account Application Form and any applicable schedule and/or other documents as specified in the Schedules or determined by FGFSL from time to time;
- 1.1.5 "Authorised Person" means each of those persons specified as such in the Securities Account Application Form, or subsequently appointed as such where notice of such appointment has been given to FGFSL pursuant to the terms of this Agreement provided that such notice shall not take effect until 5 days after the actual receipt by FGFSL of it;
- 1.1.6 "Authorised Third Party" means each of those parties, if any, specified as such in the Securities Account Application Form, or subsequently appointed as such and notice of such appointment has been given to FGFSL pursuant to the terms of this Agreement provided that such notice shall not take effect until 5 days after the actual receipt by FGFSL of it;
- 1.1.7 "CCASS" means the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited;
- 1.1.8 "Client" means the person in whose name FGFSL has agreed to open and maintain the Account in accordance with the terms of this Agreement and shall in the case where Client: (i) is/are individual(s) include Client and Client's respective executors and administrators; (ii) is a sole proprietorship firm include the sole proprietor and Client's executors, administrators and successors in the business; (iii) is a partnership firm include the partners who are the partners of the firm at the time when the Account being maintained and any other person or persons who shall at any time hereafter be or have been a partner or partners of and in the firm and all the aforesaid partners' respective executors, administrators and the successors to such partnership business; and (iv) is a company include such company and its successors;
- 1.1.9 "Event of Default" means each of the events set out in clause 16.1 of Section 1;
- 1.1.10 "Exchange" means The Stock Exchange of Hong Kong Limited and any other exchange, market or association of dealers in any part of the world on which securities are bought and sold;
- 1.1.11 "Facility", in respect of an Account, means any financial accommodation provided by FGFSL from time to time to facilitate the acquisition and holding of securities listed on an Exchange;
- 1.1.12 "Group" means FGFSL, Future Growth Investments Holdings Limited ("GIHL"), and GIHL's subsidiaries and associated companies, and a "member of the Group" shall be construed accordingly;
- 1.1.13 "Hong Kong" means the Hong Kong Special Administrative Region of the People's Republic of China;
- 1.1.14 "Laws" means all laws, rules, regulations and regulatory requirements applying to FGFSL, and to other brokers and dealers instructed by FGFSL, including, where applicable, the rules of the relevant Exchange and its associated clearing house;
- 1.1.15 "Regulators" means the SFC, the relevant Exchange, the relevant clearing house and any other regulator whether in Hong Kong or elsewhere;
- 1.1.16 "Regulatory Rules" means the rules of the Regulators or other laws, rules, codes, guidelines, circulars and regulatory directions issued by the Regulators from time to time;
- 1.1.17 "securities" means "securities" as defined in the Securities and Futures Ordinance;
- 1.1.18 "Securities and Futures Ordinance" means the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong);
- 1.1.19 "SFC" means the Securities and Futures Commission of Hong Kong;
- 1.1.20 "FGFSL" means Future Growth Financial Services Limited ; and
- 1.1.21 "subsidiary" bears the same meaning given to it under the Companies Ordinance (Cap.32, Laws of Hong Kong) (as amended from time to time).
- 1.1A For the purposes of this Agreement, two companies shall be taken to be associated companies if one is a subsidiary of the other, or both are subsidiaries of a third company, and "associated company" shall be construed accordingly.

### 1.2 In this Agreement:

- 1.2.1 the singular shall be deemed to include the plural and vice versa;
- 1.2.2 words importing any gender include every gender and references to persons include companies and corporation;
- 1.2.3 where FGFSL or any member of the Group is given a discretion, such discretion shall be absolute and if exercised, to the fullest extent permitted by applicable laws, FGFSL or such member of the Group shall not incur any liability of whatsoever nature to Client or any other person and, unless otherwise stated, FGFSL or such member of the Group shall not be required to give reasons for its action, inaction;
- 1.2.4 the headings in this Agreement are inserted for convenience only and shall be ignored in construing this Agreement;
- 1.2.5 references to any statute, statutory provision or Regulatory Rule shall include a reference to that statute, provision or Regulatory Rule as from time to time amended, replaced, modified, extended or re-enacted and
- 1.2.6 words not defined shall have the meanings ascribed to them in the Securities and Futures Ordinance or the regulations made thereunder unless the context requires otherwise.
- 1.2.7 If there is any inconsistency between the Chinese and English versions of this Agreement, the English version shall apply and prevail.
- 1.2.8 Any reference in this Agreement to an ordinance or a provision of any Regulatory Rules shall be deemed to include such ordinance or provision as now or hereafter amended, replaced, modified, extended or re-enacted; and
- 1.2.9 In the event of any inconsistency between any provision of these Agreements and any Laws, the latter shall prevail and FGFSL shall be entitled in its discretion to take or refuse to take any action or to demand that the Client shall take or refrain from taking any action to ensure compliance with the same. All actions taken by FGFSL in accordance with the Laws shall be binding on the Client.

## 2. ACCOUNT OPENING

- 2.1 Client hereby instructs and authorises FGFSL to open and maintain securities trading account(s) (including, without limitation, stock

options trading account) in the name of Client for purchasing, investing in, selling, exchanging or otherwise dealing in securities in Hong Kong or elsewhere, on the terms set out in this Agreement.

### **3. FGFSL'S INFORMATION TO CLIENT**

- 3.1 FGFSL may, at Client's request, agree to deal in securities on Client's behalf, and to provide information, advice and/or recommendations in relation to securities. Client shall make its own judgments and decisions independently without reliance on FGFSL or any other member of the Group in its decisions in relation to dealing in securities.
- 3.2 FGFSL shall provide to Client upon request product specifications, any prospectus or other offering document covering securities which are derivative products in which Client wishes to consider dealing.

### **4. CLIENT'S INSTRUCTIONS AND STANDING AUTHORITY**

- 4.1 Instructions given by Client shall be irrevocable and may be given in writing, verbally, by facsimile or other electronic means (including through the E-Service, as defined in the Sixth Schedule), but in any case at Client's own risk.
- 4.2 Unless Client gives specific instructions to the contrary, Client agrees and acknowledges that all orders and instructions are valid for the official trading day of the Exchange (in this Clause 4 referred to as "**Trading Day**") on which it is received. Any instruction received after the close of a Trading Day shall be treated as that of the next Trading Day and valid for the next Trading Day only.
- 4.3 For any instruction, the name of Client (or any of them in case where Client is more than one person unless otherwise stated in the Account Application), the name of Client's Authorised Person or Authorised Third Party (or the names of the Authorised Persons or Authorised Third Parties if the Account Application states that more than one Authorised Person or Authorised Third Party is required) where such instruction is given by the Client's Authorised Person(s) or Authorised Third Party(ies) and the number of the relevant account opened with FGFSL shall be quoted provided always that FGFSL may but shall not be under any duty to verify or ensure as to the identity of the or any person giving such instruction and FGFSL shall be entitled (but not be obliged) to act on the same and rely on its belief that such instruction emanates from Client, Client's Authorised Person(s) or Authorised Third Party(ies).
- 4.4 Client may grant to FGFSL the following standing authorities and once granted, Client agrees to be bound by the terms thereof:
  - 4.4.1 a standing authority pursuant to the Securities and Futures (Client Money) Rules (Cap. 571I of Laws of Hong Kong) as amended from time to time;
  - 4.4.2 a standing authority pursuant to the Securities and Futures (Client Securities) Rules (Cap. 571H of Laws of Hong Kong) as amended from time to time; and
  - 4.4.3 such other lawfully agreed standing authority, as amended from time to time.
- 4.5 Subject to applicable laws, any instruction given or purportedly given by Client, its Authorised Person(s) or Authorised Third Party(ies) after:-
  - 4.5.1 the revocation by Client of its Authorised Person(s)' or Authorised Third Party(ies)' that person's authority; or
  - 4.5.2 the commencement of liquidation or bankruptcy (as the case may be) in respect of Client or the occurrence of any analogous event shall continue to be valid and effective in FGFSL's favour until 5 days after the actual receipt by FGFSL of a written notice informing FGFSL of the occurrence of the relevant event from Client (in case of the said revocation) or in case of the said liquidation or bankruptcy, the liquidator, the trustee in bankruptcy or similar officer.
- 4.6 Any instruction given by Client's Authorised Person(s) or Authorised Third Party(ies), as the case may be, shall be deemed to be given by the Client. Client hereby agrees to accept full responsibility and shall not later challenge the instructions given by Client's Authorised Person(s) or Authorised Third Party(ies), as the case may be.

### **5. FGFSL'S DISCRETION**

- 5.1 FGFSL shall be entitled to rely on and to act as it thinks fit in accordance with any instruction given or purportedly given by or on behalf of Client which FGFSL believes in good faith to have been given by the Client or its Authorised Person(s) or Authorised Third Party(ies). Notwithstanding the foregoing, FGFSL shall have discretion to reject such instruction. FGFSL shall be under no obligation either to act for the Client or upon any instruction or execute any transaction for or on behalf of the Client if there are insufficient funds in the Account, or if FGFSL believes that the acting or the execution might result in either FGFSL, any member of the Group or the Client contravening any Laws or Regulatory Rules or for any other reason. If FGFSL in its absolute discretion declines to act for the Client or act upon any instruction, or execute any transaction for or on behalf of the Client, FGFSL shall in its own discretion notify the Client accordingly, but FGFSL shall not in any circumstances whatsoever be liable in any way for any loss, damages, liability, cost, expense or whatsoever suffered or incurred by the Client arising in or in connection with the exercise of the above discretion by FGFSL.

### **6. EXECUTION OF ORDER**

- 6.1 FGFSL may, in carrying out Client's instructions, contract or otherwise deal with or through any broker for the purchase or sale of securities on any Exchange, or any person associated with FGFSL in any manner, on such terms as FGFSL may in its discretion determine.

### **7. ADVICES**

- 7.1 FGFSL may, and, if required by the Laws, shall, send to the email address(es) and/or other contact number(s) of Client on FGFSL's records an Advice (which are in electronic format) after FGFSL has facilitated a transaction with or for the Account, or upon the occurrence of certain events or movements in Client's Account, in accordance with the Laws in relation to the Advices:
  - 7.1.1 Client agrees that it is its responsibility to ensure that it receives Advices in due time and to make enquiries with and obtain the same from FGFSL immediately if not duly received;
  - 7.1.2 any purported discrepancy between the contents of any Advice and Client's instructions must be notified to FGFSL, orally or in writing in accordance with the notice provisions of this Agreement, within seven (7) days following the date of issue or re-issue of the Advice to Client; and
  - 7.1.3 at the end of the period of seven (7) days, the contents of the Advice shall be conclusive evidence of the particulars set out therein without any further proof that the Advice and/or the transaction or event to which it relates are correct (subject to the right of FGFSL, which may be exercised by it at any time and from time to time, to adjust any entries in the Account and/or details in the Advice where they have been wrongly or mistakenly made by it), except for:
    - 7.1.3.1 any alleged errors notified by Client to FGFSL in accordance with the notice provisions in this Agreement;
    - 7.1.3.2 any payments made on forged or unauthorised endorsement;
    - 7.1.3.3 any unauthorised transactions arising from forgery or fraud by any third party (including Client's employee, agent or servant) in relation to which FGFSL has failed to exercise reasonable care and skill;

- 7.1.3.4 any unauthorised transactions arising from forgery or fraud by any employee, agent or servant of FGFSL; and/or
- 7.1.3.5 any other unauthorised transaction arising from the default or gross negligence on the part of FGFSL or any of its employees, agents or servants.

## **8. SETTLEMENT**

- 8.1 Client shall pay to FGFSL in cleared funds any money required for the purchase of securities or shall deliver to FGFSL the certificates or documents of title or procure the transfer of securities held in CCASS required for the sale of securities (as the case may be), in each case at any time demanded by FGFSL (even if required to be paid and/or delivered earlier than the settlement date), and Client shall take all necessary action to enable due settlement and/or delivery in respect of such purchase and sale in accordance with the Laws. Should Client fail to do so, FGFSL is authorised:
  - 8.1.1 in the case of a purchase transaction, to transfer or sell any such purchased securities to satisfy Client's obligations to FGFSL; or
  - 8.1.2 in the case of a sale transaction, to borrow and/or purchase such sold securities to satisfy Client's obligations to FGFSL.
- 8.2 If FGFSL has to obtain securities which FGFSL has purchased on behalf of Client in the open market, following the failure of the selling broker to deliver on the settlement date, Client shall be responsible for any difference in prices and all incidental expenses in connection with such open market purchase.

## **9. SHORT SELLING**

- 9.1 Except for any security interest of FGFSL or any member of the Group, securities provided by Client for selling or crediting into the Account(s) are fully paid with valid and good title and whose legal and beneficial titles are owned by the Client. Client confirms and undertakes that it will give FGFSL information and/or assurances in relation to the ownership of the securities as FGFSL may require before the selling order is placed. Client must notify FGFSL when a sale order relates to securities which the Client does not own i.e. where it involves short selling (including where the Client has borrowed stock for the purposes of the sale). Client acknowledges and agrees that no short selling orders will be accepted by FGFSL unless Client provides FGFSL with such confirmation, documentary evidence and assurance as FGFSL in its opinion considers necessary to show that Client has a presently exercisable and unconditional right to vest such securities in the purchaser before placing any short selling order.

## **10. MARGIN TRADING**

- 10.1 Subject to the terms and conditions as set out in the First Schedule, FGFSL may grant the Facility to the Client to conduct margin securities trading in respect of the Account.

## **11. INITIAL PUBLIC OFFERINGS**

- 11.1 Where the Client requests FGFSL to apply on Client's behalf for securities in a new issue for listing on an Exchange, the Client hereby agrees to comply with the provisions contained in the Second Schedule.

## **12. FOREIGN CURRENCY TRANSACTIONS**

In the event that Client directs FGFSL to enter into any transaction on an Exchange or other market on which such transactions are effected in a foreign currency:

- 12.1 any profit or loss arising as a result of a fluctuation in the exchange rate affecting such currency will be entirely for the account and risk of Client;
- 12.2 all initial and subsequent deposits for margin purposes shall be made in such currency in such amounts as FGFSL may, at the sole discretion of FGFSL, require from time to time; and
- 12.3 when such a contract is liquidated, FGFSL shall debit or credit the Account of Client in the currency in which such Account is denominated, at a rate of exchange determined conclusively by FGFSL on the basis of the then prevailing money market rates of exchange between such currencies.
- 12.4 In the event that FGFSL exercises any of its rights under this Agreement, including, but without limitation, the combination or consolidation of the Accounts or the transfer of client money and such combination, consolidation or transfer or exercise of any other right requiring the conversion of one currency into another, the conversion shall be calculated at the spot rate of exchange (as conclusively determined by FGFSL) prevailing in such foreign exchange market as determined by FGFSL to be relevant on the date of such combination, consolidation, transfer or exercise of that right.
- 12.5 In the event that Client places an order for the sale or purchase of Renminbi-denominated securities, Client acknowledges and agrees that:
  - (a) Renminbi is subject to capital controls and is not freely convertible, and therefore transactions involving Renminbi-denominated securities may involve substantial exchange risks;
  - (b) unless otherwise indicated by FGFSL, transactions of Renminbi-denominated securities will be settled in Renminbi;
  - (c) if FGFSL is required to settle a transaction on behalf of Client by purchasing or selling Renminbi from or through the market, unless otherwise indicated by FGFSL, the exchange rate will be based on prevailing market rate or such rate as quoted by a licensed bank in Hong Kong.

## **13. SECURITIES IN THE ACCOUNT(S)**

- 13.1 Client specifically authorises FGFSL, in respect of any of the securities (whether in Hong Kong or elsewhere) deposited by Client with FGFSL or purchased or acquired by FGFSL on behalf of Client, and held by FGFSL for safe keeping, to register the same in the name of FGFSL, any member of the Group or any nominee appointed or agreed by GIHL (whether such nominee is a person in Hong Kong or elsewhere) or in Client's name, or deposit in a segregated account which is designated as a trust account or client account and established and maintained in Hong Kong by FGFSL or any member of the Group with an authorised financial institution, an approved custodian or another intermediary licensed for dealing in securities (in this Clause 13 referred to as "Segregated Account for Securities") or deposit with any overseas custodian or overseas clearing house subject to compliance with applicable Regulatory Rules.
- 13.2 Client specifically authorises FGFSL, in respect of any of the securities collateral (whether in Hong Kong or elsewhere) deposited with, or otherwise provided by or on behalf of Client to FGFSL, to:
  - 13.2.1 deposit in a Segregated Account for Securities;
  - 13.2.2 deposit in an account in the name of FGFSL or any member of the Group (as the case may be) with an authorised financial institution, an approved custodian or another intermediary licensed for dealing in securities;
  - 13.2.3 register in the name of Client on whose behalf the securities collateral has been received, FGFSL or any member of the

- Group or any nominee appointed or agreed by FGFSL (whether such nominee is a person in Hong Kong or elsewhere);
- 13.2.4 deposit with any overseas custodian or overseas clearing house subject to compliance with applicable Regulatory Rules.
- 13.3 Any securities and securities collateral (whether in Hong Kong or elsewhere) held by FGFSL, any member of the Group, banker, institution, custodian, nominee, intermediary or any other person pursuant to this Clause 13 shall be at the sole risk of Client. FGFSL, any member of the Group and the relevant associated entity, banker, institution, custodian, nominee, intermediary and person shall be under no obligation to insure Client against any kind of risk, which obligation shall be the sole responsibility of Client.
- 13.4 If in relation to any securities deposited with FGFSL or any member of the Group or any other person pursuant to this Clause 13 but which are not registered in Client's name, any dividends or other distributions or benefits accrue in respect of such securities, the Account(s) shall be credited (or payment made to Client as may be agreed) with the proportion of such dividends, distributions or benefits equal to the proportion of the securities held on behalf of Client out of the total number or amount of such securities.
- 13.5 If in relation to any securities deposited with FGFSL or any member of the Group or any other person pursuant to this Clause 13 but which are not registered in the name of Client, and loss is suffered by FGFSL or any member of the Group, the Account(s) may be debited (or payment made by Client as may be agreed) with the proportion of such loss equal to the proportion of the securities held on behalf of Client out of the total number or amount of such securities.
- 13.6 Except as provided in this Agreement or otherwise allowed under the Laws, FGFSL shall not, without Client's oral or written direction or standing authority, deposit, transfer, lend, pledge, re-pledge or otherwise deal with any of Client's securities or securities collateral for any purpose.
- 13.7 FGFSL is authorised, in accordance with applicable Laws or pursuant to a lawfully agreed standing authority, to dispose of any of Client's securities or securities collateral (and FGFSL shall have absolute discretion to determine which securities or securities collateral are to be disposed of) for the purpose of settling any liability owed by or on behalf of Client to FGFSL.
- 13.8 The obligations of FGFSL (or any other person permitted under this Agreement) to deliver, to hold or to register in Client's name, any of Client's securities or securities collateral shall be satisfied by the delivery, the holding or registration in Client's name or Client's nominee of securities of the same class, denomination and nominal amount as, and rank *pari passu* with, those originally deposited with or transferred to FGFSL or any other person permitted under this Agreement or otherwise agreed by Client or acquired by FGFSL on Client's behalf ("Original Securities") (subject always to any capital reorganisation which may have occurred in the meantime) and FGFSL (or any other person permitted under this Agreement) shall not be bound to deliver or return securities which are identical with the Original Securities in terms of number, class denomination, nominal amount and rights attached thereto.
- 13.9 Where any securities are held in FGFSL's name, the name of any member of the Group or the name of any nominee appointed or agreed by FGFSL in accordance with this Clause 13, FGFSL or such member of the Group will not attend any meeting or exercise any voting or other rights including the completion of proxies except in accordance with written instructions of Client. Nothing in this Agreement shall in any way impose on FGFSL or any member of the Group any duty to inform Client or to take any action with regards the attendance of meetings and to vote at such meetings. FGFSL or any member of the Group has no duty in respect of notices, communications, proxies and other documents, relating to the securities received by FGFSL or any member of the Group or to send such documents or to give any notice of the receipt of such documents to Client. FGFSL and/or any member of the Group has/have the right to charge Client for its/their respective services in taking or arranging custody of Client's securities or any action pursuant to Client's instruction.
- 13.10 For the avoidance of doubt, FGFSL, any member of the Group or any nominee appointed or agreed by FGFSL (whether such nominee is a person in Hong Kong or elsewhere) may hold any securities for Client in a place outside Hong Kong, subject to compliance with applicable Regulatory Rules.
- 13.11 Without prejudice and in addition to other rights and remedies of FGFSL and other members of the Group, FGFSL may, at any time and from time to time, dispose, or initiate a disposal by any relevant member of the Group, of any of the Client's securities (whether in Hong Kong or elsewhere) or securities collateral (whether in Hong Kong or elsewhere) in settlement of any liability owed by or on behalf of Client to FGFSL, such relevant member of the Group or a third person. FGFSL and such relevant member of the Group (if applicable) are authorised to do all things as necessary in connection with any such disposal without any liability for any resulting or associated loss or expense. Without prejudice to the foregoing, Client shall not make any claim against FGFSL and/or such relevant member of the Group (if applicable) concerning the manner or timing of such disposal.

