



SHENYIN WANGUO SECURITIES (H.K.) LIMITED

TERMS AND CONDITIONS

relating to the sale and purchase of securities

(Cash Account)

Shenyin Wanguo Securities (H.K.) Limited

Exchange Participant of The Stock Exchange of Hong Kong Limited and
A licensed corporation to carry on Type 1 (dealing in securities) regulated activity by the
Securities and Futures Commission
CE Number AAC927

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PLEASE READ THIS DOCUMENT CAREFULLY. ITS TERMS ARE IMPORTANT.
THE PRICES OF SECURITIES CAN AND DO FLUCTUATE. SECURITIES MAY EXPERIENCE DOWNWARD MOVEMENTS AND MAY UNDER SOME CIRCUMSTANCES BECOME VALUELESS. THERE IS AN INHERENT RISK THAT LOSSES MAY BE INCURRED RATHER THAN PROFIT MADE AS A RESULT OF BUYING AND SELLING SECURITIES.

Terms and Conditions relating to the sale and purchase of securities (Cash Account)

These terms and conditions set out the rights and obligations of you (the "Client") and us, the Broker, in connection with the operation of your dealing account(s) opened or to be opened with us for dealing in and with Securities (as defined below) on a cash settlement basis. All the terms and conditions below are legally binding, so please read them carefully before you agree to be bound by them.

1. Interpretation

1.1 In these terms and conditions:

- "Access Codes"** means collectively the Password, the Login Name and such other codes or information which must be used by the Client for the use of the Online Services;
- "Account"** means one or more existing securities trading accounts, if any, already opened or if no such account exists then an account to be opened in the name of the Client with the Broker pursuant to clause 2 and any replacement or redesignation of such dealing account;
- "Authorised Person"** means, if the Client consists of one or more individuals, each such individual and any other person(s) as may from time to time be appointed by the Client and notify to the Broker in writing or, if the Client is a body corporate, any director or other person specified as an Authorised Person in the Cash Account Application Form, and in either case such other person(s) as appointed in substitution therefor or in addition thereto and notified in writing to the Broker by an Authorised Person from time to time provided that any such appointment of other Authorised Person(s) shall be effective from the time of actual receipt of notification by the Broker;
- "Broker"** means Shenyin Wanguo Securities (H.K.) Limited;
- "Broker's Group Company"** means the ultimate holding company of the Broker and each and every subsidiary of such holding company including without limitation, Shenyin Wanguo Futures (H.K.) Limited and Shenyin Wanguo Nominees (H.K.) Limited;
- "Business Day"** means any day except a Saturday, Sunday or public holiday on which banks are open for transaction of business in Hong Kong;
- "Cash Account Application Form"** Means the Application Form to open a Dealing Account (Cash Account) (incorporating, among others, an Information Statement and Risk Disclosure Statements) duly signed by the Client as well as all those documents furnished by the Client in support of its application for opening a dealing account(s) with the Broker;
- "Clearing House"** means HKSCC in relation to Stock Exchange and, in relation to any foreign stock exchange, the clearing house providing services similar to those of HKSCC to such foreign stock exchange;
- "Client Money Rules"** means the Securities and Futures (Client Money) Rules (Chapter 571I of the Laws of Hong Kong) made by the SFC under section 149 of the Securities and Futures Ordinance as amended from time to time;
- "Client Securities Rules"** means the Securities and Futures (Client Securities) Rules (Chapter 571H of the Laws of Hong Kong) made by the SFC under section 148 of the Securities and Futures Ordinance as amended from time to time;
- "Client's Group Company"** means, if the Client is a body corporate, the ultimate holding company of the Client and each and every subsidiary of such holding company;
- "Event of Default"** shall bear the meaning ascribed thereto in clause 21.1;
- "Exchange"** means the Stock Exchange and any other stock exchanges outside Hong Kong;

"HKSCC"	means the Hong Kong Securities Clearing Company Limited;
"Hong Kong"	means the Hong Kong Special Administrative Region of the People's Republic of China;
"Instructions"	includes instructions given by the Client or any Authorised Person, which in any way relate to, arise out of and/or are in connection with these Terms of Business, the Account or (without limitation to the sense of the foregoing) any services to be provided by the Broker, whether such instructions are given orally, in writing, by facsimile and/or by electronic means;
"Login Name"	means such login name assigned by the Broker to the Client for the use of the Online Services;
"Online Services"	means any service and facilities that may be provided by the Broker including without limitation any dealings relating to the Securities, upon being instructed by the Client using any communication devices approved by the Broker;
"OTC"	means Over-the-Counter;
"Password"	means the personal password used by the Client for identification purposes for the use of the Online Services;
"Securities"	includes the meaning in Schedule 1 of the Securities and Futures Ordinance, but for the avoidance of doubt, shall also include warrants, B shares, unlisted securities (including mutual funds), securities to be listed on the Stock Exchange and securities listed and/or traded on any Exchange or any OTC markets;
"Securities and Futures Ordinance"	means the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended or re-enacted from time to time;
"SFC"	means the Securities and Futures Commission;
"Stock Exchange"	means The Stock Exchange of Hong Kong Limited;
"Terms of Business"	means these terms and conditions, the Circular to Clients relating to the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong) issued by the Broker and the Cash Account Application Form and the written agreement between the Client and the Broker in respect of the Account(s) as amended from time to time, which shall be read together as one document;
"U.S. Person"	means any one or more of the following (in the case of paragraphs (i)-(iv), unless applicable laws, rules and regulations provide that such person is not subject to the United States federal income taxation on his worldwide income, in which case such person shall not be considered as a "U.S. Person"):
	(i) a citizen of the United States;
	(ii) a person that is not a citizen or national of the United States and who meets either the "green card" test or the "substantial presence" test under the Internal Revenue Code of 1986, as amended, and/or any other applicable laws, rules and regulations for the calendar year;
	(iii) a person electing to be treated as a tax resident of the United States;
	(iv) a corporation, partnership or other business organization organized or incorporated under the laws of the United States or any political subdivision thereof, any estate or trust which is administered by an executor or trustee who is a U.S. person or the income of which is subject to U.S. federal income taxation regardless of its source; any account (other than any estate or trust) held by a dealer or fiduciary for the benefit of a U.S. person and any partnership or corporation organized

and incorporated under the laws of any foreign jurisdiction which was formed by a U.S. person principally for the purpose of investing in Securities not registered under the United States Securities Act of 1933; and

- (v) any other person that is subject to the United States federal income taxation on his worldwide income regardless of its source.

1.2 In these Terms of Business, where the context allows, references to:

- (a) "dollars" denotes the lawful currency for the time being of Hong Kong;
- (b) "holding company" or "subsidiary" have the respective meanings ascribed by Section 2 of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong);
- (c) "may" when used in conjunction with powers of the Broker confers no obligation on, merely an option to, the Broker to do something, as the context requires;
- (d) any agreement or document is to such agreement or document as the same may have been, or may from time to time be, amended, varied, novated, replaced or supplemented;
- (e) statutory provisions are to those as modified or re-enacted and in force from time to time;
- (f) persons include individuals, bodies corporate, associations, partnerships and undertakings;
- (g) persons include personal representatives, successors, transferees and assigns;
- (h) words importing the singular shall include the plural and vice versa; and
- (i) clauses, parts and schedules are to clauses of, parts of and schedules to these Terms of Business.

1.3 The heading to the clauses are inserted for convenience only and do not affect their interpretation and construction.

2. **The Account**

The Client requests and the Broker agrees to open and maintain an Account in the name of the Client for the purchase, placement, investment in, holding, collection, sale, exchange or other disposal of, and all applications and general dealing in and with, all kinds of Securities (including benefits and rights attached thereto) from time to time, in accordance with the terms and conditions of these Terms of Business.

3. **Authorised Persons**

Any one of the Authorised Persons is authorised by the Client to give Instructions on behalf of the Client and the Client undertakes with the Broker from time to time and at all times to ratify and confirm any Instructions whatsoever given or purported to be given by any of the Authorised Persons for and on behalf of the Client, including without limitation, any Instructions which may be given or purported to be given by an Authorised Person between the revocation of the authority of such Authorised Person and the actual receipt by the Broker of notice of such revocation. Any Instructions given or purported to be given by any Authorised Person after revocation by the Client of his authority shall be valid and effectual in favour of the Broker if the Broker at the time of the receipt of such Instructions did not have actual notice of such revocation.

4. **Payment**

The Broker is authorised and entitled to fulfil its payment obligation to the Client pursuant to these Terms of Business by:

- (a) crediting to the Account;
- (b) sending a cheque made out to the Client for such payment by mail at the risk of the Client to the Client's last known address; and/or
- (c) depositing a cheque into or transferring payment to, a bank account of the Client and/or the payee specified in the Cash Account Application Form by the Client (subject to changes duly notified in writing to the Broker)

and by so doing the Broker shall be fully discharged from its obligations to make any payment to the Client.

