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1. Terms and Conditions of Cash Account

These terms and conditions set out the rights and obligations of you (the “Client”) and us, Wing Fung Securities Limited (the “The Broker”), in connection with the operation of your cash account(s) opened or to be opened with us for dealing in purchase and / or sale of securities. All the terms and conditions below are legally binding, so please read them carefully or seek legal professional advice before you agree to be bound by them.

1. Interpretation

1.1. In this Agreement, unless the context requires otherwise:

“Account”	means any one or more cash trading account(s) opened, maintained and operated by the Client with the Broker from time to time for use in connection with the purchases, sales, holdings or other dealing in securities and other financial products effected through the Broker on behalf of the Client;
“Affiliate”	means in relation to a party, an individual, corporation, partnership or any other form of entity direct or indirect controlling, controlled by or under common control with such party or any such entities’ directors, officers or employees;
“Agreement”	means these terms and conditions, Risk Disclosure Statement, the Personal Data (Privacy) Policy, Client Information Statement and Client Acknowledgement which shall be read together as one agreement as original executed or thereafter may from time to time be amended or supplemented;
“Broker”	means Wing Fung Securities Limited;
“Broker’s Group Company”	means the ultimate holding company of the Broker and each and every subsidiary of such holding company;
“Client”	means any individual, firm or company under the Account whose particulars are set out in Account Application Form;

“Account Application Form”	means the form to open an account duly completed and signed by the Client as well as all those documents furnished by the Client in support of the application for opening an account with the Broker;
“Exchange”	means the Hong Kong Exchange and Clearing Limited (HKEX) or, where applicable, any other futures/commodities exchanges outside Hong Kong;
“Hong Kong”	means the Hong Kong Special Administrative Region of the People’s Republic of China;
“Instructions”	include instructions given by the Client, which in any way relate to purchases, sales, holdings or other dealings in securities and other financial products effected through the Broker on behalf of client, arise out of and / or are in connection with the Account, whether such instructions are given orally, in writing, by facsimile, telex and / or by electronic means;
“Licensed Corporation”	means Wing Fung Securities Limited, which is a licensed corporation (CE No.: AAV717), licensed by the SFC under the Securities and Futures Ordinance to carry out type 1 regulated activities (dealing in securities);
“Securities”	has the same meaning ascribed to it in Schedule 1 of the Securities and Futures Ordinance, but leave no room for 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;
“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 Commissions;
“Stock Exchange”	means the Stock Exchange of Hong Kong Limited;

"Transactions"

means any transaction concerning the purchase, subscription, sale, 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 and other transactions effected under or pursuant to this Agreement;

- 1.2. Where the client consists of more than one individual or where the client is a firm consisting of two or more individuals, the agreements by and the liabilities of the client shall be joint and several of such individuals.
- 1.3. Words importing the singular number shall include the plural number and vice versa and words importing the masculine gender shall include the feminine gender and the neuter gender.
- 1.4. Words importing persons shall include limited company (including local and foreign)

Whereas

1. The Client is desirous of opening one or more cash accounts with the Broker for the purpose of trading in securities; and
2. The Broker agrees that it will open and maintain such cash account(s) and acts as an agent for the Client in the purchase and sale of securities subject to the terms and conditions of this Agreement.

NOW IT IS HEREBY AGREED as follows:

1. Account

- 1.1. The Client confirms that the information provided in the Account Application Form is complete and accurate. The Client will inform the Broker of any changes to that information.
- 1.2. Whilst the Client expects the Broker to keep confidential all matters relating to his account, the Client hereby expressly agrees that the Broker may be required to disclose his details to the relevant exchanges, the SFC, government agencies, or to any persons pursuant to any court orders or statutory provisions. The Broker will comply with such requests without notices to or consent from the Client.
- 1.3. The Broker is authorised to conduct credit enquiries on the Client and contact anyone including bankers, the brokers or any credit agency of the Client to verify the information provided.
- 1.4. The Broker's records shall, in the absence of manifest error, be conclusive and binding on the client as to the amount standing to the debit or credit of the Account.

2. Applicable Rules and Regulations

- 2.1. All transaction for the Account(s) shall be subject to the relevant constitution, rules, regulations, by-laws, customs and usages, as amended from time to time, of SEHK, or such other stock exchanges or markets or over - the - counter markets (Exchange (s)) and the HKSCC or such other clearing houses in or outside Hong Kong (Clearing House (s)) and of the laws of Hong Kong and other place in which the company is dealing on the Client's behalf, as amended from time to time.
- 2.2. The Rules of SEHK and the HKSCC, in particular those rules which relate to trading and settlement, shall be binding on both the Company and the Client in respect of transaction concluded on the instructions of the Client.

3. Transactions

- 3.1. The Broker will act as the Client's agent in effecting Transactions unless the Broker indicates (in the contract note for the relevant Transaction or otherwise) that it is acting as principal.
- 3.2. The Client shall provide the Broker with documentary evidence when the Client places a short-selling order to the Broker that the sale is a short sale. If the securities are obtained by way of borrowing, the Client shall provide documentary evidence that the Client has obtained confirmation from the stock lender that securities are available for borrowing to settle the Client's sale transaction.
- 3.3. Unless otherwise agreed, in respect of each Transaction, unless the Broker is already holding cash or securities on the Client's behalf to settle the Transaction, the Client shall:
 - pay the Broker cleared funds or deliver to it securities in deliverable form, or
 - otherwise ensure that the Broker has received such funds or securities.
 - by such time as the Broker has notified the Client in relation to that Transaction. If the Client fails to do so, the Broker may:
 - in the case of a purchase Transaction, sell the purchased securities; and
 - in the case of a sale Transaction, borrow and / or purchase securities in order to settle the Transaction.
- 3.4. The Client shall be responsible to the Broker for any losses and expenses resulting from the Client's settlement failures and the Client shall indemnify the Broker on demand against any loss, costs, fees and expenses that the Broker may incur in connection with the Client's failure to meet any of the Client's obligations due to the Broker under this Agreement.
- 3.5. The Client agrees to pay interest on all overdue balances (including interest arising after a judgment debt is obtained against the Client) at such rates and on such other terms as the Broker has notified the Client from time to time. The Client understands that the current rate applicable to the Account is HSBC's Hong Kong Dollar Best Lending Rate + 5 % and is subject to change at

the discretion of broker.

- 3.6. In the case of a purchase Transaction, if the selling broker fails to deliver on the settlement date and the Broker has to purchase securities to settle the Transaction, the Client shall not be responsible to the Broker for the costs of such purchase.
- 3.7. The Broker shall use reasonable endeavour to comply with and fulfill any instructions that the Client may give the Broker concerning the operation of the Account or in respect of any transactions but the Broker is entitled, at the Broker's absolute discretion, to refuse to carry the Client's any such instructions and shall not be obliged to give any reasons for such refusal.
- 3.8. The Client understands and agrees that, for the parties' mutual protection, the Broker may electronically monitor or record any of the Client's telephone conversations conducted with the Broker.
- 3.9. The Client understands and agrees that, the Broker shall not be liable for delay in acting or for any inaccuracy, interruption, error or delay or failure in transmission of the Client's instructions by facsimile unless there is fraud or willful default by the Broker.
4. **Payment on Demand** - Notwithstanding any of the other provisions of this Agreement, the Client shall pay all Client's indebtedness to the Broker on demand or earlier when due and at the Broker's request shall deposit such cash, securities or otherwise and maintain such security with the Broker as the Broker may deem satisfactory. The Client shall at the Broker's request from time to time deposit (at the Broker's absolute discretion) sufficient cleared funds in the Account before carrying out the Transactions.

5. **Commission and Expenses**

- 5.1. The Client shall on demand pay the Broker commission on purchase, sale and other transactions for the Account at such rates as the Broker may, from time to time, have notified the Client. 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, trading fee and other expenses in respect of or in connection with the Account or any securities held in or for the Account.
- 5.2. 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 conditions of the Agreement, including any commission, rebates by the brokers or similar payments received in connection therewith, and rebates from standard commissions charged by the brokers or other agents to their clients.

6. **Safekeeping of Securities**

- 6.1. Any securities which are held by the Broker for safekeeping may, at the Broker's discretion:

- in the case of registrable securities, be registered in the Client's name or in the name of the Broker's nominee; or
 - be deposited in safe custody in a designated account with the Broker's bankers or with any other institution approved by the SFC, which provides facilities for the safe custody of documents. In the case of securities in Hong Kong, such institution shall be acceptable to the SFC as a provider of safe custody services.
- 6.2. Where securities are not registered in the Client's name, any dividends or other benefits arising in respect of such securities shall, when received by the Broker, be credited to Client's Account or paid or transferred to the Client, as agreed with the Broker. Where the securities form part of a larger holding of identical securities held for the Broker's clients, the Client shall be entitled to the same share of the benefits arising on the holding as their share of the total holding
- 6.3. Securities held by the Broker for safekeeping pursuant to this Clause are held by the Broker at the sole risk of the Client and the Broker shall not be responsible for or liable in respect of any loss or damage suffered by the Client in connection herewith unless such loss or damage has been caused as a direct consequence of a gross act of negligence or fraud on the part of the Broker.
- 6.4. Unless the Broker has obtained the Client's written authority, the Broker should not:
- deposit any of the Client's securities with a banking institution as collateral for an advance or loan made to the Broker, or with the Clearing House as collateral for the discharge of the Broker obligations under the clearing system;
 - borrow or lend any of the Client's securities; and / or
 - otherwise part with possession (except to the Client or on the Client's instructions) of any of Client securities for any purpose.

7. Cash held for Client

- 7.1. Any cash held for the Client, other than cash received by the Broker in respect of Transactions and which is on-paid for settlement purposes or to the Client, shall be credited to a client trust account maintained with a licensed bank as required by applicable laws from time to time.
- 7.2. The Client hereby agrees that the Broker shall be entitled to receive for its own benefit all sums derived by way of interest on all amounts held in the Account for or on account of the Client.
- 7.3. Payment to the Account shall constitute payment to the Client for all purposes.

- 8. Compensation** - In the event that the Broker commits a default as defined in the Securities and Futures Ordinance and the Client thereby suffers a pecuniary loss, the Client shall have a right to claim under the Investor Compensation Fund established under the Securities and Futures Ordinance, subject to the terms of the Investor Compensation Fund from time to time.

9. Default - If, in the Broker's opinion, Client have breached any material terms of this Agreement; or any of Client's representations, warranties or undertakings to the Broker was or become incorrect in any material respect; or the Client has defaulted in respect of any transactions with the Broker or its Affiliates; or any warrant or order of attachment or distress or equivalent order is issued against any of the Client's accounts with the Broker or its Affiliates; or a petition in bankruptcy is filed against the Client, or an order is made or resolution passed for the Client's voluntary or compulsory winding up; or a meeting is convened to consider a resolution that the Client should be so wound up, all amounts owing by the Client to the Broker or its Affiliates together with interest will become immediately payable without notice or demand and the Broker will be entitled at its absolute discretion without prejudice to any other rights or remedies that the Broker may have against the Client to sell or realize all or any part of the Client's securities or assets held by the Broker or its Affiliates and satisfy all the Client's obligations, towards the Broker or its Affiliates with the net sale proceeds after deducting an fees, commissions, expenses and costs thereof; and / or to withdraw or to cancel all the Client's open order instructions; and / or to close out any / all the Client's open positions; and / or exercise any of the Broker's rights under this Agreement. The Broker and its Affiliates shall not be liable for any loss originated from taking the above actions and, due to the Client's default, the Client may suffer whereas the price obtained by the Broker for the above actions will be conclusive.

10. Set off, Lien and Combination of Accounts

- 10.1. In addition and without prejudice to any general liens, rights of set-off or other similar rights to which the Broker may be entitled under laws or this Agreement, all securities, receivable, monies and other property of the Client (held by the Client either individually or jointly with others) held by or in the possession of the Broker at any time shall be subject to a general lien in favour of the Broker as continuing security to offset and discharge all of Client's obligations arising from the Transactions to the Broker's Group Company or Affiliate.
- 10.2. In addition and without prejudice to any general liens or other similar rights which the Broker may be entitled under law or this Agreement, the Broker for itself and as agent for any of its Affiliates, at any time without notice to the Client, may combine or consolidate any or all accounts, of any whatsoever and either individually or jointly with others, with the Broker or any of its Affiliates and the Broker may set off or transfer any monies, securities or other property in any such accounts to satisfy obligations or liabilities of the Client to the Broker or any of its Affiliates, whether such obligations and liabilities are actual or contingent, primary or collateral, secured or unsecured, or joint or several.
- 10.3. Without limiting or modifying the general provisions of this Agreement, the Broker may, without notice, transfer all or any such or properties interchangeably between any accounts now or hereafter opened in the name of the Client with the Broker in connection with this Agreement and any other accounts of its Affiliates.

11. Communications

- 11.1. All notices, demands, statements and any other communications and documents (collectively "Communications") required or permitted to be given by the Broker to the Client in relation to the Account or connected therewith may be given by hand, letter, telex, facsimile transmission, e-mail or telephone to the address for communications specified in the Account Application Form or as notified to the Broker from time to time.
- 11.2. All notices, demands, statements and any other communications and documents so sent by the Broker to the Client shall be deemed to have been received by the Client and in case of telephone call when telephoned or message is left with a person who answered the telephone call at the correct telephone number stated, and, in case by letter sent locally the day following the day deposited in the mail or sent by airmail overseas 72 hours after dispatch and in case of telex or facsimile message or e-mail when the same is dispatched. No such communication needs to be signed on behalf of the Broker.
- 11.3. All notices, demands and other communications and documents sent by the Client to the Broker shall not be effective until the same is actually received and after being confirmed by the Broker.
- 11.4. Where any written instructions or any other written communication from the Client is given by facsimile, the Client hereby authorizes the Broker to accept such facsimile message from the client as the original instruction or communication from the client, and the Client shall fully indemnify the Broker on demand against all loss, damage, interests, costs, expenses whatsoever the Broker may incur, or suffer as a result of or arising from the Broker's acceptance, reliance on or acting upon those instructions or communication. The Client acknowledges that any notices and communications to the Broker shall be sent or delivered or communicated (as the case may be) to an address or location as notified by the Broker from time to time.

12. Representations and Warranties

- 12.1. The Client hereby represents and warrants to the Broker on a continuing basis that:
 - (a) (in case of a corporation) it is validly incorporated and existing under the laws of its country of incorporation and has full power and capacity to enter into and perform its obligations hereunder; its entry into this Agreement has been duly authorised by its governing body and is in accordance with the Memorandum and Articles of Association or by-laws as the case may be of the Client;
 - (b) neither the signing, delivery or performance of this Agreement nor any instructions given hereunder will contravene or constitute a default under any existing applicable law, status, ordinance, rule or regulation or judgment or cause to be exceeded any limit by which the Client or any of the Client's assets is bound;
 - (c) save as otherwise disclosed to the Broker in writing, all transactions to be effected under this

Agreement are for the benefit of the Client and no other party has any interest therein; and

- (d) subject to any security interest of any of the group companies created pursuant to any agreement between the Client and that group company, the Broker, all securities provided by the Client for selling or crediting into the Account(s) are fully paid with valid and good title and whose legal and beneficial titles are owned by the Client.

12.2. If the Client effects Transactions for the account of clients, whether on discretionary or non-discretionary basis, and whether as agent or by entering into matching transactions as principal with any clients of the client, the Client hereby agrees that, in relation to a transaction where the Broker has received an enquiry from the Exchange and/or the SFC (“Hong Kong 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 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 the Client) of the person with the ultimate beneficial interest in the transaction. The Client shall also inform the Hong Kong Regulators of the identity, address, occupation and contact details of any third party (if different from the client / the ultimate beneficiary) who originated the Transactions.
- (b) If the Client effected the Transaction for a collective investment scheme, discretionary account or discretionary trust:
 - (i) the Client shall, immediately upon request by the Broker (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 person who, on behalf of the scheme, account or trust, instructed the Client to effect the Transaction; and
 - (ii) the Client shall, as soon as practicable, inform the Broker when the Client's 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 Hong Kong Regulators), inform the Hong Kong Regulators of the identity, address, occupation and contact details of the person(s) who has or have given the instructions in relation to the Transaction.

- (c) 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 his discretion to invest on behalf of the beneficiary or such scheme, account of 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 Hong Kong Regulators), inform the Hong Kong 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 Transactions.
- (d) If the Client is aware that his 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 for whom the Transaction was effected, the Client confirms that:
- (i) the Client has arrangements in place with his client which entitle the Client to obtain the information set out in sub-clauses 12.2 (a) and / or 12.2 (b) and / or 12.2 (c) from his client immediately upon request or produce that it be so obtained; and
 - (ii) the Client will, upon request from the Broker in relation to the Transaction, promptly request the information set out in sub-clauses 12.2 (a) and / or 12.2 (b) and / or 12.2 (c) from his client on whose instruction the Transaction was effected, and provide the information to the Hong Kong Regulators as soon as it is received from his client or procure that it be so provided.

12.3. The Client confirms that, where necessary, it has obtained all relevant consents or waivers from clients, collective investment schemes, discretionary accounts or discretionary trusts for whose account Transactions may be effected to release information to the Hong Kong Regulators of the identity and contact details of such clients, collective investment schemes, discretionary accounts or discretionary trusts, and of the person(s) with ultimate beneficial interest in any such Transactions, and (if different from the client / ultimate beneficiary) of the person(s) who originated the Transactions.

12.4. The Client undertakes to perform such acts, sign and execute all such agreements or documents whatsoever as may be required by the Broker for the performance or implementation of this Agreement or any part thereof.

13. Liability and Indemnities

13.1. Client agrees that neither the Broker nor any of its officers, employees or agents shall have any liability whatsoever (other than those resulting from fraud or willful default on the Broker part) for any loss, expense or damage which Client may incur as a result of the performance or failure to perform this Agreement.

- 13.2. Client undertakes to indemnify the Broker and its officers, employees or agents for any loss, cost, claim, liability and expense (other than those resulting from fraud or willful default on the Broker) incurred by the Broker or its officers, employees or agents in performing its services under this Agreement, or arising directly or indirectly from a breach by Client of any of its obligations under this Agreement.
- 13.3. If any claim is made against the Broker or Clients in connection with this Agreement, the Broker may, at its discretion and without prejudice to clause 13.2, take all such steps as it considers advisable, including the withholding of payment of delivery to Client of any money or securities.

14. New Issues

- 14.1. **Application under New Issues** - If the Client requests and authorizes the Broker to apply for an issue of a new listing of securities on the Exchange as agent for the Client, the Client shall provide the following warranty to the Broker:

- (a) that no other application is being made for the benefit of the Client by the Client itself or by any person other than the Broker applying as the Client's agent; and
- (b) that the Broker is duly authorised to provide a warranty to the Exchange on the application form that no other application is being made by the Client or by any other person as agent for the Client.

- 14.2. **Reliance by Issuer** - The Client acknowledges that the declaration under Clause 14.1 shall be relied upon by the issuer of the relevant Securities in deciding whether or not to make any allotment of Securities in response to the application made by the Broker as agent for the Client.

15. **Material Changes** - The Client shall notify the Broker in writing of any material changes in the information supplied in the Account Application Form. The Broker shall notify the Client of any material changes in the information contained in this Agreement which may affect the services the Broker provide to the Client.