#### **14. MONIES IN THE ACCOUNT(S)**

- 14.1 Subject to compliance with applicable Regulatory Rules, FGFSL shall be entitled to deposit or transfer any monies held in the Account(s) or received for or on the account of Client with or to or interchangeably between one or more segregated account(s) opened and maintained by FGFSL or any member of the Group in Hong Kong or elsewhere each of which shall be designated as a trust account or client account, at one or more authorised financial institution(s) and/or any other person approved by the SFC for the purposes of section 4 of the Securities and Futures (Client Money) Rules (Cap. 571I of Laws of Hong Kong) and/or any other person(s) overseas. Unless otherwise agreed between Client and FGFSL and to the extent permitted by the Laws, any interest accrued on such monies shall belong to FGFSL absolutely.

#### **15. COMMISSIONS, FEES AND CHARGES, LIENS, SET-OFF AND CONSOLIDATION**

- 15.1 In respect of every transaction, Client shall pay to FGFSL forthwith on demand the applicable interest, levy, charge, premium, brokerage, commission, fee, cost and expense for the Account under this Agreement as advised to Client from time to time. Client agrees that such advice posted on the web-site of FGFSL from time to time shall to the extent permitted by the Laws be sufficient advice for all purposes and intents. Subject to applicable Laws, FGFSL may, at any time and from time to time, in its absolute discretion, change any commission, fee and/or charge by notice to Client subject to applicable Laws, the new commission, fee and/or charge shall be applicable on the effective date specified in such notice, whether the specified effective date is before or after the date of such notice.
- 15.2 Client shall pay or reimburse FGFSL forthwith on demand an amount equal to all commissions, brokerages, levies, fees, duties and taxes and all other charges and expenses incurred by FGFSL arising out of or in connection with any transaction effected by FGFSL as agent on behalf of Client or otherwise arising out of or in connection with the performance of the duties of FGFSL under this Agreement.
- 15.3 Without prejudice to other provisions of this Clause 15, FGFSL may deduct any amount contemplated in Clauses 15.1 and 15.2 above from the Account.
- 15.4 Client shall be responsible to FGFSL for all losses and expenses resulting from Client's settlement failure, and shall be subject to such additional charges and interest therefor as FGFSL may determine.
- 15.5 Subject to applicable Laws, without limitation and in addition to any other rights and remedies of FGFSL and other members of the Group, Client agrees that:

- 15.5.1 FGFSL and the Group shall have a general lien over all or any part of any money or securities held by FGFSL or any member(s) of the Group for the discharge of Client's obligations to FGFSL, any member of the Group or a third person;
- 15.5.2 FGFSL may at any time and from time to time without prior notice combine or consolidate all or any of Client's accounts with, and/or apply Client's securities and/or other properties in or towards satisfaction of, any liabilities to FGFSL and/or other members of the Group;
- 15.5.3 FGFSL may at any time and from time to time without prior notice set-off or transfer any sum in whatever currency standing to the credit of any of Client's accounts with FGFSL or other members of the Group in or towards satisfaction of any of Client's liabilities of whatever nature (including liabilities incurred as principal or surety and whether such liabilities be actual or contingent, primary or collateral, several or joint) to FGFSL and/or other members of the Group.
- 15.6 FGFSL may, in the course of dealing with or through any broker for any transactions, receive benefit which is incidental to such dealings, including brokerage commission rebates and/or commissions of any kind. Client hereby consents and agrees that FGFSL may receive and retain for itself any such benefit, without further notice to Client, to the extent permitted by the Laws.
- 15.7 Without prejudice to and in addition to other rights and remedies of FGFSL and other members of the Group, FGFSL shall be entitled but not be obliged (and is hereby authorized by Client), at its discretion and without notice to Client, to dispose of Client's securities and/or other properties for the purpose of settling any liability owed by Client to FGFSL for:
- 15.7.1 dealing in securities which remains after FGFSL has disposed of all other assets designated as collateral for securing settlement of that liability, or
- 15.7.2 financial accommodation provided by FGFSL to Client which remains after FGFSL has disposed of all other assets designated as collateral for securing settlement of that liability.
- 15.8 Subject to applicable Laws and without prejudice to and in addition to any general lien and other rights and remedies entitled by FGFSL and/or other member(s) of the Group, at any time when Client is indebted to FGFSL or any member of the Group in any respect, FGFSL or any member of the Group shall be entitled but not be obliged (and Client irrevocably and unconditionally authorises FGFSL or any member of the Group), at its discretion and without prior notice to Client, at any time and from time to time:
- 15.8.1 to combine or consolidate all or any of Client's existing accounts with FGFSL or any member of the Group regardless of whether notice is required and the nature of the account (i.e. whether deposit, loan or any other nature); and
- 15.8.2 to set-off or transfer any sum standing to the credit of any one or more of such accounts wherever they are situated, in order to satisfy Client's liabilities to FGFSL and/or any member of the Group on any other account or other respect whatsoever.
- 15.9 FGFSL and any member of the Group are authorised to do the above without notice and notwithstanding any settlement of account or other matter whatsoever. The liabilities referred to above include present or future, actual or contingent, primary or collateral, and several or joint.
- In addition, FGFSL shall have the right to sell such securities, investments and property and utilise the proceeds to offset and discharge all the obligations of Client without any prior notice to Client, whether as principal or as surety, to FGFSL and/or any member of the Group regardless of:
- 15.9.1 whether any other person is interested in, or whether FGFSL has made advances in connection with, such securities, investments or property; and
- 15.9.2 the number of accounts Client may carry with FGFSL or any member of the Group.
- FGFSL is authorised to do all things as necessary in connection with such sale without any liability for any resulting loss. Without prejudice to the foregoing, Client shall not make any claim against FGFSL concerning the manner or timing of such sale.
- 15.10 Client agrees to pay interest on all overdue balances owing by Client to FGFSL and/or the relevant member(s) of the Group (after as well as before any judgment), FGFSL at such rate(s) from day to day as FGFSL and/or the relevant member(s) of the Group shall in its/their absolute discretion determine with reference to the prevailing market rate(s) from the date(s) of default up to the date(s) of actual payment, such interest to be payable on the last day of each calendar month or such other date(s) as determined by FGFSL and/or the relevant member(s) of the Group or forthwith upon any demand being made by FGFSL and/or the relevant member(s) of the Group. The aforesaid interest rate(s) may be changed by FGFSL and/or the relevant member(s) of the Group in its/their absolute discretion, at any time and from time to time and without notice to and without consent from Client or any third party. If any interest rate calculated under this clause would exceed the maximum lawful rate under the Money Lenders Ordinance (Cap. 163 of Laws of Hong Kong), then the maximum lawful interest rate under that Ordinance shall be applied instead. Client agrees that FGFSL shall be entitled (but not be obliged), at any time and from time to time, without prior notice, to debit any Account with FGFSL and/or any other account(s) of Client with other member(s) of the Group with any interest due and payable by Client in accordance with this Clause 15.10 and Client undertakes to, immediately upon demand by FGFSL, do such act(s) and/or execute such document(s) as may be required by FGFSL at any time and from time to time in order to give full effect to each such debit.

## 16. DEFAULT

- 16.1 FGFSL shall be entitled to exercise their powers under clause 16.2 upon or at any time after the occurrence of any of the following Events of Default:-
- 16.1.1 Non-payment: Client defaults in paying, further securing or satisfying on demand any monies or liabilities under this Agreement or any agreement between Client and any member of the Group;
- 16.1.2 Breach of representation: any statement, representation, warranty or undertaking made, repeated or deemed to have been repeated by Client in this Agreement or in any notice or other document delivered to FGFSL or any member of the Group in connection with this Agreement that is or proves to have been incorrect or misleading when made, repeated or deemed to have been repeated;
- 16.1.3 Breach of other obligations: Client fails to perform or comply with any of its other obligations under this Agreement or any agreement between Client and any member of the Group and, if that failure is capable of remedy, does not remedy such failure to the satisfaction of FGFSL immediately following receipt of notice from FGFSL or any member of the Group requiring it to do so;
- 16.1.4 Winding-up, etc.: where Client is a corporation:
- 16.1.4.1 a petition is presented or an order is made or any effective resolution is passed or analogous proceedings are taken for the winding up of Client save for the purposes of an amalgamation, merger or reconstruction the terms whereof have previously been approved in writing by FGFSL; or
- 16.1.4.2 Client convenes a meeting for the purpose of making, or proposes and/or enters into, any arrangement or composition for the benefit of its creditors; or
- 16.1.4.3 an encumbrancer takes possession or a Receiver or other similar officer is appointed of the whole or any part

- of the assets or the undertaking of Client, or a distress or execution is levied or enforced upon or sued out against any of the chattels or property of Client and is not discharged within thirty days of being levied; or
- 16.1.4.4 Client, without the consent in writing of FGFSL, stops payment to creditors generally or (if applicable) Client (otherwise than for the purpose of such an amalgamation, merger or reconstruction as is referred to in Clause 16.1.4.1 above) ceases or threatens to cease to carry on its business or any substantial part thereof or be deemed, for the purposes of Section 178 of the Companies Ordinance (Cap. 32 of the Laws of Hong Kong), to be unable to pay its debts or disposes or threatens to dispose of the whole or a substantial part of its undertaking or assets;
- 16.1.5 Bankruptcy, etc.: Bankruptcy proceedings are commenced in respect of Client where Client is an individual, or a bankruptcy order is made against Client or Client makes any composition or arrangement with Client's creditors, dies, becomes of unsound mind and/or insane;
- 16.1.6 Material adverse change in Client's financial condition, etc.: there occurs a material adverse change in Client's business, assets or financial condition which would, in the opinion of FGFSL, prevent or hinder or tend to prevent or hinder Client from performing in any material respect its obligations;
- 16.1.7 Judgment or court order: where Client is a partnership or a sole proprietorship, any of its partners or the sole proprietor shall have any judgment or order of Court made or any execution levied against his goods chattels or property, dies, becomes of unsound mind and/or insane;
- 16.1.8 Incompetence, etc: where the Client is an individual, a sole proprietor or a partnership, a judicial declaration of incompetence or mental incapacity is made in respect of the Client or any of the partners, or the Client or any of the partners dies;
- 16.1.9 Unlawfulness: where FGFSL in its sole opinion believes there may be a basis for suspicion that the Client has engaged or may be engaging in any market malpractice or any other activity which is prohibited by any Laws or Regulatory Rules or applicable terms and conditions of whatsoever nature; or it shall become unlawful for the Client to maintain the Account or to perform any of the Client's obligations under this Agreement; or any authorisation, consent, approval or licence necessary for the Client to continue the Account or to perform any of its obligation under this Agreement is withdrawn, restricted, revoked or otherwise ceases to be in full force and effect;
- 16.1.10 Fraud, etc: Client is convicted of an offence involving fraud, deception or dishonesty or any other serious criminal offence (other than a road traffic offence where a non-custodial sentence is imposed);
- 16.1.11 Regulatory requirements: in the discretion of FGFSL, the exercise by FGFSL of any powers conferred by Clause 16.2 is necessary for compliance with any Regulatory Rules;
- 16.1.12 Suspension of the Account: the Account or the trading of any securities or instruments in the Account is for whatsoever reason suspended;
- 16.1.13 Illiquidity: in the absolute opinion of FGFSL, there occurs market conditions (for example, illiquidity) or actions that may make it difficult or impossible to effect the relevant transactions or liquidate or offset the relevant positions; and
- 16.1.14 Others: in the sole discretion of FGFSL, when it regards it to be otherwise necessary or appropriate e.g. due to margin requirements or otherwise.
- 16.2 Upon or at any time following the occurrence of any of the Events of Default, all amounts owing by the Client to FGFSL shall become immediately payable on demand and FGFSL, without notice to the Client, may do any of the following in its discretion:-
- 16.2.1 terminate all or any part of this Agreement and close the Account, or otherwise suspend operation of the Account;
- 16.2.2 immediately require Client to repay or discharge the Facility, if any;
- 16.2.3 cancel any or all outstanding orders or any other commitments made on behalf of the Client;
- 16.2.4 close any or all contracts between FGFSL and the Client, cover any short position of Client through the purchase of securities on the relevant Exchange(s) or, liquidate any long position of the Client through the sale of securities on the relevant Exchange(s);
- 16.2.5 sell or otherwise dispose of the securities held for the Client to settle any liability owed by the Client to FGFSL which remains after FGFSL has disposed of all client collateral for securing the settlement of that liability; and
- 16.2.6 combine or consolidate any or all accounts of the Client and exercise right of set-off in accordance with this Agreement.
- 16.3 In the event of any sale pursuant to Clause 16.2.5
- 16.3.1 FGFSL shall not be responsible for any loss occasioned thereby howsoever arising if FGFSL has already used reasonable endeavours to sell or dispose of the securities or any part thereof at the then available market price;
- 16.3.2 FGFSL shall be entitled to appropriate to itself or sell or dispose of the securities or any part thereof at the current price to FGFSL or any member of its Group without being in any way responsible for loss occasioned thereby howsoever arising and without being accountable for any profit made by FGFSL and/or any member of its Group; and
- 16.3.3 the Client undertakes to pay to FGFSL any deficiency if the net proceeds of sale shall be insufficient to cover all the outstanding balances owing by Client to FGFSL.
- 16.4 Any proceeds of sale hereunder shall be applied in the following order of priority:
- 16.4.1 in satisfaction of all costs, levies, charges, expenses and payments (including, without limitation, legal or other professional fees, stamp duty, commission and brokerage) incurred by FGFSL on a full indemnity basis;
- 16.4.2 in or towards the satisfaction of the amount secured by this Agreement whether principal or interest or otherwise in such order as FGFSL may in its discretion decide;
- 16.4.3 in or towards the satisfaction of any other amount owing to FGFSL or any member of the Group; and the surplus if any shall be paid to Client or to its order. If there is any deficiency after the sale, Client shall pay such deficiency to FGFSL without the need for any demand.
- 16.5 Any dividends, interest or other payments which may be received or receivable by FGFSL in respect of the Margin Securities (as defined in the First Schedule) (less such reasonable charges as FGFSL may determine from time to time) may be applied by FGFSL as though they were proceeds of sale hereunder notwithstanding that the power of sale may not have arisen.
- 16.6 A declaration, determination or decision by an officer of FGFSL that the power of sale has become exercisable under this Clause 16 shall be conclusive evidence of that fact in favour of any purchaser or other person deriving title under the sale.

## 17. LIABILITY AND INDEMNITY

- 17.1 Client agrees that FGFSL or any member of the Group or any of their respective officers, employees or agents shall not have any liability whatsoever (other than those resulting from fraud or wilful default on FGFSL's part) for any loss, expense or damage which Client may incur as a result of the performance or failure to perform this Agreement or as a result of any act or omission of any third

party (whether or not appointed by FGFSL or any member of the Group) or howsoever arising out of any cause beyond the control of FGFSL or any member of the Group. Further, FGFSL or any member of the Group or any of their respective officers, employees or agents shall accept no liability as a result of compliance with any applicable Regulatory Rules. This Clause 17.1, however, shall not be construed as in any way binding any member of the Group to comply with any provision of this Agreement unless otherwise explicitly agreed by such member of the Group.