5. Instructions and Dealing Practice

- 5.1 The Broker is authorised to act upon any Instructions to purchase and/or sell Securities for and on behalf of the Client and otherwise deal with Securities, receivables or monies held in or for the Account subject to the Client Money Rules and the Client Securities Rules. Notwithstanding anything in these Terms of Business implying the contrary, the Broker shall be entitled, in its absolute discretion, to refuse to carry out any Instructions and shall not be obliged to give any reasons for such refusal and shall not be liable to the Client for any direct or indirect losses, damages, claims or liabilities of any kind arising out of or in connection with its not accepting or acting on any instruction or omitting to notify the Client of such refusal.
- 5.2 Any Instructions given shall be a full, sufficient and immediate authority for the Broker. The Broker may in its absolute discretion rely upon and act in accordance with any Instructions, notices or other communications which may be given or made or purported to be given, which it has cause to believe to have emanated from the Client or an Authorised Person. The Broker shall not be under any duty to verify the identity or authority of the persons giving or making or purporting to give or make the Instructions, notices or communications. The Broker shall be entitled to treat such Instructions, notices or communications as fully authorised by and binding upon the Client and the Broker may act on or take such steps in connection with or in reliance upon such Instructions, notices or communications as the Broker may in good faith consider appropriate regardless of the nature of the transaction or the value, type and quantity of Securities involved and notwithstanding any error or misunderstanding or lack of clarity whether apparent or actual in the terms of such Instructions, notices or communications.
- 5.3 The Client confirms and agrees that, for mutual protection of the Broker and the Client, the Broker may electronically monitor or tape record all conversations with the Client and/or any Authorised Person whether conducted on the telephone or through any other media and save in the case of manifest error, the Client will accept the contents of any such electronic record or tape recording as final and conclusive evidence of the Instructions of the conversation concerned and its content.
- 5.4 Unless otherwise disclosed to the Client in writing, the Broker will act as a broker and not as a principal in relation to any transaction undertaken by the Broker pursuant to these Terms of Business. Unless otherwise proved beyond all reasonable doubt to the contrary, the Client acknowledges and agrees that any dealing in or with Securities effected by the Broker pursuant to the Instructions of the Client or any Authorised Person shall not have resulted from the selection or advice in the selection of such Securities by the Broker.
- 5.5 The Client acknowledges that by reason of physical restraints on Exchanges and/or the OTC markets and rapid changes in the prices of Securities that frequently take place, there may on occasions be a delay in dealing and that the Broker may not be able to trade in Securities at the prices quoted therefor at any specific time or at "best" or at "market" value and/or the Broker may not be able to execute the Client's orders at all. The Client further acknowledges that the Broker shall not be liable for any loss arising by reason of its failing, or being unable to comply with any terms of any order of the Client or any Authorised Person on behalf of the Client. Where the Broker is unable to perform any order in full, unless otherwise specifically instructed on the particular occasion concerned, the Broker is entitled to effect partial performance of such order without prior reference to or confirmation from the Client. The Client further acknowledges that in relation to OTC transactions, trades executed may be cancelled and void if the relevant Securities subsequently fails to list on the Exchange.
- 5.6 Unless the Client gives specific instructions to the Broker to the contrary, the Client acknowledges that all orders or requests are good for the day only and that they will lapse at the end of the official trading day of the Exchange in respect of which they are given. In the event that the Client gives specific instructions to the Broker regarding the types of order and/or the range of prices of orders, whether such instructions are given orally, in writing, by facsimile and/or by electronic means, the Client acknowledges and agrees that he understands the consequences for the specific instructions and that he will be solely responsible for the specific instructions.
- 5.7 If the Client requests the Broker and/or any Broker's nominee to apply for Securities in a new issue of Securities for listing on the Exchange (or where applicable, a rights issue or placement), the Client:
- (a) authorises the Broker and/or any Broker's nominee to make such application on behalf of the Client;
 - (b) warrants and undertakes that the application for Securities made by the Broker and/or any Broker's nominee on the Client's behalf shall be the only application made for the benefit of the Client or any person for whose benefit the Client has requested the application to be made;
 - (c) warrants that the Client will comply with the terms of the issue and in particular that, unless permitted by the terms of the issue, no other application shall be made by the Client itself or for the benefit of the Client by any other person;

- (d) authorises the Broker and/or any Broker's nominee to represent and warrant to the companies to whom applications are made for the issuing of Securities on the application form that no other application shall be made or shall be intended to be made by the Client itself or for the benefit of the Client by the Broker or any Broker's nominee or by any other person;
- (e) authorises the Broker and/or any Broker's nominee to disclose that the application made by the Broker and/or any Broker's nominee on the Client's behalf shall be the only application made or intended to be made for the benefit of the Client or any person for whose benefit the Client has requested the application to be made;
- (f) acknowledges that the authorisations, warranties, undertakings and disclosures referred to above will be relied upon by the Broker and/or any Broker's nominee in making the application and by the issuers of the Securities in deciding whether or not to allot Securities to the Broker and/or any Broker's nominee on behalf of the Client;
- (g) acknowledges that an application for Securities made by an unlisted company which does not carry on any business other than dealing in Securities and in respect of which the Client exercises statutory control shall be deemed to be an application made for the benefit of the Client;
- (h) shall indemnify the Broker and any Broker's nominee and their directors, employees and agents in full against any and all losses, damages, claims, liabilities, costs or expenses arising out of or in connection with any breach of this clause 5.8; and
- (i) waives all and any claims it may have against the Broker and any Broker's nominee and their directors, employees and agents should any Securities in the new issue not be issued to the Client unless such non-issue is due to the personal and wilful default of the Broker, done with intention to cause the loss actually suffered by the Client,

save that where the Client is also a broker, the warranties and undertaking in sub-clauses (b) and (c) above are given on a best knowledge, information and belief basis after proper full enquiry by such Client.

5.8 Notwithstanding any other term of these Terms of Business, once the Broker has executed a transaction, whether of purchase and/or sale, on the Client's behalf or account, the Client will by the settlement due date make payment to the Broker against delivery of or credit to the Client for purchased Securities, or make good delivery of sold Securities against payment as the case may be. Should the Client fail to make such payment or make good delivery of sold Securities by the due settlement date then without prejudice to any other rights of the Broker howsoever arising, the Broker is irrevocably authorised to transfer or sell any Securities held by any Broker's Group Company for the Client towards satisfaction of the Client's obligations (on any purchase transaction) and to borrow and/or otherwise acquire Securities as are necessary towards satisfaction of the Client's obligation (on any sale transaction), the Client being liable to pay to the Broker:

- (a) all costs and expenses (on an indemnity basis) arising out of or connected with the Client's failure to make due payment and/or delivery of Securities;
- (b) interest on the total amount due under clause 5.8 (a) above at the interest rate specified in clause 7.4; and
- (c) in respect of OTC transactions, any losses and expenses resulting from the Client's and/or its counterparty's settlement failures.

5.9 The Client warrants and undertakes that it will give notice in writing (including facsimile and/or email) to the Broker prior to giving instructions on a sale when such a sale order covers Securities which the Client does not itself already own (i.e. a sale generally referred to as a short sale) and whether or not such notice is given, further authorises the Broker to purchase and/or obtain at any time such Securities to cover the sale on the Client's behalf (and at the Client's expense) if the Broker in its absolute discretion decides to do so. The Client also warrants that it has made arrangements to borrow securities for settlement on or before contractual settlement date, and honestly believes that, at the time of transaction, it will be able to deliver the securities to the Broker on or before the contractual settlement date. The Client further acknowledges and agrees that only designated Securities can be sold short and further agrees to indemnify the Broker against any loss, damages or claim that may arise as a result of such short selling.

5.10 Without prejudice to clause 5.9 above, in respect of each short selling order to be transacted at or through the Exchange upon Client's instruction, the Client hereby confirms that it understands and agrees to comply with the relevant provision of section 170 and 171 of the Securities and Futures Ordinance, its related subsidiary legislation and any other applicable laws, rules and regulations, and agrees to ensure compliance by the Client and any other relevant persons.