16. **Personal Data Protection** - The Client has read and fully understands and accepts the provisions of the "Notice on Personal Data" pursuant to the Personal Data (Privacy) Ordinance referred to in Schedule 3 to this agreement.

17. Solicit or Recommend any Financial product

- 17.1. The client acknowledges and agrees that the Client retains full responsibility for all trading decisions in the Account (s) and the Company is responsible only for the execution, clearing, and carrying out of transactions in the Account (s); that the Company has no responsibility or obligation regarding and conduct, action, representation or statement of any introducing firm, investment advisor or other third party in connection with the Account (s) or any transaction therein; and that any advice or information provided by the Company, its employees or agents, whether or not solicited, shall not constitute an offer to enter into a transaction and the Company

shall be under no liability whatsoever in respect of such advice or information.

- 17.2. If the Broker solicit the sale of or recommend any financial product to the Client, the financial product must be reasonably suitable for the Client having regard to the Client's financial situation, investment experience and investment objectives. No other provision of this agreement or any other document we may ask you to sign and no statement we may ask the Client to make derogates from this clause.

Note: "Financial product" means any securities, futures contracts or leveraged foreign exchange contracts as defined under the SFO. Regarding "leveraged foreign exchange contracts", it is only applicable to those traded by persons licensed for Type 3 regulated activity.

18. Suspensions and Termination

- 18.1. The Broker reserves the right at any time and from time to time, without having to give any reason or explanation, to suspend the operation of the Account and / or any services to the Client under this Agreement.
- 18.2. The rights and obligations of the Client and the Broker in respect of the Account may be terminated on at least seven (7) 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 subject under the terms of this Agreement until they are discharged in full.

- 19. Severability** - Any term, stipulation, provision, or undertaking in the Agreement which is illegal, void, prohibited or unenforceable in any jurisdiction shall be ineffective only to the extent of such illegality, voidness, prohibition or unenforceability without invalidating the remaining hereof, and any such illegality, voidness, prohibition or unenforceability in any jurisdiction shall not invalidate or render illegal, void or unenforceable any such term, condition, stipulation, provision, covenant or undertaking in any other jurisdiction.

20. Assignment

- 20.1. The Client shall not assign any of the Client's rights and / or obligations under this Agreement to any other party except with the Broker's prior written consent.
- 20.2. The Client agrees that the Broker may transfer the Broker's rights and obligations under the Agreement without the Client's consent.

21. Amendments

- 21.1. Broker shall have absolute rights to amend, delete or substitute any of the terms herein or add new terms to the Agreement. An amendment notice and the revised Agreement will be posted at Wing Fung Financial Group Website at www.wfgold.com. The Client should visit the Wing Fung Financial Group Website from time to time for obtaining the latest Agreement and read the terms thereof. Such amendment, deletion, substitution or addition shall be deemed as effective and incorporated herein (and shall form part of the Agreement) on the date of publication of such

amendment notice. The Client may raise written objection within fourteen (14) days after the publication of such amendment notice at the Wing Fung Financial Group Website. Failing which, it shall be deemed an acceptance of such amendment, deletion, substitution or addition.

- 21.2. No amendment made by the Broker to the Agreement or by the Client to the Broker in relation to the information supplied in the Authorization for Account Opening, herewith, such as Account Opening Information, and the Schedules thereto will affect any outstanding order or Transaction or any legal right or obligation which may have arisen prior thereto.

22. Miscellaneous

- 22.1. The Client agrees that the Client, independently and without reliance on the Broker, make the Client's own judgment and decisions with respect to each Transaction. The Broker shall be under no liability whatsoever in respect of any information or suggestion rendered by any of the Broker's directors, officers, employees or agents irrespective of whether or not such suggestions was given at the Client's request.

- 22.2. The Client confirms that he has read and agreed to the terms of this Agreement which have been explained to the Client in a language (English or Chinese) that Client understands

- 22.3. Every Transaction indicated or referred to in any notice, statement, confirmation or other communication and every statement of account shall be treated as authorised and correct and as ratified and confirmed by the Client unless the Broker shall receive from the Client written notice to the contrary within seven (7) days after the date of such notice, statement, confirmation or other communication is received by the Client pursuant to this Agreement.

- 22.4. The Account Opening Documents, this Agreement and the Schedules will form one composite agreement.

- 22.5. If the Client enters into a Transaction in securities in a currency other than Hong Kong dollar currency, the client shall reimburse the Broker exchange loss (if any) and bank charges fully on demand for all expenses incurred by the Broker on converting any foreign currency into Hong Kong dollar currency at the prevailing exchange rate at the time of the relevant Transaction.

23. **Law** - This Agreement is governed and construed in accordance with the laws of Hong Kong and the parties hereby irrevocably submit themselves to the jurisdiction of Hong Kong.

24. **Effectiveness of Agreement** - The Client understands that this Agreement shall not be effective until such time as it is accepted and agreed to by the Broker, such acceptance and agreement to be evidenced by the signature of one of the executive directors or an authorised person of the Broker in this Agreement.

25. **Language** - This Terms and Conditions may be translated into any language other than English.

However, if there is any inconsistency with the English version, the English version shall prevail.

- 26. Telephone recording** – The Broker may record all telephone conversation with the Client or the Agent in order to verify the Communication of the Client. The Client agrees that the contents of any such recording shall be used as evidence of Communications given by the Client (or the Authorised Signatory or the Agent) in case of dispute.
- 27. Transactions in which the Broker may be interested**
- 27.1. Client should note that in the event that the amount of dividends, interest payments, distributions, rights entitlements or securities received by the Broker or the Nominee (where appropriate) in respect of Securities exceeds the amount which the Broker is required to distribute to Clients pursuant to this Agreement, the Broker shall have no further liability to any Client in respect of such excess amount of dividends, interest payments, distributions, rights entitlements or securities and the Broker shall be authorized to appropriate such excess amount and interest thereon or other distributions accruing thereto for its own account and benefit.
- 27.2. Client authorises the Broker to do the following:
- (a) buying, holding or dealing in any Securities for its own account notwithstanding that similar Securities may be comprised in the Account; or
 - (b) purchasing for the account in any Securities held by the Broker for its own account or held by the Affiliate of the Broker for their own accounts or held by any other of its or their clients provided that in any case the terms of the purchases are not less favourable to the Client than they would have been had the transactions been entered into with a party other than the Broker or the Affiliate of the Broker or one of its or their clients; or
 - (c) selling Securities forming part of the Account, to the Broker for its own account or for account of any Affiliate of the Broker or for the account of any other of its or their clients provided that in any case the terms of the sales are not less favourable to the client than they would have been had the transactions been entered into with a party other than the Broker or the Affiliate of the Broker or one of its or their client; or
 - (d) taking the opposite position to orders of the Client whether it is on the Broker's own account or on behalf of any Affiliate of the Broker or other clients of the Broker.
- 27.3. The Broker shall not separately make disclosure to the Client and shall not be liable to the Client for any claims against the Broker or any Affiliate of the Broker in relation to any transaction which the Broker is interested referred to in this Clause including without limitation any claims for commissions, profits, rebate or any other benefits whatsoever earned or received by the Broker or any Affiliate of the Broker.
- 27.4. The Broker shall, subject to applicable laws and regulations, be entitled to solicit, accept and retain any benefit in connection with any transaction effected with any person for the Client pursuant to this Agreement, 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 but subject to applicable laws and regulations, 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 this Agreement, including any benefit relating to commissions or similar payments in connection therewith.

- 27.5. Unless otherwise instructed in writing by the Client, the Broker may aggregate the Client's orders with those of its own or of any Affiliate of the Broker or other clients of the Broker. The Customer agrees that in the event of there being insufficient Securities available to satisfy the Client's instructions so aggregated, the number of Securities bought or sold shall be attributed to the relevant customers in the order in which those instructions were received by the Broker.

28. Foreign Currency Transactions

- 28.1. If the Client gives Instructions to Broker to enter into any Contract requiring a conversion from one currency to another, then:
- (a) the costs thereof and any profit or loss arising as a result of fluctuations in the exchange rate of the relevant currency will be entirely for the account and risk of the Client;
 - (b) all initial and subsequent deposits for margin shall be made in such currency and in such amounts as Broker may require in its discretion; and
 - (c) when such Contract is closed out, Broker shall debit or credit the margin trading account in such currency (as Broker may determine in its discretion) at such exchange rate as determined by Broker in its discretion.
- 28.2. The Client authorizes Broker may at any time at such exchange rate and for such amount as Broker deems fit convert monies into and from any currency at such rate of exchange as Broker shall in its sole discretion determine as being the then prevailing market rate of exchange. Such conversion may be made for the purpose of any Transaction or for the calculation of any debit balance due from the Client or debit balance owed to the Client.
- 28.3. The Client authorizes Brokers to debit the margin trading account for any expenses incurred in effecting any currency conversion.
- 28.4. Broker reserves the right at any time to refuse to accept any Instructions from the Client in relation to any currency conversion.

29. Joint Accounts

- 29.1. Where the Customer consists of more than one person (each a "**joint account holder**"), the Account shall be a joint account with the right of survivorship. Upon the death of any such joint account holder, the interest of the deceased in the Account will enure to the benefits of the survivor(s).
- 29.2. The liabilities of each joint account holder shall be joint and several.

- 29.3. The death of any one joint account holder does not operate to terminate the Agreement.
- 29.4. Any notice, payment or delivery by Broker to either or any one of the joint account holders shall be a full and sufficient discharge of Broker's obligations to notify, pay or deliver under the Agreement.
- 29.5. In the event of any joint account holder is incapacitated or if a bankruptcy order is made against any joint account holder or if the operation of the Account is affected by any court order or notice from any competent authority against a joint account holder, the operation of the Account (including the withdrawal or transfer of funds or securities) will be suspended until an administrator or receiver is appointed or the consent of the receiver or Official Receiver is obtained or the court order is discharged or the relevant notice is removed (as the case may be).

2. Terms and Conditions of Margin Account

These terms and conditions set out the rights and obligations of you (the “Client”) and us, Wing Fung Securities Limited (the “Broker”), in connection with the operation of your margin account(s) opened or to be opened with us for dealing in purchase and / or sale of securities and is supplemental to the Cash Account Agreement entered into by the Client and the Broker. Where any conflict arises between the Cash Trading Agreement and the provisions of this Agreement, the provisions of this Agreement shall prevail. All the terms and conditions below are legally binding, so please read them carefully or seek legal professional advice before you agree to be bound by them.

1. Interpretation

- 1.1. Terms defined in this Agreement shall have the same meanings as in the Cash Account Agreement unless otherwise stated.
- 1.2. A reference to “Account” in the Cash Account Agreement is deemed to include the Margin Account established pursuant to the provision of this Agreement.
- 1.3. In this Agreement, unless the context requires otherwise

“Collateral”

means all monies and securities of the Client which are now or which shall at any time hereafter to be deposited with, transferred or caused to be transferred to or held by the Broker or any Broker’s Group Company or Affiliate or nominees, or transferred to or held by any other person in circumstances where the Broker accepts the same as security for the Client’s obligations under this Agreement. The Collateral shall include those monies and securities that shall come into the possession, custody or control of the Broker or the Broker’s Group Company or Affiliate 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, interest, monies or property accruing at any time by way of redemption, bonus, preference, options or otherwise on or in respect of any such securities or additional or substituted securities).

“Credit Limit”

is the maximum amount of Margin Loan that the Broker will from time to time grant the Client in its absolute discretion.

“Margin Ratio”

is the percentage of the market value of the Collateral up to which the Client is permitted to borrow (or otherwise to secure other forms of financial accommodation) from the Broker against the Collateral.

NOW IT IS HEREBY AGREED as follows:

1. Margin Loan

- 1.1. The Margin Loan is extended to the Client in accordance with the provisions set out in the terms of this Agreement and any margin offer letters from the Broker to the Client from time to time and in the Cash Account Agreement ("Margin Facility Terms"). The Client agrees to use the Margin Loan only in connection with the acquisition or holding of securities by the Broker or any Broker's Group Company or Affiliate for the Client.
- 1.2. The Broker may grant the Client a Margin Loan of such amount up to the Credit Limit as may be notified to the Client from time to time. The Credit Limit available to the Client and the Margin Ratio may be varied by notice by the Broker from time to time. The market value of Collateral at any given time shall be conclusively determined by the Broker which shall be subject to such discount or other adjustments as the Broker may in its discretion having regard to the rules, regulations and interpretations from time to time in force of the Exchange, the Hong Kong Securities Clearing Limited, the SFC or other regulatory authorities and the applicable laws and regulations in Hong Kong or in any other jurisdictions. Notwithstanding the Credit Limit and the Client agrees that the Client shall be liable to repay the full amount of any Margin Loan.
- 1.3. The Broker is instructed and authorised by the Client to draw on the Margin Loan to settle any amounts due to the Broker or the Broker's Group Company or Affiliates in respect of the Client's purchase of securities, margin maintenance obligations for any positions required by the Broker or the Broker's Group Company or Affiliates, or payment of any commission or other costs and expenses owing to the Broker or any of the Broker's Group Company or Affiliates, including costs and expenses that may be incurred in connection with the realization of any Collateral.
- 1.4. The Broker will not at any time be obliged to provide any Margin Loan to the Client. In particular, the Client understands that the Broker may not provide any Margin Loan to the Client if any of the following circumstances should arise:
 - (a) the Client fails to comply with any of the terms of this Agreement; or
 - (b) in the opinion of the Broker, there is or has been a material adverse change in the Client's financial condition or in the financial condition of any person which might adversely affect the Client's ability to discharge the Client's liabilities or perform the Client's obligations under the terms of this Agreement; or
 - (c) making an advance would cause the applicable Credit Limit to be exceeded; or
 - (d) the Broker in its absolute discretion considers it prudent / desirable for its protection not to do so.

- 1.5. For so long as there exists any indebtedness to the Broker on the Client's part, the Broker shall be entitled at any time and from time to time to refuse any withdrawal of any or all of the Collateral and the Client shall not without prior written consent of the Broker be entitled to withdraw any Collateral in part or in whole from the Client's Account. Further, all amounts (less brokerage and other proper charges) received by the Broker for or on account of the Client from the sale of Securities shall firstly be paid to the credit of the Margin Account towards the repayment of the Margin Loan.
- 1.6. The Client shall on demand from the Broker or any of the Broker's Group Company or Affiliates make payments or deposits of margin in monies, Securities and or other assets in such amount and in such form into a designated account and within such time as specified by the Broker (referred to as "Margin Call"), as the Broker in its absolute discretion determines necessary to provide adequate security in respect of the Margin Loan. Payment of Margin Calls must be effected in cleared funds or deposit of securities and / or other assets which the Client has good and free unencumbered titles as specified by the Broker and unless the Margin Call is fully satisfied with the time specified, the broker shall have no obligation to effect or respond to the Client's instruction for the buying or selling of securities on margin.
- 1.7. For the purpose of a Margin Call, the Broker shall use its best endeavors to contact the Client promptly by phone on the telephone numbers notified by the Client to the Broker and / or by sending to the Client a Margin Call notice by post, fax or otherwise. The Client agrees that he shall be deemed properly notified of the Margin Call even if the Broker fails to contact him by phone or the Client fails to receive the written notice.
- 1.8. If the Client commits a default in payment on demand of any deposits, margins or any other sums payable to the Broker hereunder, on the due date therefore, or otherwise fails to comply with any of the terms herein contained, without prejudice to any other rights the Broker may have, the Broker shall have the right to close the margin account(s) without notice to the Client and to dispose of any or all securities held for or on behalf of the Client and to apply the proceeds thereof and any cash deposit(s) to pay the Broker all outstanding balance owing to the Broker. The Client hereby agreed that the Broker shall be entitled to sell or dispose of any of the securities or investments from time to time in the Client's account at the current market price thereof to any of the Broker's Group Company or Affiliate without being in any way liable for any loss occasioned hereby howsoever arising and without being accountable for any subsequent profit made by the Broker's Group Company or Affiliate. In the event that the net proceeds of sales shall be insufficient to cover the whole of the Client's indebtedness and liabilities to the Broker, the Client undertakes to pay to the Broker on demand any balance which may then be due.

1.9. The Client hereby agrees to pay interest on all outstanding Margin Loan balances owing by him to the Broker (after as well as before any judgment), at such rate(s), not exceeding the HSBC's Hong Kong Dollar Best Lending Rate +5% or at such rates and on such other terms as notified by the Broker from time to time. The Client further agrees that the interest shall be calculated and payable on the last day of each calendar month or upon any demand being made by the Broker.

2. **Charge**

2.1. The Client, as beneficial owner, charges in favour of the Broker by way of first fixed charge all the Client's respective rights, title, benefits and interests in and to all Collateral as a continuing security ("Charge") for the payment and satisfaction on demand of all monies and liabilities (absolute or contingent) and performance of all obligations under the Margin Loan terms which are now or at any time hereafter may be due, owing or incurred from or by the Client to the Broker or any Broker's Group Company or Affiliate, or for which the Client may be or become liable to the Broker or any Broker's Group Company or Affiliate on any account or in any manner whatsoever together with interest from the date of demand to the date of repayment, and any commission, legal and other costs, charges and expenses as they appear in the records of the Broker or any Broker's Group Company or Affiliate.

2.2. The Charge shall be a continuing security notwithstanding any intermediate payment or settlement of account or satisfaction of the whole or any part of any sum owing by the Client to the Broker and / or any Broker's Group Company or Affiliate and notwithstanding the closing of any of the Client's accounts with Broker and which are subsequently reopened or the subsequent opening of any account by the Client either alone or jointly with others and shall extend to cover all or any sum of monies which shall for the time being constitute the balance due from the Client to the Broker or any Broker's Group Company or Affiliate on any account or otherwise.

2.3. The Client represents and warrants that the Collateral is legally and beneficially owned by the Client, that the Client is entitled to deposit the Collateral with the Broker or any Broker's Group Company or Affiliate, and that the same is and will remain free from any lien, charge or encumbrance of any kind, and any stocks, shares and other securities comprised in the Collateral are and will fully paid up.

2.4. Upon irrevocable payment in full of all sums which may be or become payable under the full performance of the Client's obligations under the Margin Loan terms, the Broker will at the Client's request and expense release to the Client all the rights, titles and interests of the Broker in the Collateral and will give such instructions and directions as the Client may require in order to perfect such release.

2.5. Until the Charge becomes enforceable, (i) the Broker will have the right, subject only giving the Client notice, to exercise rights relating to the Collateral to protect the value of the Collateral, and (ii) except as otherwise provided in this Agreement, the Client may direct the exercise of other rights attaching to, or connected with, the Collateral, but not in any manner which is inconsistent

with the Client's obligations under the Margin Loan terms, or which in any way may prejudice the Broker's rights in relation to the Collateral.

2.6.

3. **Disposal of Collateral**

3.1. The Client agrees that in the event of Client's default, any sale of Collateral by the Broker pursuant to the Margin Loan terms will be done in the absolute discretion of the Broker and 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 favor of any purchaser or other person deriving title to any of the Collateral under the sale and no person dealing with the Broker or its nominees shall be concerned to inquire into the circumstances of the sale.

3.2. In the event that the net proceeds of sales shall be insufficient to cover the whole of the Client's indebtedness and liabilities to the Broker, the Client undertakes to pay to the Broker on demand any balance which may then be due.

