

TERMS AND CONDITIONS FOR CASH SECURITIES TRADING (“Terms and Conditions”)

Ayers Alliance Securities (HK) Limited is registered with the Securities and Futures Commission (“SFC”) as a licensed corporation (CE Number BBE915) for Types 1 and 4 regulated activities and an exchange participant of The Stock Exchange of Hong Kong Limited (“SEHK”) of Suites 1812-1814, 18/F, Two International Finance Centre, No.8 Finance Street, Central, Hong Kong.

1. THE INTERPRETATION

- 1.1. **Account:** means any one or more Securities dealing and/or trading accounts now or hereafter opened in my/our name with you in connection with this Agreement;
- 1.2. **Agreement:** means the written agreement regarding the opening, maintenance and operation of the Account as amended from time to time, including the Account Opening Form, Client Information Statement, and Terms and Conditions for Cash Securities Trading;
- 1.3. **Associate:** means, in relation to you, a body corporate which is its subsidiary or affiliated company, in Hong Kong or elsewhere;
- 1.4. **Authorized Person:** means, in the case of corporate account, the person(s) initially so named in the Customer Information Statement; and in the case of an individual or a joint account, the person(s) initially so named in the Customer Information Statement who hold valid power of attorney from me/us;
- 1.5. **Business Day:** means any day on which the relevant Exchange opens for trading other than Saturdays, Sundays, public holidays and any other days declared by the Exchange to be non-business days;
- 1.6. **Clearing House:** means HKSCC in relation to SEHK and, in relation to any other Foreign Exchange, the Clearing House providing services similar to those of HKSCC to such Foreign Exchange;
- 1.7. **Clearing House Rule:** means the rules, regulations and procedures of HKSCC, as amended from time to time;
- 1.8. **Code of Conduct:** means the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission made under the SFO in force from time to time;
- 1.9. **Electronic Trading Service:** means any facility provided or to be provided by you from time to time under this Terms and Conditions which enables me/us to give instructions relating to any transaction, and send or receive other information services via electronic or telecommunications media (including through the use of mobile phones, touch tones, internet or other electronic or telecommunications devices as you may from time to time prescribe), and including but not limited to services offered through On-line Trading System(s);
- 1.10. **Exchange:** means SEHK and any Specified Stock Exchanges specified in Part 3 in Schedule 1 of the SFO (Cap 571) respectively;
- 1.11. **Exchange Participant:** means an Exchange Participant who may trade through SEHK in accordance with the rules of SEHK;
- 1.12. **Group:** means the ultimate holding company of Ayers Alliance Securities (HK) Limited and each and every subsidiary of such holding company;
- 1.13. **HKSCC:** means the Hong Kong Securities Clearing Company Limited and includes its successors, assigns and any resulting or surviving entity into or with which it may consolidate, amalgamate or merge;
- 1.14. **Representative:** means anyone who acts as your agent in effecting Transactions or clearing the same in Hong Kong or elsewhere, including any member of an Exchange or Clearing House;

- 1.15. **Securities:** the meaning ascribed thereto by the SFO (Section 285 of the SFO (Cap 571)) and, if the context so admits, shall include securities collateral;
- 1.16. **SEHK:** means The Stock Exchange of Hong Kong Limited and includes its successors, assigns and any resulting or surviving entity into or with which it may consolidate, amalgamate or merge;
- 1.17. **SFC:** means the Securities and Futures Commission of Hong Kong;
- 1.18. **SFO:** means the Securities and Futures Ordinance (Cap 571) of the laws of Hong Kong, as amended from time to time;
- 1.19. **Trading Rules:** means the rules, regulations and procedures of SEHK, as amended from time to time;
- 1.20. **Transaction:** means any Transaction concerning the purchase, sale, subscription, redemption, exchange or other disposal of and dealings in any and all kinds of Securities on any Exchange including but not limited to safe-keeping of Securities and the provision of nominee or custodian service therefore.
- 1.21. **Professional Investor:** the meaning ascribed to the paragraph (j) of the definition in section 1 of Part 1 of Schedule 1 of the Securities and Futures Ordinance (Cap. 571)

2. THE ACCOUNT

- 2.1. I/We hereby confirm that the information provided in this Agreement is true, complete and accurate in all respects. I/We hereby undertake and covenant with you to notify you in writing forthwith of any material change to that information. You are authorized to conduct credit enquiries to verify the information provided for the purpose of ascertain the financial situation and investment objectives of me/us.
- 2.2. I/We acknowledge and accept that you will keep information relating to the Account confidential, but may provide any such information but not limit to my/our name, beneficial identity and such other information concerning me/us to SEHK, the SFC or the relevant Exchanges to comply with their requirements or requests for information.
- 2.3. Unless specified otherwise, I/we hereby declare that I am/we are the ultimate beneficial owner(s) of the Account, and that I am/we are not related to or associated with any of the employees or agents of you or any companies which is the holding company, subsidiary, associated or related companies of you (the "Group") including without limitation as a spouse or as a child under 18 years or as a cohabitant or adopted child/parent (no matter whether formally adopted under the Adoption Ordinance or otherwise) of such employees or agents and agree that if I am/we are or become related to or associated with any of such employees or agents, I/we shall promptly notify you of the existence and nature of such association and acknowledge and agree that you may, upon receipt of such notice, at your absolute discretion, terminate the Account.
- 2.4. I/We admit that you may in the course of business possess information relating to Securities and agree that you shall have no duty to disclose to me/us any such information.
- 2.5. You will notify me/us of material changes in respect of your business, which may affect the service that you provide to me/us.