- 5.11 If the Client exceeds the trading limit as may be determined from time to time by the Broker, then if that overtrading is noted before the execution of any order, then the Broker may, without giving notice to the Client and without being liable therefor, decline to execute the order concerned.
- 5.12 If the Client or an Authorised Person is acting on behalf of any one else other than the Client when giving Instructions to the Broker, the Broker will and is entitled to treat the Client alone as its client for all purposes and the Client will be liable accordingly. This applies even if the Client or Authorised Person has informed any of the Broker's staff or agents that it is acting on behalf of another.
- 5.13 The Client acknowledges that all transactions for the Account may be effected by the Broker directly on any Exchanges where the Broker is authorized to deal in Securities, or, at its option, on any Exchanges or OTC markets where appropriate, indirectly through any other execution broker or agent which the Broker may, at its discretion, decide to appoint and the Client:-
- (a) shall be liable for any direct or indirect loss, damage or expense or consequential loss, damage or expense suffered by the Client by virtue of any delay in acting on any Instructions or any partial completion of or failure or inability to act on any Instructions by the Broker's execution broker for whatsoever reason unless due to gross negligence, wilful default or misconduct on the part of the Broker;
 - (b) understands that the Broker does not warrant to the Client the value, merit or suitability of any Securities transactions entered into by the Client;
 - (c) assumes full risks of the execution broker's or the agent's performance and full responsibility or suitability of the OTC transaction save and except for gross negligence, wilful default or misconduct on the part of the Broker; and
 - (d) agrees that the Broker is acting as agent for the Client and does not guarantee the settlement of OTC transactions (including without limitation trading of any new Securities before their listing on the Exchange, entered or to be entered into by the Client).
- 5.14 Subject to applicable laws and regulations and market requirements, the Broker may in its absolute discretion determine the priority in the execution of its clients' orders, having due regard to the sequence in which such orders were received, and the Client shall not have any claim of priority to another client in relation to the execution of any order received by the Broker.

6. Commissions and Expenses

- 6.1 The Client shall on demand pay the Broker commission on purchase, sales and other transactions for the Account at such rates as the Broker may from time to time have notified the Client or as otherwise prescribed by the Broker as being the rates applicable to the Account. The Broker shall be entitled to debit the Account with all commission payable pursuant to this clause together with all stamp duties, charges, transfer fees, registration fees, interest, levies and other expenses in respect of or in connection with the Account or any Securities, receivables or monies held in or for the Account or any transaction in respect of such Securities, receivables and monies. The Client shall forthwith (without the need for a demand) reimburse the Broker for all fees and expenses of any agents and nominees engaged by the Broker and any other expenses incurred by the Broker or such agents or nominees in connection with transactions conducted on behalf of and services rendered to the Client pursuant to these Terms of Business.
- 6.2 The Broker reserves the right to charge the Client a periodic account maintenance fee or such other charges as determined by the Broker if the average daily credit balance of the Account shall in any time period from time to time specified by the Broker falls below an amount as the Broker from time to time determines or the Account shall remain dormant for such period of time as the Broker shall determine from time to time. The Broker shall be entitled to debit the account maintenance fees or other charges payable by the Client to any account of the Client with the Broker or any other Broker's Group Company at any time. Without prejudice to any other right of the Broker, if the Client has insufficient funds in the Account to cover fees and charges payable by the Client, the Broker shall be entitled to terminate or suspend the Account or the whole or part of the services provided by the Broker without prior notice to the Client.
- 6.3 The Client acknowledges and agrees that the Broker shall, at its absolute discretion, be entitled to solicit, accept and retain any benefit in connection with any transaction effected with any person for the Client pursuant to the terms and subject to the condition of these Terms of Business, including any commissions, rebates or similar payments received in connection therewith, and rebates from standard commissions charged by brokers or other agents to their clients. The Broker shall also, at its absolute discretion, be entitled to offer any benefit in connection with any transaction effected with any person for the Client pursuant to the terms and subject to the conditions of these Terms of Business, including any benefit relating to the commission or similar payments in connection therewith.

7. Monies in the Account

7.1 The Client shall provide the Broker with cleared funds or arrange for the Broker to be put in cleared funds in good time to enable it to discharge any liability incurred or to be incurred in connection with transactions conducted on behalf of the Client and shall on demand (even before the settlement date) reimburse the Broker for all costs and expenses incurred (or to be incurred) by or in connection therewith and settle any debit balance on the Account.

7.2 The Client acknowledges that the Broker shall be entitled to deposit the monies held or received by the Broker from or on behalf of the Client into one or more segregated accounts each of which shall be designated as a trust account or client account and shall be established and maintained with an authorised financial institution or any other person approved by the SFC for the purposes of section 4 of the Client Money Rules.

7.3 The Client agrees that the Broker and any Broker's Group Company shall be entitled to apply the monies held or received by the Broker in one or more segregated accounts on behalf of the Client to:-

- (a) meet the Client's obligations to meet settlement and/or margin requirements in respect of dealing in Securities carried out by the Broker on behalf of the Client;
- (b) pay any sum that the Client owes to the Broker in respect of dealing in Securities by the Broker on behalf of the Client; or
- (c) pay any sum that the Client owes to the Broker's Group Company in respect of the receipt or holding of monies for or on behalf of the Client by the Broker's Group Company.

7.4 The Client undertakes to pay interest to the Broker in respect of any debit balance on the Account or any amount otherwise owing to the Broker at any time at such rate as may be notified from time to time to the Client or failing any such notification, at a rate per annum equivalent to **6.5% above** the higher from time to time of either:

- (a) the Broker's cost of funds (as determined by the Broker); or
- (b) the prevailing borrowing interest rate of the currency concerned, quoted by a pre-dominant bank that the Broker may select and as specified by the Broker from time to time.

Interest under this clause shall accrue on a day-to-day basis and shall be charged to and paid by the Client on the last day of each calendar month or upon any demand for such interest being made by the Broker.

7.5 If any money is to be credited directly to a bank account of the Broker instead of by cheque or cashier's order in favour of the Broker, then the risk of that money being miscredited and/or misappropriated is borne by the Client solely. Further the Client must in any event:

- (a) quote the relevant Account number with the Broker on the pay-in slip or transfer instruction;
- (b) provide the Broker with a copy of the pay-in slip and written instructions as to the use of the money so paid in on the same day as the payment is made; and
- (c) give such further notice(s) in writing to the Broker in such form as may be required from time to time by the Broker

and the Client's failure to do so will mean that if such failure causes a delay in the funds being credited to the Account and a debit balance on the Account results, then clause 7.4 will apply (and the Client will pay interest accordingly) until the funds are actually credited to the Account, notwithstanding that the Broker actually has the money in its bank account.

8. Foreign Currency Transactions

8.1 The Account shall be maintained in dollars or such other currencies as the Broker may agree from time to time with the Client. If the Broker is instructed (or if the circumstances require) to effect any sale or purchase of Securities on an Exchange in a currency other than dollars, any profit or loss arising as a result of a fluctuation in the exchange rate between such currency and dollars will be entirely for the account of the Client. The Broker may convert funds in the Account or any other account held in the name of the Client into dollars at such rate of exchange as the Broker shall in its sole discretion determine (in the absence of manifest error) as being a fair rate applicable on the conversion date. The Broker may further charge the Client a conversion charge of no more than 1% of the amount converted. Any conversion from one currency into another required to be made for performing any action or step taken by the Broker under this Agreement may be effected by the Broker in such manner and at such time as it may in its absolute discretion decide.

8.2 All payments to be made by the Client to the Broker in a currency other than dollars shall be in freely transferable and immediately available funds clear of any taxes, charges or payments of any nature when received by the Broker.

9. Securities in the Account

9.1 The Broker shall be authorised and entitled to:-

- (a) deposit the Client's Securities in safe custody in a segregated account which is designated as a trust account or client account and established and maintained by the Broker or its associated entities for the purpose of holding Client securities with an authorised financial institution, an approved custodian, or another intermediary licensed for dealing in securities pursuant to section 5 of the Client Securities Rules; or
- (b) register the Client's Securities in the name of the Client or an associated entity of the Broker.

9.2 Unless provided under these Terms of Business or otherwise agreed by the Client and the Broker, the Broker shall not deposit, transfer, lend, pledge, re-pledge or otherwise deal with any of the Client's Securities or securities collaterals without the oral or written direction or standing authority from the Client.

9.3 Subject to the Securities and Futures Ordinance and any other applicable laws, rules and regulations, the Client authorises the Broker to dispose or initiate a disposal by the Broker's associated entities any of the Client's Securities or securities collateral in settlement of any liability owed by or on behalf of the Client whether to the Broker, whether to the Broker's associated entities or a third party and the Client agrees that the Broker shall have the absolute discretion to determine which of the Client's Securities or securities collateral are to be disposed of.

9.4 The Client represents and warrants to the Broker that it has good unencumbered title to all Securities which the Client instructs the Broker to sell (save for any encumbrance created over such Securities in favour of the Broker or any Broker's Group Company) and undertakes to deliver scrip for such Securities no later than noon on the settlement date, failing which the Broker may purchase and/or otherwise obtain such Securities at the Client's expense so that the Broker can comply with the relevant rules of the Exchange applicable thereto.