4. **Termination of Margin Loan**

4.1. The Margin Loan is repayable on demand and may be varied or terminated in the absolute discretion of the Broker. In particular the Margin Loan will be terminated upon any termination in accordance with the terms of this Agreement and any notice of termination for that purposes shall be deemed to be a notice of termination of the Margin Loan.

4.2. Upon termination of the Margin Loan, any outstanding indebtedness by the Client shall forthwith be repaid to the Broker.

4.3. Repayment of all or any of the Margin Loan owed to the Broker will not of itself constitute cancellation or termination of the Margin Loan terms.

5. **Security Unaffected** - Without prejudice to the generality of the foregoing, neither the Charge nor the Margin Loan hereby secured will be affected in any way by:

5.1. any other security, guarantee or indemnity now or hereafter held by the Broker or any Broker's Group Company or Affiliate under or in respect of the Margin Loan terms or any other liabilities;

5.2. any other variation or amendment to or waiver or release of any security, guarantee or indemnity or other document (including, except to the extent of the relevant variation, amendment, waiver or release, of the Charge);

5.3. the enforcement or absence of enforcement or release by the Broker or any Broker's Group Company or Affiliate of any security, guarantee or indemnity or other document (including the Charge);

5.4. any time, indulgence, waiver or consent given to the Client or any other person whether by the Broker or any Broker's Group Company or Affiliate;

- 5.5. the making or absence of any demand for payment of any sum payable under the Margin Loan terms made on the Client whether by the Broker or any other person;
 - 5.6. the insolvency, bankruptcy, death or insanity of the Client;
 - 5.7. any amalgamation, merger or reconstruction that may be effected by the Broker with any other person or any sale or transfer of the whole or any part of the undertaking, property or assets of the Broker to any other person;
 - 5.8. the existence of any claim, set-off or other right which the Client may have at any time against the Broker or any other person;
 - 5.9. any arrangement or compromise entered into by the Broker with the Client or any other person;
 - 5.10. the illegality, invalidity or unenforceability of, or any defect in, any provision of any document relating to the Margin Loan or any security, guarantee or indemnity (including the Charge) or any of the rights or obligations of any of the parties under or in connection with any such document or any security, guarantee or indemnity (including the Charge), whether on the ground of ultra vires, not being in the interests of the relevant person or not having been duly authorised executed or delivered by any person or for any other reason whatsoever;
 - 5.11. any agreement, security, guarantee, indemnity, payment or other transaction which is capable of being avoided under or affected by any law relating to bankruptcy, insolvency or winding-up or any release, settlement or discharge given or made by the Client in the faith of any such agreement, security, guarantee, indemnity, payment or other transaction, and any such release, settlement or discharge shall be deemed to be limited accordingly; or any other thing done or omitted or neglected to be done by the Broker or any other person or any other dealing fact matter or thing which, but for this provision, might operate to prejudice or affect the Client's liabilities under the Margin Loan terms.
6. **Power of Attorney** - The Client by way of security irrevocably appoints the Broker to be the Client's attorney on the Client's behalf and in the Client's name to do all acts and things and to sign, seal, execute, deliver, perfect and do all deeds, instruments, documents, acts and things which may be required for carrying out any obligation imposed on the Client by or pursuant to the Margin Loan terms and generally for enabling the Broker to exercise the respective rights and powers conferred on it by or pursuant to the Margin Loan terms or by law including (but without limitation):
- 6.1. to execute any transfer or assurance in respect of any of the Collateral;
 - 6.2. to perfect its title to any of the Collateral;

- 6.3. to ask, require, demand, receive, compound and give a good discharge for any and all monies and claims for monies due or to become due under or arising out of any of the Collateral;
- 6.4. to give valid receipts and discharges and to endorse any cheques or other instruments or orders in connection with any of the Collateral; and
- 6.5. generally to file any claims or take any lawful action or institute any proceedings which it considers to be necessary or advisable to protect the security created under the Margin terms.
7. **Risk Disclosure Statement** - The Broker refers the Client to the Risk Disclosure Statements contained in Schedule 1. The Client agrees to read, ask questions and if necessary, seek independent advice.
8. **Joint Accounts**
 - 8.1. Where the Customer consists of more than one person (each a “**joint account holder**”), the Account shall be a joint account with the right of survivorship. Upon the death of any such joint account holder, the interest of the deceased in the Account will enure to the benefits of the survivor(s).
 - 8.2. The liabilities of each joint account holder shall be joint and several.
 - 8.3. The death of any one joint account holder does not operate to terminate the Agreement.
 - 8.4. Any notice, payment or delivery by Broker to either or any one of the joint account holders shall be a full and sufficient discharge of Broker’s obligations to notify, pay or deliver under the Agreement.
 - 8.5. In the event of any joint account holder is incapacitated or if a bankruptcy order is made against any joint account holder or if the operation of the Account is affected by any court order or notice from any competent authority against a joint account holder, the operation of the Account (including the withdrawal or transfer of funds or securities) will be suspended until an administrator or receiver is appointed or the consent of the receiver or Official Receiver is obtained or the court order is discharged or the relevant notice is removed (as the case may be).

3. Terms and Conditions for Power Ten Margin Trading Account

These Terms are additional and supplemental to the terms and conditions for Securities Trading Account. The Transactions effected, conducted, carried on and entered into by the Client with and through Wing Fung Securities for or on the Power Ten Margin Trading Account, and the business of the trading Securities on the Power Ten Margin Trading Account to be provided by Wing Fung Securities to the Client shall be subject to and upon the Agreement. Where any conflict or inconsistency arises between any provision of these Terms and any provision of the terms and conditions, the provisions of these Terms shall prevail.

All references in the Terms and Conditions for Securities Trading Account and these Terms to the Client Service Agreement shall be construed as references to the Securities Trading Service Agreement as amended, supplemented and amended by these Terms.

1. Client acknowledges that the Power Ten Margin Trading Account (“the Account”) is a type of Margin Trading Account.
2. Client acknowledges and agrees that the Account can only be operated and must be maintained the minimum balance set by Wing Fung Securities from time to time and it can only trade the specific stocks on the list pre-set by Wing Fung Securities. Wing Fung Securities may in its absolute discretion to amend the list from time to time without further notice.
3. Client acknowledges and agrees that no At-auction Order (AO) during the Order Input Period of the Pre-opening session will be accepted by Wing Fung Securities for the Account.
4. Client acknowledges and agrees that no internal stocks transfer instructions and no stocks deposit and withdrawal services will be accepted by Wing Fung Securities for the Account.
5. Client acknowledges and agrees that the commission for the Account shall at such rates as Wing Fung Securities may, from time to time, have notified the Client.
6. For the Account, Client may purchase specific stocks(s) at the prevailing market price up to 10 times (as amended by Wing Fung Securities from time to time at its absolute discretion) of the balance of the cash deposited by Client in the Account. Wing Fung Securities may also at its absolute discretion to set a maximum cap of the aggregate amount for purchasing an individual stock or for the total stock amount in the Account from time to time and Wing Fung Securities may also revise such maximum cap at its absolute discretion. Client must deposit the relevant amount as determined by Wing Fung Securities in its absolute discretion to be sufficient to cover any increase in the level of margin as a result of such amendment or reduction in the maximum cap (as the case may be) into the Account on the same trading day.
7. Client acknowledges and agrees that the stock purchase service of the Account may be suspended when the limit of purchasing stocks (whatever for individual stock or all stocks) which was set by Wing Fung Securities from time to time for this type of account has been reached.

8. Margin Call and Automatic Liquidation:

- (a) Client acknowledges and agrees that there is no margin call for Power Ten Margin Trading Account. Client must keep the net cash balance to the total marginable value of all stocks held ratio less than 105% at any time within the trading hours of the Hong Kong Stock Exchange on any trading days. In case of the net cash balance to the total marginable value of all stocks held in the account ratio (“Margin Ratio”) is over or equal to 105% at any time, Wing Fung Securities is irrevocably authorized by Client to close all positions at the prevailing market price(s) (“Automatic Liquidation”) without assigning any reason and further notice.
- (b) *Margin Ratio = Net Cash Balance at the relevant time / Total Marginable Value of all stocks held in the Account at the relevant time x 100%*
- (c) Client acknowledges and agrees that no orders could be placed and all outstanding order(s) will be automatically cancelled during the last 10 minutes of each relevant trading day (i.e. after 11:50:00 a.m. (Hong Kong time) for the half-day trading days and after 3:50:00 p.m. (Hong Kong time) for the normal trading days).
- (d) Client acknowledges and agrees that all positions should be closed before the last 10 minutes of each relevant trading day (i.e. before 11:50:00 a.m. (Hong Kong time) for the half-day trading days and before 3:50:00 p.m. (Hong Kong time) for the normal trading days.). Otherwise, Wing Fung Securities is irrevocably authorized by Client to execute Automatic Liquidation in the last 10 minutes of each relevant trading day (i.e. started from 11:50:00 a.m. (Hong Kong time) for the half-day trading days and 3:50:00 p.m. (Hong Kong time) for the normal trading days, respectively) without assigning any reason and notification. Wing Fung Securities may in its absolute discretion to execute Automatic Liquidation, included but not limited to the selling price and sequence of the relevant stocks in the Account.
- (e) Client acknowledges and agrees that Wing Fung Securities shall not be liable to Client for any loss, damages, expenses and fees incurred from the Automatic Liquidation.
- (f) Client acknowledges that if automatically Liquidation cannot be completed on the same day, Wing Fung Securities reserves the right to execute Automatically Liquidation within the next trading day (T+1) at any time (included but not limited to the order input period during the pre-opening session).
- (g) Client acknowledges and agrees that all outstanding order(s) will be cancelled without assigning any reason and further notice if Automatic Liquidation is triggered to close all positions.
- (h) Irrespective of any circumstances or reasons, no undertaking is given by Wing Fung Securities to Client that whether the Automatic Liquidation can be fully completed. Client in any event shall be personally liable for any loss, damages, expenses and fees, whatsoever suffered and incurred by Client arising out of, or in connection with, directly or indirectly the failure of completion of closing of the position in full and bears all the market risks for any positions in the Account at any time under any circumstances.

9. Client shall remain fully liable for any resulting deficit in the Account and bear all market risk if there is any outstanding positions after market close of the relevant trading day due to whatever

reasons, including but not limited to, trading suspension of particular stock(s) or system/operation deficiency/failure.

10. In case that the stock(s) held in the Account is/are suspended from trading during trading session of the relevant trading day or positions cannot be closed before market close of the relevant trading day for whatever reasons, Client must deposit the relevant amount as determined by Wing Fung Securities in its absolute discretion to be sufficient to cover any resulting deficit into the Account immediately. Otherwise, Wing Fung Securities will charge interest on any resulting deficit at the prevailing annual rate set by Wing Fung Securities from time to time and the client will remain liable for any expenses/fees arising from such deficit.
11. Wing Fung Securities shall have absolute rights to amend, delete or substitute any of the terms herein or add new terms to the Agreement. An amendment notice and the revised Agreement will be posted at Wing Fung Financial Group Website at www.wfgold.com. The Client should visit the Wing Fung Financial Group Website from time to time for obtaining the latest Agreement and read the terms thereof. Such amendment, deletion, substitution or addition shall be deemed as effective and incorporated herein (and shall form part of the Agreement) on the date of publication of such amendment notice. The Client may raise written objection within fourteen (14) days after the publication of such amendment notice at the Wing Fung Financial Group Website. Failing which, it shall be deemed an acceptance of such amendment, deletion, substitution or addition.

12. Joint Accounts

- 12.1. Where the Customer consists of more than one person (each a “**joint account holder**”), the Account shall be a joint account with the right of survivorship. Upon the death of any such joint account holder, the interest of the deceased in the Account will enure to the benefits of the survivor(s).
- 12.2. The liabilities of each joint account holder shall be joint and several.
- 12.3. The death of any one joint account holder does not operate to terminate the Agreement.
- 12.4. Any notice, payment or delivery by Broker to either or any one of the joint account holders shall be a full and sufficient discharge of Broker’s obligations to notify, pay or deliver under the Agreement.
- 12.5. In the event of any joint account holder is incapacitated or if a bankruptcy order is made against any joint account holder or if the operation of the Account is affected by any court order or notice from any competent authority against a joint account holder, the operation of the Account (including the withdrawal or transfer of funds or securities) will be suspended until an administrator or receiver is appointed or the consent of the receiver or Official Receiver is obtained or the court order is discharged or the relevant notice is removed (as the case may be).

4. Terms and Conditions for IPO and Placing

These Terms are additional and supplemental to the terms and conditions for Securities Trading Account. All application to be made by Wing Fung Securities as agent on behalf of the Client for the subscription or purchase of the Offer Securities and the financing facility to be granted or extended by Wing Fung Securities to the Client on demand in respect of such application shall be subject to and upon the Agreement. Where any conflict or inconsistency arises between any provision of these Terms and any provision of Section I, the provisions of these Terms shall prevail.

1. Definitions

- 1.1. In these Terms, unless redefined herein or the context requires otherwise, all expressions defined in Section I shall, where applicable, have the same meanings when used herein.
- 1.2. In these Terms, the following expressions, unless the context requires otherwise, shall have the following meanings: -

"Client Acknowledgment" means the Acknowledgment by Client for the Securities Account including the information for trading, procedure for funds deposit and withdrawal, procedure for transferring funds from the Securities Account and other information in respect of the Securities Account thereto to be acknowledged and signed by the Client and, as the context requires, any amendments made thereto from time to time;

"Agreement" means the agreement made between the Client and Wing Fung Securities and constituted by the Account Opening Form, these Terms, the Client Acknowledgement, the terms and conditions for Securities Trading Account, and such other documents referred to therein or added thereto (including any amendment or supplement made thereto from time to time);

"Allotted Securities" means all the Securities in relation to which the Application is accepted;

"Application" means any application to be made by Wing Fung Securities as agent on behalf of the Client for the subscription or purchase of the Offer Securities pursuant to Clause 2;

"Funding Fee"	means the amount of such other moneys and costs as Wing Fung Securities may from time to time notify the Client (if any);
"IPO"	means a public offer of Securities in respect of a new listing and/or issue of such Securities on an Exchange;
"Issuer"	means the issuer or vendor of the Offer Securities;
"Loan"	means the financing facility to be granted or extended by Wing Fung Securities to the Client on demand in respect of the Application pursuant to Clause 7;
"Offer Securities"	means the Securities offered by the Issuer for (a) subscription in an IPO; or (b) purchase in a placing of Securities;
"Placing"	means a placing and/or selected/restricted offering of Securities;
"Relevant Person"	means the Issuer, sponsors, underwriters, placing agents and other intermediaries involved, the Exchange, the SFC, the Clearing House or any other relevant regulators and other relevant person; and
"these Terms"	means all the terms and conditions in this Section headed "Terms and Conditions for IPO and Placing" as from time to time amended and supplemented.

1.3. In these Terms: -

- (a) "include(s)" and "including" mean respectively "include(s) but not limited to" and "including but not limited to";
- (b) reference to a Clause is to a clause of these Terms and reference to the Account Opening Form is to the Account Opening Form as completed by or on behalf of the Client and where such information has been amended by subsequent notice to Wing Fung Securities means the Account Opening Form as amended by such notice;
- (c) reference to an Ordinance is to an Ordinance or law of Hong Kong and any subsidiary legislation related thereto as from time to time amended, consolidated, extended, codified or re-enacted and for the time being in force;
- (d) words importing the singular include the plural and vice versa; words importing person include bodies corporate or unincorporated or other entity; words importing gender include every gender and the neuter gender;

- (e) the headings to the Clauses are for convenience only and do not affect their interpretation or construction; and
- (f) where it is necessary for the true construction or interpretation of any provision herein so that the indebtedness, liability or obligation of any of the Parties shall continue after the termination of the Agreement, such provision shall survive the termination of the Agreement.

2. Application

- 2.1. Once the Client place the order, the Client cannot cancel the Application unless agreed by Wing Fung Securities. The Client irrevocably and unconditionally requests and authorizes Wing Fung Securities to make the Application containing the following details :-
 - (a) the number of Offer Securities to be applied for;
 - (b) the name of Issuer of such Offer Securities; and
 - (c) the Application Amount for such Offer Securities.In the event of Wing Fung Securities agreed to cancel the Application, the Client agrees, acknowledges and undertakings to pay the relevant interest, Funding Fee, expenses and costs to Wing Fung Securities on demand all amounts payable.
- 2.2. Wing Fung Securities reserves the right to refuse acting on any Client's Instructions in relation to the Application if there are insufficient funds in the Client's Account at the relevant time for settling the Application Amount and Funding Fee or if, in Wing Fung Securities' opinion, there is any other reasonable ground for such refusal without giving reason therefor.
- 2.3. Where Wing Fung Securities or its agent submits the Application, Wing Fung Securities or its agent acts as the agent of the Client for the purpose of applying for Offer Securities and neither Wing Fung Securities nor its agent (as the case may be) is the agent of the Issuer or other parties involved in the relevant IPO and/or Placing of Offer Securities.
- 2.4. The Client must ensure that each Application complies with any minimum, maximum, denomination and/or other requirements (whether in respect of quantity or value of Securities or number of Application) prescribed by the Issuer of the relevant IPO and/or Placing of Offer Securities. Any Application which does not fully comply with such requirements will not be processed by Wing Fung Securities.
- 2.5. The Application shall be subject to the Agreement.
- 2.6. Wing Fung Securities may aggregate the Application with a bulk application to be made by Wing Fung Securities or its agent on Wing Fung Securities' own account and/or on behalf of Wing Fung Securities and/or Wing Fung Securities' own clients. The Client acknowledges and agrees: -
 - (a) that such bulk application may be rejected by reasons which are unrelated to the Client and the Application and neither Wing Fung Securities nor its agent shall, in the absence of fraud or willful default, be liable to the Client or any other person in consequence of such rejection;
 - (b) to indemnify Wing Fung Securities against any losses, damages, costs, charges, expenses, claims or demands whatsoever which may be sustained or incurred by or made against Wing Fung Securities if such bulk application is rejected either in circumstances where the Client's representations, undertakings and warranties have been breached or otherwise because of factors relating to the Client. The Client acknowledges that the Client may also be liable in damages to other persons affected by such breach or other factors; and

(c) that in the event that the bulk application is only partially filled, Wing Fung Securities is entitled to distribute the Allotted Securities in its absolute discretion, including distributing the Allotted Securities equally between all clients under the bulk application and the Client shall not have any claim to the Allotted Securities or claim of priority to another client in relation to the bulk application.

- 2.7. Regarding the Application, the Client acknowledges that Wing Fung Securities has invited the Client to seek independent advice or the Client does not wish to seek independent legal advice despite every chance having been offered to the Client to do so.

3. Responsibility of Wing Fung Securities

- 3.1. Wing Fung Securities shall not have any liability in respect of, nor is responsible for, has not authorized and shall not be deemed to have authorized the contents in any prospectus, offering document(s), application form(s) or other documents relating to the IPO and/or Placing of Offer Securities.
- 3.2. Unless otherwise appointed in writing, Wing Fung Securities is not the investment adviser of the Client and shall not be responsible for any loss which the Client may suffer as a result of any Application.
- 3.3. Wing Fung Securities makes no undertakings, warranties or representations as to the result of the allotment of the Offer Securities and in any event Wing Fung Securities shall not be responsible for the result of the allotment whether or not it is in connection with Wing Fung Securities' acts, omission or default.
- 3.4. Wing Fung Securities shall not incur any liability or responsibility whatsoever arising out of or in consequence of any failure or omission by Wing Fung Securities to perform any of its obligations hereunder including but without limitation the making of the Application or any refusal to make or any withdrawal of the Application.