- 2.6. I/We hereby irrevocably direct you, at any time and with or without written notice to me/us, notwithstanding any settlement of the Account or other matter whatsoever, combine or consolidate or set-off or transfer of any sum standing to the credit of my/our Account or any Securities or other assets or rights in any such Account, in or towards satisfaction of any of my/our indebtedness, obligations or liabilities whatsoever. Where such set-off, consolidation, combination or transfer requires the conversion of one currency into another, such conversion shall be calculated at the rate of exchange conclusively determined by you to be applicable. For the purpose of exercising the right of set-off or of discharging any liabilities, you may sell or dispose of any of the securities, receivables or monies from time to time held in or for the Account. You shall be under no duty to me/us as to the price obtained in respect of any such sale or disposal.
- 2.7. In addition and without prejudice to any general liens or other similar rights which you may be entitled under law or this Agreement and subject to applicable rules and regulations, including without limitation, the Securities and Futures (Client Securities) Rules (Cap 571H) and the Securities and Futures (Client Money) Rules (Cap 571I), you and as an agent for any companies in your Group, at any time with or without notice to me/us, may combine or consolidate any or all Account(s), of any nature whatsoever and either individually or jointly with others, with you or any of the companies in your Group and you may set-off or transfer any monies (in any currency), securities or other property in any such Account(s) to satisfy obligations or liabilities of me/us to you or any of your Group Companies, whether such obligations and liabilities are actual or contingent, primary or collateral, secured or unsecured, or joint or several.
- 2.8. Notwithstanding any provision of this Agreement, you shall have the right exercisable at your absolute discretion at any time to close the Account without ascribing any reason and without any liability to me/us for such closure by terminating this Agreement.

The section below shall be applicable to any Corporate Account opened with you and treated as an integral part of this Agreement:

- 2.9. We are duly incorporated and validly existing under laws of its place of incorporation and have full power to execute and perform our obligations under this Agreement and have commercial reason to open the Account.
- The certified copy resolution provided by us to you with this Agreement were duly passed at the meeting of our directors duly convened and held on or prior to the date hereof in accordance with our constitutional agreement and were entered in our minutes book and are full force and effect.
- 2.10. Any intended change of the Authorized Person by us shall only become effective from the date of actual receipt by you or the relevant board resolutions duly signed by us or other evidence of authorization satisfactory to you.

The section below shall be applicable to any Joint Account opened with you and treated as an integral part of this Agreement

- 2.11. If the Account is owned by more than one person, the liabilities of us shall be joint and several. The liabilities of a deceased or incapacitated joint account holder shall cease only with regard to transactions made subsequent to the receipt by you.
- 2.12. If the Account is joint account, we hereby declare that the Account is a joint account with right of survivorship. In the event of death of any of the joint account holders, the estate of the deceased joint account holder or the surviving joint holder(s) shall immediately notify you in writing of the relevant death and shall produce and deliver to you true copies of such proofs of death, tax waiver and such other documents as you may in your sole discretion require.
- 2.13. Each of the joint account holders shall have the authority to exercise all the rights, power and discretion hereunder and to deal with you as if each of us alone was the holder of the Account without notice to the other. You may follow the instructions of any of us concerning the Account and shall not be obliged to inquire into or see to the application of any monies or properties between the joint account holders.

- 2.14. Each of the joint account holders agrees to be bound by this Agreement notwithstanding that any person intend to sign or to be bound by this Agreement may not to be or be bound and notwithstanding that this Agreement may be invalid or unenforceable against any one or more of the undersigned (whether or not the deficiency is known to you).

3. LAWS AND RULES

- 3.1. All Transactions in which you effect on my/our instructions or on my/our behalf shall be effected in accordance with and shall be subject to the relevant laws, rules, regulations, directions, customs and usages applying to you, including Trading Rules, Clearing House Rules, the relevant ordinance(s) and all other laws applicable in the jurisdiction of the relevant Exchanges as amended or supplemented from time to time. All action taken by you in accordance with such laws, rules, regulations, directions, customs and usages shall be binding on me/us.
- 3.2. I/We acknowledge and agree that in respect of Transactions to be executed in the markets other than those operated by SEHK, such Transactions will be subject to the rules and regulations of those markets and not those of the SEHK, and the level and type of protection afforded by those markets may be markedly different from that afforded by the rules and regulations of SEHK.
- 3.3. In the event that you or your associated person commits a default in relation to Securities listed or traded, or to be listed or traded, on a recognized stock market; and related assets of such Securities and I/we thereby suffer a pecuniary loss, I/we acknowledge and accept that the liability of the Investor Compensation Fund will be restricted to valid claims as provided for in the SFO (Cap 571) and the relevant subsidiary legislation and will be subject to the monetary limits specified in the Securities and Futures (Investor Compensation – Compensation Limits) Rules (Cap 571AC) and accordingly there can be no assurance that any pecuniary loss sustained by reason of such a default will necessarily be recouped from the Investor Compensation Fund in full, in part or at all.

For Transactions which are effected in an Exchange other than the recognized stock market, I/we acknowledge and accept that the valid claims in the event of any default on the part of you or your associated person will be subject to the rules of the relevant Exchange.

4. TRANSACTION(S)

- 4.1. You will act as my/our agent in effecting the Transactions unless you indicate (in the contract note for the relevant Transactions or otherwise) that you are acting as principal.
- 4.2. I/We acknowledge and agree that I/we shall be solely responsible for the Transactions and neither you nor any of the directors, officers, employees or agents of your Group shall be liable to me/us, or to any other person claiming under or through me/us, for any claim made with respect to the receipt and execution of any such Transactions.
- 4.3. I/We understand and agree that you may monitor or record any of my/our telephone conversations in order to verify the instructions given by me/us or my/our Authorized Person(s).
- 4.4. You will have an absolute discretion to accept or refuse any orders or the execution of any orders and shall not be obliged to give any reason for such refusal.
- 4.5. I/We acknowledge and agree that you and your Group's directors, officers, employees and agents shall not be responsible or liable for any loss suffered or which may be suffered by me/us as a result of any delay, failure or inaccuracy in the transmission or communication of instructions or orders.
- 4.6. On all Transactions, I/we shall pay you commissions and charges, as notified to me/us, as well as applicable levies imposed by the Exchanges from time to time, all applicable stamp duties, bank charges, fees, investor compensation fund levy and other expenses. You may deduct the above expenses from the Account.