9.5 Any obligations of the Broker to deliver, to hold in safe custody or otherwise to register in the name of the Client, Securities purchased or acquired by it on behalf of the Client shall be satisfied by the delivery, the holding, or registration in the name of the Client or its nominee Securities being identical with such Securities in terms of number, class, denomination, nominal amount and rights attached thereto (subject always to any capital reorganisation which may have occurred in the meantime) and the Client specifically authorises the Broker to part with the possession of or otherwise deal with any such Securities purchased or acquired by it on behalf of the Client in such manner as it in its absolute discretion shall determine provided that it is able to comply with such foregoing obligations and procures that amounts equal to any amounts payable in respect of such Securities (by way of dividend or otherwise) are credited to the Client and the Client obtains the benefit of entitlements which are identical with any entitlements arising in relation to such Securities.

9.6 Where any Securities are held in accordance with clause 9.1, the Broker has absolute discretion, subject to applicable laws and regulations, to decide whether or not to attend any meeting or exercise any voting rights or other rights. The Broker has no duty to act on or inform the Client to act on any rights with regard to the Securities. The Broker shall not be responsible to inform the Client or to send to the Client such notices, communications, proxies and other documents received by the Broker with regard to the Securities or their related rights (including but not limited to placement). The Broker has the right to charge the Client a service fee in relation to the taking of any action pursuant to the Client's Instruction.

10. Withdrawal from the Account

Subject to the prior discharge in full of all sums or liabilities, actual or contingent, owed by the Client or any Client Group Company to the Broker or to any other Broker's Group Company, the Broker shall as soon as reasonably practicable after having been required to do so in writing by the Client or any Authorised Person on behalf of the Client:-

- (a) procure the registration of any Securities from time to time forming part of the Account in the name of the Client or its nominee or deliver the documents representing such Securities to the Client or its nominee whereupon such Securities shall cease to form part of the Account; and
- (b) transfer any sum standing to the credit of the Account to the Client in accordance with clause 4.

11. Additions to and Interest on the Account

- 11.1 The Client may at any time transfer or procure the transfer of additional monies to be credited to the Account and the Broker shall procure that any such monies are so credited to the Account without undue delay following receipt of such monies, save and except permitted under the Client Money Rules or any other applicable laws, rules and regulations.
- 11.2 All dividends or other distributions in respect of Securities held for the Client as are received by the Broker shall be credited to the Client as per clause 4 of these terms and conditions.
- 11.3 After any of the Client's money has been paid into a segregated account pursuant to Rules 4(1) of the Client Money Rules or any other applicable laws, rules and regulations, the Client authorises and directs the Broker (if the Broker deems it advisable) to transfer any such money and place it on deposit elsewhere (separately or together with the money of other parties) PROVIDED ALWAYS that such money is deposited with a bank (as that term is defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)). If the Broker does so and the Account (being maintained in dollars or such other currencies as the Broker may agree from time to time with the Client) remains in credit for a period of time above a minimum level (such period and minimum level to be determined by the Broker in its sole discretion from time to time), the Broker will on the last day of each calendar month credit the Account with interest. Such interest shall be calculated at such rate at the lower of either (a) the actual amount of interest accrued on the relevant part of the Client's money or (b) the amount of interest determined by the Broker in line with the standard savings rate available at the authorised financial institution concerned for the relevant part of the Client's money. The Broker is entitled to keep any balance of interest accrued for itself, without having to notify the Client of, or account to the Client for that balance.

12. Information and Confidentiality

- 12.1 The Broker shall within the period from time to time specified under the Securities and Futures Ordinance, the Rules of the Exchange or any other applicable laws, rules and regulations send to the Client (or otherwise if the Client so directs and the Broker agrees) copies of any contract notes, confirmations or statements relating to any transactions in Securities effected by the Broker on behalf of the Client and send a monthly statement which summarises entries in the Account including where relevant collection of dividends and payment of interest. The Client undertakes to inform Compliance Department of the Broker immediately in writing if the Client:-
- (a) does not receive a contract note, confirmation or statement within such specified period;
 - (b) receives a contract note, confirmation or statement that is not consistent with the order placed;
 - (c) receives a contract note, confirmation or statement of execution or cancellation of an order that the Client did not place; or
 - (d) receives a contract note, confirmation or statement reflecting inaccurate orders, trades, account balances, Securities positions.
- 12.2 The Broker shall make available such information relating to the Account as the Client may from time to time reasonably require.
- 12.3 Confirmations in writing of the execution of the Client's orders, contract notes and statements of the Account shall, in the absence of manifest error, be conclusive of the matters stated therein (including any and all receipts and/or payments of money) and shall be deemed to have been accepted by the Client if not objected to in writing by the Client within two weeks after despatch thereof to the Client under clause 12.1.
- 12.4 The Client authorises any Broker's Group Company to conduct credit enquiries from time to time for the purpose of ascertaining the financial situation and/or investment objectives of the Client.
- 12.5 The Broker and any Broker's Group Company may (whether during the continuance or after the termination of these Terms of Business and with or without notice to the Client), disclose to any other Broker's Group Company (and any actual or potential assignee or transferee of these Term of Business or any person who may otherwise enter into contractual relations with the Broker in relation to these Terms of Business or the Account), any information relating to the Client and/or these Terms of Business and/or the Account as the Broker shall in its discretion consider appropriate.

- 12.6 The Client agrees that the Broker shall be authorized to disclose any information it has concerning the Client, the products and the investment services. Where disclosure is otherwise required or requested by any applicable market requirements or audit requirements, any court order, any regulatory, governmental or other authority or body which has jurisdiction over the Broker, its agent, nominee or delegate or the Client, any relevant Exchange, Clearing House, tax authority, share registrar or any other service providers of the Broker or the Broker's Group Company or any internal policies of Broker relating to any investigation or enquiry being undertaken by them.
- 12.7 The Broker will comply with the provisions of the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong) so that for example the Client, if a natural person, shall upon giving reasonable notice to the Broker and upon payment of any prescribed fee, be entitled to see the Broker's data on the Client and to have any inaccuracy corrected.

13. Conflict of Interest

- 13.1 Nothing contained in these Terms of Business shall be deemed to prohibit or inhibit the Broker from, and the Client consents to the Broker, acting in any capacity for any other person, purchasing for the Account Securities held by it for its own account or held by any other of its clients or purchasing for its own account or for the account of any other of its clients Securities forming part of the Account (provided that in any case the terms of the purchases are not less favourable to the Client than they would have been had the transaction been entered into with a party other than the Broker or one of its clients). The Client shall not make any claims against the Broker or any Broker's Group Company in relation to any such transactions including without limitation any claims to the effect that the Broker should account to the Client for any commission, profits or any other benefits whatsoever earned by the Broker in relation to any such transactions.
- 13.2 Subject to the Securities and Futures Ordinance and any other applicable laws, rules and regulations, the Broker may take the opposite position to orders of the Client whether it is on the Broker's own account or for the account of any Broker's Group Company or on behalf of other clients of the Broker and unless otherwise notified in writing by the Client, the Broker may aggregate the Client's orders with those of its own and any Broker's Group Company and other clients of the Broker. This may result in a more favourable or less favourable price being obtained for the Client than executing the Client's orders separately. Where there are insufficient securities to satisfy orders so combined, the transactions will be allocated between clients with due regard to market practices and fairness to clients.
- 13.3 The Broker shall have no duty to disclose to the Client any fact or thing which comes to its notice in the course of acting in any capacity for any other person or in its own capacity.

14. Set-Off and Combination of Accounts, Lien and Charge over Account

- 14.1 Notwithstanding anything to the contrary contained in these Terms of Business or in any other agreement between any Broker's Group Company and the Client or any Client's Group Company, the Client (for itself and on behalf of any Client's Group Company) irrevocably agrees and confirms that the Broker and/or any Broker's Group Company may set-off and withhold from and apply Securities, receivables or monies held in or for the Account or any other account with the Broker and/or any other Broker's Group Company against and in whole or partial payment of any sum or liability (of whatsoever nature whether primary, collateral, several or joint or in other currencies and whether or not in connection with the Account) owed by the Client or any Client's Group Company to the Broker or any other Broker's Group Company.
- 14.2 For the purpose of exercising the foregoing right of set-off or of discharging any other obligation or liability of the Client or of any Client's Group Company to the Broker or to any other Broker's Group Company, the Broker at its sole discretion may sell or dispose of any of the Securities or receivables from time to time held in or for the Account or any other account with the Broker as the Broker may think appropriate. The Broker shall be under no duty (unless imposed as a matter of mandatorily applicable law) to account to the Client as to the price obtained in respect of any such sale or disposal.
- 14.3 Without prejudice to the generality of clauses 14.1 and 14.2 above, if the Client or any Client's Group Company has more than one account with the Broker or any Broker's Group Company, the Broker and any Broker's Group Company may at any time combine or consolidate all or any such accounts and set-off or transfer any sum standing to the credit of any one or more of such accounts in or towards satisfaction of any obligations or liabilities of whatsoever nature to any Broker's Group Company in respect of any other accounts.
- 14.4 Without prejudice and in addition to any general lien, rights to set-off or other rights which the Broker may have over the Securities, receivables or monies held in the Account, all such Securities, receivables or monies shall be subject to a general lien for the discharge of all obligations due by the Client to the Broker.