4. Notification and Results

- 4.1. The Issuer shall be solely responsible for approving or disapproving Applications under the relevant IPO and/or Placing of Offer Securities and for announcing the results of allocation of the Offer Securities. The specific arrangements with regard to the announcement of results may differ and the Client shall be responsible for ascertaining details of such arrangements by reviewing the relevant prospectus and/or offering document(s). Wing Fung Securities will notify the Client of the results of its Application in such manner as Wing Fung Securities may deem fit.
- 4.2. Unless Wing Fung Securities receives from the Client notice to the contrary together with payment of all amounts payable under these Terms including but not limited to the Loan, the Application Amount and the Funding Fee within such time as Wing Fung Securities may specify in its notification of allotment to the Client (without prejudice to Wing Fung Securities' right of repayment on demand), Wing Fung Securities is authorized but not obliged without notice to the Client and without the Client's consent to sell any and all Allotted Securities in such manner and for such price or prices, without being responsible for any loss, as Wing Fung Securities may think fit, and to apply the proceeds of such sale towards discharging the costs incurred therein and all other costs incurred by Wing Fung Securities hereunder and then in or towards

reimbursing to Wing Fung Securities first the Loan and the Funding Fee, and then the Application Amount and the residue (if any) shall be paid to the Client or to the Client's order. In the event of any deficiency after the sale of Allotted Securities, the Client shall make good and pay on demand to Wing Fung Securities such deficiency. The Client shall also pay interest on such deficiency at such rates and on such other terms as Wing Fung Securities notifies the Client from time to time or failing such notification at a rate equivalent to ten per cent (10%) above the prevailing prime or best lending rate for Hong Kong dollars of The Hongkong and Shanghai Banking Corporation Limited or other bank as determined by Wing Fung Securities from time to time, such interest shall be payable on the last day of each calendar month or forthwith upon demand by Wing Fung Securities.

- 4.3. In the event of Wing Fung Securities' receiving a notice from the Client pursuant to Clause 4.2, the Client shall pay to Wing Fung Securities on demand all amounts payable by the Client under these Terms, including but limited to the Loan, the Application Amount and the Funding Fee, whereupon Wing Fung Securities will release or procure its agent to release to the Client the certificates relating to the Allotted Securities (upon payment of the necessary expenses required by the central depository) with the relevant transfers duly executed, or to procure the Allotted Securities to be credited to the Client's specified Account.

5. Refund of Application Amount

- 5.1. Where no Application has been submitted on behalf of the Client or if Wing Fung Securities has grounds not to process the Client's Instructions for Application, Wing Fung Securities will arrange for refund of the Application Amount to the extent debited (in full but without interest) to the Client by crediting the relevant sum to the Settlement Account on (a) in the case of IPO, the refund date as announced by the Issuer; or (b) in the case of Placing of Offer Securities, within [3] Business Days after completion and/or termination of such Placing pursuant to the terms and conditions of the prospectus, offering document(s), application form(s) or other documents relating to such Placing. If an Application is duly submitted but is unsuccessful (or only partly successful), Wing Fung Securities will arrange for refund of the Application Amount (or the applicable balance in the case of a partly successful Application) in the same manner described in this Clause.
- 5.2. In the event that the offer price (as finally determined by the Issuer) is less than the Application Amount initially paid by the Client, subject to the terms and conditions of the relevant IPO and/or Placing of Offer Securities, Wing Fung Securities will arrange to refund the surplus Application Amount to the Client in the same manner described in this Clause.
- 5.3. All Funding Fee in connection with the Application are not refundable unless otherwise specified by Wing Fung Securities in writing.

6. Client's Representations, Undertakings and Warranties

- 6.1. The Client warrants that Wing Fung Securities shall have authority to make the Application as the Client's agent and for the Client's benefit.
- 6.2. The Client warrants that the Client is not a person prohibited by any Relevant Person or any legislation, rule or regulation from making the Application.

- 6.3. The Client shall familiarize itself and comply with all the terms and conditions issued by Relevant Person: - (a) governing the IPO and/or Placing of the Offer Securities set out in the application form(s), prospectus, offering document(s) and any other relevant document in respect of such IPO and/or Placing of the Offer Securities; and (b) in the Agreement, and the Client agrees to be bound by such terms and conditions in any Application. The Client should make the investment decision based on the prospectus, offering document(s) and any other relevant document in respect of such IPO and/or Placing of Offer Securities rather than on information, particularly promotional or marketing materials and media coverage relating to such IPO and/or Placing of the Offer Securities.
- 6.4. The Client represents, undertakes and warrants to Wing Fung Securities that: - (a) (where multiple applications for subscription or purchase of Offer Securities are not permitted) the Client has not made and will not make, nor have procured nor will procure to have made, more than one Application; (b) the Client has not made and will not make, nor have procured nor will procure to have made, any Application as agent, nominee or trustee for any other person; (c) the Client has not been placed (for the benefit of itself or for the benefit of any of its clients) with any shares or warrants which are of the same class or type as those applied for in the Application. The Client acknowledges that the Client is aware that any breach by the Client of the representations, undertakings and warranties set out in this Clause might cause, in addition to the rejection of the Application, the rejection of other applications submitted by Wing Fung Securities on its own behalf or on behalf of others. The Client will indemnify Wing Fung Securities on demand for all losses resulting from any breach by the Client of the representations, undertakings and warranties set out in this Clause. The Client acknowledges and accepts that the aforesaid representations, undertakings and warranties will be relied upon by Wing Fung Securities and the Relevant Person in respect of the Application.
- 6.5. The Client gives Wing Fung Securities all the representations, warranties and undertakings which an applicant for the Offer Securities in an IPO and/or Placing is required to give (whether to any or all of the Relevant Persons).
- 6.6. The Client recognizes and understands that the legal and regulatory requirements and Market practice in respect of Applications may vary from time to time as may the requirements of any particular IPO and/or Placing of the Offer Securities. The Client undertakes to provide to Wing Fung Securities such information, make such disclosure, take such additional steps and make such additional representations, warranties and undertakings as may be required in accordance with such legal and regulatory requirements and Market practice as Wing Fung Securities may in its absolute discretion determine from time to time.
- 6.7. In accordance with the current Hong Kong regulatory requirements for the Application and the issue of the Allotted Securities, such nominee companies or Wing Fung Securities or Wing Fung Securities' agents as the case may be, may be required, in respect of the Client and/or the Application, to make certain undertakings, representations and warranties to any one or more of the Relevant Persons. Wing Fung Securities is authorized to enter into such undertakings, representations and warranties in reliance solely upon undertakings, representations and warranties being given by the Client to Wing Fung Securities. The Client will be bound by all

applicable announcements made by any Relevant Person and all the applicable legislation, rules and regulations governing the Application and the issue of the Allotted Securities.

- 6.8. The Client accepts all things done by Wing Fung Securities and/or its agent on the Client's behalf pursuant to any Application Instruction given to Wing Fung Securities and/or its agent. The Client indemnifies Wing Fung Securities and/or its agent against any loss or claims suffered or incurred by each of them in connection with any Application.

7. Application Financing

- 7.1. The Client applies to and requests Wing Fung Securities to grant or extend to the Client and on demand the Loan for the Application. The following items shall be agreed by the Client and Wing Fung Securities: -
- (a) the amount of Loan;
 - (b) the percentage of interest rate; and
 - (c) the Funding Fee.
- 7.2. Subject to Clause 7.3, Wing Fung Securities, relying on the representations, warranties and undertakings of the Client in the Agreement, agrees to grant or extend to the Client the Loan for the Application subject to and upon the terms and conditions of the Agreement.
- 7.3. Notwithstanding anything contained herein to the contrary (in particular Clause 7.2) and without prejudice to any other rights and powers of Wing Fung Securities herein contained or otherwise conferred by the laws of Hong Kong, the Client agrees and acknowledges that the provision of the Loan is at Wing Fung Securities' sole discretion and subject to such arrangement as may be made between the Client and Wing Fung Securities. Wing Fung Securities retains the right, without notice to the Client, to withdraw, stop or cancel any part or the whole of the Loan at any time up to the moment when the Application is made. In the event of Wing Fung Securities exercising the aforesaid right, then the Loan (or any part thereof) shall automatically be withdrawn, stopped or cancelled, and the Loan (or any part thereof) shall not thereafter be available to the Client. For the avoidance of doubt, it is hereby agreed and declared that all the Client's rights and benefits under the Agreement shall be subject always to Wing Fung Securities' right of withdrawal, stop, cancellation as mentioned in this Clause.
- 7.4. The Client agrees, acknowledges and undertakes to Wing Fung Securities that: -
- (a) the Client will pay to Wing Fung Securities on demand the Loan, interest thereon, the Funding Fee, charges and costs;
 - (b) the Loan is advanced to the Client exclusively for the Application and the Loan proceeds shall be held on trust for that purpose. Notwithstanding that the Application is made by Wing Fung Securities as agent on the Client's behalf, the Client shall have no right, title, interest or claim of whatever nature in or to any amount to be refunded in respect of the Application to the extent that the amount refunded does not exceed the Loan, all of which shall be held by Wing Fung Securities/its agent on trust to be applied towards satisfaction of the Loan, interest thereon, the Funding Fee, charges and costs. The balance of any money refunded shall first be applied towards the satisfaction of any outstanding balance owed by the Client to Wing Fung Securities, including without limitation interests accrued, charges and costs, the Funding Fee

and any such further amount payable by the Client hereunder. Wing Fung Securities may at its absolute discretion grant security interest of any nature over the refund moneys to any third party as security for any credit facilities made to Wing Fung Securities to finance its funding of all or part of the Loan;

- (c) the Allotted Securities (including all dividends, warrants, shares, stocks, rights, money and other property accruing or offered at any time by way of substitution, redemption, bonus, preference, option or otherwise in respect thereof) shall become part of the Retained Properties (as defined in Section I) and subject to the Lien (as defined in Section I);
- (d) Wing Fung Securities may at its absolute discretion pledge or grant security interest of any nature over the Allotted Securities (including all dividends, warrants, shares, stocks, rights, money and other property accruing or offered at any time by way of substitution, redemption, bonus, preference, option or otherwise in respect thereof) to any third party as security for credit facilities made to Wing Fung Securities to finance its funding of all or part of the Loan;
- (e) upon failing payment by the Client on demand of all amounts payable by the Client hereunder, Wing Fung Securities may, without further notice to the Client and without the Client's consent, sell the Allotted Securities (or any part thereof) in such manner and for such price or prices, without being responsible for any loss, as Wing Fung Securities may think fit and apply the proceeds of sale to settle all Liabilities, actual or contingent, due from the Client to Wing Fung Securities. In the event of any deficiency after the sale of the Allotted Securities, the Client shall make good and pay on demand to Wing Fung Securities such deficiency. The Client shall also pay interest on such deficiency at such rates and on such other terms as Wing Fung Securities notifies the Client from time to time or failing such notification at a rate equivalent to ten per cent (10%) above the prevailing prime or best lending rate for Hong Kong dollars of The Hongkong and Shanghai Banking Corporation Limited or such other bank as determined by Wing Fung Securities from time to time, such interest shall be payable on the last day of each calendar month or forthwith upon demand by Wing Fung Securities;
- (f) in addition and without prejudice to any other provisions in the Agreement or any security or right Wing Fung Securities may have in law or otherwise, the Client authorizes Wing Fung Securities to apply any credit balance to which the Client is entitled on any Account and any other money payable to the Client from Wing Fung Group Companies in satisfaction of any amount due and payable to Wing Fung Securities hereunder but unpaid. For this purpose, Wing Fung Securities is authorized to purchase with the money standing to the credit of any such Account such other currency as may be necessary to effect such application;
- (g) the Client will at its own expense execute and sign all transfers, power of attorney, proxies and other documents and do all acts and things which Wing Fung Securities may require for perfecting Wing Fung Securities' title to the Allotted Securities or any of them and/or for vesting or enabling Wing Fung Securities to vest such Allotted Securities in its name, in its nominee and/or any purchaser or otherwise for the purposes of obtaining full benefit of the security hereby created. Wing Fung Securities will be entitled to exercise all rights and powers that are conferred upon Wing Fung Securities herein by such documents including without limitation rights in selling the Allotted Securities;

- (h) without prejudice to the Agreement, the Client will fully indemnify and keep Wing Fung Securities indemnified on demand against any losses, damages, costs, charges, expenses, claims or demands which may be sustained or incurred by or made against Wing Fung Securities arising out of the Loan and/or the Agreement; and
- (i) regarding the Loan, the Client acknowledges that Wing Fung Securities has invited the Client to seek independent advice or the Client does not wish to seek independent legal advice despite every chance having been offered to the Client to do so.

5. Terms and Conditions of Trading in Pre-IPO Trading Session

In relation to any Pre-IPO trading service (Over-The-Counter (“OTC”) transactions), including without limitation trading of any new securities before their listing on the Exchange, entered or to be entered into by the Customer, the Customer acknowledges and agrees that:

1. If the Company engages the service of Correspondent Agents, the Company shall be entitled to accept and keep, for its own account, any commission or rebate which the Company may receive in respect of any business the Company supplies to them on behalf of the Customer. Subject to this clause, the Company is acting as agent for the Customer and does not guarantee the settlement of such OTC transactions;
2. the Customer’s orders may be partially executed or not executed at all. Trades executed will be cancelled and void if the relevant security subsequently fails to list on the Exchange;
3. in the event that the Customer in selling any securities fails to deliver such securities, the Company is entitled to purchase in the market and/or in Pre-IPO trading session (at the prevailing market price) the relevant securities required for delivery in respect of such sale effected for the Customer in order to complete the settlement of the relevant transaction. The Customer shall bear all losses arising out of or in connection with such transaction;
4. in the event that (a) the Customer buys securities from a seller and such seller fails to deliver the relevant securities and (b) the purchase of the relevant securities cannot be effected or the Company in its absolute discretion determines not to purchase the relevant securities pursuant to clause (3) the Customer will not be entitled to obtain the relevant securities at the matched price and shall only be entitled to receive the money paid for the purchase of the relevant securities;
5. in the event that the Customer in buying any securities fails to deposit the necessary settlement amount, the Company is entitled to sell any and all securities or collateral held in its account and use the sale proceeds after deducting all costs in settlement of the transaction. However, if the Customer is the seller under such transaction and such transaction cannot be settled, the Customer shall only be entitled to the relevant securities but not the sale proceeds of the relevant securities; and
6. without prejudice to the above, the Customer shall bear its own losses or expenses and shall be responsible to the Company for any losses and expenses resulting from its and/or its counterparty’s settlement failures.

6. Terms and Conditions for Securities Trading (Supplemental)

These Terms are additional and supplemental to the terms and conditions for Securities Trading Account. The Transactions effected, conducted, carried on and entered into by the Client with and through Wing Fung Securities for or on the Securities Trading Account, and the business of the trading Securities to be provided by Wing Fung Securities to the Client shall be subject to and upon the Agreement. Where any conflict or inconsistency arises between any provision of these Terms and any provision of the terms and conditions, the provisions of these Terms shall prevail.

All references in the Terms and Conditions for Securities Trading Account and these Terms to the Client Service Agreement shall be construed as references to the Securities Trading Service Agreement as amended, supplemented and amended by these Terms.

1. Definitions

"WF Securities"	means Wing Fung Securities Limited, a company incorporated under the laws of Hong Kong (SFC-CE Number: AAV717) and its successors and assigns;
"WF Financial Group Companies"	means WF Securities, WF Futures, WF Forex, WF Bullion Investment and such other company as WF Securities may from time to time add and notify the Client;
"WF Trading Agent"	means any agent appointed, engaged and instructed by WF Securities for executing, effecting, trading, implementing, clearing and settling the Instructions and Transactions in a Foreign Jurisdiction on behalf of the Client;
"WF Trading Agent Agreement"	means the agreements and the terms and conditions made between WF Securities and WF Trading Agent for the purposes of these Terms and the Transactions (including any amendment or supplement made thereto from time to time);
"Foreign Clearing House"	means the clearing or settlement house, corporation, organization or body (being appointed, authorized or engaged by or established and operated by a Foreign Stock Exchange to provide clearing and settlement services to that Foreign Stock Exchange in respect of the Securities) including, where the context so requires, its agents, nominees, representatives, officers and employees;

"Foreign Jurisdiction"	means a country, territory or jurisdiction outside Hong Kong;
"Foreign Regulators"	means any regulatory or supervisory corporation, organisation or body in a Foreign Jurisdiction having jurisdiction or regulatory or supervisory power or authority over the Transactions;
"Foreign Securities Laws"	means the relevant laws, legislations, rules and regulations of the relevant Foreign Jurisdiction relating to the Transactions;
"Foreign SE Rules"	means the rules, regulations, bylaws and procedures of or made by the Foreign Stock Exchange, and any amendments, supplements, variations or modifications thereto from time to time in force;
"Foreign Stock Exchange"	means a stock or securities exchange which is permitted to operate in a Foreign Jurisdiction by the law of that Foreign Jurisdiction including, where the context so requires, its agents, nominees, representatives, officers and employees;

2. Applicable Rules and Regulations

- 2.1. All the Instructions and Transactions made or entered into by WF Securities and/or WF Trading Agent on behalf of the Client shall be subject to, and in respect of the above, both WF Securities and the Client shall be bound by:
- (a) the Agreement;
 - (b) WF Securities' rules, regulations, procedures and policies from time to time in force;
 - (c) the memorandum and articles of association of SEHK, SEHK Rules, Clearing Rules in Hong Kong and the customs, usages, rulings and procedures of SEHK;
 - (d) the SFO and all applicable laws, rules and regulations of Hong Kong;
 - (e) the WF Trading Agent Agreement, and the rules, regulations, procedures and policies of WF Trading Agent relating and applicable to the Transactions from time to time in force;
 - (f) the constitution of the relevant Foreign Stock Exchange, the relevant Foreign SE Rules, the Clearing Rules in the relevant Foreign Jurisdiction and the Market (and their respective Clearing House, if any) and Foreign SE Rules and the customs, usages, rulings and procedures of the relevant Foreign Stock Exchange, where the Instructions and Transactions are executed, performed, cleared or settled; and
 - (g) the relevant Foreign Securities Law in which Foreign Jurisdiction the Instructions and Transactions are executed, performed, cleared or settled.

In the event of any conflict or discrepancy, the above applicable terms, laws, rules, regulations, procedures shall be governed in the order of prevalence of (a), (b), (c), (d), (e), (f) and (g).