- 4.7. If I/we reside or give any orders to you outside Hong Kong, I/we agree to ensure and represent that such orders will have been given in compliance with any and all applicable law of the relevant jurisdiction from which my/our orders are given. I/We further agree to indemnify you on demand for any claims, demands, actions, costs and expenses you may suffer or incur in connection with or arising from my/our residing or giving of any such order outside Hong Kong.
- 4.8. Unless otherwise agreed, in respect of each Transaction unless you are already holding cash or securities on my/our behalf to settle the Transaction, I/we shall
- 4.8.1. pay you cleared funds or deliver to you securities in deliverable form (as the case may be); or
- 4.8.2. otherwise ensure that you have received such funds or securities;
- by such time as you have notified me/us in relation of that Transaction. If I/we fail to do so, you may without any liability on your part, where applicable, sell the purchased securities and/or any other securities which you are already holding on my/our behalf to satisfy my/our obligations to you or borrow and/or purchase securities in order to settle the Transaction.
- 4.9. I/We shall be responsible to you and indemnify you on demand against any losses, costs and expenses resulting from my/our purchase securities in order to settle the Transaction.
- 4.10. I/We hereby agree to pay interest on all overdue balance (including arising after a judgment debt is obtained against me/us) at such rates and on such other terms as you have notified me/us from time to time.
- 4.11. I/We acknowledge that you do not guarantee the delivery by the selling broker of any securities purchased on my/our Instructions. In the event of a purchase transaction, if the selling broker fails to deliver on the settlement date and you have to purchase the relevant securities to settle the transaction, I/we shall only be responsible for paying the originally contracted purchase prices of the relevant securities and you will be responsible for any additional price and all incidental expenses in connection with the subsequent purchase.
- 4.12. I/We shall undertake to inform you when a sell order is in respect of securities which I/we do not own i.e. a short sale. I/We acknowledge that you may be prohibited by applicable laws or regulations from executing such orders on its behalf.
- 4.13. All instructions given by me/us pursuant to this Agreement which may be executed on more than one Exchange may be executed on any Exchange as you may select.
- 4.14. Every Transaction indicated or referred to in any notice, statement, confirmation or other communication shall be deemed as correct and confirmed by me/us unless you shall receive from me/us written notice to the contrary within 5 days. Any notice, statement, confirmation or other communication shall be deemed to have been received: (a) if hand delivered, when delivered; (b) if given by registered post, 2 days after the same has been posted; or (c) if given by fax, at the same time it is dispatched.
- 4.15. Every statement of account shall, in the absence of manifest error, be conclusive and binding on me/us as to the amount standing to the debit or credit of the Account.
- 4.16. If you enter into any Transaction on behalf of me/us in a currency other than the currency in which the Account is denominated then:
- 4.16.1. any profit or loss arising as a result of a fluctuation in the exchange rate affecting such currency will be for my/our Account and risk; and
- 4.16.2. when such Transaction is sold, set off or otherwise liquidated, you may at its sole discretion debit or credit the Account in the currency in which the Account is denominated at a rate of exchange determined conclusively by you on the basis of the then prevailing market rates of exchange for such foreign currency.

- 4.17. You may at any time, at your absolute discretion, impose a trading limit on the Transactions, which shall be subject to alteration from time to time.
- 4.18. I/We should make the necessary enquiries and be fully aware of the characteristics, trading and settlement arrangement, fee and commission, etc. of the Transactions before placing order(s).
- 4.19. As you instruct a third party to deal in securities on my/our behalf on any Exchange, for the avoidance of doubt, I/we expressly consent to your sharing of commission, or the receipt of rebates, or such other amounts relating to such Transactions or contracts with those persons as you think fit, subject to applicable laws, rules and regulations.
- 4.20. If you solicit the sale of or recommend any financial product to me/us, the financial product must be reasonably suitable for me/us having regard to my/our financial situation, investment experience and investment objectives. No other provision of this agreement or any other document you may ask me/us to sign and no statement you may ask me/us to make 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.

5. Electronic TRADING SERVICES

- 5.1. I/We consent to use the various media via the Electronic Trading Service for on-line trading and as a medium of communication with you and to transmit or receive information, data and documentation to me/us. I/We understand that the Electronic Trading Service is the principal mean to place orders or instructions to you or for communication purpose. Furthermore, I/we may use any other available means of communication e.g. telephone calls.
- 5.2. I/We acknowledge that information concerning the use, operation, policy and procedures of the Electronic Trading Service and the Account applicable at all times has been made available to me/us, and understand the terms of which may be amended from time to time and which shall be binding on me/us in respect of my/our use the Electronic Trading Service and the Account. In the event of inconsistencies between the terms of this Agreement and the information, the terms of this Agreement shall prevail.
- 5.3. I/We agree to use the Electronic Trading Service only in accordance with the terms of this Agreement and the terms of your website (<http://www.aasec.com.hk/>).
- 5.4. I/We will be the only authorized user of the Electronic Trading Service, and acknowledge that the service may require me/us to use various identification and access codes, including a password, personal identification number and other identification to access the service and my/our Account and then I/we will be responsible for the confidentiality and proper use at all times of my/our password, personal identification number, user identification and account number for all transactions initiated through the service.
- 5.5. Any orders communicated to you through the Electronic Trading Service will be considered to have been sent by me/us. I/We agree to notify you immediately if I/we:
 - 5.5.1. do not receive any confirmation (whether by hard copy, electronic or verbal means) that an order communicated by me/us through the service has been received or executed; or
 - 5.5.2. receive a written confirmation of an order or its execution which is not accurate or which I/we did not place.
- 5.6. I/We agree to notify you immediately of my/our becoming aware of any loss, theft or unauthorized use of my/our password, personal identification number and other user identification, Account or account number, or any unauthorized use of the Electronic Trading Service or any of the market information or data provided.
- 5.7. I/We acknowledge that any information and data (including news and real time quotes) provided through the Electronic Trading Service has been obtained from the Exchanges, markets and other third party service providers appointed by you from time to time and who may or may not be related to you.