- 14.5 All Securities and all of the rights of the Client in respect of all Securities which are now or shall come into the possession, custody or control of the Broker or the Broker's agents or nominees from time to time for any purpose whatsoever (which shall include any additional or substituted Securities and all dividends or interest paid or payable, rights, interests, monies or property accruing or offered at any time by way of redemption, bonus, preference option or otherwise on or in respect of such Securities or additional or substituted Securities), receivables and monies held in or for the Account ("Charged Securities") shall be charged to the Broker by the Client as beneficial owner as continuing security (the "Broker's Charge") for the payment of all monies and liabilities whether actual or contingent which are now or at any time hereafter may be due, owing or incurred from or by the Client or by any Client's Group Company to the Broker or any other Broker's Group Company in connection with the operation of the Account and all costs, charges and expenses incurred by the Broker or any Broker's Group Company in the exercise or enforcement of this Broker's Charge.
- 14.6 If there is any Event of Default, the Broker's Charge shall be immediately enforceable and the Broker may (in its sole discretion exercised from time to time) without giving notice to the Client transfer or set-off the whole or any part of any monies comprised in the Charged Securities in or towards payment or discharge of any of the monies or liabilities secured by the Broker's Charge and/or sell or dispose of the Charged Securities or any part thereof either by dealings through any broker (including the Broker) or by public or private sale or in such other manner and for such consideration (whether payable or deliverable immediately or by instalments) as the Broker may think fit without being in any way responsible for any loss occasioned thereby however arising.
- 14.7 Without prejudice to the generality of clause 14.6 above, the Broker shall be entitled to appropriate to itself or sell or dispose of the Charged Securities or any part thereof at the current market price thereof to any Broker's Group Company without being in any way responsible for any loss occasioned thereby however arising and without being accountable for any profit made by the Broker and/or any other Broker's Group Company.
- 14.8 If less than all of the Charged Securities are to be sold or disposed of, the Broker may in its absolute discretion select which of the Charged Securities are to be sold or disposed of, and in the event of any deficiency after the sale of the Charged Securities the Client undertakes to make good and pay to the Broker such deficiency immediately without demand.
- 14.9 The amounts realised by the exercise or enforcement of this security shall be applied against the liabilities of the Client or any Client's Group Company in such order of priority as the Broker may in its absolute discretion determine before any balance is paid to the Client or other person entitled.
- 14.10 The Broker's Charge is in addition to and without prejudice to any collateral or other security which any Broker's Group Company may by these Terms of Business or otherwise now or hereafter hold from or on account of the Client or any Client's Group Company and shall be continuing security notwithstanding any intermediate payment or settlement of account or satisfaction of the whole or any part of any sum or sums of money owing by the Client or any Client's Group Company.
- 14.11 Any monies realised pursuant to this security may be placed and kept to the credit of a suspense account for so long as the Broker or the relevant other Broker's Group Company may in its absolute discretion determine, without any obligation in the meantime to apply the same or any part thereof in or towards discharge of any monies or liabilities due to or incurred by the Client or any Client's Group Company to the Broker or any Broker's Group Company.
- 14.12 This security shall not be prejudiced by any change in the Memorandum or Articles of Association or their equivalent constitutional documents of the Client or the authority of any of the Authorised Persons and shall not be discharged by any amendment or variation to any provision of these Terms of Business or by the liquidation, insolvency or bankruptcy of the Client, any Client's Group Company or any Authorised Person.
- 14.13 For the avoidance of any doubt, once there has been an Event of Default the Broker shall have full and unfettered discretion from time to time to decide whether and/or when to sell and/or dispose of any of the Charged Securities and shall not be liable to the Client for any losses howsoever or whatsoever caused in so selling and/or disposing or (as the case may be) for not so selling and/or disposing at any particular time(s).
- 14.14 Upon any sale by the Broker a declaration made by an officer of the Broker that the power of sale has become exercisable shall be conclusive evidence of the fact in favour of any purchaser or other person deriving title to any of the Charged Securities under the sale.

15. Exemption Clause

15.1 The Client acknowledges and agrees that:

- (a) The Broker shall not be liable for any delays or errors in carrying out any Instruction or be liable for any failure to carry out any Instruction due to error, interruption or malfunction of any equipment, facilities or any other reasons uncontrollable by the Broker; and
- (b) The Broker does not guarantee the timeliness, accuracy, order, completeness, reliability or content of any information disseminated or received from or through Online Services or any other means.

15.2 Neither the Broker nor its agents or nominees shall be liable in respect of any call, instalment or other payment relating to Securities in or held by the Broker or its agents or nominees for the Account.

15.3 Neither the Broker nor any Broker's Group Company nor any of its/their officers employees or agents shall be liable to the Client for any direct or indirect loss or damage suffered by the Client or any Client's Group Company arising out of or in connection with any act or omission in relation to the Account, including but not limited to acting on the telephone instructions of any unauthorised persons, or acting on instructions transmitted by facsimile upon which the signature(s) has been forged, or acting on instructions transmitted by electronic means, unless such loss or damage results from the fraud or personal and wilful default of the Broker (or as the case may be, the relevant other Broker's Group Company) done with intent to cause the loss or damage in question.

16 Liability and Indemnity

16.1 In the absence of gross negligence, bad faith or wilful default of or by the Broker, the Broker shall not under any circumstances whatsoever be liable to the Client in respect of any loss, damage, injury sustained or liability incurred by the Client by reason of any act, advice, statement (express or implied), default or omission of the Broker or its directors, employees, agents or representatives, whether such loss, damage, injury or liability is caused by breach or otherwise by the Broker or its directors, employees, agents or representatives or howsoever caused.

16.2 The Broker and its directors, employees or agents shall not under any circumstances whatsoever be liable (whether in negligence or otherwise) for any direct or indirect loss, expense or damage suffered by the Client as a result of:

- (a) the Broker acting or relying on any Instruction given by the Client whether or not such Instruction was given following any recommendation, advice or opinion whether expressed or implied given by the Broker or its directors, employees or agents; or
- (b) any uncontrollable events including without limitation to government restrictions, imposition of emergency procedures, Exchange rulings, third party conducts, suspension of trading, breakdown or collapse of communication facilities, war, strike, market conditions, civil disorder, act or threatened acts of terrorism, natural disasters, or any other circumstance beyond Broker's control whatsoever, including any error, deficiencies associated with data, computations, output, operations and other functions of equipments and related software of the Broker and/or its agents, suppliers, vendors or counterparts.

16.3 Without limiting the generality of clauses 16.1 and 16.2, neither the Broker nor any of its directors, employees agents or representatives shall have any liability whatsoever (whether in contracts, negligence or otherwise) for any loss, expense or damage, whether direct or indirect, suffered by the Client arising out of or alleged to arise out of or in connection with any inconvenience, delay, malfunction or loss resulting from the use of the Online Services or any delay or alleged delay in acting or any failure to execute any Instruction.

16.4 The Client undertakes to indemnify and keep the Broker indemnified in respect of any costs, claims, demands, damages and expenses whatsoever which may be suffered or incurred by the Broker directly or indirectly arising out of or in connection with any transaction entered into by the Broker as agent on behalf of the Client or otherwise arising out of anything done or omitted to be done by the Broker in accordance with the Terms of Business or pursuant to any Client's Instruction or communication. The Client also agrees to pay promptly to the Broker, on demand, all damages, cost and expenses (including but not limited to legal expenses on a full indemnity basis) reasonably and properly incurred by the Broker in the enforcement of any of the provisions of these Terms of Business.