3. Appointment and Scope of Agency

- 3.1. The Client acknowledges and accepts that it may not be possible to cancel, vary or amend an Instruction. Any attempt to cancel, vary or amend an Instruction is simply a request to cancel or modify. WF Securities shall not be obliged to act on any Instruction for cancellation, variation or amendment of any Instruction already given to WF Securities. WF Securities is not responsible for or liable to the Client for any loss or expense suffered or incurred by the Client if the original Instruction has already been completed, or in the opinion of WF Securities, WF Securities has insufficient time or is unable to act on such Instructions to cancel, vary or amend the original Instruction. The Client further acknowledges and accepts that attempts to cancel, vary or amend an Instruction can result in an over-execution of the Instruction, or the execution of duplicate or repeated Instructions, and the Client shall be responsible for all such executions. The Client further acknowledges and accepts that in respect of the Instruction involving WF Trading Agent, attempts to cancel, vary or amend an Instruction is subject to the consent or agreement of the WF Trading Agent, and the Client shall be responsible for all such executions.
- 3.2. Without prejudice to other provisions in these Terms, the Client agrees and authorizes WF Securities to appoint, engage and instruct WF Trading Agents as WF Securities may in its absolute discretion deem fit to execute, effect, trade, implement, clear and settle any Instructions and Transactions in a Foreign Jurisdiction.
- 3.3. Notwithstanding that WF Securities has accepted or agreed to carry out, execute or effect any Instructions and/or any Transaction, if the WF Trading Agent, in its absolute discretion, (a) decline to accept, carry out, execute or effect any Instructions and/or any Transaction; or (b) decline to act on or stop carrying out, execute or effect any accepted Instructions and/or any Transaction, WF Securities may, in its absolute discretion, (a) stop or discontinue to accept, carry out, execute or effect any such accepted or agreed Instructions and/or any Transaction; or (b) decline to act on or stop carrying out, execute or effect any such accepted Instructions and/or any Transaction without giving any reason therefor. WF Securities shall not, in any circumstances, be liable (including liability for negligence) in any way to the Client for any loss, damages, expenses or loss of profit whatsoever suffered and/or incurred by the Client arising out (directly or indirectly) of or in connection with its not accepting, carrying out, executing, effecting or acting on such Instructions and/or Transactions or omitting to give notice therefor.

4. Form of Instructions

- 4.1. WF Securities and/or WF Trading Agent may aggregate the Client's order with its own orders or with those of persons connected with WF Securities or with those of other clients. Such aggregation may on some occasions operate to the Client's disadvantage and on other occasions to the Client's advantage. The Client agrees that in the event of there being insufficient Securities available to satisfy the purchase/sell orders so aggregated, the number of Securities actually purchased/sold shall be attributed to the relevant clients in the order in which those purchase/sale orders were received by WF Securities.

5. Transactions

- 5.1. WF Securities has the absolute discretion to select WF Trading Agent, the Market and Foreign Jurisdiction to which to route, execute, perform or fulfill the Client's Instructions.
- 5.2. The Client authorizes WF Securities to instruct such WF Trading Agent, executing brokers, agents, custodians, nominees, overseas brokers and dealers (including branches or associates of WF Securities) as WF Securities may in its absolute discretion deem fit to execute any Instructions and Transactions, such persons shall have the benefit of all of WF Securities' rights, powers and remedies hereunder. The Client acknowledges that the terms of business of such persons and the applicable rules of any relevant Exchange and/or Clearing System on and through which such Instructions and Transactions are executed and settled shall apply to such Instructions and Transactions.
- 5.3. By reason of the environment of or physical restraints on any Exchange, Clearing House or Market and the volatility of prices of Securities, there may, on occasions and despite WF Securities', WF Trading Agent, executing brokers', overseas brokers' or dealers' reasonable endeavours', be a delay in executing Instruction or dealing at any specific time. The Client accepts that WF Securities may not be able to execute the Client's order at the price specified by the Client, and that WF Securities may not be able to execute the Client's order at the price quoted at any specific time or "at best", "at the best quoted or posted" or "at market". The Client agrees in any event to accept and be bound by Transactions executed by WF Securities following Instructions, and agrees that WF Securities shall not be liable for any loss arising by reason of its failing, or being unable, to comply with any terms of an order of the Client.
- 5.4. In the event that WF Securities and/or WF Trading Agent shall have effected a purchase of any Securities on behalf of the Client which transaction is recorded in accordance with the Foreign SE Rules and accordingly recognized by Foreign Stock Exchange, and the selling broker or WF Trading Agent (other than WF Securities) fails to deliver such Securities on the due date in accordance with the Foreign SE Rules, the Client shall be responsible for any difference in price and all incidental expenses incurred by WF Securities in obtaining such Securities in the open market.
- 5.5. The Client acknowledges that WF Securities and/or WF Trading Agent will not accept an Instruction to sell for short account on behalf of the Client. WF Securities shall not be responsible to the Client for identifying whether or not an Instruction is to sell for short account. The Client undertakes that it will not give any Instruction to sell for short account and will notify WF Securities whenever any sale order relates to a short sale of Securities and such notification shall be given at the same time as notification of the sale order. In case of a "covered" short selling order, the Client must inform WF Securities where the Client places a "covered" short selling order and it is the absolute discretion of WF Securities whether or not to accept Instruction to effect such order.

- 5.6. WF Securities and/or WF Trading Agent may not have access to every Market at which a particular Security may trade. Exchanges or Market makers may fail or refuse to honour their quoted or posted prices. Exchanges may re-route Client's orders out of automated execution systems for manual handling (in which case execution or representation of Client's order may be substantially delayed). Exchange rules, policies, procedures or decisions or system delays or failures may prevent Client's order from being executed, may cause a delay in the execution or performance of Client's Instruction or may cause Client's Instruction not to be executed at the best price. In no event shall WF Securities be liable to the Client for any action, inaction, decision or ruling of any Exchange, Market, Clearing House or regulatory authority.
- 5.7. The Client acknowledges and accepts that neither WF Securities nor WF Trading Agent shall be responsible for giving notification in whatsoever manner to the Client informing, notifying or reminding the Client of any information, action, matter relating to and in respect of: (a) the Securities purchased or held by them, (b) Client's rights, interests, obligations attached, incidental, deriving or arising to and from such Securities, and (c) the issuer of such Securities. The Client shall be responsible for reading or obtaining the information, announcements, circular or notices of such Securities and the issuer of such Securities, and taking and doing the necessary actions in relation to and in respect of: (aa) such Securities, (bb) the rights, interests, obligations attached, incidental, deriving or arising to and from such Securities, and (cc) the issuer of such Securities. WF Securities shall not be liable for any loss, cost or expense of the Client arising from any failure or delay of WF Securities in notifying the Client of the information, action, matter relating to and in respect of: (i) such Securities, (ii) the rights, interests, obligations attached, incidental, deriving or arising to and from such Securities, and (iii) the issuer of such Securities.

6. Funds for Settlement

- 6.1. The Client shall on demand put WF Securities in moneys or funds or arrange for WF Securities and/or WF Trading Agent to be put in moneys or funds in time to enable it to discharge any liability incurred or to be incurred in connection with Transactions effected in relation to the Securities Account and shall on demand reimburse WF Securities and/or WF Trading Agent for all costs and expenses incurred by it in connection therewith and settle any debit balance on the Securities Account.

7. Payment for Transaction Money

- 7.1. The Client may give Instructions and WF Securities may accept Instructions to buy and sell Securities for delivery and payment on any Exchange or Market where permitted.
- 7.2. The Client shall provide Securities to WF Securities for delivery against sales or provide cleared funds to WF Securities for the payment of Securities purchased, by the due settlement date or payment date and at such place as WF Securities has notified the Client. The settlement date shall be the date on which WF Securities received the Securities for the relevant Transaction, and the payment date shall be the date on which WF Securities received cleared funds in the currency for the relevant Transaction. Any failure by the Client to provide such Securities or cleared funds

to WF Securities by the due settlement date or payment date shall entitle WF Securities and/or WF Trading Agent, without further notice or demand, to forthwith:

- (a) borrow and/or buy the Securities required for the delivery at a price as WF Securities and/or WF Trading Agent shall in its absolute discretion determine, charge any Client's Account maintained with WF Securities or any of the WF Financial Group Companies for the cost thereof, deliver the Securities to satisfy the Client's obligation, and credit any Client's Account with the payment received for delivery; or
- (b) accept delivery of the Securities, charge any Client's Account maintained with WF Securities or any of the WF Financial Group Companies for the payment to satisfy the Client's obligation, transfer and/or sell the Securities at a price as WF Securities shall in its absolute discretion determine, and credit any Client's Account for the proceeds thereof.

or, in addition or as an alternative to (a) or (b) above, to have recourse to its rights of combination and set-off in order to settle the Transactions.

- 7.3. The Client shall be liable for any Deficit resulting from losses and any cost or expense (including legal costs) incurred by WF Securities and/or WF Trading Agent, on a full indemnity basis, related to the purchase and sale of Securities pursuant to Clause 7.2.

8. Safekeeping of Securities

- 8.1. The Client acknowledges that there are risks in leaving Securities in the custody of WF Securities and/or WF Trading Agent, and agrees that any Securities held by WF Securities, its associated entity or WF Trading Agent for safekeeping may, at WF Securities' discretion:
- (a) (in the case of registrable Securities) be registered in the name of the Client or in the name of WF Securities its nominee or WF Trading Agent; or
 - (b) be deposited in safe custody in a designated account of WF Securities, its designated account with another institution or WF Trading Agent which provides facilities for the safe custody of Securities and documents relating thereto.
- 8.2. The Client hereby appoints WF Securities and/or WF Trading Agent as custodian of all such cash and Securities of the Client as are delivered to and accepted by WF Securities or any of its sub-custodians and held pursuant to the Agreement. WF Securities and/or WF Trading Agent shall be entitled to deposit such cash or Securities with such other company or institution and on such terms as it may deem fit. Such cash or Securities may be co-mingled with those of other clients (but not with cash or Securities held for WF Securities' own account), in which case the Client shall be entitled in common with the other clients to its proportionate share of such cash or Securities or the rights thereto as are held by WF Securities and/or WF Trading Agent for the account of its clients.
- 8.3. Subject to Clause 8.8, WF Securities and/or WF Trading Agent shall as soon as reasonably practicable after having been required to do so by Instructions from the Client:
- (a) procure the registration of any Securities from time to time in the Securities Account in the name of the Client or a person notified by the Client as being the nominee of the Client, or if

so instructed, deliver the documents representing or evidencing the Securities to the Client or such nominee whereupon such Securities shall cease to be in the Securities Account; and
(b) transfer any sum specified in the Instructions of the Client from the Securities Account to the Settlement Account or such bank account of the Client as the Client may advise and such transfer shall be deemed to be a good discharge of the obligation to make payment to the Client.

- 8.4. Any obligation of WF Securities and/or WF Trading Agent to deliver, to hold in safe custody or otherwise or to register in the name of the Client Securities or document evidencing any Securities purchased, acquired or retained 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 or equivalent document evidencing such Securities of the same number, class, denomination and nominal amount as, and rank *pari passu* with, those originally deposited with, transferred to or acquired by WF Securities and/or WF Trading Agent on behalf of the Client (subject always to any capital reorganization which may have occurred in the meantime) and WF Securities shall not be bound to deliver or return such original document evidencing such Securities or the Securities being identical with such Securities in terms of number, class, denomination, nominal amount and rights attached thereto.
- 8.5. Where Securities listed in Foreign Stock Exchange are accepted in Foreign Jurisdictions restricting foreign ownership of Securities, WF Securities and/or WF Trading Agent shall have no duty to ascertain the nationality of owner of Securities or whether the Securities deposited are approved for foreign ownership unless specifically instructed by the Client.
- 8.6. The Client hereby authorizes WF Securities, WF Trading Agent or its nominee in connection with WF Securities' or its nominee's custodial services to take all such actions as may be required to comply with applicable laws, Clearing Rules, regulations and rules of Exchanges. The Client acknowledges that WF Securities, WF Trading Agent and its nominee shall not be liable in respect of any call, installment or other payment in relation to the Securities held by WF Securities or its nominee in the Securities Account.
- 8.7. WF Securities, WF Trading Agent or its nominee shall levy charges as determined by WF Securities, WF Trading Agent or its nominee from time to time for WF Securities', WF Trading Agent or its nominee's custodian services together with all costs, expenses and disbursements incurred by WF Securities, WF Trading Agent or its nominee in connection with the custodian service provided hereunder. Such charges, costs, expenses and disbursements may be deducted by WF Securities from the Securities Account or other Accounts maintained by the Client with any of the WF Financial Group Companies.
- 8.8. The obligations of WF Securities in Clause 8.3 shall be subject to the other provisions of the Agreement and to the right of WF Securities to require that prior to any withdrawal by the Client, the Client discharges in full all the Liabilities. WF Securities may, without notice to the Client, discharge any or all the Liabilities out of monies standing to the credit of the Securities Account

or any Account prior to implementing any registration or transfer pursuant to Clause 8.3 or otherwise may require payment thereof to be made by the Client prior to implementing any registration or transfer pursuant to Clause 8.3.

9. Tax

- 9.1. The Client hereby authorize WF Securities or WF Trading Agent to take and do all necessary actions as may be required to comply with applicable rules, regulations, laws in Hong Kong and/or Foreign Jurisdiction (as the case may be) in respect of the tax, duties, levy, charges arising out of or in connection with the Transaction and the Securities purchased or held by the Client, including filing of the returns, forms and/or other documents as may be required by the relevant authority or department in Hong Kong and/or Foreign Jurisdiction, withholding and/or making payment of payable tax, duties, levies or charges arising out of or in connection with the Transaction and the Securities purchased or held by the Client. The Client acknowledges that WF Securities shall withhold and/or deduct such payment from the Accounts.
- 9.2. The Client shall at its own costs furnish all the necessary documents and/or information to WF Securities and WF Trading Agent for facilitating WF Securities to take or do all the necessary actions as stipulated in Clause 9.1 and execute the returns, or forms and other documents as may be required by the relevant authority or department in Hong Kong or Foreign Jurisdiction (as the case may be) upon the request of WF Securities.
- 9.3. The Client acknowledges and accepts that neither WF Securities nor WF Trading Agent shall be responsible for advising or reminding the Client the due date for payment of tax, duties, levy or charges and/or giving any advice on the tax, duties, levy or charges payable by it. The Client further agrees that neither WF Securities nor WF Trading Agent shall be liable for any penalty or charges levied on the Client for late payment of tax, duties, levy or charges whereas such late payment is due to or in connection with the negligence of the Client. The Client shall fully indemnify and keep WF Securities and WF Trading Agent indemnified on a full indemnity basis against all reasonable costs and expenses which WF Securities and WF Trading Agent may reasonably incur in making the necessary arrangement for such late payment.

10. Charges and Expenses

- 10.1. The Client shall pay WF Securities', WF Trading Agent's or its nominee's commissions, charges, brokerage or other remuneration as determined by WF Securities, WF Trading Agent's or its nominee in its absolute discretion on all Transactions from time to time and upon all payments to the Client, as well as all applicable levies imposed by any relevant Clearing System or Market and all applicable stamp duties. All such commissions, charges, levies and duties may be deducted by WF Securities from the Securities Account and any other Accounts maintained by the Client with any of the WF Financial Group Companies.

11. Default

- 11.1. Any one of the following events shall constitute an event of default ("Event of Default"):

- (a) at any time when WF Securities shall, in its sole discretion, consider it necessary for the protection of WF Securities or any of the WF Financial Group Companies;
- (b) the Client fails or refuses to pay or settle any outstanding amount, money, fund, purchase price or other payment becoming due or payable under the Agreement or any other agreement with any of the WF Financial Group Companies;
- (c) the Client fails or refuses, to settle or pay any outstanding amount, money or Deficit on any of the Client's Account(s) with WF Securities or any of the WF Financial Group Companies;
- (d) the Client violates or fails to perform on a timely basis any term, undertaking, agreement, covenant or condition on its part to be performed under the Agreement;
- (e) the Client fails or refuses to discharge, pay, satisfy or perform any of the Client's Liabilities, obligation or indebtedness under the Agreement or any other agreement with any of the WF Financial Group Companies;
- (f) breach, refusal, failure or default of or by the Client in complying with, fulfilling, performing or observing any terms or conditions of the Agreement or any other agreement with any of the WF Financial Group Companies;
- (g) any representation or warranty made in the Agreement or in any document delivered to WF Securities or any of the WF Financial Group Companies being or becoming incomplete, untrue or incorrect;
- (h) any consent or authorization required by the Client to enter into the Agreement being wholly or partly revoked, suspended, terminated or ceasing to remain in full force and effect;
- (i) the filing or commencement of a petition or application in bankruptcy, liquidation or winding up, petition or application for the appointment of a receiver, or the commencement of other similar proceedings against the Client;
- (j) the Lien or any security created or any part thereof respectively in relation to the indebtedness, obligations or Liabilities under the Agreement and/or the Loan Agreement (if any) being avoided or discontinued;
- (k) any deterioration or impairment (in WF Securities' opinion) or any decline or depreciation (in WF Securities' opinion) in the value or market price (whether actual or reasonably anticipated) of the Retained Properties or any security or any part thereof respectively;
- (l) the levying of attachment or charge against the Securities Account or any Account(s) of the Client with WF Securities or any of the WF Financial Group Companies;
- (m) any third party asserts a claim, right or interest in respect of any moneys or funds in the Securities Account or any Accounts of the Client with WF Securities or any of the WF Financial Group Companies;
- (n) the Client takes advantage of any bankruptcy, liquidation, reorganization, moratorium, insolvency or similar law or makes or proposes to make any arrangements or compositions for the benefit of any of the Client's creditors, or is the subject of any order, judgment or decree entered by any court providing for the winding up, reorganization, liquidation or appointment of a liquidator, trustee in bankruptcy or receiver of the Client or a substantial part of the Client's business or assets;
- (o) the Client becomes insolvent or dissolved for any reason whatsoever, merges or becomes consolidated with any non-affiliated party, or sells all or a substantial portion of the Client's

business or assets;

- (p) the death, liquidation or judicial declaration of incompetence of the Client;
- (q) any action or proceeding is commenced or any claim or demand is made by any person against the Client in connection with any matter herein contained or the Retained Properties or any part thereof or against WF Securities in connection with any matter herein contained or the Retained Properties or any part thereof;
- (r) any adverse change (in the sole and subjective opinion of WF Securities) in the corporate structure, business, assets, financial condition, and general condition or prospects of the Client;
- (s) at any time when WF Securities and/or any of the WF Financial Group Companies is or becomes under any obligation imposed by any relevant Exchange and/or Clearing House and/or broker or any applicable laws, rules and regulations to do any of the acts mentioned in this Clause 17;
- (t) at any time when WF Trading Agent is or becomes under any obligation imposed by any relevant Foreign Stock Exchange and/or Foreign Clearing House and/or broker or any applicable laws, rules and regulations to do any of the acts mentioned in this Clause 17; and
- (u) the occurrence of any event which, in the sole and subjective opinion of WF Securities, may or shall jeopardize, prejudice or affect any of the rights, interests or benefits of WF Securities or any of the WF Financial Group Companies.