I/We further acknowledge and accept that:

- 5.7.1. such information and data are or may be protected by copyright laws, and are provided for my/our personal non-commercial use only, and I/we may not use, reproduce, retransmit, disseminate, sell, distribute, publish, broadcast, circulate or commercially exploit any such information or data in any way without the consent of you, the Exchanges or service providers; and
- 5.7.2. such information and data are received by you from sources that are believed to be reliable, however the accuracy, adequacy, completeness, timeliness or sequence of any of the information or data cannot be guaranteed either by you, the Exchanges or service providers.
- 5.8. I/We acknowledge and agree that neither you nor any of the service providers will be liable to me/us for any reliance by me/us on any of the information or data provided through the Electronic Trading Service, nor for the availability, accuracy, completeness or timeliness of such information or data nor for any actions taken or decisions made by me/us in reliance of such information or data.
- 5.9. I/We acknowledge that all proprietary and copyright and other intellectual property rights in or subsisting in the Electronic Trading Service are your exclusive property or of the relevant service providers, and agree and undertake that I/we shall not at any time attempt to, temper with, modify, or otherwise alter in any way, or otherwise access or attempt to gain access to any part of the Electronic Trading Service other than as authorized under this Agreement. I/We further undertake to notify you immediately if I/we become aware that any of such unauthorized use or access to the Electronic Trading Service by any other person.
- 5.10. I/We agree to pay all subscription, service and usage fees, if any, that you may charge from time to time for the use of the Electronic Trading Service.
- 5.11. Notwithstanding any provision of this Agreement, you shall have the right exercisable at your discretion at any time to terminate, without any liability of me/us, my/our access to the Electronic Trading Service or to any information or data from any service provider or any part of it, without notice and without limitation, for any reason whatsoever, including any unauthorized use by me/us of the service and/or any of the information or data, or any password, personal identification number and other user identification or Account number.
- 5.12. I/We will be responsible to you and indemnify you on demand against any and all claims, demands, actions, losses, damages, costs (including legal costs on full indemnity basis) and expenses resulting from any unauthorized use by me/us on the Electronic Trading Service and/or any of the information or data.
- 5.13. I/We acknowledge and accept that if I/we undertake transaction on an electronic trading service, I/we will be exposed to risks associated with the system including the failure of hardware and software, and that the result of any system failure may be that his order is either not executed according to his instructions or is not executed at all.
- 5.14. I/We acknowledge and accept that due to unpredictable traffic congestion and other reasons, electronic transmission may not be a reliable medium of communication, that transactions conducted via electronic means are subject to delays in transmission and receipt of his instructions or other information, delays in execution or execution of his instructions at prices different from those prevailing at the time his instructions were given, transmission interruption or blackout, that there are risks of misunderstanding or errors in communication, and that there is also usually not possible to cancel and instruction after it has been given.

6. SAFEKEEPING OF SECURITIES

- 6.1. Any securities collateral which are held by you for safekeeping may, at your discretion:
 - 6.1.1. be registered in your name or in the name of your associated entities in the case of registrable securities; or
 - 6.1.2. be deposited in safe custody in a segregated account which is designated as a trust account or client account and established and maintained by you or your associated entity for the purpose of holding my/our securities collateral.

- 6.2. Where securities collateral are not registered in my/our name, any dividends or other benefits arising in respect of such securities collateral shall, when received by you, be credited to my/our Account or paid or transferred to me/us, as agreed with you. Where the securities collateral form part of larger holding of identical securities held for your clients, I/we shall be entitled to the same share of the benefits arising on the holding as my/our share of the total holding.
- 6.3. I/We acknowledge and agree that all securities held for the Account shall be subject to a general lien in your favour, for the performance of my/our obligations to you arising in respect of dealing in securities for me/us.
- 6.4. I/We expressly authorize that you have the right without notice me/us to dispose the securities collateral of me/us for the purpose of settling any liability owed by me/us to you or your associated entity.
- 6.5. You shall not, without my/our prior written authority under section 7(2)(b) of the Securities and Futures (Client Securities) Rule (Cap 571H) to deposit, transfer, lend, pledge or otherwise deal with any of my/our securities collateral for any purpose. Such written authority shall be renewed annually.

7. CASH HELD FOR ME/US

- 7.1. I/We agree that you will be entitled to receive for your own account benefit all sum derived by way of interest from the payment into and retention of
 - 7.1.1. all amounts in any trust account; and
 - 7.1.2. all amounts received for or on Account of me/us for the purchase of securities in any trust account maintained by you under Section 149 of SFO (Cap 571).
 - 7.1.3. I/We hereby expressly waive any or all rights, claim and entitlements to such interest.
- 7.2. I/We expressly authorize you to accept and act to (but you are not obliged so to do) any instruction, oral or written, whether by telephone, facsimile transmission, telex means regarding payment or transfer of fund from my/our Account to my/our bank account stated in your individual/Joint Account Opening Form upon my/our payment or transfer instruction.

8. RISK DISCLOSURE STATEMENT

8.1. RISK OF SECURITIES TRADING

The prices of Securities fluctuate, sometimes dramatically. 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.

8.2. 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 future profitability. GEM stocks may be very volatile and illiquid.

I/We should make the decision 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 SEHK. GEM Companies are usually not required to issue paid announcements in gazetted newspapers.

I/We should seek independent professional advice if I/we 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.

8.3. RISKS OF CLIENT ASSETS RECEIVED OR HELD OUTSIDE HONG KONG

Client assets received or held by you outside Hong Kong are subject to the applicable laws and regulations of the relevant overseas jurisdiction which may be different from the SFO (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.

8.4. RISK OF PROVIDING AN AUTHORITY TO LEND MY/OUR SECURITIES

There are risks if I/we provide you with an authority that allows you to borrow my/our Securities pursuant to a Securities borrowing and lending agreement.

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

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

I am/We are not required by any law to sign these authorities. But an authority may be required by you, for example, to allow my/our Securities to be lent to or deposited with third parties. You should explain to me/us the purposes for which the authority is to be used.

If I/we sign an authority and my/our Securities are lent to or deposited with third parties, those third parties will have a lien or charge on my/our Securities. Although you are responsible to me/us for Securities lent or deposited under my/our authority, a default by it could result in the loss of my/our Securities.

A cash account not involving Securities borrowing and lending is available from you. If I/we do not wish my/our Securities to be lent or pledged, do not sign the above authority.

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

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

8.6. ADDITIONAL RISKS OF DEBT SECURITIES

Debt Securities

Debt securities are generally issued by governments, corporations or organizations and represent loans to an entity in which an entity promises to repay the bondholders or note-holders total amount borrowed, together with interest (if any). Debt securities include (but are not limited to) debentures, bonds, notes or commercial papers, depending on characteristics such as maturity and minimum denomination. Debt securities now listed on the Stock Exchange of Hong Kong Limited can be categorized as Corporate Bonds, Convertible Bonds, Exchange Fund Notes, and Government/Supranational Bonds.