- 16.5 The Client agrees to indemnify the Broker and the Broker's directors, employees, agents and representatives against and hold them harmless from all damages, costs, expenses, liabilities, claims and demands arising out of or in connection with any breach or default by the Client of its obligations under these Terms of Business, including any legal costs and collection agency fees on a full indemnity basis and any other costs incurred by the Broker in enforcing its rights and recovering any debts due to the Broker in connection with the Account.
- 16.6 The Client agrees to indemnify fully and completely the Broker and any other Broker's Group Company and their officers, employees and agents against all costs, claims, liabilities and expenses arising out of or in connection with the performance or exercise of their duties or discretion under these Terms of Business (including without limitation crediting the Charged Securities to any account maintained by them with HKSCC or Clearing House) or arising out of or in connection with any breach by the Client of the obligations of the Client to the Broker or to any Broker's Group Company or if any representation or warranty made by the Client or if any representation or warranty made by the Client becomes untrue or inaccurate.
- 16.7 The Client acknowledges and agrees that the Broker shall not be obliged to make or handle any tax reporting in relation to any Securities for or on behalf of the Client.
- 16.8 Clause 16 shall subsist despite the termination of these Terms of Business.

17 Use of the Access Code and the Online Services

- 17.1 Subject to this clause 17, the Client may use the Online Services after the Broker has issued the Password to the Client. The Login Name and the Password shall remain effective until (i) actual receipt of a notice of amendment from the Client by any means stipulated by the Broker; or (ii) amendment by the Broker. This clause is made without prejudice and in addition to other clauses in these Terms of Business.
- 17.2 The Client shall keep the Access Codes confidential and shall not disclose them to any person not authorized to operate the Accounts. The Client shall not store the Password on any computer which may be accessed by any unauthorized person. The Client shall be solely responsible for any disclosure of the Access Codes to any third party or any unauthorized use of the Access Codes.
- 17.3 So long as the Password is used in identification of the source of Instructions, such Instructions shall be deemed to have originated from the Client, as authentic, complete, accurate and binding on the Client, whether or not such Instructions was in fact given by the Client.
- 17.4 The Client shall review all Instructions carefully before giving them to the Broker. Instructions may only be revoked before its execution and with the Broker's consent. The Broker shall only be deemed to have received Instructions after it has or has had a reasonable opportunity to confirm the Password, the Login Name or other relevant information. The Broker may require the Client to supplement or confirm Instructions by any methods, in which case the Broker shall only be deemed to have received the Instructions after it has or has had the reasonable opportunity to verify such supplemented or confirmed Instructions.
- 17.5 The Client agrees that (i) the use of the Access Codes and the Online Services is at the Client's sole risk; and (ii) the Broker's only duty in relation to Instructions is to check the Password which has been used to identify the source of the Instructions and the Broker has no other responsibility whatsoever to investigate or verify the authenticity, signature, proper authorization, accuracy or completeness of Instructions.
- 17.6 The Client shall ensure and represent that all Instructions will be given in compliance with any applicable laws of the relevant jurisdiction from which the Instructions are given and shall where necessary consult legal advisers of the relevant jurisdiction.
- 17.7 In the event that the Online Services becomes temporarily inaccessible, the Client may during such period continue to operate the Accounts by telephone or facsimile or other communication devices subject to the right of the Broker to obtain such information for verification of the identity and Instructions of the Client as the Broker may from time to time think fit.
- 17.8 The Client agrees to pay any taxes or charges payable to relevant authorities in respect of any Instructions given. The Broker shall be entitled to charge the Client a fee for using the Online Services as may be notified to the Client from time to time.

17.9 The Client shall forthwith notify the Broker if:

- (a) the Client fails to receive an accurate and complete confirmation of Instructions before the end of the Business Day following the date on which the Instructions were given;
- (b) the Client receives a confirmation of Instructions in respect of which the Client has not given any Instructions; and
- (c) the Client becomes aware of any unauthorized use, loss or theft of the Access Codes.

17.10 The Client acknowledges and undertakes that:-

- (a) the Broker shall not be liable to the Client for: (i) any delay or error in the execution of Instructions; or (ii) non-execution of Instructions, due to any error, interruption or non-availability of any equipment, facilities or other circumstances which are not actually foreseen by or actually known to the Broker or which are beyond the control of the Broker;
- (b) the Broker has not made any representation or guarantee in relation to the timeliness, accuracy, sequence, completeness, reliability or content of any information disseminated or accessible through the Online Services and the Broker shall not be liable for all liabilities arising out of or in connection with any reliance on such information;
- (c) the Broker may use authentication technologies as appropriate with respect to the Online Services;
- (d) all Instructions are based on the Client's own judgment and at his own discretion notwithstanding any information, suggestion or documents the Broker may have provided to the Client;
- (e) if required by the laws, rules and regulations of any relevant jurisdiction or on any other reasonable ground, the Broker may, in its sole discretion and without prior notice restrict, suspend or terminate the Client's use of the Online Services;
- (f) the Client is only a licensee in respect of all software and other materials provided to the Client for using the Online Services and the Broker retains all intellectual property over such software and materials;
- (g) the Client shall not, and shall not seek to, tamper with, modify, decompile, reverse engineer, damage, destroy or otherwise alter in any way the Online Services and material provided to the Client, nor to gain unauthorised access to the Online Services;
- (h) the Client shall notify the Broker if the Client becomes aware of any of the acts described in paragraph 17.10(g) above is being perpetrated by any person;
- (i) the Client shall indemnify the Broker, on a full indemnity basis and on demand, for all loss or damage the Broker may suffer as a result of the use of the Online Services;
- (j) the Client shall comply with the operational rules and procedures of the Online Services as may be formulated by the Broker from time to time; and
- (k) the Client assumes full responsibility and risk of loss, damages and liabilities of any kind whatsoever resulting from its use of, or access to data, files, information, content, or other materials on or through the Online Services.

18. Applicable Rules and Regulations

18.1 Every transaction in Securities made for or on behalf of the Client and duly concluded through and recognised by the Exchange is subject to the relevant provisions of the constitution, rules, regulations, bye-laws, customs and usages of the Exchange, the Clearing House, the relevant regulatory bodies, and the laws, rules and regulations of the jurisdiction where the Instructions are executed, performed, cleared or settled.

- 18.2 Every transaction executed on the instructions of the Client and concluded through the Exchange is subject to a transaction levy and any other levies from time to time imposed by the Exchange. The Broker is authorised to collect the appropriate transaction levy or other levies in accordance with the rules prescribed by the Stock Exchange (or, where applicable, any other Exchange) from time to time.
- 18.3 The rules of the Exchange and the Clearing House, in particular those rules which relate to trading and settlement, are binding on both the Broker and the Client in respect of transactions concluded through the Exchange on the instructions of the Client.
- 18.4 If the Broker commits a default as defined in Part XII of the Securities and Futures Ordinance and a qualifying Client thereby suffers a pecuniary loss, the qualifying 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. The qualifying Client's right to claim under the compensation fund shall be restricted to the extent provided for in the Securities and Futures Ordinance and its rules and regulations.
- 18.5 Where transactions are conducted on the OTC market and/or an Exchange other than the Stock Exchange, the Client accepts that:
- (a) other relevant laws, rules, regulations and provisions of the jurisdiction or the OTC market where the Instructions are executed, performed, cleared or settled may well apply to the matters covered in the rest of this clause 18;
 - (b) the Client may have varying level and type of protection in relation to transactions conducted through different Exchanges and/or OTC market ; and
 - (c) great care has been taken to familiarise itself with the rules and provisions that apply to the transactions aforesaid and not to rely on the Broker in that regard.

19. Negative Pledge

The Client agrees (unless with the Broker's prior written consent) not to, and not to purport to, sell, grant an option over or otherwise deal in any way with or create or allow to subsist a charge, pledge or other encumbrance over the Account or any Securities, receivables or monies held in or for the Account other than pursuant to the terms of these Terms of Business.

20. Suspension & Termination

- 20.1 The Broker reserves the right at any time and from time to time, without having to give any reason or explanation, to nullify, rescind, reject or adjust any order or transaction, or to suspend, freeze or terminate the Account and/or the provision of any or all services to the Client or to take any other action that the Broker determines is necessary, in its sole discretion, in response to any potentially fraudulent, illegal, or otherwise improper or suspicious activity in the Account, and without being liable and held responsible in anyway for any direct or indirect loss (including but not limited to loss of profit), damages, loss of any fees, costs or expenses of any kind of the Client resulting therefrom.
- 20.2 The rights and obligations of the Client and the Broker in respect of the Account may be terminated by at least three (3) Business Days written notice given at any time by the Client to the Broker (or vice versa) without prejudice to any rights, powers or duties of the Broker or the Client in connection with the Account prior to receipt of such notice, and such rights, powers and duties will subsist under the terms of these Terms of Business until they are discharged in full.