11.2. If an Event of Default (in the sole and subjective judgment of WF Securities) occurs, then all amounts owing by the Client to WF Securities shall become immediately payable on demand, and interest will accrue, at the rate specified in Clause 6.13, on the amounts outstanding from time to time, the further performance by WF Securities of any of its outstanding obligations to the Client under the Agreement (whether for payment of money or otherwise) shall be conditional upon the Client having fully discharged all its obligations to WF Securities under the Agreement, and WF Securities or any of the WF Financial Group Companies shall be entitled at their absolute discretions, without further notice or demand and in addition to and without prejudice to any other rights or powers conferred under the Agreement and/or the Loan Agreement (if any), to forthwith:

- (a) satisfy any obligations the Client may have to WF Securities (either directly or by way of guarantee or other security) by selling, realizing or otherwise dealing with, in such manner as WF Securities in its absolute discretion may determine, all or part of any property held by any of the WF Financial Group Companies for any purpose in any of the Client's Accounts maintained with any of the WF Financial Group Companies, and to apply the proceeds in reduction of all or part of any Liabilities of the Client to WF Securities;
- (b) set-off, combine or consolidate any of the Client's Accounts (of any nature) maintained with WF Securities or any of the WF Financial Group Companies or any obligations of WF Securities to the Client under the Agreement against any obligations of the Client to WF Securities under the Agreement;
- (c) suspend WF Securities' obligations to perform pursuant to the Agreement;
- (d) revise, change, withdraw, stop or cancel the facilities, advances, credits or loans made or granted to the Client, or any part thereof respectively;

- (e) enforce the Lien and/or the security constituted or created under and pursuant to the Loan Agreement (if any);
- (f) liquidate the Securities Account or any Account of the Client with any of the WF Financial Group Companies;
- (g) where applicable, sell any Securities in the Securities Account and/or any Account of the Client with any of the WF Financial Group Companies;
- (h) where applicable, buy Securities previously sold as a short sale in the Securities Account and/or any Account of the Client with any of the WF Financial Group Companies;
- (i) liquidate or terminate any open contract held by WF Securities on behalf of the Client, and make or take delivery of the Securities in respect of such contract;
- (j) borrow or purchase any Security required to make delivery on behalf of the Client;
- (k) exercise any options held by WF Securities on behalf of the Client;
- (l) transfer in, transfer out, settle, clear all or any Securities;
- (m) call upon or enforce any security which may have been issued, made or created in favour of WF Securities or any of the WF Financial Group Companies as security for the indebtedness, Liabilities or obligations of the Client under the Agreement;
- (n) exercise any or all the rights and powers of WF Securities under the Agreement;
- (o) cancel any or all outstanding instructions, orders or any other commitments made on behalf of the Client;
- (p) take any actions, or do any acts, matters or things as authorized, instructed, directed, appointed or empowered under the Agreement;
- (q) take such actions, or do such acts, matters or things as WF Securities shall think fit in relation to the Retained Properties; and/or
- (r) take or not to take any actions, or do or not to do any acts, matters or things as WF Securities shall think fit.

12. Trading Recommendation

- 12.1. The Client acknowledges and agrees that: (a) the Client assumes full responsibility for all trading decisions in the Securities Account and WF Securities and/or WF Trading Agent is responsible only for the execution, clearing, and carrying out of the Instruction of the Client and trading, dealing or Transactions in the Securities Account; (b) WF Securities has no responsibility or obligation regarding any conduct, action, representation or statement of any introducing firm, trading advisor or other third party in connection with the Securities Account or any trading, dealing or Transaction therein; and (c) any advice or information by WF Securities, its directors, employees or agents, whether or not solicited, shall not constitute an offer to enter into a Transaction and WF Securities shall be under no liability whatsoever in respect of such advice or information.

13. Client Information

- 13.1. The Client authorize WF Securities to disclose, provide or transmit to WF Trading Agent all or any part of the information provided by the Client to WF Securities for purpose of effecting the relevant Transaction as instructed by the Client.

14. Disclaimer

- 14.1. Neither WF Securities nor any of the WF Financial Group Companies nor any of its directors, employees or agents shall have any liability whatsoever (whether in negligence or otherwise) for any direct, indirect or consequential loss, expense or damages suffered by the Client as a result of:
- (a) WF Securities acting or relying on any Instruction given by the Client whether or not such Instruction was given following any recommendation, advice or opinion given by WF Securities or by any of its directors, employees or agents;
 - (b) WF Securities' delay or failure to perform or execute the Client's Instruction or its obligations hereunder by the following reasons: (i) any disruption, breakdown, malfunction or failure of transmission, communication or computer facilities, (ii) any postal or other strikes or similar industrial action, (iii) any disruption, closure, breakdown or failure of any relevant Exchange and/or Clearing House and/or broker and/or any other person or firm or company whatsoever, (iv) any prevailing Market conditions, or (v) any action of government, governmental agency, Exchange and/or Clearing House;
 - (c) WF Trading Agent acting or relying on any Instruction given by the Client whether or not such Instruction was given following any recommendation, advice or opinion given by WF Trading Agent or by any of its directors, employees or agents; or
 - (d) WF Trading Agent's delay or failure to perform or execute the Client's Instruction or its obligations hereunder by the following reasons: (i) any disruption, breakdown, malfunction or failure of transmission, communication or computer facilities, (ii) any postal or other strikes or similar industrial action, (iii) any disruption, closure, breakdown or failure of any relevant Foreign Stock Exchange and/or Clearing House and/or broker and/or any other person or firm or company whatsoever, (iv) any prevailing Market conditions, or (v) any action of government, governmental agency, Exchange and/or Clearing House.
- 14.2. Without limiting the generality of Clause 14.1, neither WF Securities nor any of the WF Financial Group Companies nor any of its directors, employees or agents shall have any liability whatsoever (whether in negligence or otherwise) for any direct, indirect or consequential loss, expense or damages suffered by the Client arising out of or in connection with any WF Securities' , WF Trading Agent's and/or any of the WF Financial Group Companies' delay, omission or failure to perform or execute any of the Client's Instruction or its obligations hereunder for whatever reason.

15. Relevant Provisions

- 15.1. Without prejudice and in addition to any other provisions of the Agreement, all Transactions entered into Markets other than those operated by the Stock Exchange shall be subject to the following provisions:
- (a) The Client acknowledges and agrees that Client assets received or held by the 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 client assets may not enjoy the same protection as that conferred on client assets receives or held in Hong Kong ;

- (b) The Client acknowledges and agrees that the protections given to money or other property which deposited for foreign transactions are limited to the Foreign Jurisdiction, Foreign Regulators, Foreign SE Rules and the Foreign Securities Laws, particularly in the event of WF Trading Agent insolvency or bankruptcy. The Client further agrees that neither WF Securities nor any of the WF Financial Group Companies nor any of their respective officers, employees or agents shall be liable to the Client for any loss or liability which the Client may incur in such events. The extent to which you may recover your money or property may be governed by specific legislation or local rules. In some jurisdictions, property which had been specifically identifiable as Client's own will be pro-rated in the same manner as cash for purposes of distribution in the event of a shortfall;
- (c) the Foreign SE Rules, the rules and regulations of the relevant Clearing House and Clearing System, in particular those rules which relate to trading and settlement, shall be binding on the Client and WF Securities and the Foreign SE Rules, the rules and regulations of the relevant Clearing House and Clearing System shall prevail in the event of any conflict between the said rules and regulations and the Agreement.

7. Internet Securities Trading Agreement

Client agrees that the Account may be open one or more securities trading account(s) (the “Account”) to be operated through Internet Trade Service, in Client name or on Client behalf for the purpose of and in connect with the sale and purchase of Securities, and the Client agrees that the Account shall be accordance with and subject to the following terms and conditions in addition to the Securities Client’s Agreement:-

1. Definition and Construction

1.1. In this Agreement, the following terms shall bear the following meanings:

“Access Code”	means together the Password and the User Name;
“Account”	means Internet securities trading account with Wing Fung Securities Limited (“Broker”) operated through the Internet Trade Service;
“Client”	means any individual, firm or company under the Account whose particulars are set out in Account Application Form;
“Internet Trading Service”	means the on-line securities trading service provided by Broker under this Agreement comprising the Electronic Trading Service, any information contained in Broker’s Web site and the software comprising in them;
“Electronic Trading Service”	means any instruction for the buying or selling of or otherwise dealing in any securities;
“Instruction”	means the policy relating to the operation of the Internet Trade Service as amended from time to time;
“Internet Trading Policy”	means the form to open an account duly completed and signed by the Client as well as all those documents furnished by the Client in support of the application for opening an account with the Broker;
“Password”	means Broker Cash Client’s Agreement or Margin Client’s Agreement;
“Client’s Agreement”	means the Hong Kong Special Administrative Region of the People’s Republic of China;
“Broker”	means Wing Fung Securities Limited;

“User Name” means the Client’s personal identification used in conjunction with the Password to gain access to the Electronic Trading Service and other services offered by the Broker.

- 1.2. Words denoting the singular shall include the plural and vice versa, reference to one gender shall include all genders and words denoting person shall include a firm or sole proprietorship, partnership, syndicate and corporation and vice versa.

2. Internet Trade Service

- 2.1. The Client understands that the electronic Trading Service is semi-automated facility which enables the Client to send electronic Instruction and receive information services.
- 2.2. The Client agrees to use the Electronic Trading Service and any additional services offered through the Internet Trade Service only in accordance with the terms of this Agreement in addition to the Client’s Agreement.
- 2.3. The Client shall be the only authorized user of the Electronic Trading Service under the Account. Client understands and acknowledges that the Internet Trade Service relies on the Access Codes to authenticate the Client as the authorized user for the Account. The Client shall be responsible for the confidentiality and use of the Access Codes. The Client acknowledges and agrees that, Client shall be solely responsible for all Instructions entered through the Electronic Trading Service using the Access Code and neither Broker nor Broker’s directors, officers or employees shall have any liability to the Client, or to any other person whose claim may arise through the Client, for any claims with respect to the handling, mishandling or loss of any Instruction.
- 2.4. Client acknowledges that the Internet Trade Service is proprietary to Broker. The Client warrants and undertakes that the Client shall not, and shall not attempt to, tamper with, modify, decompile, reverse engineer or otherwise alter in any way, and shall not attempt to gain unauthorized access to, any part of the Internet Trade Service. The Client acknowledges that Broker may take legal action against Client, if the Client at any time breach this warranty and undertaking or if the Broker at any time reasonably suspect that Client has breached the same. The Client undertakes to notify Broker immediately if the Client become aware that any of the actions described above in this paragraph is being perpetrated by any other person.
- 2.5. The Client further acknowledges and agrees that, as a condition of using the Electronic Trading Service to give Instructions, the Client shall immediately notify Broker if: (a) an Instruction in respect of the Account has been placed through the Electronic Trading Service and Client has not received an order number; (b) an Instruction in respect of the Account has been placed through the Electronic Trading Service and Client has not received an accurate acknowledgement of the Instruction or of its execution (whether by hard copy, electronic or verbal means); (c) the Client

has received acknowledgement (whether by hard copy, electronic or verbal means) of a Transaction which Client did not instruct or any similar conflict; or (d) the Client become aware of any unauthorized use of the User Name or Password.

- 2.6. The Client understands that the Broker shall prepare the Internet Trading Policy setting out the operation policy and procedures of the Internet Trade Service applicable at any time which shall be available at the Internet Trade web site the terms of which shall be binding on Client in respect of the Client use of the Internet Trade Service. In the event of inconsistencies between the terms of the Agreement and the Internet Trading Policy, the terms of this Agreement shall prevail.
- 2.7. The Client acknowledges that the price quotation service, if any, for securities, available at the Internet Trade web site is provided by a third party provider appointed by Broker from time to time. Client acknowledges and agrees that Broker shall not be responsible to the Client for any losses, costs, expenses, damages or claims which Client may suffer as a result of or in connection with any aspect of the quote service including Client reliance on such service.
- 2.8. The Client understands that the Electronic Trading Services may provide, for informational purpose only, data about securities published by third parties. Owing to market volatility and possible delay in the data-transmission process, the data may not be real-time market quotes for the relevant securities or investment. The Client understands that whilst the Broker believes such data to be reliable, there is no independent basis for the Broker to verify or contradict the accuracy or completeness of the information provided by third parties. The Client understands that no recommendation or endorsement from Broker shall be inferred from the data provided with respect to any securities or investment.
- 2.9. The Client understands that information provided in the Electronic Trading Services is provided on an “as is”, “as available” basis and Broker do not guarantee the timeless, sequence, accuracy, adequacy or completeness of such information. Broker gives no express or implied warranties (including but not limited to warranties of merchantability or fitness for particular use) with respect to such information.
- 2.10. The Client accept the risks of receiving or gaining access to services through and communicating and conducting transactions over the Internet or other electronic means or facilities for the purpose of the Internet Trade Service.

3. The Account

- 3.1. The Client acknowledges that, Client may only access the Account through the Internet and the Client agrees that should Client’s experience any problem in researching Broker through the Internet, the Client shall attempt to use alternative methods to communicate with Broker and inform Broker of the difficulty the Client experiencing.
- 3.2. When opening the Account, the Client shall state in the account application the amount of the Client initial deposit of funds in the Account for the use with the Internet Trade Service. Such

amount shall be paid to Broker's offices or bank account either by cheque, bankers draft or telegraphic transfer. The Client acknowledges that the Access Codes shall not be notified to the Client until cleared funds in the amount stated on the account application have been received by Broker.

4. Instructions-dealings through in the Internet Trade Service

- 4.1. Broker shall not be responsible for delays in the transmission, receipt or execution of Instructions due to either transmission of communication facilities, or unreliable medium of communication or to any other cause beyond the Broker control or anticipation.
- 4.2. The Client understands that each participating Securities exchange or association asserts a proprietary interest in all of the market data if furnishes to the parties who disseminate such data. The Client also understands that no party guarantees the timeliness, sequence, accuracy or completeness of market data or any other market information. Neither Broker nor any disseminating party shall liable in any way for any loss or damage arising from or caused by any inaccuracy, error or delay in or omission from any such data, information or message, or the transmission or delivery of the same, non-performance or interruption of any such data, message or information due to any negligent act of Broker or any disseminating party, or to any force majeure event, or any other cause beyond Broker control or the reasonable control of any disseminating party. The Client shall use stock quotation for the Client individual use only and shall not furnish such data to any other person or entity for any reason.
- 4.3. The Client acknowledges that the Internet is, due to unpredictable traffic congestion and other reasons, an inherently unreliable medium of communication and that such unreliability is beyond Broker control. The Client acknowledges that, as a result of such unreliability, there may be delays in the transmission and receipt of Instruction and other information and that this may result in delays in the execution of Instructions and/or the execution of Instructions at prices different from those prevailing at the time the Instructions were given. The Client further acknowledges and agrees that there are risks of misunderstanding or errors in any communication and that such risks shall be absolutely borne by Client. The Client acknowledges and agrees that Instruction may not be cancelled after it has been given.

5. Instructions Outside Hong Kong

If Client gives any Instruction to the Broker outside Hong Kong, The Client agrees to ensure and represent that such Instruction will have been give in compliance with any applicable law of the relevant jurisdiction from which my Instruction is given, and Client further agrees that, Client shall, when in doubt, consult legal advisers and other professionals of the relevant jurisdiction. The Client accept that there may be taxes or charges payable to relevant authorities in respect to any Instruction given outside Hong Kong, and the Client agrees to pay such taxes or charges as possible.

6. Risk Disclosure Statement

Risk of Electronic Trading. Access to the Internet or other electronic devices may be limited or

unavailable during periods of peak demand, market volatility, systems upgrades or maintenance or for other reasons. Transactions conducted through the Internet or other electronic devices may be subject to interruption, transmission blackout, and delayed transmission due to unpredictable traffic congestion and other reasons beyond Broker control. Internet is, due to technical limitation, an inherently unreliable medium of communication. As a result of such unreliability, there may be delays in the transmission and receipt of Instructions and other information and that this may result in delays in execution of Instructions and/or the execution of Instructions at prices different from those prevailing prices at the time the instructions are given. Moreover, communications and personal data may be accessed by authorized third parties; and there are risks of misunderstanding or errors in any communication and that such risks shall be absolutely borne by Client. The Client acknowledges and agrees that it shall not usually be possible to cancel an Instruction after it has been given.

8. Standing Authority of Account

1. Standing Authority for Account (Client Money)

This Authority covers money held or received by WF Securities and/or WF Futures (including any interest derived from the holding of the money which does not belong to WF Securities and/or WF Futures) in any account maintained by us with WF Securities and/or WF Futures, the net equity balance of which exceeds the minimum margin requirements affecting us or that account, as may from time to time be prescribed by law or any relevant regulatory authority (the "Monies").

Unless the context otherwise requires, all the expressions used in this Authority shall have the same meanings as in the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) and the Securities and Futures (Client Money) Rules (Cap. 571I of the Laws of Hong Kong) as amended from time to time.

2. This Authority authorizes WF Securities and/or WF Futures to, in our sole discretion and without having to provide Clients with any prior notice or to obtain any prior confirmation and/or direction from the Client, to:
 - 2.1 Combine or consolidate any or all segregated accounts of any name whatsoever and either individually or jointly with others, maintained by WF Securities and/or WF Futures and/or any company(ies) within the group of companies (as defined in the Companies Ordinance) to which we belong ("Wing Fung Financial Group") for the purpose of satisfying the Clients' obligations or liabilities to any member of the Wing Fung Financial Group, whether such obligations or liabilities are actual or contingent, primary or collateral, secured or unsecured or joint or several;
 - 2.2 Transfer any sum of Monies interchangeably between any of the segregated accounts maintained at any time by any member of Wing Fung Financial Group.
 - 2.3 Transfer any sum of Monies interchangeable between any of the segregated accounts maintained at any time by any member of Wing Fung Financial Group and any segregated accounts maintained with counter-broker (whether in Hong Kong or overseas) upon or before any instructions have been given, for the purpose of satisfying margin requirement and/or settlement requirement (if applicable);
 - 2.4 Keep the Clients' Monies with overseas clearing firm(s), broker(s) and financial institution(s) after trading to facilitate future trading or to transfer the Client's Monies interchangeably between the segregated account(s) opened and maintained by us in Hong Kong and the segregated account(s) opened and maintained by us with any overseas clearing firm(s), broker(s) and financial institution(s) outside Hong Kong; and
 - 2.5 Convert the Clients' Monies into any other currency(ies) upon or before any instructions have been

given, for the purpose of satisfying margin requirement and/or settlement requirement (if applicable).

3. The Clients acknowledge and agree that we may do any of the things set out in the above without giving notice to the Clients.
4. This Authority is given without prejudice to other authorities or rights which Wing Fung Financial Group may have in relation to dealing in Monies in the segregated accounts.
5. This Authority is valid for a period of 12 months from the date of Agreement, subject to renewal by the Client or deemed renewal under the Client Money Rules.
6. This Authority may be revoked by giving the Wing Fung Financial Group written notice addressed to the Customer Service Department at the Company's address specified in the Account Opening Form or such other address which the Company may notify the Client in writing for this purpose. Such notice shall take effect upon the expiry of 7 days from the date of the Company's actual receipt of such notice.
7. The Clients understand that the Client Money Standing Authority shall be deemed to be renewed on a continuing basis without the Clients' written consent if we issue to the Clients a written reminder at least 14 days prior to the expiry date of the Client Money Standing Authority, and the Clients do not object to such deemed renewal before such expiry date.
8. The Clients undertake to indemnify the Company against all costs, expenses, liabilities, losses or damages arising out of or suffered by the Company and/or any of the Wing Fung Financial Group Companies as a result of their acting in accordance with this standing authority.
9. In the event of any difference in interpretation or meaning between the English and Chinese version of this Authority, the English version shall prevail.
10. The Clients confirm that this Authority has been explained to the Clients and the Clients fully understand the contents of this Authority and have sought, or have had the opportunity to seek, legal advice concerning its contents and effect.