Risks of Trading Debt Securities

The prices of debt securities fluctuate, sometimes dramatically, may move up or down, or may become valueless. It is as likely that losses will be incurred rather than profit made as a result of buying and selling debt securities.

General Risks in Bond Trading

- **Default / Credit risk:** No matter how you perceive the reputation of an issuer, there is always a risk that it may fail. In the worst case, you may lose both the agreed coupon payments and your principal. Make use of the prospectus and check on the bond's latest credit ratings. Even so, bear in mind that credit ratings are ever-changing. Do keep an eye on your debtor's creditworthiness from time to time.
- **Liquidity risk:** For some bonds, the secondary market is rather illiquid. If you need to cash in your bonds before maturity, you may not be able to find a buyer, or the sale price could be much lower than the amount you invested. As such, you should understand the liquidity of a bond and access your liquidity needs critically before investing.
- **Interest rate risk:** Do you know that your investment in bonds somehow reflects your views on the interest rate outlook? Interest rates and bond prices usually go in opposite direction. In case you need to sell your bonds amidst an interest rate uptrend, you may get less than the sum you invested.
- **Exchange rate risk:** Renminbi bonds remain sought-after with the current bullish view on the currency. However, you should bear in mind that bond investing usually involves a middle to long investment term of up to 10 years and more. At the end of the day, you may have to convert the payment of interest or principal back into your local currency. Any future fall in the bond's denominated currency may significantly reduce your investment return.
- **Inflation risk:** The return on bond investments will lose purchasing power if commodity prices go up. Inflation is therefore a serious concern for those who need to rely on the regular income from bonds.
- **Event risk:** A bond issuer's corporate event such as a merger or takeover may lower its credit rating. In case the corporate restructurings are financed by the issuance of a large amount of new debt-burden, the company's ability to pay off existing bonds will be weakened.
- **Reinvestment / Call risk:** Some bonds are callable. In other words, they can be redeemed by the issuer before maturity. In practice, this option will be exercised if the issuer decides it is advantageous for it to do so. Typically, this happens when interest rates fall. When a bond is called, investors will usually end up reinvesting their money at a lower yield. Make sure you know about a likely call in addition to the time to maturity.
- **Equity risk:** For convertible bonds, investors face additional risks that are associated with the performance of the stock. A fall in the stock price will usually make the bond price drop.

8.7. ADDITIONAL RISKS COMMON TO SECURITIES

8.7.1. Terms and Conditions of Contracts

I/We should ask the firm with which I/we deal about the terms and conditions of the specific Securities or derivatives products, including Futures or Options, which I am/we are trading and associated obligations (e.g. the circumstances under which I/we may become obliged to make or take delivery of the underlying interest of a Futures Contract and, in respect of Options, 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.

8.7.2. 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. If I/we have sold Options, this may increase the risk of loss.

Further, normal pricing relationships between the underlying interest and the Futures, and the underlying interest and the Option may not exist. This can occur when, for example, the Futures Contract underlying the Option is subject to price limits while the Option is not. The absence of an underlying reference price may make it difficult to judge “fair value”.

8.7.3. Deposited Cash and Property

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

8.7.4. Commission and Other Charges

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

8.7.5. Transactions in Other Jurisdiction

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

8.7.6. Currency Risks

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

8.7.7. 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. My/Our 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: I/we should ask the firm with which I/we deal for details in this respect.

8.7.8. Electronic Trading

Trading on an electronic trading system may differ from trading on other electronic trading systems. If I/we undertake Transactions on an electronic trading system, I/we 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 my/our order is either not executed according to my/our instructions or is not executed at all.

8.7.9. Risk on Instructions by Facsimile

I/We should consider the possible risks inherent in the giving of instructions by facsimile. Non-original signatures on the facsimile may be forged and instructions given by facsimile may be transmitted to wrong numbers, may never reach to you and may thereby become known to third parties thus losing their confidential nature. You have no responsibility for the occurrence of any such circumstance or for any action, claim, loss, damage, or cost by facsimile.

8.7.10. Risk on Instructions by Other Electronic Means

I/We should consider the possible risks inherent in the giving of instructions by other electronic means. You are not responsible for the occurrence of any such circumstance or for any action, claim, loss, damage, or cost by other electronic means.

8.7.11. Off-Exchange Transactions

In some jurisdictions, and only then in restricted circumstances, firms are permitted to effect off-exchange transactions. The firm with which I/we deal may be acting as my/our counterparty to the Transaction. It may be difficult or impossible to liquidate an existing position, to assess the value, to determine a fair price or to assess the exposure to risk. For these reasons, these Transactions may involve increased risks.

Off-exchange transactions may be less regulated or subject to a separate regulatory regime. Before I/we undertake such Transactions, I/we should familiarize myself/ourselves with applicable rules and attendant risks.

8.7.12. General Risk on Trading Derivatives / Structured Products

8.7.12.1. 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.

8.7.12.2. Uncollateralized product risk

Uncollateralized 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 uncollateralized.

8.7.12.3. Gearing risk

Structured products such as derivative warrants and callable bull/bear contracts (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.

8.7.12.4. 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.

8.7.12.5. 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.

8.7.12.6. 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.

8.7.12.7. 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.

8.7.13. Additional Risks in Trading Derivative Warrants

8.7.13.1. Time decay risk

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

8.7.13.2. Volatility risk

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

8.7.14. Additional Risks in Trading Callable Bull/Bear Contracts (“CBBCs”)

8.7.14.1. 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.

8.7.14.2. 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.

8.7.15. Additional Risks in Trading Equity Linked Instruments/Notes (“ELI/ELN”)

Investors should pay attention to the points below:

- i. Exposure to equity market - Investors are exposed to price movements in the underlying security and the stock market, the impact of dividends and corporate actions and counterparty risks. Investors must also be prepared to accept the risk of receiving the underlying shares or a payment less than their original investment.