- 17.2 Client undertakes to indemnify and to keep indemnified FGFSL and its officers, employees and agents on a full indemnity basis from and against all losses, damages, interest costs, actions, demands, claims, proceedings, expenses, costs (including, without limitation, legal costs and costs reasonably incurred in collecting debts from Client) and liabilities and liabilities of whatsoever nature (other than those resulting from fraud or wilful default on FGFSL's part) incurred, suffered or sustained by or made or brought against or threatened to be made or brought against each or any of them directly or indirectly arising out of or in connection with the performance of any act or the exercise of any right or discretion or any inaction taken or chosen by or for FGFSL and/or any member of the Group pursuant to this Agreement, or arising directly or indirectly from any act or omission by Client whether or not constituting a breach of any of its obligations under this Agreement or the occurrence of any Event of Default or directly or indirectly as a consequence of reliance by FGFSL or any of its officers, employees or agents on any representation stated in this Agreement or any information provided by Client directly or indirectly as a result of acting on by FGFSL or any of its officers, employees or agents any instruction, signature, instrument, notice, resolution, request, certificate, report or other document believed to be signed or given by the proper party(ies), whether the same is given verbally or in written form and whether the same is an original, facsimiled or electronic copy.
- 17.3 If any claim is made against FGFSL or Client in connection with this Agreement, FGFSL may, without prejudice to Clause 17.1 above, take any such steps at its sole discretion, including the withholding of payment or delivery to Client of any money or securities.
- 17.4 Client acknowledges that discretionary handling of clients' accounts by FGFSL's representatives is generally not permitted by FGFSL policy (and that if exception is granted it must be properly documented in a further FGFSL discretionary account agreement with a power of attorney) and that Client shall not hold FGFSL responsible in any way, and shall indemnify FGFSL, for all and any loss, damage, interest cost, action, demand, claim, liability, expense or proceeding of any nature whatsoever relating to or resulting from the Client's instruction, permission, acquiescence or approval to, or arrangement or understanding with, any FGFSL representative (whether explicit or tacit) to conduct discretionary trading on the Account or otherwise in respect to any of the Client's money.

## **18. DISCLOSURE OF INFORMATION**

- 18.1 Client warrants and undertakes to FGFSL that all information provided by Client from time to time in, under or pursuant to this Agreement is and will be accurate, complete and up-to-date. Client shall notify FGFSL forthwith of any change to such information. FGFSL shall be entitled to rely fully on all such information for all purposes until FGFSL is notified to the contrary in writing and any such written notification shall be duly signed by Client. Client understands and accepts that notwithstanding anything to the contrary which may be contained in this Agreement, any change to any such information shall not take effect until five (5) days after the actual receipt by FGFSL of the relevant written notification or until such shorter period of time as may be agreed by FGFSL in writing.
- 18.2 FGFSL shall notify Client of any material change to the information relating to FGFSL provided in, under or pursuant to this Agreement.
- 18.3 Client shall immediately on demand by FGFSL at any time and from time to time supply to FGFSL such financial and/or other information in connection with the subject matter of this Agreement as FGFSL may reasonably require. Client agrees that FGFSL may conduct a credit enquiry or check on Client for the purpose of ascertaining the financial situation of Client.
- 18.4 FGFSL may provide any information relating to Client and/or any transaction and/or the Account to any Regulator or other person to comply with the lawful requirements or requests for information (whether such requirements and requests are mandatory or otherwise) or otherwise where in FGFSL's sole discretion, it deems it appropriate in the circumstances.
- 18.5 FGFSL is subject to the Personal Data (Privacy) Ordinance (Cap. 486 of the Laws of Hong Kong) which regulates the use of personal data concerning individuals. FGFSL's policies and practices relating to the use of personal data are set out in the Fifth Schedule to this Agreement.
- 18.6 Client represents and warrants to FGFSL that Client has taken all action necessary to authorize the disclosure to FGFSL and other persons permitted hereunder of all information (including, without limitation, personal data as defined in the Personal Data (Privacy) Ordinance, Cap.486 of the Laws of Hong Kong) from time to time provided to FGFSL by or for Client in, under or pursuant to this Agreement and the use of such information for the purpose of this Agreement and/or any transaction(s) contemplated hereunder and/or the Account. This representation and warranty are taken to be also made by Client on each date that any information is provided to FGFSL.

## **19. REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS**

- 19.1 Client represents, warrants and undertakes to FGFSL (in this Clause 19, referred to as the "Warranties") that:
- 19.1.1 where Client is a corporation, it has been duly incorporated or established in accordance with all applicable laws and regulations and has the corporate power to enter into and perform this Agreement and has taken all necessary corporate and other action to authorise this Agreement upon these terms and conditions;
- 19.1.2 no consent or authority of any person (except, in the case of a corporate client, as already obtained as contemplated in Clause 19.1.1) is required for Client to enter into this Agreement including without limitation the power of borrowing and giving security over its assets, or as the case may be, Client has obtained all such necessary consent or authority (including, without limitation, consent from its employer where applicable);
- 19.1.3 the entering into by Client of this Agreement or any trading or borrowing activity in connection with this Agreement will not place Client in breach of the terms of any other arrangement or document (including any constitutional documents such as Client's memorandum and articles of association if Client is a corporation and/or deed of trust if Client is a trustee or trust corporation), any staff dealing policies or rules of its employer (if any) or of any obligations under general law or imposed by Regulatory Rules; and Client undertakes to fully comply all relevant Laws, Regulatory Rules, terms, policies and rules;
- 19.1.4 Client has not taken any action nor has any step been taken or legal proceeding been started or threatened for the bankruptcy or liquidation of the Client. Nor has the Client entered into a compromise or scheme of arrangement with its creditors; and
- 19.1.5 Client acknowledges that it is Client's duty to ascertain Client's nationality, citizenship, domicile or similar status. Client undertakes not to deal in, purchase or subscribe for any securities or investments which by virtue of the Client's status or other characteristics Client is prohibited to deal in, purchase or subscribe. Client has taken all necessary professional advice including legal, accounting, estate planning or tax advice relating to its tax or other liability under any jurisdiction and Client has not relied in any way on FGFSL relating to any of Client's instructions or orders in respect of dealing in, purchase of or

subscription in any securities or investments.

19.2 Client further warrants and represents to FGFSL that each of the Warranties is true, accurate and not misleading.

19.3 Client acknowledges that FGFSL has entered into this Agreement on the basis of, and in reliance on, the Warranties. The Warranties are deemed to be repeated on each day up to and including the termination of this Agreement.

## **20. NOMINEE ARRANGEMENTS**

If any of Client's securities are registered in the name of a nominee for Client ("Nominee"), whether or not such Nominee is a member of the Group, Client agrees as follows:

- 20.1 the Nominee shall have no liability (in negligence or otherwise howsoever) for failure to forward to Client any notice, information or other communication in respect of any such securities;
- 20.2 the Nominee shall have full liberty to exercise or refrain from exercising any rights or to satisfy or refrain from satisfying any liabilities arising from or in connection with the holding of any such securities without the need to consult or notify Client beforehand and without being in any way liable therefor and Client shall indemnify the Nominee for all losses, costs, claims, liabilities and expenses incurred by the Nominee and arising directly or indirectly from any action taken or not taken by the Nominee in good faith;
- 20.3 to pay such fees, expenses and charges as the Nominee may from time to time prescribe in consideration of the nominee services, such fees, expenses and charges to be deducted as FGFSL sees fit from any monies standing to Client's credit in any account with FGFSL and/or any member of the Group and until payment the securities held by the Nominee are subject to a lien in favour of the Nominee for the amount(s) concerned and such lien shall be in addition and without prejudice to other rights of the Nominee;
- 20.2 the Nominee may act on the instructions of any one Authorised Person or Authorised Third Party; and
- 20.3 the Nominee is not bound to return to Client securities bearing identical serial numbers as any transferred to the Nominee.

## **21. MISCELLANEOUS**

### **21.1 Governing law**

21.1.1 This Agreement shall be governed by and construed in accordance with the laws of Hong Kong and Client hereby irrevocably submits to the non-exclusive jurisdiction of the courts of Hong Kong. This Agreement, all rights, obligations and liabilities under this Agreement and all transactions contemplated hereunder shall ensure to the benefit of, and bind FGFSL, FGFSL's successors and assigns, whether by merger, consolidation or otherwise, as well as Client and the heirs, executors, administrators, legatees, successors, personal representatives and permitted assigns of Client.

### **21.2 Enforceability**

If any provision of this Agreement shall be void or unenforceable by reason of any provision of applicable Laws, the remaining provisions shall continue in full force and effect and if necessary, be so amended as shall be necessary to give effect to the spirit of this Agreement so far as possible.

### **21.3 FGFSL's role**

Save as expressly provided in this Agreement, FGFSL shall act as an agent and not as a principal in relation to any transaction undertaken by FGFSL pursuant to this Agreement, except where FGFSL gives notice to Client to the contrary or required by the nature of the transaction initiated by Client.

### **21.4 FGFSL's right to report**

Without prejudice to any right or obligation that FGFSL may have under the Laws, Client acknowledges that FGFSL shall have the right to report any suspected trading misconduct, other malpractice or irregularity to any Regulators, authorities or the issuer of the financial product concerned, and FGFSL may in its sole discretion suspend the operation of the Account or decline to act on any instruction without incurring any liability whatsoever to Client for any claim, loss, proceeding or expense howsoever related to FGFSL's suspension of the Account or its delay or refusal to act upon any instruction relating to the Account.

### **21.5 Suitability**

For the avoidance of doubt, both FGFSL and the Client agree and confirm:

21.5.1 FGFSL does not solicit the sale of, or provide recommendations or advice of any financial products and securities dealings to the Client. The scope of services under this Agreement does not include solicitation of sale or provide recommendations or advice of any financial product and securities dealings to the Client. At present, FGFSL only provides limited services and executes trading instructions in accordance with the Client's instruction;

21.5.2 If both FGFSL and the Client agree in the future to amend the scope of the above service and allow FGFSL to solicit the sale of or provide recommendations or advice of any financial product and securities dealings to the Client, before FGFSL takes steps to solicit sale or provide recommendations or advice (if any), FGFSL must believe, from FGFSL's perspective, that the financial product is reasonably suitable for the Client having regard to the Client's financial situation, investment experience and investments objectives. No other provisions in these Terms or any other document which FGFSL may ask the Client to sign and no statement which FGFSL may ask the Client to make would derogates from this Clause. For the purpose of this Clause, "financial product" means any securities, futures contracts or leveraged foreign exchange contracts as defined under the SFO;

21.5.3 For the purpose of this Agreement, if FGFSL informs the Client, either verbally or in writing, of the fact that FGFSL provides certain types of financial services, or FGFSL has become the underwriter or placing agent of a securities and permits the Client to unilaterally reserves the right to subsequently decide whether or not to make an inquiry to FGFSL, such a conduct does not constitute an act of solicitation of sales or provide recommendations or advice to the Client.

### **21.6 Client's obligation**

21.6.1 Client undertakes to do and execute any act, deed, document or thing which FGFSL may require in connection with the implementation, execution and enforcement of the terms of this Agreement. Client irrevocably appoints FGFSL as its attorney to do and execute any act, deed, document and thing which it undertakes to do or execute under this Agreement but fails to do or execute upon the request of FGFSL.

21.6.2 If Client suspects that a fraud or an irregularity may have occurred with respect to the Account, it shall notify FGFSL of the same immediately by calling FGFSL's Hotline at (852) 3719 9733 or such other telephone number as subsequently notified to Client by FGFSL in writing from time to time.

### **21.7 Joint account**

21.7.1 Where the Account is a joint account, unless otherwise stated in the Account Application, FGFSL may accept instructions from any of the account holders, and each joint account holder agrees with the others to be jointly and severally liable for all obligations in connection with this Agreement. FGFSL has no obligation to inquire into the purpose or propriety of any instruction given or to see to the application of any funds delivered by Client or any or more of the joint account holders in respect of the Account. FGFSL shall be at liberty to release or discharge any of the account holders from their liability hereunder or to accept any proposition from or make other arrangements with any of the account holders without

- releasing or discharging the other or others or otherwise prejudicing or affecting the rights and remedies of FGFSL against the other or others and none of them nor shall this Agreement be released or discharged by the death of any one of them.
- 21.7.2 Any Advice, report, notice or communication given to any joint account holder in accordance with this Agreement shall be deemed to have been duly given to all joint account holders unless: (i) Client's correspondence address has been provided in the Account Application, in which case, any such Advice, report, notice or communication shall be sent to that correspondence address or such other correspondence address as subsequently notified to FGFSL in accordance with this Agreement; or (ii) Client has requested and FGFSL has accepted that all Advices shall be sent to the email addresses of all joint account holders, being the last notified email addresses on FGFSL's records and in such case, all Advices shall be so given. Any Advice, report, notice or communication given by FGFSL pursuant to the foregoing shall be deemed to have been received by all joint account holders and shall be binding on all of them.
- 21.8 Client's authorization  
Where Client has an account with another member of the Group and instructs FGFSL to obtain cash, securities and/or other property from such account, Client authorises FGFSL, on behalf of Client, to request such member of the Group to release such cash, securities and/or other property to FGFSL.
- 21.9 Telephone recording  
FGFSL may record telephone conversations with Client and the contents of any such recording shall be final and conclusive evidence of the conversation concerned and its content.
- 21.10 Client's representation  
Client acknowledges that FGFSL has offered to explain to Client the terms of this Agreement, and either Client has received such explanation or that Client fully understands the terms of this Agreement without the need for such explanation. Client acknowledges that Client has been advised, and has had the opportunity, to consult Client's own independent legal and other professional advisers.
- 21.11 Waiver  
Save as expressly provided in this Agreement, no failure to exercise, or delay in exercising, on the part of any party hereto any right, power or privilege under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege preclude any other or further exercise thereof, or the exercise of any other right, power or privilege. No waiver by FGFSL shall be effective unless it is in writing. The rights and remedies of FGFSL are cumulative and not exclusive of any rights or remedies provided by the Laws.
- 21.12 Assignment
- 21.12.1 Client shall not assign, delegate, sub-contract, transfer or otherwise dispose of any rights or obligations under this Agreement to any person without FGFSL's previous written consent. Subject to the Laws, FGFSL may assign, sub-contract, delegate, transfer or otherwise dispose of any of its rights and obligations under this Agreement as FGFSL may see fit.
- 21.12.2 In the event that FGFSL consolidates, amalgamates, reorganises or transfers its business to another entity (including within the Group), FGFSL may assign any of the rights and obligations under this Agreement to such entity. FGFSL shall give Client notice which will specify a date upon which the assignment will become effective. This date will be at least ten (10) days after the date of the notice. Such assignment will have the effect of creating a novated agreement between Client and the entity to which such rights or obligations are assigned. Therefore, in such event, Client hereby consents for any future assignment of this Agreement by FGFSL.
- 21.13 Force majeure  
In the event of war, terrorism, revolution, insurrection, restraint of rulers, military disturbances, riot, civil commotion, civil disobedience or other similar action involving any country, strike or lockout or stoppage or restraint of labour, seizure or confiscation of assets or other governmental action having a similar effect, any imposition of currency exchange control or restraint of capital movement or transmission by any government, any "Act of God", epidemic, pandemic, vandalism, disruption of the operation of any Exchange, breakdown of computer systems and/or communication facilities, or any other similar event outside the control of FGFSL which hinders or prevents the performance by FGFSL of its obligations under this Agreement (an "event of force majeure"), then FGFSL may, as an alternative to any performance otherwise required, at its absolute discretion either (a) postpone its performance until the event of force majeure no longer has such effect or (b) where any delivery or payment is required, provide or require a cash settlement based upon the prevailing price of a security or instrument relevant to such settlement on the second business day prior to the occurrence of the event of force majeure; such prevailing price being conclusively determined by FGFSL. FGFSL shall not be responsible or held liable for any loss suffered by Client arising out of or in connection with an event of force majeure. Client agrees to bear solely the risk of such event of force majeure.
- 21.14 Notice
- 21.14.1 Any Advice, report, notice or communication to be made or given to Client shall be in writing and may be sent by ordinary post to its address stated in the Securities Account Application Form, or by facsimile transmission or electronic means (including through the E-Service, as defined in Sixth Schedule) to the fax number or e-mail address stated in the Securities Account Application Form (or to such other address, fax number, or e-mail address as subsequently notified by Client in writing in accordance with this Clause 21.13). Any notification so given shall be deemed to have been received forty-eight (48) hours after dispatch if sent by post or at the time of transmission if given by facsimile or electronic means.
- 21.14.2 FGFSL may also give notice to Client by telephone on the telephone number given in the Account Application or on such other number as Client shall notify FGFSL in writing. All notifications so given to Client shall be deemed to have been received instantaneously if given by telephone.
- 21.14.3 In all cases if any notice or communication of whatsoever nature is given or delivered to FGFSL, it shall only be deemed to have been given or delivered to FGFSL on the day of actual receipt by it.
- 21.15 Amendment and termination
- 21.15.1 FGFSL may, at its absolute discretion and without giving reasons, suspend or terminate the Account and at any time cease to act on Client's behalf. Upon termination or suspension of the Account, all monies owing from Client to FGFSL shall immediately become due and payable and Client shall immediately repay such monies to FGFSL.
- 21.15.2 Client agrees that the terms of this Agreement may be amended by FGFSL from time to time, at its discretion, by notice in writing from FGFSL to Client, in which event such terms and conditions as so amended shall apply with effect from the effective date specified in such notice, whether the specified effective date is before or after the date of such notice but subject to applicable Laws. Such amendments shall be deemed incorporated into and form part of this Agreement.

21.15.3 Either party may terminate this Agreement at any time by notice to the other provided that such termination shall not affect:

21.15.3.1 the rights or liabilities of either party arising prior to such termination;

21.15.3.2 the warranties, representations, undertakings and indemnities given by Client under this Agreement, all of which shall survive termination; and

21.15.3.3 any of the Client's obligations to FGFSL pursuant to this Agreement.

21.15.4 Termination of this Agreement shall not affect any action by FGFSL, or any of its agents or any third party permitted under this Agreement initiated prior to the date of termination or any indemnity or warranty given by Client under this Agreement.

21.16 Service of Legal Documents

21.16.1 In case of any disputes arising from or in connection with this Agreement or any related supplemental agreement amongst the parties hereto, FGFSL shall be entitled to serve all legal documents including the Writ of Summons or Originating Summons on the parties at their addresses (either in Hong Kong or overseas) as shown on this Agreement or their subsequent updated addresses by way of unregistered post through the Hong Kong Post whether or not the location of such addresses are within the jurisdiction of the Hong Kong courts. The legal documents through such unregistered post shall be deemed to have been duly served on the parties. The receiving party shall be deemed to have received the legal documents 7 days after FGFSL has sent out the legal documents through the Hong Kong Post.

21.16.2 For the avoidance of doubt, the above contractual arrangement for service of legal documents will be without prejudice and additional to FGFSL's rights for service of legal documents under the Hong Kong laws.

21.17 Time

Time shall, in all respects, be of the essence of the performance of all the obligations of Client under this Agreement and all transactions contemplated hereunder.