11. Standing Authority for Account (Client Securities)

The Clients hereby authorize WF Securities and/or each associated entity (as defined in Part 1 of Schedule 1 to the Securities and Futures Ordinance) of WF Securities to deal with the Clients' securities and securities collateral from time to time purchased or held by WF Securities and/or any associated entity on the Clients' behalf in one or more of the following ways without further notice to or consent from the Clients:

- (a) to apply any of the Clients securities or securities collateral to a securities borrowing and lending agreement;

- (b) to deposit any of the securities collateral with an authorized institution (as defined in the Banking Ordinance (Cap.155 of the Laws of Hong Kong)) as collateral for financial accommodation provided to WF Securities;
 - (c) to deposit any of the securities collateral with any clearing house recognized under the Securities and Futures Ordinance (such as the HKSCC) or another intermediary licensed or registered for dealing in securities as collateral for the discharge and satisfaction of WF Securities' clearing and settlement obligations and liabilities;
 - (d) to deposit the securities or securities collateral with the HKSCC or SEOCH as Collateral for the discharge and satisfaction of WF Securities's settlement obligations and liabilities and in respect of Exchange Traded Options Business resulting from my/our instructions to WF Securities ; and
 - (e) to treat and deal with the securities and securities collateral in such manner as WF Securities considers appropriate taking into account any applicable legal or regulatory requirement from time to time.
12. The Clients hereby acknowledge, and confirm having been informed by WF Securities, that WF Securities has the practice of repledging clients' securities and securities collateral.
 13. This Authority is given to WF Securities in consideration of WF Securities agreeing to continue to maintain the Account for the Clients.
 14. This Authority does not cover any consideration. The Clients must pay or be paid for the borrowing, lending or depositing any of the securities of ours. Any such consideration must be set in a separate agreement between us and WF Securities.
 15. The Clients declare, undertake and warrant that the Clients have the absolute ownership of the Clients' securities free from all liens, charges and encumbrances during the continuance in force of this Authority.
 16. The Clients understand that a third party may have rights to the Clients' securities, which WF Securities must satisfy before the Clients' securities can be returned to the Clients.
 17. This Authority is valid for a period of 12 months from the date of Agreement, subject to renewal by the Client or deemed renewal under the Client Securities Rules.
 18. This Authority may be revoked by giving the Wing Fung Financial Group written notice addressed to the Customer Service Department at the Company's address specified in the Account Opening Form or such other address which the Company may notify the Client in writing for this purpose. Such notice shall take effect upon the expiry of 7 days from the date of the Company's actual receipt of such notice.
 19. This Authority shall be deemed to be renewed on a continuing basis without the Client's written consent if WF Securities issues the Client a written reminder at least 14 days prior to the expiry date of the relevant authority, and the Client does not object to such deemed renewal before such expiry date.
 20. The Clients undertake to indemnify WF Securities against all costs, expenses, liabilities, losses or damages arising out of or suffered by WF Securities and/or any of the Wing Fung Financial Group Companies as a result of their acting in accordance with this standing authority.

21. In the event of any difference in interpretation or meaning between the English and Chinese version of this Authority, the English version shall prevail.
22. The Clients confirm that this Authority has been explained to the Clients and the Clients fully understand the contents of this Authority and have sought, or have had the opportunity to seek, legal advice concerning its contents and effect.

9. Schedule 1 Risk Disclosure Statements for Securities Trading

The following risk disclosure statements are provided pursuant to the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission:

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.

2. Risk of Margin Trading

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

3. 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.

You 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 Stock Exchange of Hong Kong Limited. GEM companies are usually not required to issue paid announcements in gazetted newspapers.

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

4. Risks of Client Assets Received Or Held Outside Hong Kong

Client assets received or held by the 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 therein. Consequently, such client assets may not enjoy the same protection as that conferred on client assets received or held in Hong Kong.

5. Risk of Providing an Authority to Repledge Your Securities Collateral etc.

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

If your securities or securities collateral are received or held by the licensed or registered person in Hong Kong, the above arrangement is allowed only if you consent in writing. Moreover, unless you are a professional investor, your authority must specify the period for which it is current and be limited to no more than 12 months. If you are a professional investor, these restrictions do not apply.

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

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

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

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

6. 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. You should consult a licensed or registered person and become familiarized with the PP before trading in the PP securities. You should be aware that the PP securities are not regulated as a primary or secondary listing on the Main Board or the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited.

7. Risk of Providing an Authority to Hold Mail or to Direct Mail to Third Parties

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

8. Additional Trading Risks

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

Commission and other charges – Before you begin to trade, you should obtain a clear explanation of all commission, fees and other charges for which you may be liable. These charges will affect your net profit (if any) or increase your loss.

Transactions in other jurisdictions - Transactions on markets in other jurisdictions, including markets formally linked to a domestic market, may expose you to additional risk. Such markets may be subject to regulations which may offer different or diminished investor protection. Before you trade, you should enquire about any rules relevant to your particular transactions in those jurisdictions. Your local regulatory authority will be unable to compel the enforcement of the rules of regulatory authorities or markets in other jurisdictions where your transactions have been effected. You should ask for details about the types of redress available in both your home jurisdiction and other relevant jurisdictions before you start to trade.

Currency risks - The profit or loss in transactions in foreign currency-denominated assets (whether they are traded in your 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 assets to another currency.

10. Schedule 2 Risk Disclosure Note for Derivative Products

Client wish to trade derivative products mentioned below, you should read carefully and understand fully the relevant risks associated with the products as mentioned herein.

1. General Risks

1.1. 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.

1.2. 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.

1.3. 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.

1.4. 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.

1.5. 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.

1.6. 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.

1.7. 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.

2. Risks Involved in Trading Derivative Warrants

Derivative warrant trading involves high risks and is not suitable for every investor. Investors should understand and consider the following risks before trading in derivative warrants.

2.1. Issuer Risk

Derivative warrant holders are unsecured creditors of an issuer and have no preferential claim to any assets an issuer may hold. Therefore, investors are exposed to credit risk in respect of the issuer.

2.2. Gearing Risk

Although derivative warrants may cost a fraction of the price of the underlying assets, a derivative warrant may change in value more or less rapidly than the underlying asset. In the worst case the value of the derivative warrants falls to zero and holders lose their entire purchase price.

2.3. Limited Life

Unlike stocks, derivative warrants have an expiry date and therefore a limited life. Unless the derivative warrants are in-the-money, they become worthless at expiration.

2.4. Time Decay

One should be aware that other factors being equal the value of derivative warrants will decrease over time. Therefore, derivative warrants should never be viewed as products that are bought and held as long term investments.

2.5. Volatility

Other factors being equal an increase in the volatility of the underlying asset should lead to a higher warrant price and a decrease in volatility lead to a lower derivative warrant price.

2.6. Market Forces

In addition to the basic factors that determine the theoretical price of a derivative warrant, derivative warrant prices are also affected by all other prevailing market forces including the demand for and supply of the derivative warrants. Supply and demand forces may be greatest when a derivative warrant issue is almost sold out and when issuers make further issues of an existing derivative warrant issue.

3. Risks Involved in Trading CBBC

3.1. Mandatory call

CBBC are not suitable for all types of investors and investors should consider their risk appetite prior to trading. In any case, one should not trade in CBBC unless he/she understands the nature of the product and is prepared to lose the total amount invested since a CBBC will be called by the issuer when the price of the underlying asset hits the Call Price and trading in that CBBC will expire early. Payoff for Category N CBBC will be zero when they expire early. When Category R CBBC expire early the holder may receive a small amount of Residual Value payment, but there may be no Residual Value payment in adverse situations. Brokers may charge their clients a service fee for the collection of the Residual Value payment from the respective issuers.

In general, the larger the buffer between the Call Price and the Spot Price of the underlying asset, the lower the probability of the CBBC being called since the underlying asset of that CBBC would have to experience a larger movement in the price before the CBBC will be called.

However at the same time, the larger the buffer, the lower the leverage effect will be.

Once the CBBC is called, even though the underlying asset may bounce back in the right direction, the CBBC which has been called will not be revived and investors will not be able to profit from the bounce-back.

Besides, the MCE of a CBBC with overseas assets as underlying may be triggered outside the Exchange's trading hours.

3.2. Gearing effects

Since a CBBC is a leveraged product, the percentage change in the price of a CBBC is greater compared with that of the underlying asset. Investors may suffer higher losses in percentage terms if they expect the price of the underlying asset to move one way but it moves in the opposite direction.

3.3. Limited life

A CBBC has a limited life, as denoted by the fixed expiry date, with a lifespan of 3 months to 5 years. The life of a CBBC may be shorter if called before the fixed expiry date. The price of a CBBC fluctuates with the changes in the price of the underlying asset from time to time and may become worthless after expiry and in certain cases, even before the normal expiry if the CBBC has been called early.

3.4. Movement with underlying asset

Although the price of a CBBC tends to follow closely the price of its underlying asset, but in some situations it may not (i.e. delta may not always be close to one). Prices of CBBC are affected by a number of factors, including its own demand and supply, funding costs and time to expiry. Moreover, the delta for a particular CBBC may not always be close to one, in particular when the price of the underlying asset is close to the Call Price.

3.5. Liquidity

Although CBBC have liquidity providers, there is no guarantee that investors will be able to buy/sell CBBC at their target prices any time they wish.

3.6. Funding costs

The issue price of a CBBC includes funding costs and issuers will specify the formula for calculating the funding costs of their CBBC at launch in the listing documents. Since the funding costs for each CBBC issue may be different as it includes the issuer's financing /stock borrowing costs after adjustment for expected ordinary dividend of the stock (if the underlying is a Hong Kong stock since the CBBC will not be adjusted for ordinary dividend) plus the issuer's profit margin, investors are advised to compare the funding costs of different issuers for CBBC with similar underlying assets and terms. The funding costs will gradually be reduced over time along with the CBBC in the secondary market as the CBBC moves towards expiry. In general, the longer the duration of the CBBC, the higher the total funding costs will be since it is similar to investors borrowing for a longer tenure to trade in the underlying asset. When a CBBC is called, the CBBC holders (investors) will lose the funding cost for the full period since the funding cost is built into the CBBC price upfront at launch even though with the MCE, the actual period of funding for the CBBC turns out to be shorter. In any case, investors should note that the funding costs of a CBBC after launch may vary during its life and the Liquidity Provider is not obliged to provide a quote for the CBBC based on the theoretical calculation of the funding costs for that CBBC at launch.

3.7. Trading of CBBC close to Call Price

When the underlying asset is trading close to the Call Price, the price of a CBBC may be more volatile with wider spreads and uncertain liquidity. CBBC may be called at any time and trading will terminate as a result.

However, the trade inputted by the investor may still be executed and confirmed by the investors after the MCE since there may be some time lapse between the MCE time and suspension of the CBBC trading. Any trades executed after the MCE (i.e. Post MCE Trades) will not be recognized and will be cancelled. Therefore, investors should be aware of the risk and ought to apply special caution when the CBBC is trading close to the Call Price.

Issuers will announce the exact call time within 1 hour after the trigger of MCE, and HKEx will also send the list of Post MCE Trades to the relevant Exchange Participants (brokers) who in turn will inform their clients accordingly. For avoidance of doubt on whether their trades have been cancelled (i.e. whether they are Post MCE Trades), the investors may check with their brokers.

3.8. CBBC with overseas underlying assets

Investors trading CBBC with overseas underlying assets are exposed to an exchange rate risk as the price and cash settlement amount of the CBBC are converted from a foreign currency into Hong Kong dollars. Exchange rates between currencies are determined by forces of supply and demand in the foreign exchange markets which are affected by various factors.

Besides, CBBC issued on overseas underlying assets may be called outside the Exchange's trading hours. In such case, the CBBC will be terminated from trading on the Exchange in the next trading session or soon after the issuer has notified the Exchange about the occurrence of the MCE. There will be no automatic suspension of the CBBC by AMS/3. For Category R CBBC, valuation of the residual value will be determined on the valuation day according to the terms in the listing documents

4. Risks Involved in Trading Synthetic Exchange Traded Funds (“ETFs”)

Synthetic ETFs do not buy the assets in their benchmark. Instead, they typically invest in financial derivative instruments to replicate the benchmark's performance. The ETFs are required to have collateral when investing in derivatives (details of the net and gross counterparty exposure and types and composition of the collateral are published on the ETF's website). An ETF's net risk exposure to any single counterparty (ie net of the value of any collateral provided) cannot be more than 10 per cent of its NAV. Investors should read the ETF prospectus carefully to ensure they understand how the fund operates

4.1. Counterparty risk

Synthetic ETFs are subject to counterparty risk associated with the derivatives issuers and may suffer losses if the derivatives issuers default or fail to honour their contractual commitments. Further, potential contagion and concentration risks of the derivative issuers should be taken into account (eg 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 the other derivative counterparties of the synthetic ETF). Although synthetic ETFs have collateral from their counterparties, it may not completely remove the counterparty risk so they are still subject to the collateral providers fulfilling their obligations. There is a further risk when the right against the collateral is exercised because the market value of the collateral could be substantially less than the amount secured, resulting in significant losses to the ETF.

4.2. Market risk

ETFs are exposed to the economic, political, currency, legal and other risks of a specific sector or market related to the index that it is tracking. ETF managers do not have the discretion to take defensive positions in declining markets. Investors must be prepared to bear the risk of loss and volatility associated with the underlying benchmarks.

4.3. Tracking error risk

Tracking error is the difference between the performance of an ETF and its underlying benchmark. Tracking error can arise due to factors such as the impact of the Total Expense Ratio (TER), changes in the composition of the underlying benchmark and type of ETF (e physical vs synthetic). The TER of an ETF may include management fee and other fees and costs (eg transaction costs, stamp duties, costs for preparing financial reports and other prescribed documentation, legal and auditing fees, insurance costs, fees for custody services, etc) – there is no universal definition. An ETF's estimated TER is stated in the prospectus. The estimated TER of an ETF does not necessarily represent the fund's tracking error because the fund's NAV may be affected by other factors, eg dividends and other income from the portfolio, and in the case of a synthetic ETF, the indirect costs borne by the fund may only be reflected in the market value of the derivatives it holds.

4.4. Risk in trading at discount or premium to NAV

The market price of an ETF may be at a discount or premium to its NAV. This price discrepancy is caused by supply and demand factors and may be more likely to emerge during periods of high market volatility and uncertainty. This phenomenon may also be observed in ETFs tracking specific markets or sectors that are subject to direct investment restrictions. As a result, investors who buy at a premium may suffer losses even if the NAV is higher when they sell and they may not fully recover their investment in the event of termination of the ETF.

4.5. Liquidity risk

Although ETFs usually have market makers (known as Securities Market Makers, or SMMs) to help provide liquidity, there is no assurance that active trading will be maintained at all times. In the event that the SMMs are unable to fulfil their obligations, investors may not be able to buy or sell the ETF or may find the market price of the ETF is at a discount or premium to its NAV.

4.6. Stock lending risk

Physical ETFs which engage in stock lending face the risk of the borrower not returning the ETF's securities as agreed and thus may experience some losses due to their stock lending.

5. Risks Involved in Trading Equity Linked Instruments (“ELI”)

Warning: ELIs are structured investment products embedded with derivatives whose investment returns are linked to the performance of the reference assets. The reference assets can be shares in a listed company, units in an exchange-traded fund or equity indices.

As always, before you invest, make sure you fully understand the product's features and risks. Some of the key risks of ELIs you should watch out for include:

5.1. Not principal protected

ELIs are not principal protected. You may suffer a loss if the prices of the underlying asset(s) of an ELI go against your view. In extreme cases, you could lose your entire investment.

5.2. Limited potential gain

The potential return on your ELI may be capped at a predetermined level specified by the issuer.

5.3. Credit risk of the issuer

When you purchase an ELI, you rely on the credit-worthiness of the issuer. In case of default or insolvency of the issuer, you will have to rely on your distributor to take action on your behalf to claim as an unsecured creditor of the issuer regardless of the performance of the reference asset(s).

5.4. No collateral

ELIs are not secured on any assets or collateral.

5.5. Limited market making

Issuers may provide limited market making arrangement for their ELIs. However, if you try to terminate an ELI before maturity under the market making arrangement provided by the issuer, you may receive an amount which is substantially less than your original investment amount.

5.6. Investing in an ELI is not the same as investing in the reference asset(s)

During the investment period, you have no rights in the reference asset(s). Changes in the market price of such reference asset(s) may not lead to a corresponding change in the market value and/or potential payout of the ELI.

5.7. Conflicts of interest

Issuer of an ELI may also play different roles, such as the arranger, the market agent and the calculation agent of the ELI. Conflicts of interest may arise from the different roles played by the issuer, its subsidiaries and affiliates in connection with the ELI.

6. Risk of Trading Futures and Options Trading

The risk of loss in trading futures contracts or options is substantial. In some circumstances, you may sustain losses in excess of your initial margin funds. Placing contingent orders, such as "stop-loss" or "stop-limit" orders, will not necessarily avoid loss. Market conditions may make it impossible to execute such orders. You may be called upon at short notice to deposit additional margin funds. If the required funds are not provided within the prescribed time, your position may be liquidated. You will remain liable for any resulting deficit in your account. You should therefore study and understand futures contracts and options before you trade and carefully consider whether such trading is suitable in the light of your own financial position and investment objectives. If you trade options you should inform yourself of exercise and expiration procedures and your rights and obligations upon exercise or expiry.

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

7. Risk of Stock Options Trading

7.1. Variable degree of risk

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

increase for your position to become profitable, taking into account the premium and all transaction costs.

The purchaser of options may offset or exercise the options or allow the options to expire. The exercise of an option results either in a cash settlement or in the purchaser acquiring or delivering the underlying interest. If the option is on a futures contract, the purchaser will acquire a futures position with associated liabilities for margin (see the section on Futures above). If the purchased options expire worthless, you will suffer a total loss of your investment which will consist of the option premium plus transaction costs. If you are contemplating purchasing deep-out-of-the-money options, you should be aware that the chance of such options becoming profitable ordinarily is remote.

Selling (“writing” or “granting”) an option generally entails considerably greater risk than purchasing options. Although the premium received by the seller is fixed, the seller may sustain a loss well in excess of that amount. The seller will be liable for additional margin to maintain the position if the market moves unfavorably. The seller will also be exposed to the risk of the purchaser exercising the option and the seller will be obligated to either settle the option in cash or to acquire or deliver the underlying interest. If the option is on a futures contract, the seller will acquire a position in a futures contract with associated liabilities for margin (see the section on Futures above). If the option is “covered” by the seller holding a corresponding position in the underlying interest or a futures contract or another option, the risk may be reduced. If the option is not covered, the risk of loss can be unlimited.

Certain exchanges in some jurisdictions permit deferred payment of the option premium, exposing the purchaser to liability for margin payments not exceeding the amount of the premium. The purchaser is still subject to the risk of losing the premium and transaction costs. When the option is exercised or expires, the purchaser is responsible for any unpaid premium outstanding at that time.

8. Warning to Option Holders

Some options may only be exercised on an expiry day (European-style exercise) and other options may be exercised at any time before expiration (American-style exercise). You understand that upon exercise some options require delivery and receipt of the underlying security and that other options require a cash payment.

An option is a wasting asset and there is a possibility that as an option holder you may suffer the loss of the total premium paid for the option. You acknowledge that, as an option holder, in order to realize a profit it will be necessary to either exercise the option or close the long option position in the market. Under some circumstances it may be difficult to trade the option due to lack of liquidity in the market. You acknowledge that the licensed or registered person has no obligation either to exercise a valuable option in the absence of your instruction or to give to you prior notice of the expiration date of the option.