- ii. Possibilities of losing investment - Investors may lose part or all of their investment if the price of the underlying security moves against their investment view.
- iii. Price adjustment - Investors should note that any dividend payment on the underlying security may affect its price and the payback of the ELI at expiry due to ex-dividend pricing. Investors should also note that issuers may make adjustments to the ELI due to corporate actions on the underlying security.
- iv. Interest rates - While most ELI offer a yield that is potentially higher than the interest on fixed deposits and traditional bonds, the return on investment is limited to the potential yield of the ELI.
- v. Potential yield - Investors should consult their brokers on fees and charges related to the purchase and sale of ELI and payment / delivery at expiry. The potential yields disseminated by HKEx have not taken fees and charges into consideration.

8.7.16. Risks in Trading Exchange Traded Funds (“ETFs”)

ETFs are passively managed and open-ended funds. All listed ETFs on the HKEx securities market are authorized by the SFC as collective investment schemes. ETFs are designed to track the performance of their underlying benchmarks (e.g. an index, a commodity such as gold, etc) and offer investors an efficient way to obtain cost-effective exposure to a wide range of underlying market themes. Synthetic ETFs utilizing a synthetic replication strategy use swaps or other derivative instruments to gain exposure to a benchmark. Investors are exposed to the political, economic, currency and other risks related to the underlying asset pool or index or market that the ETF tracks. There may be disparity between the performance of the ETF and the performance of the underlying asset pool or index or market due to, for instance, failure of the tracking strategy, currency differences, fees and expenses. Where the underlying asset pool/index/market that the ETF tracks is subject to restricted access, the efficiency in unit creation or redemption to keep the price of the ETF in line with its net asset value (“NAV”) may be disrupted, causing the synthetic 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 the termination. Where a synthetic ETF invests in derivatives to replicate the index performance, customers 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 derivative issuers should be taken into account (e.g. since derivative issuers are predominantly international financial institutions, the failure of one derivative counterparty of a synthetic ETF may have a “knock-on” effect on other derivative counterparties of the synthetic ETF). Some synthetic ETFs have collateral to reduce the counterparty risk, but there maybe a risk that the market value of the collateral has fallen substantially when the synthetic ETF seeks to realize the collateral. 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 the derivatives may result in losses.

8.7.17. Risks in Trading Investment Funds

Certain mutual funds and unit trusts (“Investment Funds”) are structured products involving derivatives. The investment decision is mine/ours but I/we should not invest in any Investment Fund unless the intermediary who sells such Investment Fund to me/us has explained to me/us that such Investment Fund is suitable for me/us having regard to my/our financial situation, investment experience and investment objectives.

Investment in Investment Funds involves significant risks. It is impossible to describe every risk associated with such an investment that is relevant to me/us. Before making my/our investment decision, I/we should carefully read the offering documents of the relevant Investment Fund including, in particular, the sections about risks and ensure I/we fully understand the nature and all the risks associated with an investment in the relevant Investment Fund and are willing to assume such risks. I/We should carefully consider whether the relevant Investment Fund is suitable for me/us in light of my/our own relevant circumstances. If in doubt, I/we should obtain independent professional advice.

There is no assurance that an Investment Fund will achieve its investment objective(s). The value of Investment Funds may go up as well as down and the Investment Funds may become valueless. Therefore, I/we may not receive any return from my/our investment in Investment Funds. Past performance information presented is not indicative of future performance.

By investing in an Investment Fund, I/we are relying on the creditworthiness and taking the credit risks of the Investment Fund, the fund manager, the fund trustee, the fund custodian and / or the issuer of the asset(s) to which the Investment Fund is linked.

Certain Investment Funds may use derivative instruments to meet their investment objectives, which may lead to higher volatility to their net asset values or expose the Investment Funds to losses greater than the costs of the derivatives.

Returns are denominated in the currency of the relevant Investment Fund. If my/our home currency is different from the Investment Fund currency or the Investment Fund's reference currency, changes in currency exchange rates may erode your investment gains or widen your investment losses.

Certain Investment Funds may invest in emerging markets which may lack the social, political or economic stability and are subject to less government supervision, legal regulation and less well defined tax laws and procedures than in countries with more advanced securities markets. Exposure to these markets may entail more volatility than investments in more established markets. I/We should read the relevant offering documents, in particular, any risks factors relating to investment in emerging markets.

Certain Investment Funds may take short positions and I/we should note that short selling may involve borrowing to invest and therefore the investment risk is relatively higher than traditional long only Investment Funds.

Certain Investment Funds may invest in equities. Prices of equities fluctuate daily and can be influenced by many factors, such as political and economic news, corporate earnings reports, demographic trends and catastrophic events. An Investment Fund that invests in equity derivatives on international equity indices will be exposed to substantially larger fluctuations in its net asset value than in the case of a direct investment in international equities.

Certain Investment Funds may invest in higher yielding securities rated lower than investment grade (i.e. debt securities rated below BBB- by Standard & Poor's or below Baa3 by Moody's). Below investment grade securities may be considered speculative and can include securities that are unrated or in default. As a result, investment in those Investment Funds is subject to a higher degree of credit risk than investment in higher rated, lower yielding securities.

Prior to investing in any Investment Fund, I/we should carefully consider (a) the possible tax consequences, (b) the legal requirements and (c) any foreign exchange control requirements which I/we might encounter under the laws of the countries of my/our incorporation, citizenship, residence or domicile which might be relevant to the purchase, sale, subscription, holding, conversion or disposal of the shares or units in Investment Funds.

Capital guaranteed / capital preserved Investment Funds are capital guaranteed / preserved only upon redemption at maturity. Therefore, redemptions before the relevant maturity date may take place at prices that are different or substantially different from the capital guaranteed / preserved value. Capital guaranteed / capital preserved Investment Funds are not guaranteed by you or any of your affiliates.

Certain Investment Funds are not capital guaranteed / capital preserved. None of the Investment Fund, its manager, its trustee or any other relevant party is under any obligation to redeem the Investment Fund's shares or units at the price at which they were issued to or paid by me/us and I/we may lose all or a substantial part of my/our investment.

Information and contents relating to each Investment Fund are compiled and issued by or on behalf of the relevant Investment Fund and / or its manager. Certain such information and contents are exempted from pre-vetting, and therefore have not been reviewed, by the Securities and Futures Commission of Hong Kong.