## FIRST SCHEDULE

## MARGIN FINANCING

### 1. DEFINITIONS

- 1.1 Terms in this Client Agreement for Margin Accounts shall have the same meanings as defined in the Client Agreement for Securities Trading Accounts unless stated otherwise.
- 1.2 References to "Account" in the Client Agreement for Securities Trading Accounts will be deemed to include the Margin Account established pursuant to this Client Agreement for Margin Accounts.
- 1.3 "Collateral" means all monies and Securities the Client now or at any time hereafter deposits with, transfers or transfers to or held by FGFSL or its Associates, or transfers to or held by any other person in circumstances where FGFSL or its Associates accepts as security for the Client's liabilities under the Agreement. Such Collaterals shall include monies and Securities that come into the possession, custody or control of FGFSL or its Associates from time to time for any purpose (including any additional or substituted Securities and all dividends or interest paid or payable, rights, interest, monies or properties accrued or at any time offered by way of redemption, bonus, preference shares, options or otherwise in respect of such Securities or additional or substituted Securities).
- 1.4 "Credit Limit" means the maximum amount of Facility that FGFSL could grant to the Client irrespective of the amount of Collateral and the Margin Ratio of the Client.
- 1.5 "Margin Ratio" means certain percentage of the value of the Collateral, which percentage will not be higher than the percentage of the amount the Client is permitted to borrow from FGFSL (or as guarantee of other forms of financial accommodations) to the value of the Collateral.

### 2. MARGIN FACILITY

- 2.1 This Facility will be extended to the Client in accordance with the provisions set out in this Margin Client's Agreement, any credit documentation and fee schedules provided by FGFSL to the Client and the Client Agreement for Securities Trading Accounts (collectively the "Margin Facility Terms"). The Client agrees that such Facility will only be used for purposes in connection with the acquisition or holding of Securities by FGFSL for the Client.
- 2.2 Subject to Clause 2.4, FGFSL may grant the Client an amount of Facility not exceeding such Credit Limit as FGFSL notifies the Client from time to time. FGFSL may, by notice from time to time, vary the Credit Limit and the Margin Ratio available to the Client. Notwithstanding the Credit Limit that has been notified to the Client, FGFSL shall have the discretion to extend a Facility exceeding such Credit Limit to the Client, and the Client agrees that the Client shall be liable to repay the full amount of any Facility granted by FGFSL in accordance with the provisions of this Agreement.
- 2.3 The Client instructs and authorizes FGFSL to draw on the Facility to satisfy the amounts payable to FGFSL or its Associates in respect of the Client's purchase of Securities, performance of such margin obligations for any positions as required by FGFSL or its Associates, or payment of any commission or other costs and expenses owing to FGFSL or its Associates.
- 2.4 FGFSL shall be entitled at any time to refuse to provide any Facility to the Client. The Client understands that FGFSL will not provide any Facility to the Client especially when any of the following circumstances arise:
  - the Client fails to perform any provisions of this Agreement; or
  - FGFSL believes that material adverse changes are occurring or have occurred to the financial condition of the Client, any person which might adversely affect the Client's liabilities under the Agreement or the performance of the Client's obligations under the Agreement; or
  - the advancement provided would lead to the applicable Credit Limit being exceeded; or
  - FGFSL, in its absolute discretion, considers it prudent or desirable not to provide such Facility.
- 2.5 As long as the Client has any indebtedness owing to FGFSL, FGFSL shall be entitled to refuse at any time and from time to time any withdrawal by the Client of any or all Collaterals from the Client's Account; and without the prior written consent of FGFSL, the Client shall not withdraw any Collateral in part or in full from the Client's Account.
- 2.6 If FGFSL, in its absolute discretion, determines that it is necessary to provide adequate guarantee for the Facility it provides, the Client shall, on demand of FGFSL, pay a certain sum of deposit or margin in such amount and form as FGFSL designates by ways of cash, Securities and/or other assets, and such deposit or margin shall be paid to the designated Account within such time as specified (referred to as a "Margin Call"). For the purpose of making a Margin Call, FGFSL shall use its best endeavours to contact the Client as soon as possible by phone through the number provided by the Client in the Account Opening Form, and/or make the Margin Call to the Client by post, facsimile, email or otherwise. Client agrees that he shall be deemed to have been properly notified even if FGFSL fails to contact the Client by phone or the Client does not receive such written notice.
- 2.7 Any failure on the part of the Client to comply with the provisions in Clause 2.6 of this Margin Client's Agreement will constitute an Event of Default under Clause 16 of the Client Agreement for Securities Trading Accounts.
- 2.8 The Client agrees to pay interest on the Facility he received, and such interest will be accrued on a daily basis. The calculation of interest rate shall be at a level permitted under the Money Lenders Ordinance and will vary according to the prevailing money market condition, and FGFSL shall notify the Client of such changes from time to time. Such interest may be deducted by FGFSL from the Margin Account or any other Accounts of the Client with FGFSL or its Associates.
- 2.9 If the Client fails to pay the margin or deposit or any amount payable to FGFSL provided in this Agreement prior to the deadline requested by FGFSL, or if the Client fails to comply with any terms of this Agreement, then, without prejudice to any other rights that FGFSL may enjoy, FGFSL shall be entitled, without notice to the Client, to close the Client's Margin Account and/or dispose of any or all Securities held for or on behalf of the Client. FGFSL shall also be entitled to apply the proceeds of such disposal and any cash margin to satisfy all outstanding amounts owing to FGFSL. The Client agrees that FGFSL shall be entitled to sell or dispose to its Associate the Securities in the Client's Account at market price, and FGFSL shall not in any event be liable for any losses suffered by the Client, nor shall FGFSL be liable to account for any profits earned by its Associate thereafter. If the proceeds of such sale of Securities are insufficient to satisfy all liabilities due from the Client to FGFSL, the Client undertakes that he will repay any due and payable amounts at the request of FGFSL.
- 2.10 The liabilities due from the Client to FGFSL and the amounts payable by the Client to FGFSL include but not limited to the margin facilities and their interests, all commissions, fees, expenses, charges and other outgoings, legal fees and collection expenses, and other indebtedness due from the Client to FGFSL and its Associates.

### 3. CHARGES

- 3.1 The Client, as beneficial owner, charges in favour of FGFSL by way of first fixed charge to all the Client's rights, titles, benefits and interests whatsoever in and to the Collateral as a continuing Collateral ("Charge"), so that the Client could satisfy on demand all monies and liabilities (absolute or contingent) and perform now or in the future the obligations which may be due, owing or incurred under the Margin Facility Terms or the liabilities which the Client owing to FGFSL or its Associates on any Account or in any manner (whether alone or jointly with any other person and in whatever name style or firm), together with interest from the date of demand to the date of repayment as well as and any commissions, legal and other costs, charges and expenses as recorded in the records of FGFSL or its Associates.
- 3.2 FGFSL will credit all dividends or other benefits arising from the Collateral received on behalf of the Client to the Margin Account as Collateral.
- 3.3 Notwithstanding the Client makes any intermediate payment to FGFSL and/or its Associates or liquidates the Account or satisfies all or part of the debts, and notwithstanding the Client closes of any Account with FGFSL and the Client (either alone or jointly with others) subsequently reopens any Account with FGFSL, the Charge shall be a continuing security and shall extend to cover all or any sum for the time being constitutes the debt balance of the Client in any Account with FGFSL or its Associates or the debt balance of the Client due to FGFSL or its Associates elsewhere.
- 3.4 The Client represents and warrants that the Collateral is legally and beneficially owned by the Client himself, that the Client is entitled to deposit the Collateral with FGFSL or its Associates, that the deposited Collateral is and will remain free from any liens, charges or encumbrances of any kind, and that any stocks, shares and other securities comprised in the Collateral are and will be fully paid up.
- 3.5 Upon the Client has irrevocably paid in full of all sums which may be or become payable under the Client Agreement for Securities Trading Accounts and performed in full the Client's obligations under the Margin Facility Terms, FGFSL will, at the Client's request and payment of the necessary expenses, return to the Client all the rights, titles and interests of FGFSL in the Collateral and will act on such directions and Instructions as the Client requires for the proper handling of such return.
- 3.6 Until the Charge becomes enforceable, (a) FGFSL shall have the right, subject only to giving notice to the Client, to exercise the rights relating to the

Collateral to protect the value thereof; and (b) except as otherwise provided in this Margin Client's Agreement, the Client may render the exercise of other rights attached to or connected with the Collateral, but this shall not contradict to the Client's obligations under the Margin Facility Terms or may not in any way prejudice FGFSL's rights in relation to the Collateral.

#### 4. POWER OF ATTORNEY

The Client, by way of guarantee, irrevocably appoints FGFSL as the Client's attorney to act on the Client's behalf as well as do all acts and things and sign, seal, execute, deliver, perfect and enter into all deeds, instruments, documents, acts and things in the Client's name, so that the Client could perform the obligations imposed on the Client pursuant to the Margin Facility Terms, and so that FGFSL could generally exercise the rights and powers conferred on FGFSL pursuant to the Margin Facility Terms or by law, including (but without limitation):

- to execute any transfer or guarantee in respect of any Collateral;
- to perfect its title in respect of any Collateral;
- to ask for, require, demand, receive, settle and satisfy in full any and all monies and amounts claimed due or to become due under or arising out of any Collateral;
- to give valid receipts and to discharge and endorse any cheques or other instruments or drafts in connection with any Collateral;
- generally to file any claims or take any legal actions or proceedings as it considers necessary and advisable to protect the guarantee created under the Margin Facility Terms.

#### 5. DISPOSAL OF COLLATERAL

The Client agrees that, when carry out a sale Transaction pursuant to the Client Agreement for Securities Trading Accounts or the Margin Facility Terms, FGFSL shall have the absolute discretion to sell or dispose of any Collateral, and when FGFSL carries out the sale Transaction, a declaration made by a staff of FGFSL to the effect that the underlying power of sale has become exercisable shall be conclusive evidence of the related fact to any purchasers of the Collateral or other persons receiving the title pursuant to such sale Transaction, and no person dealing with FGFSL or its nominees shall be concerned to inquire into the circumstances of such sale Transaction.

#### 6. TERMINATION OF FACILITY

6.1 The Facility is repayable on demand and may be varied or terminated in the absolute discretion of FGFSL. In particular, the Facility will be terminated upon the occurrence of any one or more of the following events:

- the withdrawal or non-renewal of the Client's authorization to FGFSL as required by Section 7 of the Securities and Futures (Client Securities) Rules; or
- the termination of the Client Agreement for Securities Trading Accounts in accordance with Clause 21.15 of the Agreement, and for this purpose, any notice of termination shall be deemed to be the notice of termination of the Facility.

6.2 Upon termination of the Facility, any outstanding indebtedness of the Client shall forthwith be repaid to FGFSL.

6.3 The repayment of all or any of the loan amounts owed to FGFSL will not by itself constitute cancellation or termination of the Margin Facility Terms.

#### 7. GUARANTEES UNAFFECTED

Without prejudice to the generality of the foregoing, neither the Charge nor the amounts thereby guaranteed shall be affected in any way by any of the following events:

- any other guarantees, warranties or indemnities now or hereafter held by FGFSL or its Associates in accordance with the Margin Facility Terms or any other liabilities;
- any other variations or amendments to or waivers or releases of any margins, guarantees or indemnities or other documents (including the Charge, except the relevant variations, amendments, waivers or releases);
- the enforcement or non-enforcement or release by FGFSL or its Associates of any margins, guarantees or indemnities or other documents (including the Charge);
- any time, indulgence, waiver or consent given to the Client or any other person by FGFSL or its Associates;
- pursuant to the Margin Facility Terms, the making or absence of any demand for repayment of any sum to the Client by FGFSL or any other person;
- the insolvency, bankruptcy, death or insanity of the Client;
- the amalgamation, merger or reconstruction of FGFSL with any other person, or the sale or transfer by FGFSL of the undertakings, properties or assets of FGFSL in whole or in part to any other person;
- any claim, set-off or other rights which the Client may have at any time against FGFSL or any other person;
- any arrangements or compromises entered into by FGFSL with the Client or any other person;
- the illegality, invalidity or unenforceability of, or the defects in, any provision of any documents relating to the Facility, or any margins, guarantees or indemnities (including the Charge), or under any such documents or any margins or indemnities (including the Charge) and the related provisions, whether on the ground of ultra vires, being not in the interests of the relevant person or any person not having proper authorization, not duly executed or delivered or for any other reason;
- any proceedings involving bankruptcy, insolvency or winding-up or any agreements, margins, guarantees, indemnities, payments or other transactions affected thereby; any Client relying on the releases, settlements or satisfactions of debts given or made by any such agreements, margins, guarantees, indemnities, payments or other transactions, and any such releases, settlements or satisfactions of debts will be deemed to be limited accordingly; or the things done or omitted or neglected to be done by FGFSL or any other person or any other dealings, facts, matters or things which, but for this provision, might operate to prejudice or affect the Client's liabilities under the Margin Facility Terms.

#### 8. THE STANDING AUTHORITY OF CLIENT SECURITIES

8.1 The Standing Authority of Client Securities relates to the treatment of the Client's Securities or Securities Collaterals.

8.2 The Client authorizes FGFSL to:

- apply any of the Client's Securities or Securities Collaterals pursuant to the securities borrowing and lending agreement;
- deposit any of the Client's Securities Collaterals with an authorized financial institution as collateral for financial accommodations provided by such institution to FGFSL;
- deposit any of the Client's Securities Collaterals with HKSCC as collateral for the performance of FGFSL's settlement obligations and liabilities. The Client understands that HKSCC will create the first fixed charge over the Client's Securities in accordance with FGFSL's obligations and liabilities;
- deposit any of the Client's Securities Collaterals with any other recognized Clearing House or any other intermediary licensed or registered for dealing in securities as Collateral for the discharge and satisfaction of FGFSL's settlement obligations and liabilities;
- apply or deposit any of the Client's Securities Collaterals in accordance with Clauses (1), (2), (3) and/or (4) above if FGFSL provides financial accommodations to the Client in the course of executing Securities Transactions and any other regulated activities for which FGFSL is licensed.

8.3 The Client acknowledges and agrees that FGFSL may do any of the things set out in Clauses 8.2 without giving notice to the Client.

8.4 The Client also acknowledges that:

- the Standing Authority of Client Securities conferred to FGFSL does not prejudice rights FGFSL or its Associates may have in relation to dealing in the Client's Securities or Securities Collaterals; and
- the Standing Authority of Client Securities does not affect FGFSL's right to dispose or cause to dispose by its Associates of the Client's Securities or Securities Collaterals in order to discharge the liability owed by or on behalf of the Client to FGFSL, its Associates or third parties.

8.5 The Client understands that the Client's Securities may be subject to the rights of third parties may have rights to, and FGFSL must satisfy these rights in full before the Client's Securities can be returned to the Client.

8.6 The Standing Authority of Client Securities is valid for a period of 12 months from the date of this Agreement, and may be renewed each time for 12 months in the following circumstances: (a) the Client agrees in written form to the renewal; (b) or FGFSL gives a written notice to the Client at least 14 days prior to the expiry of such authority, and the Client does not object to the renewal before the expiry of such authority.

8.7 the Client may revoke the Standing Authority of Securities at any time by giving 30 days prior written notice to FGFSL.

**9. RISK DISCLOSURE**

- 9.1 FGFSL requests the Client to refer to the Risk Disclosure Statements set out in Schedule 7.
- 9.2 The Client undertakes that the risk of loss in financing a transaction by deposit of Collateral may be significant. The Client is aware that he may sustain losses in excess of his cash and any other assets deposited as Collateral with FGFSL.
- 9.3 The Client is also aware that market conditions may make it impossible to execute standby Instructions such as “stop-loss” or “stop-limit” Instructions. The Client may be called upon at short notice to make additional margin deposits or interest payments. If the required margin deposits or interest payments are not made within the prescribed time, the Client’s Collateral may be liquidated without his consent.
- 9.4 The Client undertakes that he will be liable for any resulting deficit in his Account and the interest payable. As a result, the Client should carefully consider whether such financing arrangement is suitable for him in light of his own financial position and investment objectives.

**10. GENERAL**

- 10.1 Where FGFSL explicitly receives monetary benefits from a product issuer (directly or indirectly) for distributing an investment product, the monetary benefits that are receivable by FGFSL in general would not be more than 5% of the of the investment amount. FGFSL shall disclose separately relevant monetary benefits in the statement of Client if this is not the case.
- 10.2 FGFSL will not open accounts or effect transactions for U.S. persons (except as permitted under Rule 15a-6 of the Securities Exchange Commission).

**11. CLIENT MONEY STANDING AUTHORITY**

- 11.1 The Client hereby authorizes FGFSL, in relation to the client money which the Client received from or on FGFSL behalf or held on FGFSL, to transfer the client money in question from/to/between any account(s) maintained at any time by me/us with the Client in accordance with the Securities and Futures (Client Money) Rules (Cap. 571) and the Client Agreement entered into between us on the date of execution of this Authorization Letter from Client.
- 11.2 The Client understands that his/her securities may be subject to liens of third parties and the return of such securities to the Client may be subject to the satisfaction of such liens.  
The Client acknowledges that the authorizations given hereunder shall not affect any other authorizations given to FGFSL or any rights which the client may have in dealing with the securities or securities collateral in question, including FGFSL’s right to dispose such securities or securities collateral in settlement of any liability owed by or on behalf of the client to FGFSL or a third person.
- 11.3 The authorizations given hereunder may be revoked by the client giving FGFSL written notice at the address set out above or otherwise notified to the Client in writing. Such notice shall take effect upon the expiry of 14 days from the date of FGFSL actual receipt of such notice.
- 11.4 The Client understands that the authorizations given hereunder shall be valid for 12 months from the date hereof, subject to FGFSL renewal. The authorizations given hereunder shall be deemed to be renewed if the Client gives me/us a written reminder at least 14 days prior to the expiry date of the relevant authorizations, and the Client does not object to such deemed renewal before such expiry date.
- 11.5 This letter has been explained to the Client and the Client understands and agrees with its contents.

**SECOND SCHEDULE  
INITIAL PUBLIC OFFERINGS**

## 1. INTERPRETATION

- 1.1 Terms and expressions defined in this Agreement shall have the same meaning in this Second Schedule unless the context otherwise requires. References to clauses in this Second Schedule shall refer to clauses contained in this Second Schedule, unless the context otherwise requires.
- 1.2 In the event of any inconsistency between the provisions of this Agreement and this Second Schedule, the provisions of this Second Schedule shall prevail.