21. Event of Default

- 21.1 Any one of the following events shall constitute an event of default ("Event of Default"):-
- (a) the Client's failure to pay when due any money whatsoever to the Broker or to a Broker's Group Company;
 - (b) the death or insanity (in the case of an individual Client) and/or the filing of a petition in bankruptcy, winding up or the commencement of other analogous proceedings against the Client and/or any person who is a guarantor of the Client's obligations to the Broker or Broker's Group Company;
 - (c) the levying of attachment against the Account;
 - (d) default by the Client in the due performance or observance of any terms of these Terms of Business;
 - (e) any representation or warranty made by the Client in any document delivered to the Broker being or becoming untrue;

- (f) any consent, authorisation or board resolution required by the Client to enter into these Terms of Business being wholly or partly revoked, suspended, terminated or ceasing to remain in full force and effect;
- (g) the Client exceeding the trading limit as from time to time determined by the Broker;
- (h) in the sole opinion of the Broker,
 - (i) the Securities market is subject to an unusual degree of price fluctuation; or
 - (ii) there appears to be a material adverse change in the Client's business, assets or financial condition; or
- (i) the occurrence of any event which, in the sole opinion of the Broker, might adversely affect any of its rights or remedies under these Terms of Business.

21.2 If an Event of Default occurs:

- (a) the Broker may at its sole discretion:-
 - (i) cancel any or all outstanding orders or any other commitments made on behalf of the Client; and
 - (ii) close and/or cancel any or all contracts between the Broker and the Client, cover any short position through the purchase of Securities on any Exchange and/or liquidate any long position through the sale of Securities on any Exchange.
- (b) Without prejudice to other rights which the Broker may have by law or otherwise, the Broker shall, acting in good faith and without notice to the Client, also be entitled to:-
 - (i) receive (without the need for a demand) immediate payment from the Client of all sums outstanding to it pursuant to the terms of these Terms of Business;
 - (ii) enforce (by sale or otherwise) any of the security conferred on it pursuant to the terms of these Terms of Business and/or otherwise;
 - (iii) exercise its right including lien, set-off, combine and consolidation of Accounts and any other rights conferred by these Terms of Business or otherwise; and/or
 - (iv) immediately terminate all or any parts of these Terms of Business.

22. Representations and Warranties

22.1 The Client represents to, warrants and undertakes with the Broker that:

- (a) all information stated in the Cash Account Application Form, all answers given to questions put to the Client (orally and/or in writing) and all other information provided to the Broker and/or to any Broker's Group Company by the Client is true, accurate and complete and the Broker is entitled to and will rely on such information until the Broker has received written notice from the Client of any changes in the information or answers supplied. The Client accordingly further undertakes to notify the Broker immediately of any changes in such information and/or of the occurrence of an Event of Default;
- (b) (save as disclosed in writing by the Client to the Broker) the Client is trading on its own account and that no one other than the Client has any interest in the Securities in the Account;
- (c) all necessary consents and authorisations which may be required for the execution of the Cash Account Application Form and ancillary documents and to cause these Terms of Business to be effective have been obtained and are in full force and effect;
- (d) the Client has the authority, power and legal capacity to enter into and perform the obligations under these Terms of Business and these Terms of Business set out obligations of the Client, all of which obligations are legally binding on the Client;
- (e) where the Client trades any Securities traded in the United States, that the Client is not a U.S. Person, and that in the event that the Client becomes a U.S. Person, the Client will notify the Broker immediately and will transfer all of his holdings in Securities traded in the United States within a month of the occurrence of the event or any other period as determined by the Broker, and the Client acknowledges that in that case all the income, proceeds, interest and distribution arising from such Securities shall be subject to the maximum withholding tax rate or any other withholding tax rate as determined by the Broker from time to time;
- (f) the Client is not a director or officer, or shareholder who holds 10% or more of the interests in the shares of, a company listed on any stock exchange in the United States;

- (g) the Client is not :
- (i) registered or qualified with the Securities and Exchange Commission of the United States, the Commodities Futures Trading Commission of the United States, any state securities agency, any Exchange or association, or any commodities or futures contract market or association;
 - (ii) employed by a bank or other organization exempt from registration under Federal and/or state securities laws to perform functions that would require him to be so registered or qualified if he were to perform such functions for an organization not so exempt;
 - (iii) a person who is subject to any other limitations in respect of trading in the Securities in Hong Kong or in any other jurisdiction; and

in the event the Client becomes so registered, qualified, engaged, employed or any changes in the aforementioned status of the Client occurs, he will notify the Broker immediately. In the event that the Client is or becomes deemed by any market data provider to be so registered, qualified, engaged or employed the Client agrees that the Broker shall have the right to pass on to the Client any additional market data subscription fees and any other fees and costs incurred as a result of or in connection with the foregoing;

- (h) irrespective of the types of orders (including but not limited to limit order, market order or good-till-cancel order) and the range of prices of orders placed by the Client, the Client fully understands and shall be solely responsible for the Instructions; and
- (i) in relation to the Exchange-traded and/or OTC transaction, the Client understands the nature of the transaction and the extent of his exposure to risks (including but not limited to credit, settlement and counterparty risks).

22.2 The Client is deemed to repeat each of the matters contained in clause 22.1 each day from the date of the Cash Account Application Form, in relation to the circumstances then existing, until the termination of the Account.

22.3 If the Client effects transactions for the account of its clients, whether on a discretionary or non-discretionary basis, and whether as agent or by entering into matching transaction as principal with any clients of the Client, the Client agrees that, in relation to a transaction where the Broker has received an enquiry from any Exchange, market, Clearing House, regulatory authority or government body (“the Regulators”), the following provisions shall apply:

- (a) Subject to as provided below, the Client shall, immediately upon request by the Broker (which request shall include the relevant contact details of the Regulators), inform the Regulators of the identity, address, occupation and contact details of the client for whose account the transaction is effected and (so far as known to the Client) of the person with the ultimate beneficial interest in the transaction. The Client shall also inform the Regulators of the identity, address, occupation and contact details of any third party (if different from the client/the ultimate beneficiary) originating the transaction.
- (b) If the Client effects the transaction for a collective investment scheme, discretionary account or discretionary trust, the Client shall, immediately upon request by the Broker (which request shall include the relevant contact details of the Regulators), inform the Regulators of the identity, address, occupation and contact details of the person(s) who, on behalf of the scheme, account or trust, has instructed the Client to effect the transaction.
- (c) If the Client effects the transaction for a collective investment scheme, discretionary account or discretionary trust, the Client shall, as soon as practicable, inform the Broker when its discretion to invest on behalf of the scheme, account or trust has been overridden. In the case where the Client’s investment discretion has been overridden, the Client shall immediately upon request by the Broker (which request shall include the relevant contact details of the Regulators), inform the Regulators of the identity, address, occupation and contact details of the person(s) who has or have given the instruction.
- (d) If the Client is a collective investment scheme, discretionary account or discretionary trust and in respect of a particular transaction, the discretion of the Client or its officers or employees has been overridden, the Client shall, as soon as practicable, inform the Broker when its discretion to invest on behalf of the beneficiary(ies) of such scheme, account or trust has been overridden. In case where the Client’s investment discretion has been overridden, the Client shall, immediately upon request by the Broker (which request shall include the relevant contact details of the Regulators), inform the Regulators of the identity, address, occupation and contact details of the person(s) who has or have given the instruction in relation to the relevant transaction.
- (e) If the Client is aware that its client is acting as intermediary for its underlying client(s), and the Client does not know the identity, address, occupation and contact details of the underlying client(s) for whom the transaction is effected, the Client confirms that:

- (i) the Client has legally binding arrangements in place with its client which entitle the Client to obtain the information set out in clause 22.3 from its client immediately upon request or procure that it be so obtained; and
 - (ii) the Client will, upon request from the Broker in relation to a transaction, promptly request the information set out in clause 22.3 from its client on whose instructions the transaction is effected, and provide the information to the Regulators as soon as it is received from its client or procure that it be so provided.
- (f) Without affecting the generality of these Terms of Business, clause 22.3 shall continue in effect notwithstanding the termination of the Account.

22.4 The Broker and the Client undertake to inform each other of any material change to the information provided in these Terms of Business.

23. Further Assurance

The Client undertakes with the Broker to do and execute any act, deed, document or thing which the Broker may require the Client to do in connection with the implementation, execution and enforcement of any of the terms and any rights conferred by these Terms of Business. The Client irrevocably authorises the Broker to do and execute all such acts, deeds, documents or things on behalf of the Client as the Broker considers necessary or desirable in connection with such implementation, execution and enforcement and agrees to ratify or confirm all such acts, deeds, documents or things so done by the Broker acting lawfully and in good faith.