Investors should note the risks of concentration of investment in a single country or market.

8.8. RISK OF TRADING NASDAQ-AMEX SECURITIES AT THE STOCK EXCHANGE OF HONG KONG LIMITED

The securities under the Nasdaq-Amex Pilot Program (“PP”) are aimed at sophisticated investors. I/We acknowledge that I/we should consult a licensed or registered person and become familiarized with the PP before trading in the PP securities. I/We 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 Stock Exchange of Hong Kong Limited.

8.9 RISK OF CLIENT ASSETS RECEIVED OR HELD OUTSIDE HONG KONG

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

9. PERSONAL DATA

- 9.1. I/We acknowledge that you are subject to the provision of the Personal Data (Privacy) Ordinance and the Personal Data (Privacy) (Amendment) Ordinance 2012 (Cap 486), which regulates your use of personal data concerning me/us. I/We confirm that the information set out in the Customer Information Statement is complete, true and correct. I/We undertake to promptly inform you in writing of any changes to that information. You are also authorized at any time to conduct credit enquiries on me/us and to verify the information provided with and including my/our bankers, brokers and any credit agency.
- 9.2. You will keep information in relation to the Account confidential, but may provide any such information to the relevant Exchange, the SFC and any other regulatory bodies to comply with their requirements or requests for information under any applicable laws or regulations, or your Group.
- 9.3. The purpose for which data relating to me/us may be used are as follow:
 - i. opening, administering and continuation of my/our Account;
 - ii. the daily operation of the loan facilities provided to me/us;
 - iii. making lending and credit analysis decision;
 - iv. conducting credit checks and ensuring ongoing credit worthiness of me/us;
 - v. determining the amount of indebtedness owed to or by me/us;
 - vi. recovering of any monies owed from or liabilities incurred by me/us and those providing security for my/our obligations;
 - vii. meeting the requirements, including the requirement to make disclosure, under of any law, rules or regulations binding on you or your Group; and/or

viii. for purposes of relating or incidental thereto.

9.4. Data held by you or your Group relating to me/us will be kept confidential but you or your Group may provide, transfer, disclose or exchange such personal data to:

- i. any actual or proposed assignee of you or your Group or participant or sub-participant or transferee of your
- ii. Group's rights in respect of me/us; any legal, accounting or professional person, firm or body; and
- iii. any government, law enforcement or other regulatory authority, body or entity under any applicable law, rules or regulations.

9.5. Use of Data in Direct Marketing

You or your Group intends to use the data about me/us in direct marketing and you or your Group requires the consent of me/us (which includes an indication of no objection) for that purpose. In this regard, please note the following:

- i. the name, contact details, products and services portfolio information, transaction pattern and behavior, financial background and statistics held by you or your Group may from time to time be used by you and your Group in direct marketing;
- ii. the following classes of services, products and subjects may be marketed:
 - a) monetary related services and products;
 - b) investment related services and products;
- iii. the above services, products and marketing subjects maybe provided or solicited by you or your Group and /or:
 - a) any member of your Group;
 - b) third party financial institutions, insurers, securities and investment services providers;
- iv. in addition to marketing the above services, products and subjects itself, you or your Group also intends to provide the data described in Section 9.5(i) above to all or any of the persons described in Section 9.5(iii) above for use by them in marketing those services, products and subjects, and you or your Group requires the written consent of me/us (which includes an indication of no objection) for that purpose;
- v. you or your Group may receive money or other property in return for providing the data to the other persons in Section 9.5(iv) above and, when requesting the consent of me/us or no objection as described in Section 9.5(iv) above, you or your Group will inform me/us if you or your Group will receive any money or other property in return for providing the data to the other persons;
- vi. I/We may, at any time, request you or your Group to cease using personal data of me/us for direct marketing purposes by writing to the Legal Compliance Department at the address provided in Section 9.7;
- vii. I/We understand that if I/we so request, any member of you or your Group is required to cease to use the data for such purpose without charge to me/us. In addition, to comply with all relevant laws, regulations, guidelines or guidance, you or your Group, while retaining such data, shall cease from using such data for direct marketing.

9.6. I/We acknowledge that under and in accordance with the terms of the Personal Data (Privacy) Ordinance (Cap 486), I/we have the right to:

- i. check whether you hold data about me/us and the right of access to such data;

- ii. require you to correct any data relating to me/us which is inaccurate; and
- iii. ascertain your policies and practices in relation to data and to be informed of the kind of personal data held by you.

9.7. In accordance with the terms of the Personal Data (Privacy) Ordinance (Cap 486), you have the right to charge a reasonable fee (except for the request mentioned in Section 9.5(vi)) for the processing of any data access request. I/We request for access to data or correction of data or for information regarding policies and practices and kinds of data held or are to be addressed to:

Data Protection Officer
Ayers Alliance Securities (HK) Limited
Suites 1812-1814, 18/F, Two International Finance Centre, No.8 Finance Street, Central, Hong Kong.
Email: compliance@aasec.com.hk

10. GENERAL

- 10.1. Any notice (other than any instructions relating to Transaction) given under this Agreement shall be in writing and may be delivered personally or sent by post or email or fax addressed to the party to which it is addressed, at the address set out in this Agreement and in the case of me/us, at the address set out in the Customer Information Statement or in both cases, at such other address as may have been notified in writing to the other party hereto.
- 10.2. Time shall be of the essence in relation to all matters arising under this Agreement.
- 10.3. You may at your discretion amend, delete or substitute any of the terms herein or add new terms to this Agreement by sending to me/us a notice in writing setting out such amendment, deletion, substitution or addition which shall be deemed incorporated herein unless objected to in writing by me/us within 7 days from the date of such notice.
- 10.4. No provision of this Agreement shall operate or remove, exclude or restrict any rights of me/us or obligations of you under the law.
- 10.5. The representations, warranties and undertakings in this Agreement shall be deemed to be repeated during the term of this Agreement.
- 10.6. This Agreement and all Transactions shall constitute valid and legal binding obligations on me/us.
- 10.7. All rights of you pursuant to this Agreement shall also apply to any broker, agent, Exchange and Clearing House involved in the Transaction.
- 10.8. For inactive Account, you reserve the right to charge a maintenance fee as may be prescribed by you from time to time.
- 10.9. If any of the provisions of this Agreement shall be held to be invalid or unenforceable by any court of competent jurisdiction or by any regulatory authority agency or body, such invalidity or unenforceability shall attach only to such provisions and the validity of the remaining provisions shall not be affected and this Agreement shall be carried out as if any such invalid or unenforceable provisions were not contained here.
- 10.10. I/We shall not assign any of my/our rights and/or obligations under this Agreement to any other person except with your prior written consent.