## 2. INITIAL PUBLIC OFFERINGS

- 2.1 Client may request FGFSL to apply on Client's behalf for securities in a new issue for listing on an Exchange (an "Application") and the provisions of this Second Schedule shall apply.
- 2.1.1 Client authorises FGFSL to complete such application form as may be required, and represents and warrants to FGFSL 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 Client.
- 2.1.2 Client agrees to be bound by the terms of the new issue and Client hereby:
- 2.1.2.1 warrants and undertakes that the Application shall be the only application made for Client's benefit in respect of the same issue of securities and that Client shall make no other application in that issue;
- 2.1.2.2 authorises FGFSL to represent and warrant to the Exchange that no other application shall be made or shall be intended to be made by Client or for Client's benefit;
- 2.1.2.3 acknowledges that FGFSL will rely on the above warranties, undertakings and authorisations in making the application;
- 2.1.2.4 acknowledges that FGFSL accepts no responsibility to send Client the listing document which sets out the terms and conditions of the new issue of securities ("**Prospectus**"). By Client's application for subscriptions, Client confirms that Client has obtained such Prospectus from elsewhere, have read and understood the terms and conditions, and Client's application is not in breach of such terms and conditions. Client confirms that Client shall not request subscriptions for new issues of securities unless eligible to do so under the applicable securities legislation; and
- 2.1.2.5 represents and warrants that he is not a connected person (as such term is defined in the Regulatory Rules) of the issuer of securities that are subject of the new issue.
- 2.1.3 Client may at the same time request FGFSL to provide a loan for the purpose of the Application (the "Loan"), and the following provisions shall apply:
- 2.1.3.1 FGFSL has the discretion to accept or reject the request for the Loan.
- 2.1.3.2 Upon acceptance of a request for a Loan, FGFSL shall provide a term sheet or other document(s) ("**Term Sheet**") to Client confirming the terms of the Loan as agreed between Client and FGFSL, which shall be conclusive and binding on Client.
- 2.1.3.3 Prior to the provision of a Loan by FGFSL, Client shall provide to FGFSL a deposit for the Loan, which shall form part of the proceeds for the Application, in the amount and on or before such time as specified in the Term Sheet. Client authorises FGFSL to debit from any of his accounts with FGFSL an amount representing the deposit, provided that FGFSL may, at its discretion, require Client to pay sufficient monies to FGFSL for the deposit.
- 2.1.3.4 Unless otherwise specified in the Term Sheet:
- (1) the amount of the Loan shall be the total price of the securities applied for in the Application less the amount of deposit provided by Client pursuant to this clause 2.1.3;
- (2) Client shall have no right to repay the Loan, in part or in full, prior to the date of repayment specified in the Term Sheet.
- 2.1.3.5 The rate of interest applicable to the Loan shall be specified in the Term Sheet.
- 2.1.3.6 Where FGFSL receives any refund in respect of an Application, FGFSL shall have the right, at its discretion, to apply the same or any part thereof in or towards the discharge of the Loan including any interest accrued thereon or to return the same or any part thereof to Client, whether before or after the date of repayment specified in the Term Sheet.
- 2.1.3.7 In consideration of FGFSL granting to Client the Loan, Client charges to FGFSL, by way of fixed charge as a continuing security for the full repayment of the Loan and the accrued interest thereon, all the securities in the Account ("**Interest in the Account**"), which shall include all securities, all dividends and other distributions made or payable in respect of such securities, rights, monies or property of whatever nature accruing to or offered at any time by way of redemption, bonus, preference, options, purchase consideration or otherwise in right or in respect of the aforesaid securities and those securities acquired on behalf of Client by virtue of the Application in respect of which the Loan is provided. Subject to the Laws, Client authorises FGFSL, for so long as the security created hereby continues, at its discretion and without notice to Client, to dispose of such Interest in the Account in settlement of Client's liability to repay or discharge any financial accommodation provided by FGFSL. Upon full repayment of the Loan and the accrued Interest thereon, FGFSL shall discharge the security created hereby.
- 2.1.3.8 FGFSL shall have the additional rights set out in the First Schedule as if the Loan is granted under a Facility.

## THIRD SCHEDULE

### SPECIAL RULES FOR OPTIONS TRADED ON THE STOCK EXCHANGE OF HONG KONG LIMITED

## 1. INTERPRETATION

- 1.1 In this Third Schedule, unless the context otherwise requires, the following words and expressions have the meanings set out below:
  - 1.1.1 "HKEx" means Hong Kong Exchanges and Clearing Limited;
  - 1.1.2 "HKSCC" means Hong Kong Securities Clearing Company Limited;
  - 1.1.3 "SEHK" means The Stock Exchange of Hong Kong Limited;
  - 1.1.4 "SEOCH" means The SEHK Options Clearing House Limited;
  - 1.1.5 "Options Account" means an Account in respect of which Client deals in options contracts to which this Third Schedule applies;
  - 1.1.6 "Options Trading Rules" means the Options Trading Rules of the SEHK as amended from time to time;
  - 1.1.7 "Margin" means cash and/or securities and/or other assets as may be agreed from time to time, as security for Client's obligations to FGFSL under this Third Schedule.
- 1.2 Without prejudice to clause 1.3 below, terms and expressions defined in this Agreement shall have the same meaning in this Third Schedule unless the context otherwise requires.
- 1.3 Words and phrases not defined will have the meanings given to them in the Options Trading Rules and the Clearing Rules of SEOCH.
- 1.4 References to clauses in this Third Schedule shall refer to clauses contained in this Third Schedule, unless the context otherwise requires.
- 1.5 In the event of any inconsistency between the provisions of this Agreement and this Third Schedule, the provisions of this Third Schedule shall prevail.

## 2. SPECIAL RULES FOR OPTIONS TRADED ON SEHK

- 2.1 This Third Schedule only applies to options contracts made pursuant to Rule 513 of the Options Trading Rules incorporating the terms and conditions applicable to such options contracts as specified by the SEHK from time to time as set out in the Options Trading Rules, and an Account in respect of which Client deals in such options contracts.
- 2.2 FGFSL will keep information relating to an Options Account confidential, but may provide any such information to the SEHK, the SFC, HKEx and SEOCH to comply with their respective requirements or requests for information.
- 2.3 Client confirms that:
  - 2.3.1 Client is not employed by any other Options Exchange Participant of the SEHK, and no employee of any other Options Exchange Participant will have a beneficial interest in the Options Account; and either
  - 2.3.2 the Options Account is operated solely for Client's account and benefit, and not for the benefit of any other person; or
  - 2.3.3 Client has disclosed to FGFSL in writing the name(s) of the person(s) for whose benefit the Options Account is being operated; or
  - 2.3.4 Client has requested FGFSL to operate the Options Account as an Omnibus Account, and will immediately notify FGFSL, on request, of the identity of any person(s) ultimately beneficially interested in Client Contracts.
- 2.4 Laws and rules
  - 2.4.1 All Exchange Traded Options Business shall be effected in accordance with all Regulatory Rules applying to FGFSL. These include, without limitation, the Options Trading Rules, the Clearing Rules of SEOCH and the rules of the HKSCC. In particular, SEOCH has authority under the Regulatory Rules to make adjustments to the terms of Contracts, and FGFSL shall notify Client of any such adjustments which affect Client Contracts to which Client is a party. All actions taken by FGFSL, by the SEHK, by SEOCH or by HKSCC in accordance with such Regulatory Rules shall be binding on Client.
  - 2.4.2 All the rights and authority of FGFSL or the members of the Group pursuant to this Third Schedule shall be subject to the Regulatory Rules but without limitation to any other rights and remedies which FGFSL or any member of the Group may have.
  - 2.4.3 Client agrees that the terms of the Standard Contract for the relevant options series shall apply to each Client Contract between FGFSL and Client in relation to those options series, and that all Client Contracts shall be created, exercised, settled and discharged in accordance with the Regulatory Rules.
- 2.5 Margin
  - 2.5.1 Client agrees to provide FGFSL with Margin, the form of which may be agreed from time to time, as security for Client's obligations to FGFSL under this Third Schedule. Such Margin shall be paid or delivered as demanded by FGFSL from time to time. The amounts required by way of Margin shall not be less than, but may exceed, the amounts as may be required by the Regulatory Rules in respect of Client's open positions and delivery obligations, and further Margin may be required to reflect changes in market value.
  - 2.5.2 If FGFSL accepts securities by way of Margin, Client will on request provide FGFSL with such authority as FGFSL may require under the Regulatory Rules to authorize FGFSL to deliver such securities, directly or through another Options Exchange Participant, to SEOCH as SEOCH Collateral in respect of Exchange Traded Options Business resulting from Client's instructions to FGFSL. Except as otherwise provided or unless otherwise authorized by Client, FGFSL does not have any further authority from Client to borrow or lend Client's securities or otherwise part with possession (except to Client or on Client's instructions) of any of Client's securities for any other purpose.
  - 2.5.3 If FGFSL has not received SEOCH Collateral due from Client promptly, FGFSL may treat Client as being in default. FGFSL may require Client to maintain SEOCH Collateral with FGFSL in advance of accepting instructions from Client or may impose other requirements for the collection of SEOCH Collateral as FGFSL thinks fit.
  - 2.5.4 FGFSL is authorized to deposit any cash balance in any of Client's Options Account with any licensed bank which FGFSL considers appropriate. FGFSL shall be entitled to retain any benefit resulting from such deposit.
- 2.6 Client Default
  - 2.6.1 Without prejudice to clause 16 of this Agreement, if Client fails to comply with any of its obligations and/or to meet its liabilities under this Third Schedule, including but not limited to failure to provide Margin, and/or in any way commit default of Client's obligations under the Options Trading Rules, FGFSL may without prior notice to Client:
    - 2.6.1.1 decline to accept further instructions from Client in respect of Exchange Traded Options Business;
    - 2.6.1.2 close out, give-up or exercise some or all of its Client Contracts with FGFSL;
    - 2.6.1.3 enter into Contracts, or into transactions in securities, futures or commodities, in order to settle obligations arising or to hedge the risks to which FGFSL is exposed in relation to Client's failure;
    - 2.6.1.4 dispose of Margin, and apply the proceeds thereof to discharge Client's liabilities to FGFSL; and/or
    - 2.6.1.5 dispose of any or all securities held for or on behalf of Client in order to set off any of its obligations and to exercise any rights of set off FGFSL may have in relation to Client.Any proceeds remaining after discharge of all Client's liabilities to FGFSL shall be paid to Client.
  - 2.6.2 Client agrees to pay interest on all overdue balances (including interest arising after a judgment debt is obtained against Client) at such rates and on such other terms as FGFSL has notified to Client from time to time. Client agrees that FGFSL shall be entitled (but not be obliged), at any time and from time to time, without prior notice, to debit any Account with FGFSL and/or any other account(s) of Client with other member(s) of the Group with any interest due and payable by Client in accordance with this Clause 2.6.2 and Client undertakes to, immediately upon demand by FGFSL, do such act(s) and/or execute such document(s) as may be required by FGFSL at any time and from time to time in order to give full effect to each such debit.
- 2.7 Contracts
  - 2.7.1 In respect of all Contracts effected on Client's instructions, Client will pay FGFSL, within the time period notified by FGFSL, Premium, FGFSL's commission and any other charges, and applicable levies imposed by the SEHK, as have been notified to Client. FGFSL may deduct such Premium, commissions, charges and levies from the Options Account.
  - 2.7.2 FGFSL may place limits on the open positions or delivery obligations that Client may have at any time. Client acknowledges that:
    - 2.7.2.1 FGFSL may be required to close out Client Contracts to comply with position limits imposed by the SEHK; and
    - 2.7.2.2 if FGFSL goes into default, the default procedures of the SEHK may result in Client Contracts being closed out, or replaced by Client Contracts between Client and another Options Exchange Participant of the SEHK.
  - 2.7.3 At Client's request, FGFSL may agree to the Client Contracts between FGFSL and Client being replaced, in accordance with the Regulatory Rules,

- by Client Contracts between Client and another Options Exchange Participant of the SEHK.
- 2.7.4 On exercise of a Client Contract by or against Client, Client will perform its delivery obligations under the relevant contract, in accordance with the Standard Contract and as Client has been notified by FGFSL.
- 2.7.5 The Client shall be responsible for notifying the SEHK or other relevant Regulators in the event that Client holds a reportable position (as defined in the Securities and Futures (Contract Limits and Reportable Positions) Rules (Cap. 571Y of the Laws of Hong Kong) or other applicable rules or regulations).
- 2.7.6 Client acknowledges that, subject to the provisions of the Securities and Futures Ordinance and any other laws, FGFSL may take the opposite position to Client's order in relation to any exchange traded options contract(s), whether on FGFSL's own account or for the account of any member of the Group or their respective officers, employees or representatives or other clients of FGFSL or any member of the Group, provided that the trading is executed competitively on or through the facilities of the SEHK in accordance with the rules, regulations and procedures of the SEHK or the facilities of any other commodity, futures or options exchange in accordance with the rules and regulations of such other exchange.
- 2.7.7 Without prejudice to clause 16 of this Agreement, when FGFSL exercises any of FGFSL's rights:
- 2.7.7.1 under clauses 2.6.1 or 2.7.2 of this Third Schedule by closing or giving-up all or any positions in Client's Options Account; or
- 2.7.7.2 under any other clauses in this Third Schedule by closing-out all or any positions or sale or purchase of commodities in any accounts which FGFSL or any member of the Group may carry on Client's behalf or maintain with Client,
- 2.7.7.3 such closing or giving-up or closing out or sale or purchase (in this clause 2.7.7 referred to as "the transactions")
- 2.7.7.4 may be made on any exchange or market where the transactions are usually transacted; or
- 2.7.7.5 in such manner as shall be decided by FGFSL;
- Client agrees that in respect of the transactions, FGFSL shall not be liable for any resulting loss. Without prejudice to the foregoing, Client shall not make any claim against FGFSL concerning the manner or timing of the transactions. Client understands that in all cases, FGFSL has the right to exercise closing, closing out or giving up without demand or notice. A prior demand or call or notice of such closing or giving up shall not be considered as a waiver of FGFSL's above-mentioned rights.
- 2.8 General
- 2.8.1 Client acknowledges that, although all Options Contracts are to be executed on the SEHK, Client and FGFSL shall contract as principals under Client Contracts.
- 2.8.2 FGFSL agrees to provide Client, upon request, with (i) the product specifications for Options Contracts and any prospectus or other offering document covering such Options Contracts and (ii) the HKEx's booklet "Understanding Stock Options (and their Risks)".
- 2.8.3 If FGFSL fails to meet FGFSL's obligations to Client pursuant to this Third Schedule, Client shall have a right to claim under the Compensation Fund established under the Securities and Futures Ordinance, subject to the terms of the Compensation Fund from time to time.
- 2.8.4 Client understands that on the expiry day but only on the expiry day, the Options System will automatically generate exercise instructions in respect of all open long positions which are in-the-money by or above the percentage prescribed by SEOCH from time to time.
- 2.8.5 Client may instruct FGFSL to override an "automatically generated exercise instruction" referred to in clause 2.8.4 above before the System Closure on the expiry day in accordance with the Operational Clearing Procedures of SEOCH.
- 2.9 Others
- FGFSL shall designate a representative to be primarily responsible for Client's affairs. Client shall be notified of the name of that representative and such particulars of the licence of that representative as required by the applicable Laws. FGFSL may, in its absolute discretion, at any time and from time to time, designate another representative of its to replace the first-mentioned representative and such replacement will be effective on such date as conclusively determined by FGFSL. Any information provided pursuant to this clause 2.9 shall form part of this Agreement.

## FOURTH SCHEDULE CLIENT IDENTIFICATION

**1. INTERPRETATION**

- 1.1 Terms and expressions defined in this Agreement shall have the same meaning in this Fourth Schedule unless the context otherwise requires. References to clauses in this Fourth Schedule shall refer to clauses contained in this Fourth Schedule, unless the context otherwise requires.
  - 1.2 In the event of any inconsistency between the provisions of this Agreement and this Fourth Schedule, the provisions of this Fourth Schedule shall prevail.
2. Client shall immediately upon FGFSL's request and within two (2) days (or such other time period as may be specified by FGFSL) provide to FGFSL and/or a Regulator information (including, without limitation, details of identity, address, occupation, contact details and/or in the case of a corporate entity, nature and scope of business activities, source of funds, business structure, shareholdings and other information) relating to the ultimate beneficial owner(s) of the Account and/or the person(s) ultimately responsible for the giving of instructions in relation to any transaction or in relation to any dealings with any securities or investments in the Account.
3. If Client operates the Account or effects any transaction for a collective investment scheme, discretionary account or trust, Client shall:
  - 3.1 immediately upon FGFSL's request and within two (2) days (or such other time period as may be specified by FGFSL) provide to FGFSL and/or a Regulator the name, address and contact details of such scheme, account or trust and, if applicable, the identity, address, occupation or business structure and contact details of the person who, on behalf of such scheme, account or trust, ultimately originated the instruction to Client to operate the Account and/or effect the transaction; and
  - 3.2 as soon as practicable, inform FGFSL when Client's discretion or power to operate the Account or to invest on behalf of such scheme, account or trust has been overridden, revoked or terminated. In such case, Client shall, immediately upon FGFSL's request and within the time specified by FGFSL, provide to FGFSL and/or a Regulator the identity, address, occupation and contact details of the person who has given such overriding instruction or notice of revocation or termination.
4. If Client does not know the information referred to in clauses 2 and 3 above, Client must confirm that:
  - 4.1 Client has arrangements in place which would entitle Client to obtain and provide to FGFSL and/or a Regulator upon its request all such information or to procure that such information be so obtained within two (2) days;
  - 4.2 Client shall, upon FGFSL's request, immediately obtain all such information from any relevant third party, and provide that information to FGFSL and/or a Regulator within two (2) days or such other time period as may be specified by FGFSL and/or the Regulators; and
  - 4.3 FGFSL may, pending receipt by it and/or by a Regulator of such information, or if such information is not received within two (2) days or such other the time period as may be specified by FGFSL and/or the Regulators, decide in its absolute discretion and at any time, not to act (even if such declining may result in any loss) or not to give effect to any of Client's instructions and/or to suspend or terminate the effecting of any transaction or the operation of the Account.
5. Client confirms that Client is not subject to any Regulatory Rules, or any law of any relevant jurisdiction, which prohibits Client's performance of the obligation under this Fourth Schedule or, if Client is subject to such Regulatory Rules and/or such law, that Client or Client's own customers, as the case may be, has or have waived the benefit of such Regulatory Rules and/or such law or consented in writing to the performance by Client of the obligations under this Fourth Schedule. Client confirms that such waivers are valid and binding under the laws of all relevant jurisdictions.
6. The Client's obligation to provide information under this Fourth Schedule shall continue in full force and effect notwithstanding the termination of this Agreement.