24. Client consists of more than one person

Irrespective of which individual Client gives instructions, where the Client consists of more than one person:

- (a) the liability and obligations of each of them shall be joint and several and references to the Client shall be construed, as the context requires, to any or each of them;
- (b) each of them shall be bound even though any other such person is not for whatever reason so bound; and
- (c) the Broker shall be entitled to deal separately with each such person on any matter including the discharge of any liability to any extent without affecting the liability of any other person.

25. Assignability

The provisions of these Terms of Business shall be binding on and ensure to the benefit of the successors, assigns and personal representatives (where applicable) of the Broker and the Client provided that the Client may not assign, transfer, charge or otherwise dispose of its rights or obligations under these Terms of Business without the prior written consent of the Broker. The Broker however may assign or transfer all or a part only of its rights and obligations under these Terms of Business to any person without the prior consent or approval of the Client.

26. Severability

Each of the provisions of these Terms of Business is severable and distinct from the others and, if one or more of such provisions is or becomes illegal, invalid or unenforceable, the legality, validity or enforceability of the remaining provisions shall not be affected in any manner.

27. Translation

These Terms of Business may be translated into any other languages but, in the event of any conflict, the English version shall apply and prevail.

28. Compliance with Laws

The Client shall not instruct the Broker to do anything which is a breach of, or would or is likely to involve a breach of, the Securities and Futures Ordinance, the Rules of the Stock Exchange, the Hong Kong Codes on Takeovers and Mergers and Share Repurchases, the Rules of HKSCC or any laws, rules or regulations in force and/or applicable to the conduct of the business of dealing in Securities (whether or not having the force of law) or any act which, in the sole opinion of the Broker would be adverse to the Broker's lawful interest or its rights under these Terms of Business.

29. Communications

- 29.1 All notices, demands, statements and any other communications and documents (collectively “Communication”) required or permitted to be given to the Client may be sent by hand, post, facsimile, telephone or electronic mail to the address, facsimile or telephone numbers or electronic mail address for communications specified in the Cash Account Application Form or as notified to the Broker from time to time. All Communication shall be deemed to have been received by the Client (i) 48 hours after posting if sent by post (save that any statement of the Account provided by the Broker to the Client shall be deemed to have been provided to the Client at the time of posting); (ii) a Communication posted on the Online Services shall be deemed to have been received by the Client no later than the end of the Business Day following the date of which the Communication becomes accessible by the Client through the Online Services; and (iii) at the time of transmission from the Broker if delivered by facsimile, telephone or electronic mail and no such Communication needs to be signed on behalf of the Broker.
- 29.2 The Broker shall be entitled to assume, without further investigation or enquiry, that any Communication which on the face of it appears to have been forwarded by either the Client or its agent, has in fact been sent by either the Client or its agent, as the case may be. The facsimile copy of any Communication shall have the same force as the original.

30. Governing Law, Jurisdiction and Service of Legal Documents

- 30.1 These Terms of Business and all rights, obligations and liabilities arising therefrom shall be governed by and construed in accordance with the laws of Hong Kong.
- 30.2 The Client hereby submits to the non-exclusive jurisdiction of the courts of Hong Kong in relation to all matters arising out of or in connection with these Terms of Business. Such submission shall not prejudice the Broker’s right to commence action against the Client in any other court of competent jurisdiction.
- 30.3 Without prejudice to clause 30.2, if any dispute of any kind whatsoever shall arise between the Broker and the Client then the Broker may at its absolute discretion, instead of court proceedings, require such dispute to be referred to arbitration in Hong Kong in accordance with the provisions of the Arbitration Ordinance (Chapter 341 of the Laws of Hong Kong) or any statutory modifications thereof then in force. The appointing authority shall be Hong Kong International Arbitration Centre (“HKIAC”). The place of arbitration shall be in Hong Kong at HKIAC. There shall be only one arbitrator. Any such arbitration shall be administered by HKIAC in accordance with the provisions of the Arbitration Ordinance (Chapter 341 of the Laws of Hong Kong) in force.
- 30.4 Without prejudice to clause 29 above, any documents (including but not limited to writs, summonses, orders, pleadings, petitions and demands) may be served on the Client by leaving at or posting such documents to, the last known address of the Client - such service is agreed to be valid service on the Client, whether or not the document(s) concerned is actually received by the Client or comes to the Client’s notice, and the time of service will be the time at which the document(s) is left at the said address or in the case of service by post, 48 hours after posting to that address irrespective of whether the Client’s address is in Hong Kong or not.

31. Miscellaneous

- 31.1 These terms and conditions and the Circular to Clients relating to the Personal Data (Privacy) Ordinance issued by the Broker may be amended, supplemented or revised by the service of a notice in writing on the Client by the Broker and such amendment, supplement or revision shall be applicable as from the date specified in such notice.
- 31.2 Time is of the essence as regards every obligation of the Client but no delay or omission by the Broker to exercise any right, power or remedy shall impair such right, power or remedy, or be construed as a waiver of, or as an acquiescence in, any default. If the Broker on any occasion agrees to waive any such right, power or remedy, such waiver shall not in any way preclude any further exercise thereof or the exercise of any other right, power or remedy. Any waiver by the Broker of any provision of these Terms of Business and any consent or approval given by the Broker, shall only be effective if given in writing, specifically refers to this clause and even then only for the purpose and upon the terms for which expressly specified.

SHENYIN WANGUO (H.K.) LIMITED AND ITS SUBSIDIARIES ("the Group")
Circular to Clients relating to the Personal Data (Privacy) Ordinance ("the Ordinance")

- (a) From time to time, it is necessary for clients to supply the Group with data in connection with the opening or continuation of accounts and the establishment or continuation of credit facilities or provision of securities brokerage, nominee and investment advisory service. At the same time, some of the data are collected pursuant to laws, regulations, rules or codes binding on the Group or any other companies of the Group.
- (b) Failure to supply such data may result in the Group being unable to open or continue accounts or establish or continue credit facilities or provide securities brokerage, nominee and investment advisory services.
- (c) It is also the case that data are collected from clients in the ordinary course of the continuation of the business relationship.
- (d) The purposes for which data relating to a client may be used are as follows:-
 - (i) the daily operation of the services and credit facilities provided to clients;
 - (ii) conducting credit checks;
 - (iii) assisting other financial institutions to conduct credit checks;
 - (iv) ensuring ongoing credit worthiness of clients;
 - (v) designing financial services or related products for clients' use;
 - (vi) marketing financial services or related products;
 - (vii) determining the amount of indebtedness owed to or by clients;
 - (viii) collection of amount outstanding from clients and those providing security for clients' obligations;
 - (ix) meeting the requirements to make disclosure under the requirements of any laws, regulations, rules, codes binding on the Group or any other companies of the Group; and
 - (x) purposes ancillary or relating thereto.
- (e) Data held by the Group relating to a client will be kept confidential but the Group may provide such information to the following parties within or outside Hong Kong to the extent permitted by law:-
 - (i) any agent, contractor or third party service provider who provides administrative, telecommunications, computer, payment or securities clearing, printing or other services to the Group in connection with the operation of its business;
 - (ii) any other companies of the Group;
 - (iii) any other person under a duty of confidentiality to the Group including a company of the Group which has undertaken to keep such information confidential;
 - (iv) any financial institution with which the client has or proposes to have dealings;
 - (v) any actual or proposed assignee of the Group or participant or sub-participant or transferee of the Group's rights in respect of the client;
 - (vi) any other person when we are compelled to make disclosure under the requirements of any laws binding on the Group or any of the companies of the Group;
 - (vii) any person with the client's express or implied consent;
 - (viii) any person where our interests require disclosure; and
 - (ix) any person where the public interest requires disclosure.
- (f) In the course of performing our duties, the Group may, as permitted by law, match, compare, transfer or exchange any personal data provided by the client, or hereafter obtained, for these or any other purposes by the Group, with data held by government bodies, other regulatory authorities, corporations, organisations or individuals in Hong Kong or overseas for the purpose of verifying those data.
- (g) Under and in accordance with the terms of the Ordinance, any individual:-
 - (i) has the right to check whether the Group holds data about him/her and the right of access to such data;
 - (ii) has the right to require the Group to correct any data relating to him/her which is inaccurate;
 - (iii) has the right to ascertain the Group's policies and practices in relation to data and to be informed of the kind of personal data held by the Group.

- (h) In accordance with the terms of the Ordinance, the Group has the right to charge a reasonable fee for the processing of any data access request.
- (i) The person to whom requests for access to data or correction of data or for information regarding policies and practices and kinds of data held are to be addressed is as follows:-

The Group Data Protection Officer
Shenyin Wanguo (H.K.) Limited
28th Floor, Citibank Tower, Citibank Plaza, 3 Garden Road, Central, Hong Kong

(27/6/2011)