- 10.11. You may assign, novate and/or transfer all or any of your rights, benefits, duties or obligations under this Agreement to any person. I/We hereby undertake to take all necessary actions and execute all documents reasonably required by you in connection with any such assignment, novation and/or transfer. For this purpose, you may disclose to an assignee (whether actual or potential) or other person with whom you may propose contracting any information or data about me/us.

11. TERM, TERMINATION AND EFFECT

11.1. Term

I/We agree that this Agreement shall be deemed to take effect upon first approval by you and shall continue until the termination of this Agreement unless otherwise terminated pursuant to Clause 12.2 of this Agreement.

11.2. Termination and Effect

- 11.2.1. This Agreement shall continue in effect until terminated by either party giving not less than 7 business days prior written notice to the other.
- 11.2.2. You may terminate this Agreement forthwith at any time without notice to me/us if I/we breach any term of this Agreement or if my/our use of or actions in connection with the service are inappropriate in your reasonable opinion.
- 11.2.3. Termination of this Agreement shall not affect any rights or obligations of either parties which may already have arisen or any contractual provisions intended to survive termination.
- 11.2.4. Notwithstanding Clause 12.2.1 above, I/we shall have no right to terminate this Agreement if I/we have outstanding liabilities or obligations.
- 11.2.5. Either party may terminate this Agreement immediately on giving written notice if:
- i. either party commits a material breach of this Agreement and that breach is not capable of remedy or is capable of remedy but is not remedied within 30 days upon being served with a notice on the other party specifying the breach and requesting that it be remedied; or
 - ii. the SFC imposes obligations on you that restrict or prohibit you from performing all or any of your obligations under this Agreement.
- 11.2.6. This Agreement shall automatically terminate if:
- i. any one party to this Agreement has a receiver appointed to all or substantially all of its assets or an order shall be made or a resolution passed for its winding-up, unless such order or resolution is part of a scheme for amalgamation or reconstruction; or
 - ii. upon the effective date of termination of this Agreement:
 - a. all licenses access to the services and other rights and privileges granted to me/us will be terminated; and
 - b. I/We will not be entitled to a refund of any fees which have been paid in advance on the termination of this Agreement.

12. ACKNOWLEDGEMENT

- 12.1. I/We acknowledge and understand that though commercial and/or economic benefit may be gained from the transaction(s), I/we will also bear commercial and/or economic risk associated with such Transaction(s).
- 12.2. I/We acknowledge and agree that you may, subject to the provisions of the SFO and any applicable law, take the opposite position to my/our order in relation to any Exchange traded securities, whether on your own account or for the account of your associated company or your other clients, PROVIDED THAT such trade is executed competitively on or through the facilities of any Exchange in accordance with the rules and regulations of such Exchange.
- 12.3. I/We acknowledge that you or any of your or the Group's directors, officers, employees or agents may trade on its or their own account or on the account of any associated company of your Group from time to time.
- 12.4. In the event that I am/we are trading for the account of clients, whether on a discretionary or non-discretionary basis, and whether as agent or by entering into matching transactions as principal with my/our clients, this clause shall apply. I/We hereby agree to, without affecting any other provisions of this Agreement, in connection with any lawful request for information made to you by the relevant Exchange, the SFC and any other regulatory bodies in respect of any transaction relating to my/our account with you, abide by the following provisions:
 - 12.4.1. I/we shall immediately upon request by you (which request shall include the relevant contact details of the Hong Kong regulators), inform the Hong Kong regulators of the identity, address, occupation and contact details of the client for whose account the transaction was effected and (so far as known to me/us) of the person with the ultimate beneficial interest in the transaction. I/We shall also inform the Hong Kong regulators of the identity, address, occupation and contact details of any third party (if different from the client or the ultimate beneficiary) who originated the transaction.
 - 12.4.2. (i) if I/we effected the transaction for a collective investment scheme, discretionary account or discretionary trust, I/we shall, immediately upon request by you (which request shall include the relevant contact details of the Hong Kong regulators), inform the Hong Kong regulators of the identity, address and contact details of the scheme, account or trust and, if applicable, the identity, address, occupation and contact details of the person who, on behalf of the scheme, account or trust, instructed me/us to effect the transaction.

(ii) if I/we effected the transaction for a collective investment scheme, discretionary account or discretionary trust, I/we shall, as soon as practicable, inform you when my/our discretion to invest on behalf of the scheme, account or trust has been overridden. In the case where my/our investment discretion has been overridden, I/we shall, immediately upon request by you (which request shall include the relevant contact details of the Hong Kong regulators), inform the Hong Kong regulators the identity, address, occupation and contact details of the person(s) who has or have given the instruction in relation to the transaction.
 - 12.4.3. if I am/we are aware that my/our client is acting as intermediary for its underlying client(s), and I/we do not know the identity, address, occupation and contact details of the underlying client for whom the transaction was effected, I/we confirm that:-
 - i. I/we have arrangements in place with my/our client which entitle me/us to obtain the information set out in Clause 13.4.1 and/or 13.4.2 from my/our client immediately upon request or procure that it be so obtained; and
 - ii. I/we will, upon request from you in relation to transaction, promptly request the information set out in Clause 13.4.1 and/or 13.4.2 from my/our client on whose instructions the transaction was effected, and provide the information to the Hong Kong regulators as soon as it is received from my/our client or procure that it be so provided.

13. GOVERNING LAW

- 13.1. This Agreement shall be governed by and construed in accordance with the laws of Hong Kong Special Administrative Region of the People's Republic of China and the parties hereto agree to submit to the non-exclusive jurisdiction of the courts of Hong Kong.