**FIFTH SCHEDULE**

## PERSONAL DATA

### 1. INTERPRETATION

- 1.1 Terms and expressions defined in this Agreement shall have the same meaning in this Fifth Schedule unless the context otherwise requires. References to clauses in this Fifth Schedule shall refer to clauses contained in this Fifth Schedule, unless the context otherwise requires.
  - 1.2 In the event of any inconsistency between the provisions of this Agreement and this Fifth Schedule, the provisions of this Fifth Schedule shall prevail.
2. From time to time, it shall be necessary for Client to supply FGFSL with data (including personal data as defined in the Personal Data (Privacy) Ordinance (Cap. 486 of the Laws of Hong Kong) as amended from time to time) in connection with the establishment or continuation of accounts or the provision of services by FGFSL and generally Client's relationship with FGFSL in Hong Kong. This may include but will not be limited to information obtained in relation to Client's identity (name, date of birth, passport/identity card number, address(es), marital status, education level and employment information), as well as information collected for the purposes of ascertaining Client's financial profile, risk appetite, income (including sources of income) and net worth. Failure to supply, or to allow FGFSL to use or disclose, such data may result in FGFSL being unable to provide, or continue to provide any of the above facilities or services to or for Client in Hong Kong or elsewhere.
3. The purposes for which data may be collected, used and/or disclosed by FGFSL (whether before or after the termination of Client's relationship with FGFSL) are set out as follows:
  - 3.1 the processing of applications for, and daily operation of services provided to Client or to other persons for whom Client acts as guarantor or for whom Client provides third-party security;
  - 3.2 conducting, seeking or obtaining credit checks, matching procedures, data verification, due diligence and risk management;
  - 3.3 assisting other financial institutions to conduct credit checks and collect debts;
  - 3.4 ensuring Client's or any surety's ongoing creditworthiness;
  - 3.5 maintaining Client's or any surety's credit history for present and future reference;
  - 3.6 improving, enhancing, designing or launching existing or new financial services or related products for Client's use (including, where appropriate, providing Client with financial advice);
  - 3.7 if Client has consented (including an indication of no objection) to the use of Client's personal data for direct marketing purposes by members of the Group and/or entities outside the Group in the Account Application, or otherwise marketing the following goods, products, services and facilities;
    - 3.7.1 Financial services;
    - 3.7.2 Related investment products;
    - 3.7.3 Financial and investment advice;
    - 3.7.4 Client relationship management services;
    - 3.7.5 Client credit protection and maintenance services; or
    - 3.7.6 Any other related goods, products or services that FGFSL or a member of the Group may develop under paragraph 3.6 of this Fifth Schedule, unless Client instructs FGFSL otherwise, and seeking or obtaining the same;
  - 3.8 determining the amount of indebtedness owed to or by Client or any surety;
  - 3.9 collecting of amounts outstanding from Client or any surety;
  - 3.10 meeting any requests or requirements to make disclosure under the Laws;
  - 3.11 enabling an actual or proposed assignee of FGFSL in connection with merger, amalgamation, reconstruction or otherwise to evaluate the transaction intended to be the subject of the assignment;
  - 3.12 any other purpose disclosed in the website(s) of FGFSL or a member of the Group from time to time;
  - 3.13 any purpose permitted by the Laws;
  - 3.14 commencing, defending or otherwise participating in any legal or administrative proceedings or inquiry before any court or competent authority;
  - 3.15 satisfying any requirements under the codes on takeovers and mergers and share repurchases issued by the SFC (as amended from time to time) and/or any other applicable Laws and/or Regulatory Rules in relation to takeovers in Hong Kong and/or any part of the world;
  - 3.16 seeking or obtaining administrative, telecommunications, computer, payment, debt collection or securities clearing, custodian, audit, banking, financing, insurance, business consulting, outsourcing, or other services to FGFSL in connection with the operation of its business; and
  - 3.17 any other lawful purpose directly or indirectly relating or incidental to any of the above.
4. Data held by FGFSL relating to Client, or any surety's and/or the Account shall be kept confidential but FGFSL may, at its sole discretion, provide such information to:
  - 4.1 any agent, contractor or third party service provider (whether in Hong Kong or elsewhere) who provides administrative, telecommunications, computer, payment, debt collection or securities clearing, custodian, audit, banking, financing, insurance, risk management, business consulting, outsourcing, customer relationship management, marketing or other services to FGFSL in connection with the operation of its business;
  - 4.2 any branch or office of FGFSL or any member of the Group, whether in Hong Kong or elsewhere;
  - 4.3 any person acting or proposing to act as surety;
  - 4.4 any person under a duty of confidentiality to FGFSL (or any member of the Group) or who has undertaken to keep such information confidential;
  - 4.5 any financial institution with which Client has or proposes to have dealings;
  - 4.6 credit reference agencies and, in the event of default, to debt collection agencies;
  - 4.7 the drawee bank providing a copy of a paid cheque (which may contain information about the payee) to the drawer;
  - 4.8 any actual or proposed assignee or transferee of FGFSL;
  - 4.9 any person or entity who has established or proposes to establish any business relationship with FGFSL or the recipient of the data; and
  - 4.10 any person in accordance with the Laws or Regulatory Rules including through or pursuant to any rules, judgment, deFGFSL on or ruling of the courts, arbitral tribunals, Financial Dispute Resolution Centre Limited, governmental, regulatory or other bodies or institutions, whether as required by the Laws and Regulatory Rules that are applicable to any member of the Group, or otherwise, or any company issuing a notice under section 329 of the Securities and Futures Ordinance.
5. Client agrees that data may be transferred overseas pursuant to the provisions of this Fifth Schedule.
6. Client acknowledges and accepts the risks that the information disclosed pursuant to this Fifth Schedule may be subject to further disclosure by the recipient to other parties in accordance with the laws of the country in which the recipient is located. Such laws may be wider in scope and implemented under less restrictive terms than would otherwise be the case in Hong Kong due to difference in applicable laws and regulations.
7. Client agrees to allow FGFSL to disclose Client's data for the purposes or to those persons as set out in this Fifth Schedule and to use such data pursuant to this Fifth Schedule.
8. Where Client supplies FGFSL with any data (including personal data), Client represents and warrants to FGFSL that Client has taken all action necessary to authorise the disclosure of such data to FGFSL and the use by FGFSL of such data pursuant to this Agreement.
9. Client may request to ascertain whether FGFSL holds Client's personal data and FGFSL's policies and practices in relation to personal data. Further, Client may request access to and correction of Client's personal data. Client also has the right to be informed about the kind of personal data held by FGFSL and which items of data FGFSL routinely discloses to credit reference agencies, and to be provided with further information to enable the making of a data access and correction request to the relevant credit reference agency. Any requests should be made in writing with fourteen (14)-day advance notice to the Data Privacy Officer, Future Growth Financial Services Limited, 28/F, Tower 2, The Gateway, Harbour City, Tsim Sha Tsui, Kowloon, Hong Kong or such other address as FGFSL may subsequently notify from time to time. FGFSL may charge a reasonable fee for processing any data access request.
10. Where FGFSL grants any credit facilities to Client or to another person for whom Client acts as guarantor, in the event that Client or the borrower default(s) in repayment for a period exceeding sixty (60) days or such other period as prescribed by the laws or the relevant Regulators from time to time, data (which has been provided by FGFSL to the relevant credit reference agency) may be retained by that credit reference agency until the earlier of the expiry of five (5) years from the

date of final settlement of the amount in default and five (5) years from the date of Client's discharge from bankruptcy as notified to that credit reference agency. In the event of termination of the relevant account by full repayment and on condition that there has not been, within five (5) years immediately before account termination, any material default on that account, Client may instruct FGFSL to make a request to the relevant credit reference agency to delete from its database any account data relating to the terminated account but such instruction should be given within five (5) years after account termination.

11. Without limiting the other provisions of this Fifth Schedule where Client applies for credit (including any loan, overdraft facility or any other kind of credit) to be granted to Client or to another person for whom Client acts as guarantor, the data which Client provides to FGFSL may be passed on to a credit reference agency or, in the event of a default, to a debt collection agency in accordance with the provisions of the code of practice on consumer credit data approved and issued under the Personal Data (Privacy) Ordinance as amended from time to time.
12. For the purposes of this Fifth Schedule, if applicable, account data may include account general data (i.e. general particulars of the relevant account such as account opening date, repayment terms, whether Client as a borrower or guarantor, approved loan amount, repayment terms) and account repayment data (such as the amount repaid, outstanding balance of the loan, default data including the amount and number of days overdue).
13. Without prejudice to the right of FGFSL to rely on grandfathering provision(s) or exemption(s) under the Personal Data (Privacy) Ordinance as amended from time to time or other applicable law, by consenting (including an indication of no objection) to the use of Client's personal data for direct marketing purposes by members of the Group in the Account Application, or otherwise Client agrees and consents that FGFSL may send by telephone, mail, email or other electronic means to Client from time to time direct marketing materials or messages relating to services or products which, in the opinion of FGFSL, Client may be interested in. Client agrees that to the extent permitted by Laws and the Regulatory Rules the consent herein shall constitute specific opt-in for the purpose of any applicable privacy rules or regulations. Notwithstanding this, Client may at any time request not to receive such direct marketing materials or messages from FGFSL if Client so requests in writing to FGFSL at this address:  
Data Privacy Officer, Future GrowthInvestments(HK) Limited, 28/F, Tower 2, The Gateway, Harbour City, Tsim Sha Tsui, Kowloon, Hong Kong or such other address as FGFSL may subsequently notify from time to time. Unless and until Client has so requested in writing, Client shall be deemed to be willing to receive any such information.

## SIXTH SCHEDULE

## The E-SERVICE

### 1. INTERPRETATION

- 1.1 In this Sixth Schedule, unless the context otherwise requires, the following words and expressions have the meanings set out below:
    - 1.1.1 "Access Codes" means together any Key File (if applicable), Password and the Login ID;
    - 1.1.2 "E-service" means the Internet or other facility provided by, and/or on behalf of, FGFSL which enables Client to give electronic instructions for the execution of transactions in accordance with the terms of this Agreement, whether in Hong Kong or elsewhere, and to receive information and related services;
    - 1.1.3 "Key File" means a computer file, disk or other device which contains a file code which may be used in conjunction with the Login ID and the Password to gain access to the E-Service;
    - 1.1.4 "Login ID" means personal identification used in conjunction with other Access Codes to gain access to the E-Service; and
    - 1.1.5 "Password" means Client's personal password, used in conjunction with other Access Codes to gain access to the E-Service.
  - 1.2 Terms and expressions defined in this Agreement shall have the same meaning in this Sixth Schedule unless the context otherwise requires. References to clauses in this Sixth Schedule shall refer to clauses contained in this Sixth Schedule, unless the context otherwise requires.
  - 1.3 In the event of any inconsistency between the provisions of this Agreement and this Sixth Schedule, the provisions of this Sixth Schedule shall prevail.
2. FGFSL may at its discretion provide Client with the E-Service on the terms of this Agreement, and the provisions of this Sixth Schedule apply if FGFSL provides Client with the E-Service.
  3. Client acknowledges receipt of the Access Codes and agrees to be the sole user of the Access Codes and not to disclose the Access Codes to any other person; and to be solely responsible for the use and protection of the Access Codes and all instructions entered through the E-Service using the Access Codes.
  4. FGFSL may at any time block Client's access to the use of the E-Service without prior notice.
  5. Client shall forthwith notify FGFSL if:
    - 5.1 An instruction has been placed through the E-Service and Client has not received an accurate acknowledgment receipt of the instruction or its execution (whether by hard copy, electronic or verbal means) within one working day of the instruction;
    - 5.2 Client has received notification (whether by hard copy, electronic or verbal means) of a transaction which Client did not instruct;
    - 5.3 Client becomes aware of any apparent unauthorised use of any of Client's Access Codes;
    - 5.4 Client experiences any problems in accessing its Account through the E-Service; or
    - 5.5 Client loses, fails or is otherwise unable to adequately protect confidentiality of the Access Codes.
  6. Any risk, including, without limitation, the risk of transmission error and unauthorised access, arising from or related to the use of the E-Service by Client and/or any software or equipment for accessing and/or using the E-Service (whether provided by FGFSL or otherwise), is at the risk of Client. Client shall provide and maintain, at Client's own risk and cost, the connection equipment (including personal computers, mobile trading devices and modems) and services for accessing and using the E-Service. Further, Client acknowledges that E-Service or internet is an inherently unreliable medium of communication and that such unreliability is beyond FGFSL's control. Client agrees that FGFSL shall not be responsible for any loss, damage, cost, expenses, claim or liability of whatsoever nature, directly or indirectly, arising out of or in connection with such unreliability.
  7. Client shall use materials available through the E-Service for its own needs and shall not resell or otherwise allow or permit access to any such materials or otherwise deal with them in any way.
  8. The E-Service, FGFSL's websites, whether maintained or provided by or on behalf of FGFSL, and the software comprised in them are proprietary to FGFSL and/or its agents, partners or contractors. Client undertakes not to tamper with, modify, de-compile, reverse-engineer or otherwise alter in any way, and shall not attempt to gain unauthorised access to any part of, the E-Service or FGFSL's websites or any of the software comprised in them. Client undertakes to notify FGFSL immediately if Client becomes aware that any such action is being perpetrated or attempted by another person.
  9. Client acknowledges that in providing the E-Service, FGFSL may use such authentication technologies as it deems appropriate. Client acknowledges that no authentication, verification or computer security technology is completely secure or safe and Client agrees to bear all risks of unauthorised access, hacking or identity theft.
  10. Client agrees that notwithstanding anything to the contrary contained herein or in any other document, should there be any inconsistency between the information (including any document but not any Advice) available from or via the E-Service, FGFSL's aforesaid websites, the Internet or other electronic medium (whether or not the same being available in accordance with this Agreement) and the information on FGFSL's records, the information on FGFSL's records shall prevail save for any manifest error and that FGFSL shall accept no liability as a result of the unreliable nature of the Internet or other electronic medium (including E-Service or FGFSL's aforesaid websites) or other reason beyond the control of FGFSL.
  11. Client understands that the Internet Trading Policy prepared by FGFSL setting out the operation policy and procedures of the E-Service shall be available at the E-Service web site the terms of which shall be binding on Client in respect of Client's use of the E-Service. Such Internet Trading Policy may be changed by FGFSL at any time and from time to time and each such change shall be applicable on the effective date as specified in the relevant notice available at the E-Service web site. In the event of inconsistencies between the terms of this Agreement and the Internet Trading Policy, the terms of this Agreement shall prevail.
  12. Client acknowledges that the price quotation service available at the E-Service web site is provided by a third party provider appointed by FGFSL from time to time. Client acknowledges and agrees that FGFSL shall not be responsible to Client for any losses, costs, expenses, damages or claims which Client may suffer as a result of or in connection with any aspect of the quote service including Client's reliance on such service.
  13. Client understands that the E-Service may provide, for informational purpose only, data regarding securities and/or other investments published by third parties. Owing to market volatility and possible delay in the data-transmission process, the data may not be real-time market quotes for the relevant securities or investment. Client understands that whilst FGFSL believes such data to be reliable, there is no independent basis for FGFSL to verify or contradict the accuracy or completeness of the information provided. Client understands that no recommendation or endorsement from FGFSL shall be inferred from the data provided with respect to any securities or investment.
  14. Client understands that information provided in the E-Service is provided on an "as is", "as available" basis and FGFSL does not guarantee the timeliness, sequence, accuracy, adequacy or completeness of such information. FGFSL gives no express or implied warranties (including but not limited to warranties of merchantability or fitness for a particular use) with respect to such information.
  15. Client understands that each association asserts a proprietary interest in all of the market data it furnishes to the parties who disseminate such data. Client also understands that no party guarantees the timeliness, sequence, accuracy, adequacy or completeness of market data or any other market information. Neither FGFSL nor any disseminating party shall be liable in any way for any loss or damage arising from or caused by any inaccuracy, error or delay in or omission from any such data, information or message, or the transmission or delivery of the same, non-performance or interruption of any such data, message or information due to any negligent act of FGFSL or any disseminating party, or to any force majeure event, or any other cause beyond FGFSL's control or the reasonable control of any disseminating party. Client shall use stock quotation for Client's individual use only and shall not furnish such data to any other person or entity for any reason.
  16. If Client gives any instruction to FGFSL outside Hong Kong, Client agrees to ensure and represent that such instruction will have been given in compliance with any applicable law of the relevant jurisdiction from which Client's instruction is given, and Client further agrees that Client shall, when in doubt, consult legal advisers and other professionals of the relevant jurisdiction. Client accepts that there may be taxes or charges payable to relevant authorities in respect to any instruction given outside Hong Kong, and Client agrees to pay such taxes or charges as applicable.
  17. Client consents that any document (including, without limitation, any Advice), information, notice or communication may be given or presented to or exchanged with Client electronically on, via or over the Internet, the E-Service and/or any part of FGFSL's aforesaid websites. Any document (including, without limitation, any Advice), information, notice or communication so given or presented to or exchanged with Client as aforesaid shall be deemed to have received by it

immediately upon despatch. However, all notices and communications given or delivered to FGFSL electronically on, via or over the Internet, the E-Service and/or any part of FGFSL's aforesaid websites shall be deemed to have been given or delivered to FGFSL on the day of actual receipt by it.

## **SEVENTH SCHEDULE**

## RISK DISCLOSURE STATEMENTS (SECURITIES)

**This risk disclosure statement does not purport to disclose or discuss all of the risks, or other significant aspects, of conducting transactions or of the transactions conducted. In light of the risks involved, you (i.e. Client) should undertake a transaction only if you understand its nature, the contractual relationship into which you are entering, and the nature and extent of your exposure to risk. You should also consider whether a transaction is appropriate for you in light of your experience, objectives, financial resources and other relevant circumstances. While Future Growth Investments (HK) Limited ("FGFSL") proposes to give this general risk warning, it is not acting as your financial advisor and you must not regard FGFSL as so acting. You should consult your own independent legal, tax or financial advisors prior to entering into any transaction.**

### RISK OF SECURITIES TRADING

1. The prices of securities fluctuate, sometimes dramatically, and that the price of a security may move up or down, and may become valueless. It is as likely that losses will be incurred rather than profit made as a result of buying and selling securities.
2. The price of securities, including without limitation, bonds, interests in unit trusts, mutual funds or other collective investment schemes fluctuates, sometimes dramatically, and may move up or down or even become valueless. It is as likely that losses will be incurred rather than profit made as a result of buying and selling securities.
3. Any representation of past performance is not necessarily a guide to future performance.
4. Where investments involve exposure to foreign currencies, changes in rates of exchange may cause the value of the investments to fluctuate up or down.
5. Investments in emerging markets need careful and independent assessment by you of each investment and the risks (including, without limitation, sovereign risk, issuer risk, price risk, liquidity risk, legal and tax risks). Further, you should be aware that, while such investments can yield high gains, they can also be highly risky as the markets are unpredictable and there may be inadequate regulations and safeguards available to investors.
6. FGFSL is entitled to act upon your instructions and you cannot assume that FGFSL will warn you if your instructions are ill-timed or inadvisable for any reason or if the instructions are likely to cause you loss.
7. Before you make any investment, you should obtain a clear explanation of all commission, fees and other charges for which you will be liable. These charges will affect your net profit (if any) or increase your loss.

### RISKS OF TRADING RENMINBI SECURITIES OR INVESTING IN RENMINBI INVESTMENTS

1. Exchange Risks and Daily Conversion Limit, etc.  
Renminbi (RMB) is currently not freely convertible and there may at any given time be limited availability of RMB outside Mainland China. There is conversion risk in RMB denominated securities, and daily or other limits may apply to conversion amounts. If converting to or from RMB in Hong Kong, you may have to allow sufficient time to avoid exceeding such limits. In addition, there is a liquidity risk associated with RMB denominated securities, especially if such securities do not have an active secondary market and their prices have large bid/offer spreads.  
Investment in RMB denominated securities is subject to exchange rate risks. The value of the RMB against any other foreign currencies fluctuates and is affected by changes in Mainland China and international political and economic conditions and by many other factors. The value of RMB settlement amounts compared to other currencies will vary with the prevailing exchange rates in the market.  
For RMB products which are not denominated in RMB or with underlying investments which are not RMB-denominated, such products will be subject to multiple currency conversion costs involved in making investments and liquidating investments, as well as the RMB exchange rate fluctuations and bid/offer spreads when assets are sold to meet redemption requests and other capital requirements (e.g. settling operating expenses).
2. Limited availability of underlying investments denominated in RMB  
For RMB products that do not have access to invest directly in Mainland China, their available choice of underlying investments denominated in RMB outside Mainland China may be limited. Such limitation may adversely affect the return and performance of the RMB products.
3. Projected returns which are not guaranteed  
If the RMB investment product is attached with a statement of illustrative return which is (partly) not guaranteed, you should pay particular attention to any disclosure relating to the return (or the part of the return, as the case may be) which is not guaranteed and the assumptions on which the illustrations are based, including, e.g., any future bonus or dividend declaration.
4. Long term commitment to investment products  
For RMB products which involve a long period of investment, you should pay particular attention to the fact that if you redeem your investment before the maturity date or during the lock-up period (if applicable), you may incur a significant loss of principal where the proceeds may be substantially lower than their invested amount. You should beware of the early surrender/withdrawal fees and charges, if any, as well as the loss of bonuses (where applicable) as a result of redemption before the maturity date or during the lock-up period.
5. Credit risk of counterparties  
You should pay particular attention to the credit risk of counterparties involved in the RMB products. To the extent that the RMB products may invest in RMB debt instruments not supported by any collateral, such products are fully exposed to the credit risk of the relevant counterparties. Where a RMB product may invest in derivative instruments, counterparty risk may also arise as the default by the derivative issuers may adversely affect the performance of the RMB product and result in substantial loss.
6. Interest rate risk  
For RMB products which are, or may invest in, RMB debt instruments, you should pay attention to the fact that such instruments may be susceptible to interest rate fluctuations, which may adversely affect the return and performance of the RMB products.
7. Liquidity Risk  
You should pay attention to the liquidity risk associated with the RMB products, and where applicable, the possibility that the RMB products may suffer significant losses in liquidating the underlying investments, especially if such investments do not have an active secondary market and their prices have large bid/offer spreads.
8. Possibility of not receiving RMB upon redemption  
For RMB products with a significant portion of non-RMB denominated underlying investments, you should pay attention to the possibility of not receiving the full amount in RMB upon redemption. This may be the case if the issuer is not able to obtain sufficient amount of RMB in a timely manner due to the exchange controls and restrictions applicable to the currency.
9. Additional risks associated with leveraged trading  
Prior to conducting leveraged trading of RMB products, you should make sure that you understand and accept the risks and the terms and conditions of the borrowing arrangement. Leveraging heightens the investment risk by magnifying prospective losses. You should pay attention to the circumstances under which you will be required to place additional margin deposits at short notice and that your collateral may be liquidated without your consent. You should beware of the risk that market conditions may make it impossible to execute contingent

orders, such as “stop-loss” orders. In addition, you should be mindful of your exposure to interest rate risk, and in particular, your cost of borrowing may increase due to interest rate movements.”

#### **RISK OF TRADING GROWTH ENTERPRISE MARKET STOCKS**

Growth Enterprise Market (“GEM”) stocks involve a high investment risk. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast further profitability. GEM stocks may be very volatile and illiquid.

You should make the deGFSLon to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Current information on GEM stocks may only be found on the internet website operated by The Stock Exchange of Hong Kong Limited (“SEHK”). GEM companies are usually not required to issue paid announcements in gazetted newspapers.

You should seek independent professional advice if you are uncertain of or have not understood any aspect of this risk disclosure statement or the nature and risks involved in trading of GEM stocks.

#### **RISK OF TRADING NASDAQ-AMEX SECURITIES AT THE SEHK**

The securities under the NASDAQ-Amex Pilot Program (“PP”) are aimed at sophisticated investors. You should consult FGFSL and become familiarized with the PP before trading in the PP securities. You should be aware that the PP securities are not regulated as a primary or secondary listing on the Main Board or the Growth Enterprise Market of the SEHK. You should only consider participating in the PP if you have sufficient means and resources to acquire and understand the relevant product and market information regarding the PP which is published on or distributed via the internet in English.

#### **RISK OF TRADING IN DERIVATIVES AND STRUCTURED PRODUCTS GENERALLY**

Derivative transactions (“Derivative Transactions”) can involve a range of products (including some more generally known as structured notes and also including products known as structured deposits). Such products can either be apparently simple (such as forwards or options) or highly (and perhaps individually) structured. These products can have substantial benefits for users but they carry with them substantial risks which must be clearly understood by their users. Considering the possible risks, you should ensure that you have all necessary information you require to assess a Derivative Transaction before deciding on its appropriateness for you. You should consider what you intend to achieve from the Derivative Transaction, including your financial and operational resources, and any tax and accounting considerations. You should be aware of any general framework for Derivative Transactions established by any governing body. There may also be significant regulatory or other legal considerations to be taken into account.

For the sake of simplicity, Derivative Transactions can be divided into four basic forms, although the forms can be overlapping and one deal can be a combination of those four forms. The basic forms are swaps, options, forwards and hybrid instruments (which are asset, liability, equity or debt obligations with an embedded transaction from one of the other three categories). Derivative Transactions can be settled in cash, by delivery of property against other property or cash, or by normal hold to maturity with no cash settlements. No matter what form is involved, a common feature of all derivatives is that the obligations of one or both of the parties are based on price movements in an underlying financial asset from which the transaction is derived. This financial asset may be, for example, securities (including shares and bonds), interest rates, indices, currencies or the creditworthiness of a reference entity.

You should not enter into a Derivative Transaction unless you fully understand:

- the nature and fundamentals of a derivative and the financial asset underlying such derivative;
- the legal terms and conditions of the documentation for such derivative;
- the extent of the economic risk to which you are exposed as a result of entering into such Derivative Transaction (and you have determined that such risk is suitable for you in light of your specific experience in relation to such Derivative Transaction and/or the relevant derivative and your financial objectives, circumstances and resources);
- the tax treatment of such derivative (which can be complex and/or uncertain); and
- the regulatory treatment of such derivative.

#### **GENERIC RISKS ASSOCIATED WITH OVER-THE-COUNTER (“OTC”) DERIVATIVE TRANSACTIONS**

OTC derivative transactions, like other financial transactions, involve a variety of significant risks. The specific risks presented by a particular OTC derivative transaction necessarily depend upon the terms of the transaction and your circumstances. In general, however, all OTC derivative transactions involve some combination of market risk, credit risk, funding risk and operational risk.

1. **Market risk** is the risk that the value of a transaction will be adversely affected by fluctuations in the level or volatility of or correlation or relationship between one or more market prices, rates or indices or other market factors or by illiquidity in the market for the relevant transaction or in a related market.
2. **Credit risk** is the risk that a counterparty will fail to perform its obligations to you when due.
3. **Funding risk** is the risk that, as a result of mismatches or delays in the timing of cash flows due from or to your counterparties in OTC derivative transactions or related hedging, trading, collateral or other transactions, you or your counterparty will not have adequate cash available to fund current obligations.
4. **Operational risk** is the risk of loss to you arising from inadequacies in or failures of your internal systems and controls for monitoring and quantifying the risks and contractual obligations associated with OTC derivative transactions, for recording and valuing OTC derivative and related transactions, or for detecting human error, systems failure or management failure.

There may be other significant risks that you should consider based on the terms of a specific transaction. Highly customized OTC derivative transactions in particular may increase liquidity risk and introduce other significant risk factors of a complex character. Highly leveraged transactions may experience substantial gains or losses in value as a result of relatively small changes in the value or level of an underlying or related market factor.

Because the price and other terms on which you may enter into or terminate an OTC derivative transaction are individually negotiated, these may not represent the best price or terms available to you from other sources.

In evaluating the risks and contractual obligations associated with a particular OTC derivative transaction, you should also consider that an OTC derivative transaction may be modified or terminated only by mutual consent of the original parties and subject to agreement on individually negotiated terms. Accordingly, it may not be possible for you to modify, terminate or offset your obligations or your exposure to the risks associated with a transaction prior to its scheduled termination date. Similarly, while market makers and dealers generally quote prices or terms for entering into or terminating OTC derivative transactions and provide indicative or mid-market quotations with respect to outstanding OTC derivative transactions, they are generally not contractually obligated to do so. In addition, it may not be possible to obtain indicative or mid-market quotations for an OTC derivative transaction from a market maker or dealer that is not a counterparty to the transaction. Consequently, it may also be difficult for you to establish an independent value for an outstanding OTC derivative transaction. You should not regard your counterparty’s provision of a valuation or indicative price at your request as an offer to enter into or terminate the relevant transaction at that value or price, unless the value or price is identified by the counterparty as firm or binding.

**The above does not purport to disclose all of the risks and other material considerations associated with OTC derivative transactions. You should**

not construe this generic disclosure statement as business, legal, tax or accounting advice or as modifying applicable law. You should consult your own business, legal, tax and accounting advisers with respect to proposed OTC derivative transactions and you should refrain from entering into any OTC derivative transaction unless you have fully understood the terms and risks of the transaction, including the extent of your potential risk of loss.

#### **RISKS OF TRADING IN EXCHANGE-TRADED STRUCTURED PRODUCTS ("Structured Products") e.g. Derivative Warrants ("Warrants"), Callable Bull/Bear Contracts ("CBBC")**

**1. Issuer default risk**

In the event that a Structured Product issuer becomes insolvent and defaults on their listed securities, investors will be considered as unsecured creditors and will have no preferential claims to any assets held by the issuer. Investors should therefore pay close attention to the financial strength and credit worthiness of structured product issuers.

Note: "Issuers Credit Rating" showing the credit ratings of individual issuers is now available under the Issuer and Liquidity Provider Information sub-section under Derivative Warrants and under CBBCs section on the HKEx corporate website.

**2. Uncollateralised product risk**

Uncollateralised Structured Products are not asset backed. In the event of issuer bankruptcy, investors can lose their entire investment. Investors should read the listing documents to determine if a product is uncollateralised.

**3. Gearing risk**

Structured Products such as Warrants and CBBCs are leveraged and can change in value rapidly according to the gearing ratio relative to the underlying assets. Investors should be aware that the value of a Structured Product may fall to zero resulting in a total loss of the initial investment.

**4. Expiry considerations**

Structured Products have an expiry date after which the issue may become worthless. Investors should be aware of the expiry time horizon and choose a product with an appropriate lifespan for their trading strategy.

**5. Extraordinary price movements**

The price of a Structured Product may not match its theoretical price due to outside influences such as market supply and demand factors. As a result, actual traded prices can be higher or lower than the theoretical price.

**6. Foreign exchange risk**

Investors trading Structured Products with underlying assets not denominated in Hong Kong dollars are also exposed to exchange rate risk. Currency rate fluctuations can adversely affect the underlying asset value, also affecting the Structured Product price.

**7. Liquidity risk**

The Exchange requires all Structured Product issuers to appoint a liquidity provider for each individual issue. The role of liquidity providers is to provide two way quotes to facilitate trading of their products. In the event that a liquidity provider defaults or ceases to fulfill its role, investors may not be able to buy or sell the product until a new liquidity provider has been assigned.

There is no guarantee that investors will be able to buy or sell their Structured products at their target price any time they wish.

#### **SOME ADDITIONAL RISKS INVOLVED IN TRADING WARRANTS**

**1. Time decay risk**

All things being equal, the value of a Warrant will decay over time as it approaches its expiry date. Warrants should therefore not be viewed as long term investments.

**2. Volatility risk**

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

**3. Market Risk and Turnover**

Other than basic factors that determine the theoretical price of a Warrant, Warrant price are also affected by all prevailing market forces including the demand for and supply of the Warrants.

The market forces will be greatest when a Warrant issue is almost sold out and when issuers make further issues of an existing Warrant issue. High turnover should not be regarded as an indication the price of a Warrant will go up. The price of a Warrant is affected by a number of factors in addition to market forces, such as the price of the underlying assets and its volatility, the time remaining to expiry, interest rates and the expected dividend on the underlying assets.

#### **SOME ADDITIONAL RISKS INVOLVED IN TRADING CBBCS**

**1. Mandatory call risk**

Investors trading CBBCs should be aware of their intraday "knockout" or mandatory call feature. A CBBC will cease trading when the underlying asset value equals the mandatory call price/level as stated in the listing documents. Investors will only be entitled to the residual value of the terminated CBBC as calculated by the product issuer in accordance with the listing documents. Investors should also note that the residual value can be zero.

**2. Funding costs**

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

**3. Trading of CBBC Close to Call Price**

When the underlying asset is trading close to the call price, the price of a CBBC may be more volatile with wider spreads and uncertain liquidity. CBBC may be called at any time and trading will terminate as a result. However, the trade inputted by the investor may still be executed and confirmed by the Exchange participants after the Mandatory Call Event ("MCE") since there may be some time lapse between the MCE time and suspension of the CBBC trading. Any trades executed after the MCE will not be recognized and cancelled. Therefore, investors should be aware of the risk and ought to apply special caution when the CBBC is trading close to the call price.

For more information on Warrants and CBBCs, please visit the HKEx corporate website:

Derivative Warrants, Products & Services Section

(<http://www.hkex.com.hk/eng/prod/secprod/dwrc/dw.htm>)

Callable Bull/Bear Contracts, Products & Services Section

(<http://www.hkex.com.hk/eng/prod/secprod/cbbc/Intro.htm>)

#### **RISKS OF TRADING IN SYNTHETIC EXCHANGE TRADED FUNDS ("ETFs")**

Unlike traditional Exchange traded Funds ("ETFs"), Synthetic ETFs do not buy the assets in their benchmark. Instead, they typically invest in financial derivative instruments to replicate the benchmark's performance. Investment in Synthetic ETFs involves high risk and is not suitable for every investor. Investors should understand and consider the following risks before trading Synthetic ETFs.

**Market Risk**

ETFs are typically designed to track the performance of certain indices, market sectors, or group of assets such as stocks, bonds, or commodities. Investors are exposed to the political, economic, currency and other risks related to the ETF's underlying index/assets it is tracking. Investment must be prepared to bear the risk of loss and volatility associated with the underlying index/asset.

**Counterparty Risk**

Where a Synthetic ETF invests in derivatives to replicate the index performance, investors are exposed to the credit risk of the counterparties who issued the derivatives, in addition to the risks relating to the index. Further, potential contagion and concentration risks of the derivatives issuers should be taken into account (e.g. since derivative issuers are predominantly international financial institutions, the failure of one derivative counterparty of Synthetic ETF may have a "knock-on" effect on other derivative counterparties of the Synthetic ETFs). Some Synthetic ETFs have collateral to reduce the counterparty risk, but there may be a risk that the market value of the collateral has fallen substantially when the Synthetic ETF seeks to realize the collateral.

**Liquidity Risk**

There is no assurance that a liquid market exists for an ETF. A higher liquidity risk is involved if a Synthetic ETF involves derivatives which do not have an active secondary market. Wider bid-offer spreads in the price of derivatives may result in losses. Therefore, they can be more difficult costly to unwind early, when the instruments provide access to a restricted market where liquidity is limited.

**Tracking Error Risk**

There may be disparity between the performance of the ETFs and the performance of the underlying index due to, for instance, failure of the tracking strategy, currency differences, fees and expenses.

**Trading at a Discount or Premium**

Where the index/ market that the ETF tracks is subject to restricted access, the efficiency in unit creation or redemption to keep the price of the ETFs in line with its net asset value (NAV) may be disrupted, causing the ETF to trade at a higher premium or discount to its NAV. Investors who buy an ETF at a premium may not be able to recover the premium in the event of termination.

**Foreign Exchange Risk**

Investors trading ETFs with underlying assets not denominated in Hong Kong dollars are also exposed to exchange rate risk. Currency rate fluctuations can adversely affect the underlying asset value, also affecting the ETFs price.

**RISK OF TRADING IN STOCK OPTION(S) ("OPTION(S)")**

The risk of loss in trading in options is substantial. In some circumstances, you may sustain losses in excess of your initial margin funds. Placing contingent orders, such as "stop-loss" or "stop-limit" orders, will not necessarily avoid loss. Market conditions may make it impossible to execute such orders. You may be called upon at short notice to deposit additional margin funds.

If the required funds are not provided within the prescribed time, your position may be liquidated. You will remain liable for any resulting deficit in your account. You should therefore study and understand options before you trade and carefully consider whether such trading is suitable in the light of your own financial position and investment objectives. If you trade options you should inform yourself of exercise and expiration procedures and your rights and obligations upon exercise or expiry.

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

**1. Variable degree of risk**

Transactions in options carry a high degree of risk. Purchasers and sellers of options should familiarize themselves with the type of option (i.e. put or call) which they contemplate trading and the associated risks.

**Warning to option holders**

- Some options may only be exercised on an expiry day (European-Style Exercise) and other options may be exercised at any time before expiration (American-Style Exercise). I/We understand that upon exercise, some options require delivery and receipt of the underlying securities, and that other options require a cash payment.
- An option is a wasting asset and there is a possibility that as an option holder I/we may suffer the loss of the total premium paid for the option. I/We acknowledge that, as an option holder, in order to realize a profit it will be necessary to either exercise the option or close the long option position in the market. Under some circumstances it may be difficult to trade the option due to lack of liquidity in the market. I/We acknowledge that you have no obligation either to exercise a valuable option in the absence of my/our instruction, or to give to me/us prior notice of the expiration date of the option.

**Warning to option writers**

- As a writer of an option I/we may be required to pay additional margin at any time. I/We acknowledge that as an option writer, unlike an option holder, I/we be liable for unlimited losses based on the rise or fall of the price of the underlying securities and my/our gains are limited to the option premium.
- Additionally, writers of American-Style Call (Put) Options may be required at any time before expiry to deliver (or pay for) the underlying securities to the full value of the strike price multiplied by the number of underlying securities. I/we recognise that this obligation may be wholly disproportionate to the value of premium received at the time the options were written and may be required at short notice.

You should calculate the extent to which the value of the options must increase for your position to become profitable, taking into account the premium and all transaction costs.

The purchaser of options may offset or exercise the options or allow the options to expire. The exercise of an option results either in a cash settlement or in the purchaser acquiring or delivering the underlying interest. If the purchased options expire worthless, you understand that you will suffer a total loss of your investment which will consist of the option premium plus transaction costs. If you are contemplating purchasing deep-out-of-the-money options, you should be aware that the chance of such options becoming profitable ordinarily is remote. Under some circumstances it may be difficult to trade the option due to lack of liquidity in the market. You acknowledge that FGFSL has no obligation either to exercise a valuable option in the absence of your instruction, or to give to you prior notice of the expiration date of the option.

Selling ("writing" or "granting") an option generally entails considerably greater risk than purchasing options. Although the premium received by the seller is fixed; the seller may sustain a loss well in excess of that amount. The seller will be liable for additional margin to maintain the position if the market moves unfavorably. The seller will also be exposed to the risk of the purchaser exercising the option, and the seller will be obligated to either settle the option in cash or to acquire or deliver the underlying interest. If the option is "covered" by the seller

holding a corresponding position in the underlying interest or a futures contract or another option, the risk may be reduced. If the option is not covered, the risk of loss can be unlimited. Certain exchanges in some jurisdictions permit deferred payment of the option premium, exposing the purchaser to liability for margin payments not exceeding the amount of the premium. The purchaser is still subject to the risk of losing the premium and transaction costs. When the option is exercised or expires, the purchaser is responsible for any unpaid premium outstanding at that time.

2. Terms and conditions of contracts

You should ask FGFSL about the terms and conditions of the specific options which you are trading and associated obligations (e.g. expiration dates and restrictions on the time for exercise).

Under certain circumstances the specifications of outstanding contracts (including the exercise price of an option) may be modified by the exchange or clearing house to reflect changes in the underlying interest.

3. Suspension or restriction of trading and pricing relationships

Market conditions (e.g. illiquidity) and/or the operation of the rules of certain markets (e.g. the suspension of trading in any contract or contract month because of price limits or "circuit breakers") may increase the risk of loss by making it difficult or impossible to effect transactions or liquidate/offset positions. You acknowledge that if you have sold options, this may increase the risk of loss. Further, normal pricing relationships between the underlying interest and the option may not exist. The absence of an underlying reference price may make it difficult to judge "fair" value.

4. Deposited cash and property

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

5. Commission and other charges

Before you begin to trade, you should obtain a clear explanation of all commission, fees and other charges for which you will be liable. These charges will affect your net profit (if any) or increase your loss. By commencing any trading activities with FGFSL, you acknowledge that you have been so informed by FGFSL.

6. Trading facilities

Electronic trading facilities are supported by computer-based component systems for the order-routing, execution, matching, registration or clearing of trades. As with all facilities and systems, they are vulnerable to temporary disruption or failure. Your ability to recover certain losses may be subject to limits on liability imposed by the system provider, the market, the clearing house and/or participant firms. Such limits may vary: you understand that you should ask the firm with which you deal for details in this respect.

7. Electronic trading

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

**RISK IN RELATION TO THE USE OF THE INTERNET OR OTHER ELECTRONIC MEDIUM**

Any communication or transaction via or information (including any document) transmitted via the Internet or other electronic medium involves risks and you understand and accept the following risks:

1. The internet or other electronic media (including without limitation electronic devices, services of third party telecom service providers such as mobile phones or other handheld trading devices or interactive voice response systems) are an inherently unreliable form of communication, and that such unreliability is beyond FGFSL's control.
2. Information (including any document) transmitted or communication or transactions over the internet or through other electronic media (including without limitation electronic devices, services of third party telecom service providers such as mobile phones or other handheld trading devices or interactive voice response systems) may be subject to interruption, transmission blackout, delayed transmission due to data volume or incorrect data transmission (including without limitation incorrect price quotation) or stoppage of price data feed due to the public nature of the Internet or other electronic media.
3. As a result of such unreliability, there may be time-lags or delays or failures or loss of data or loss of confidentiality in the transmission of data and receipt of instructions may be executed at prices different from those prevailing at the time the instructions were given.

**RISK OF PROVIDING AN AUTHORITY TO REPLEDGE YOUR SECURITIES COLLATERAL ETC.**

There is risk if you provide FGFSL with an authority that allows it to apply your securities or securities collateral pursuant to a securities borrowing and lending agreement, repledge your securities collateral for financial accommodation or deposit your securities collateral as collateral for the discharge and satisfaction of its settlement obligations and liabilities.

If your securities or securities collateral are received or held by FGFSL in Hong Kong, the above arrangement is allowed only if you consent in writing. Moreover, unless you are a professional investor, your authority must specify the period for which it is current and be limited to not more than 12 months. If you are a professional investor, these restrictions do not apply.

Additionally, your authority may be deemed to be renewed (i.e. without your written consent) if FGFSL issues you a reminder at least 14 days prior to the expiry of the authority, and you do not object to such deemed renewal before the expiry date of your then existing authority.

You are not required by any law to sign these authorities. But an authority may be required by FGFSL, for example, to facilitate margin lending to you or to allow your securities or securities collateral to be lent to or deposited as collateral with third parties. FGFSL should explain to you the purposes for which one of these authorities is to be used.

If you sign one of these authorities and your securities or securities collateral are lent to or deposited with third parties, those third parties will have a lien or charge on your securities or securities collateral. Although FGFSL is responsible to you for securities or securities collateral lent or deposited under your authority, a default by it could result in the loss of your securities or securities collateral.

A cash account not involving securities borrowing and lending is available from FGFSL. If you do not require margin facilities or do not wish your securities or securities collateral to be lent or pledged, do not sign the above authorities and ask to open this type of cash account.

**RISK OF MARGIN TRADING**

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

arrangement is suitable in light of your own financial position and investment objectives.

**RISK IN RELATION TO AUTHORIZED THIRD PARTY**

There are substantial risks in allowing an Authorized Third Party to trade or operate your account, and it is possible that instructions could be given by persons not properly authorized. You accept all of the risks of such an operation and irrevocably release FGFSL from all liabilities arising out of or in connection with such instructions, whether taken by FGFSL or otherwise.

**RISK OF PROVIDING AN AUTHORITY TO HOLD MAIL OR TO DIRECT MAIL TO THIRD PARTIES**

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

**RISKS IN LEAVING MONEY OR OTHER PROPERTY IN THE CUSTODY OF FGFSL OR ITS NOMINEES OR AGENTS**

You acknowledge that there are risks in leaving money or other property in the custody of FGFSL or its nominees or agents. For example, if FGFSL is holding your money or other property and becomes insolvent, you may experience significant delay in recovering the same. These are risks that you are prepared to accept.

**RISKS OF CLIENT ASSETS RECEIVED OR HELD OUTSIDE HONG KONG**

Client assets received or held by FGFSL or FGFSL's nominee outside Hong Kong are subject to the applicable laws and regulations of the relevant overseas jurisdiction which may be different from the Securities and Futures Ordinance (Cap.571) and the rules made thereunder. Consequently, such client assets may not enjoy the same protection as that conferred on client assets received or held in Hong Kong.

## Third Party Trading Facility Agreement

This Third Party Trading Facility Agreement ("Supplement Agreement") is supplement to the Client Agreement that it has attached and is an Agreement made between Future Growth Financial Services Limited ("FGFSL") and the Client, whereby FGFSL agrees to provide the Client with third party trading facilities and the related electronic services that enable the Client to issue electronic instructions and provide instructions via computer or telephone transmission on compatible personal, home or small business computers, including Internet devices that can connect to telecommunications networks with devices such as modems, terminals or network computers, obtain quotes and other information ("Third Party Trading Facility"). In the event of any conflict between the terms of the Client Agreement and the terms of this Supplemental Agreement, the latter terms shall prevail.

1. The Client acknowledges that the client's transactions will be effected through third trading facility and the Client hereby agree to accept such arrangement and allow all client's transactions being executed through such third trading facility and such intermediary/counter-broker (as the case may be).
2. The Client acknowledges and accepts the additional costs and expenses is listed out in the Appendix 1 due to use of third party trading facility. The Client acknowledges that the costs and expenses listed out in Appendix 1 may be not exhaustive and may be amended from time to time by this intermediary or the counter broker. The Client agrees to bear the related cost and expense and to be liable for the cost and expenses of using the third trading facility and any other expense incurred in connected with execution of Client's transaction.
3. The Client also agrees that FGFSL do not accept any liability in relation to any online trading facility provided or maintained by a third party (including any of your correspondent brokers) through which the Client's Instructions or transactions may be processed. The use of such third party online trading facility is at the Client's sole risk. FGFSL do not make or give any warranty in connection with the online trading facility provided or maintained by a third party. FGFSL further agree that Client's access and/or use of any such third party's online trading facility is subject in any event to the terms and conditions for such access and/or use imposed on or agreed to by FGFSL and the Client undertake to fully comply with the same in the Client's use of such third party's online trading facility.
4. Neither FGFSL nor the affiliates of FGFSL shall be liable for any delay or failure to perform obligations and any losses, damages or costs resulting therefrom so long as they have acted in good faith. Moreover, FGFSL, FGFSL's agents and FGFSL's affiliates shall not be held responsible for any consequences resulting whether directly or indirectly from any events not within their control including without limitation government restrictions, imposition of emergency procedures, exchange ruling, third party's conduct, suspension of trading, war, strike, market conditions, civil disorder, acts or threatened acts of terrorism, natural disasters, or any other circumstances beyond their control whatsoever.
5. In the event of a failure of the Third Party Trading Facility, FGFSL may place a telephone order on behalf of the customer, but it is limited to canceling outstanding transactions and / or closing out the existing positions.
6. The Client agrees to give the Client Money Standing Authority as below or other authority in order to facilitate the client's use of the third facility and the FGFSL's operation in this connection.

### 7. Client Money Standing Authority

7.1 The Client Money Standing Authority covers money held or received by FGFSL in Hong Kong (including any interest derived from the holding of the money which does not belong to FGFSL) in one or more segregated account(s) on the Client's behalf ("Monies"). Unless otherwise defined, all the terms used in this Authorization Letter shall have the same meanings as defined in the Securities and Futures Ordinance and the Securities and Futures (Client Money) Rules as amended from time to time. Segregated account(s) include any account(s) designated as client account(s) established and maintained in Hong Kong in accordance with the Securities and Futures (Client Money) Rules or account(s) designated as client account(s) established and maintained outside Hong Kong.

7.2 Clients authorizes FGFSL to:

1. transfer any sum of Monies interchangeable between any of the segregated accounts maintained at any time by FGFSL and any segregated accounts maintained with the intermediary or counter-broker (whether in Hong Kong or overseas) upon or before any instructions have been given, for the purpose of satisfying margin requirement and/or settlement requirement (if applicable);
2. transfer any other sum of Monies based on the Client's verbal instruction to the designated account in the name of the Client;
3. keep Client's Monies with overseas clearing firm(s), broker(s) and financial institution(s) after trading to facilitate future trading or to transfer the

Client's Monies interchangeably between the segregated account(s) opened and maintained by FGFSL in Hong Kong and the segregated account(s) opened and maintained by FGFSL with any overseas clearing firm(s), broker(s) and financial institution(s) outside Hong Kong; and

4. convert the Client's Monies into any other currency(ies) upon or before any instructions have been given, for the purpose of satisfying margin requirement and/or settlement requirement (if applicable).

7.3 This authority is given without prejudice to other authority or rights which FGFSL may have in relation to dealing in Monies in the segregated accounts.

7.4 (Remark: This authority shall not apply for transfer of Monies between individual account and joint account.)

7.5 Each of the Client Money Standing Authority is valid for a period of 12 months from the date of this Supplement Agreement, subject to renewal by the Client or deemed renewal under the Client Money Rules.

7.6 The Client Money Standing Authority may be revoked by giving the Company written notice addressed to the Customer Service Department at the FGFSL's address specified in the Account Opening Form or such other address which the Company may notify the Client in writing for this purpose. Such notice shall take effect upon the expiry of 7 days from the date of the FGFSL's actual receipt of such notice.

7.7 The Client understands that the Client Money Standing Authority shall be deemed to be renewed under same terms and conditions and on a continuing basis without the Client's written consent if FGFSL issues the Client a written reminder at least 14 days prior to the expiry date of the relevant authority, and the Client does not object to such deemed renewal before such expiry date.

7.8 Client undertakes to indemnify FGFSL against all costs, expenses, liabilities, losses or damages arising out of or suffered by FGFSL as a result of their acting in accordance with this standing authority.

## **NINTH SCHEDULE**

## CLIENT IDENTITY UNDERTAKING

1. **In compliance with the Client Identity Rule Policy (April 2003), in connection with any request for information made to Future Growth Financial Services Limited, under the Future Growth Group (individually or collectively referred to as "Future Growth") by any Regulators in Hong Kong including but not limited to the Securities & Futures Commission, the Stock Exchange of Hong Kong Limited and the Hong Kong Futures Exchange Limited (collectively referred to as the "Regulators") in respect of any transaction relating to my/our account, I/we shall:-**
  - a. within two (2) business days, upon request by the Regulators provide the Regulators with such information as may be required by them, including but not limited to the identity, address, contact details and other identification particulars of (i) the person or entity for whose account the transaction was effected; (ii) the person who has the ultimate beneficial interest in the transaction and/or assume the risk of economic or commercial loss; (iii) any third party who ultimately originated the transaction, to the best of my knowledge, information and belief; and (iv) the instructions given by the person of subparagraph (iii);
  - b. if I/we effect the transaction for a collective investment scheme, discretionary account or discretionary trust, I/we shall within two (2) business days, upon request by the Regulators brought to my attention through Future Growth, inform the Regulators of the identity, address and contact details of the scheme, account or trust and its investment manager(s) who would be responsible for making investment decisions for the scheme, account or trust; and where applicable, if my/our investment discretion is overridden by other person(s) or beneficiary(ies), the identity, address, occupation and contact details of the person(s) or beneficiary(ies) who, on behalf of the scheme, account or trust, instructed me/us to effect the transaction, which information of the person(s) or beneficiary(ies) who has/have overridden my/our investment discretion I/we shall inform Future Growth in writing immediately; and/or
  - c. if I am / we are aware that my/our client is acting as intermediary for its underlying client(s) or for other intermediary(ies) for the latter's underlying clients, and I/we do not know the identity, address, occupation and contact details of the underlying client(s) or other intermediary(ies)' underlying client(s) for whom the transaction was effected, I/we confirm that:-
    - i. I/we have made arrangements in place with my/our client(s) which entitle me/us to obtain the information set out in paragraphs 1 (a) and/or (b) above from my/our client or procure that it be so obtained within two (2) business days after the request; and/or
    - ii. I/we confirm that the intermediary(ies) our client(s) act for has/have made necessary arrangements to ensure that it/they would directly provide the Regulators with the identity information of its/their underlying client(s) within two (2) business days after the request and I/we have no ground to doubt that such requests would not be complied with; and
2. I/We confirm that I/we and my/our underlying clients or the intermediary(ies) we act for are not subject to any law on secrecy or confidentiality which prohibits the performance by them of the above paragraphs 1 (a) (b) and/or (c). If my/our underlying client(s) or the intermediary(ies) we act for is/are subject to such law, I/we or my/our underlying clients or the intermediary(ies) we act for (as may be the case) have already made arrangements to unequivocally waive the benefit or any requirement of such laws and consented in writing to the disclosure to the Regulators of the identity particulars by me/us, our underlying clients or the intermediary(ies) we act for. I/We acknowledge receipt of a template of such Consent and Waiver form as attached in this undertaking which serves as a reference.
3. The obligations under Paragraph 1 and the signed Consent and Waiver shall continue to be effective notwithstanding the termination of the account at Future Growth or the termination of the Client Agreement entered into by me/us with Future Growth Financial, whether or not the same or similar terms of this Undertaking have been incorporated in the Client Agreement. The term, "business day" herein shall mean business day in Hong Kong.
4. I/We understand that failure to comply with the above provisions or to reply to the Regulators' request within two (2) business days, to the Regulators' satisfaction or at all, would amount to fundamental breach of the Client's Agreement and/or this Client Identity Undertaking and would entitle Future Growth to suspend our account(s) or terminate the Client Agreement and the account(s) at Future Growth with no prior notice to me/us and no transaction shall be effected by me/us in Future Growth's accounts unless and until I/we answer the request satisfactorily. In such event(s), I/we agree that Future Growth would not be liable to any the loss and damage, directly or indirectly, caused to me/us and/or my/our underlying client(s), the intermediary(ies) we act for and the latter's underlying clients. On the contrary, I/we understand that I/we could be liable to indemnify Future Growth for all costs, expenses and penalties incurred therefrom, if any at all.
5. I/We am/are fully aware of the fact that should the intermediary(ies) I/we act for fail to comply with the request within two (2) business days after the request from the Regulators, the latter may contact and report the matter to the Regulators(s) of the intermediary(ies) I/we act for which could lead to disciplinary action against the intermediary(ies). In such event, I/we agree that Future Growth would not be liable to any loss and damage caused to the intermediary(ies) I/we act for, if any at all.
6. I/We agree and understand that this Client Identity Undertaking shall have retrospective effect and be valid and legally binding on me/us on previous transactions made in Future Growth's account(s) by me/us or by Future Growth on my/our behalf.
7. For the above reasons, I/we further confirm that the identity particulars of our underlying clients and those of the intermediary(ies) we act for, as the case may be, should be obtained within two (2) business days from the The English version of this letter shall prevail whenever there is any inconsistency between the English and Chinese versions. Any Chinese version of this Undertaking is for reference only.
8. I/We understand the language of English. I/We have read this Client Identity Undertaking and fully understand the above provisions and was/were invited to ask question by Future Growth in relation to this Undertaking and the above obligations. I/We understand that should I/we be in doubt, I/we should seek independent legal advice before signing this Undertaking.