9. Warning to Option Writers

As a writer of an option you may be required to pay additional margin at any time. You acknowledge that as an option writer, unlike an option holder, it may be liable for unlimited losses based on the rise or fall of the price of the underlying security and its gains are limited to the option premium.

Additionally, writers of American-style call (Put) options may be required at any time before

expiry to deliver (pay for) the underlying securities to the full value of the strike price multiplied by the number of underlying securities. You recognize that this obligation may be wholly disproportionate to the value of premium received at the time the options were written and may be required at short notice.

The risk of loss in trading options is substantial. In some circumstances, you may sustain losses in excess of your initial margin funds. Placing contingent orders, such as "stop-loss" or "stop-limit" orders, will not necessarily avoid loss. Market conditions may make it impossible to execute such orders. You may be called upon at short notice to deposit additional margin funds. If the required funds are not provided within the prescribed time, your position may be liquidated. You will remain liable for any resulting deficit in your account. You should therefore study and understand options before you trade and carefully consider whether such trading is suitable in the light of your own financial position and investment objectives. If you trade options you should inform yourself of exercise and expiration procedures and your rights and obligations upon exercise or expiry.

10. Terms and Conditions of Contracts

You should ask the firm with which you deal about the terms and conditions of the specific futures or options which you are trading and associated obligations (e.g. the circumstances under which you 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.

11. 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 you 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.

12. Disclaimer

This Note does not disclose all risks and features of the common types of derivative products mentioned herein. This Note has been issued by Wing Fung Securities Limited for reference and information purposes only. You should not rely on this Note alone to make any decision but should read carefully the related offering documentation and any other relevant documentation, in particular, detailed risks relating to each product contained in such documents. You should not deal in derivative products unless you understand the nature of the product and the extent of the exposure to risk. Wing Fung Securities will not be responsible or liable for any loss caused by the investment in any products mentioned herein. You should not only consider the information contained in this document nor in the offering documentation but should also consider your own financial position and particular circumstances before making any investment decision. In case of doubt, you are strongly advised to obtain independent professional advice.

This Note does not constitute, nor is it intended to be nor should it be construed as offer or solicitation to invest in any of the products mentioned herein. This Note is not intended to be distributed to persons in the jurisdiction or countries that will violate the law or regulation, and it is not intended to be used by such persons.

11. Schedule 3 Risk Disclosure of Pre-IPO Trading

1. The Customer should only undertake Pre-IPO trading service (the over-the-counter (“OTC”) trading) through Wing Fung Securities Limited if the Customer understands the nature of such trading and such trading facilities and the extent of the Customer exposure to the risks.
2. By trading in the Pre-IPO trading session the Customer acknowledge to the credit, settlement, and other risks of the counterparty to the relevant OTC transactions, including (but not limited to) transactions of Securities before their listing on the Exchange.
3. Settlement of the relevant transactions is not guaranteed and the Customer will be responsible for any losses or expenses resulting from the Customer and/or the counterparty's settlement failures. Counterparty may be customer of Wing Fung Securities Limited or other financial intermediaries.
4. Trades executed in Pre-IPO trading session may be cancelled and void if that particular securities subsequently fails to list on the Exchange. The Customers order may only be partially executed, or not at all, as a result of lower liquidity in trading in Pre-IPO trading session as compared to regular market hours of the Exchange.
5. There may also be greater volatility in trading in Pre-IPO trading session than in regular market hours of the Exchange.
6. The lower liquidity and higher volatility in trading in Pre-IPO trading session may then result in wider than normal spreads for a particular type of securities.
7. The prices of securities traded in Pre-IPO trading session may differ significantly from their opening or traded prices transacted during the regular market hours upon the listing of the securities on the Exchange. The prices quoted in Pre-IPO trading session may not reflect the prices in other concurrently operating automated trading systems dealing in the same securities.
8. News announcements made by the issuers may affect the price of their securities after regular market hours. Similarly, important financial information is often announced outside regular market hours. In trading on Pre-IPO trading session, these announcements may occur during such trading and may cause an exaggerated and unsustainable effect on the price of a particular type of securities.
9. After all, Pre-IPO trading is not regulated by the HK Exchange and will not be covered by the Investor Compensation Fund until the relevant order transactions are realized and properly recorded by the HK Exchange on listing day.
10. Customer should seek independent professional legal opinion for any questions regarding the content and should refer to the latest Risk Disclosure which may from time to time be amended or supplemented.

12. Schedule 4 Personal Data (Privacy) Policy

At Wing Fung Financial Group Limited and its subsidiaries ("WFG"), we want to provide the best service possible to our customers. One way that we do this is by using customer information to provide our customers with convenient access to the right products and services. We also recognize that our customers have important expectations regarding the use of that information. Safeguarding customer information is a matter that we take seriously. That is why we at WFG have set forth the following principles to affirm our long-standing commitment to confidentiality:

1. From time to time, it is necessary for customers who are individuals to supply WFG with data which are personal data ("Data") for the purposes of the Personal Data (Privacy) Ordinance (Cap. 486 of the laws of Hong Kong). The purposes for which Data (and other information) relating to customers may be used are as follows:
 - (a) the daily operation of the services and facilities provided to customers;
 - (b) conducting credit checks;
 - (c) assisting other institutions to conduct credit checks;
 - (d) ensuring customers' ongoing credit worthiness;
 - (e) designing financial services or related products for customers' use;
 - (f) marketing financial services or related products to customers;
 - (g) determining the amount of indebtedness owed to or by customers;
 - (h) meeting the requirements to make disclosure under the requirements of any law or regulations;
and
 - (i) any purposes relating to any of the foregoing.

2. Data (and other information) held by WFG relating to customers will be kept confidential but WFG may disclose, and it is a condition of WFG providing services, products and information to customers that each customer consents to the disclosure of, all Data (and other information) to:
 - (a) any officer, employee, agent, contractor or third party who provides administrative, credit information, debt collection, telecommunications, computer, payment or other services to WFG in connection with the operation of their business;
 - (b) any financial institution with which the customer has or proposes to have dealings;
 - (c) regulatory authorities and other relevant government bodies;
 - (d) any other person under a duty of confidentiality to WFG including a company within WFG which has undertaken to keep such information confidential.
 - (e) We share information regarding customers among WFG only in accordance with strict internal security standards and confidentiality policies and with applicable law.
 - (f) We hold our employees fully accountable for adhering to those standards, policies and laws.
 - (g) We do not share information about our customers with other companies except in order to conduct our business, comply with applicable law, protect against fraud or make available special offers of products and services that we feel may be of interest to our customers. We may also provide information to regulatory authorities and law enforcement officials in accordance with applicable law.
 - (h) We have established high standards for protecting information regarding our customers from unauthorized alteration or destruction.

3. WFG may, in accordance with the Personal Data (Privacy) Ordinance and any other applicable law:
 - (a) match, compare or exchange any Data or other information provided by, or in respect of, a customer with Data (or other information) held by WFG or any other person for the purpose of:
 - credit checking;
 - Data (and other information) verification;
 - otherwise producing or verifying Data (and other information) which may be used for the purpose of taking adverse action against the customer or any other person at any time;
 - (b) transfer such Data (and other information) to any place outside Hong Kong (whether for the processing, holding or use of such Data (and other information) outside Hong Kong).

4. WFG intend to use your personal data in direct marketing and we require your consent (which includes an indication of no objection) for that purpose. In this connection, please note that:
 - (a) your name, contact details, products and services portfolio information, transaction pattern and behaviour, financial background and demographic data held by WFG from time to time may be used by WFG in direct marketing;
 - (b) the following classes of services and products may be marketed:
 - financial, securities, commodities, leveraged foreign exchange, bullion investment and related services and products and facilities;
 - reward, loyalty or privileges programmes in relation to the class of marketing subjects as referred to above; and
 - services and products offered by WFG's co-branding partners (the names of such co-branding partners can be found in the application form(s) for the relevant services and products, as the case may be) in relation to the class of marketing subjects as referred to above.

If you do not wish WFG to use or provide to other persons your data for use in direct marketing as described above, you may exercise the opt-out right by notifying WFG in writing to the address provided below in clause 6 of this policy.

5. Under and in accordance with the terms of the Personal Data (Privacy) Ordinance each customer has a right to:
 - (a) check whether WFG hold Data about the customer and the right of access to such Data;
 - (b) require WFG to correct any Data relating to the customer which is inaccurate; and
 - (c) ascertain WFG's policies and practices in relation to Data and to be informed of the kind of personal data relating to the customer held by WFG.

6. Request for access and/or correct any data that customer has submitted shall be Unit 1001-8, 10/F, COSCO Tower, 183 Queen's Road Central, Hong Kong.

7. In accordance with the terms of the Personal Data (Privacy) Ordinance, WFG has the right to charge a reasonable fee for the processing of any Data access request.

8. At WFG, information regarding our customers is used solely in the legitimate conduct of our business, to deliver superior service and to design products and special offers that demonstrate our understanding of our customers and their needs.

13. Schedule 5 Stock Connect Risk Disclosure and other information

This Appendix describes some of the key risk factors concerning Stock Connect based on the Company's current understanding of the Applicable Requirements and the Mainland China stock market. The Company has not verified the accuracy of the Mainland China stock market requirements or rules. This Appendix is not exhaustive and does not disclose all the risks and other significant aspects of Northbound Trading. The Client should ensure that he understands the nature of Stock Connect and he should consider carefully (and consult his own advisers where necessary) whether trading in China Connect Securities is suitable for the Client in light of his circumstances. It is the Client's decision to trade in China Connect Securities, but the Client should not trade in China Connect Securities unless he fully understands and is willing to assume the risks associated with Stock Connect.

The Company does not represent that the information set out in this Appendix is up-to-date or complete, nor does the Company undertake to update it from time to time. For further information, please refer to the materials published on the HKEx website, the SFC website, the SSE website and/or the SZSE website applicable to Stock Connect from time to time and other relevant sources. If in doubt, the Client should seek professional advice.

1. Pre-trade checking and enhanced pre-trade checking

Under the Mainland China law, a China Connect Market Operator may reject a sell order if an investor does not have sufficient available China Connect Securities in its account. In respect of a sell order of China Connect Securities that is not an SPSA order, SEHK will apply similar checking on all sell orders of Northbound Trading at the exchange participant level to ensure there is no overselling by any individual exchange participant ("Pre-Trade Checking"). Enhanced pre-trade checking applies in respect of an SPSA order ("Enhanced Pre-Trade Checking"). Accordingly, the Client may be unable to execute Northbound sell orders due to Pre-Trade Checking (in respect of sell order that is not an SPSA order) or Enhanced Pre-Trade Checking (in respect of sell order that is an SPSA order) related requirements.

The Client may be unable to execute a sell order of China Connect Securities if:

- (a) (in respect of a sell order that is not an SPSA order) there has been a delay or failure for whatever reason in the transfer of the relevant China Connect Securities to the Company's designated clearing account(s); or
- (b) (in respect of sell order that is an SPSA order) the Company considers that the Client does not (by the commencement of trading on the Trading Day on which the Client wishes to execute a sell order or any other cut-off time specified by the Company from time to time) hold sufficient available China Connect Securities in a relevant Special Segregated Account to cover a proposed SPSA order; and/or the required number of China Connect Securities will not be delivered from the Special Segregated Account as required by the Company on a settlement day to fulfil an SPSA order; or
- (c) if for any other reason the Company considers that there is or may be non-compliance with any Applicable Requirements.

Any risk, loss or cost resulting from non-compliance or potential non-compliance with Pre-Trade Checking (in respect of sell order that is not an SPSA order) or Enhanced Pre-Trade Checking (in respect of sell order that is an SPSA order), and/or the relevant Applicable Requirements shall be borne by the Client.

2. SPSA Orders – delivery versus payment

Notwithstanding that a delivery versus payment mechanism may be offered by SEHK or CCASS for SPSA orders, unless the Company agrees to pre-fund, freely transferable funds may only be credited by the relevant clearing bank to the Client's account with the custodian or settlement agent, as applicable, in accordance with the CCASS operations and procedures after the settlement day upon which the delivery obligations in respect of such SPSA orders are required to be settled. Any risk, liability, loss, cost or expense resulting from this delay shall be borne by the Client

3. Settlement arrangements

Northbound Trading follows the settlement cycle of A shares listed on the relevant China Connect Market. For settlement of China Connect Securities trades, ChinaClear will debit or credit the securities accounts of its participants (including HKSCC as clearing participant) on the Trading Day on which the order is made ("T day") free of payment. The Company may have settlement arrangements in place that are different from the ChinaClear settlement arrangements. Unless the Company agrees to prefund, settlement of funds relating to such trading will be effected on the Trading Day following T day ("T+1 day")

4. Quota on Northbound Trading

Relevant governmental or regulatory bodies may impose quotas on the trading of China Connect Securities from time to time depending on market conditions and readiness, the level of cross-boundary fund flows, stability of the markets and other factors and considerations. The Client should read the relevant details on such quota restrictions, including the quota limit, level of quota utilisation, balance of available quota and the applicable restrictions and arrangements published on the SEHK website from time to time to ensure he has the most updated information.

Purchases of China Connect Securities through Stock Connect are currently subject to certain quota controls as detailed below. SEHK has absolute discretion to take all such actions, steps or measures as it considers necessary or appropriate to ensure or facilitate compliance with the relevant quota requirements or restrictions including, without limitation, the following:

- (a) restricting or rejecting buy orders for Northbound Trading;
- (b) suspending or restricting the access to or the use of all or any part of the trading services for Northbound Trading; and
- (c) amending the operational hours and related arrangements of Northbound Trading.

As a result, there is no assurance that a buy order for Northbound Trading can be successfully placed through Stock Connect. The daily quota caps the net buy value of cross-boundary trades under Stock Connect on each Trading Day ("Daily Quota"). The Daily Quota may change from time to time without prior notice and the Client should refer to the HKEx website and other information published by HKEx for up-to-date information.

Under the Stock Connect Rules, investors may sell their China Connect Securities regardless of whether there is a breach of the Daily Quota. If there is a suspension of buying China Connect Securities through Northbound Trading as a result of a breach of the Daily Quota, the Company will be unable to carry out any buy orders and any Instruction to buy submitted but not yet executed will be rejected. Please note that buy orders already accepted will not be affected by the Daily Quota being used up and will remain on the order book of the relevant China Connect Market Operator unless otherwise cancelled by the relevant exchange participants.

5. Restriction on day trading

Unless the SEHK otherwise determines, day (turnaround) trading is not permitted on the A share market in Mainland China. If the Client buys China Connect Securities on T day, he may only be able to sell such shares on or after T+1 day and as a result, the Client will be exposed to the market risk of holding such shares from T day to T+1 day. Due to the Pre-Trade Checking requirements, if

the Client sends to the Company Instructions to sell the China Connect Securities the Client bought on T day, the Company can only accept such Instructions on or after the applicable cut-off time (as notified to the Client by the Company from time to time) on T+1 day.

6. Client errors

Neither the Company nor any of the Group Company shall be liable for any loss, damage or expense or consequential loss, damage or expense suffered by the Client as a result of any trading based on the Client's Instructions. The Company will not be able to unwind any trade, and the Client should take note of the settlement arrangements in respect of China Connect Securities under Stock Connect, including but not limited to quota restrictions which may affect the ability to mitigate the consequences of any error trades.

There is a general prohibition on off-exchange trading or transfers under the Stock Connect Rules, subject to certain exceptions (such as transfers effected to rectify error trades between an exchange participant and its clients in limited circumstances). Currently, there are no detailed rules or guidelines on permissible off-exchange transfers. In addition, SEHK may also suspend the right of a particular exchange participant to conduct non-trade transfers for error trade rectification if SEHK has reasonable cause to suspect or to believe that the exchange participant may abuse or may have abused such rectification arrangements or may have used such rectification arrangements to circumvent the prohibition against off-exchange trades or transfers. The Company is not obliged to effect any off-exchange transfer for rectification of error trades but has absolute discretion to determine whether to conduct such off-exchange transfer. Neither the Company nor any of the Group Company is liable for any losses which may result directly or indirectly from any error trade or any refusal to conduct a transfer to rectify an error trade.

7. Disclosure of interests

Under Mainland Chinese requirements, if the Client holds or controls shares in a Mainland Chinese company which is listed on a Mainland Chinese stock exchange (a "Mainland Chinese Listco") up to a certain threshold as may be specified from time to time by a relevant Stock Connect Authority, the Client must disclose such interest within the period specified by the relevant Stock Connect Authority, and the Client must not buy or sell any such shares within the period specified by the relevant Stock Connect Authority. The Client must also disclose any substantial change in his holding as required by the relevant Stock Connect Authority. It is the Client's responsibility to comply with any disclosure of interest rules from time to time imposed by the relevant Stock Connect Authorities and arrange for any relevant filings.

8. Short swing profit rule

Under Mainland Chinese requirements, the "short swing profit rule" requires a person to give up or return any profits made from purchases and sales in respect of China Connect Securities of a Mainland Chinese Listco if: (a) such person's shareholding in the Mainland Chinese Listco exceeds the threshold prescribed by the relevant Stock Connect Authority from time to time; and (b) the corresponding sale transaction occurs within the six months after a purchase transaction, or vice versa. The Client (and the Client alone) is responsible for complying with the Mainland Chinese's rules applicable to the "short swing profit rule".

9. Source of funding

Although Northbound Trading is designated for Hong Kong and overseas investors, it is unclear whether investors who are citizens of Mainland China or investors using funds sourced from Mainland China are able to enter into Northbound Trading via their offshore accounts.

10. Foreign ownership limits

Under Mainland Chinese requirements, there is a limit as to how many shares a single foreign investor is permitted to hold in a single Mainland Chinese Listco, and also a limit as to the maximum combined holdings of all foreign investors in a single Mainland Chinese Listco. Such foreign ownership limits may be applied on an aggregate basis (i.e. across both domestically and overseas issued shares of the same listed company, whether the relevant holdings are through Northbound Trading, qualified foreign institutional investor/RMB qualified foreign institutional investor regime or other investment channels). Where the aggregated foreign ownership of a single Mainland Chinese Listco reaches a designated percentage, HKEx (or its relevant subsidiary) will suspend accepting any purchase order of the relevant China Connect Securities through Stock Connect until the percentage of foreign ownership of such Listco is reduced to a certain level.

It is the Client's responsibility to comply with all foreign ownership limits from time to time imposed by Applicable Requirements. The Client may also be required to report to the relevant authorities when a designated percentage of ownership is reached. If the Company becomes aware that the Client has breached (or reasonably believe that the Client may breach upon execution of further buy orders) any foreign ownership limits, or if the Company is so required by any Stock Connect Authority (including without limitation to, as a result of a forced-sale notice issued by a China Connect Market Operator), the Client authorises the Company to sell any China Connect Securities in order to ensure compliance with all Applicable Requirements. However, the Company is not obliged to do so and the Client should not rely on such action by the Company to ensure the Client's compliance with any Applicable Requirements.

11. China Connect Securities Eligible for Northbound Trading

SEHK will include and exclude securities as China Connect Securities based on the prescribed criteria under the Stock Connect Rules. The Client will only be allowed to sell a China Connect Security and be restricted from further buying, if (i) the China Connect Security subsequently ceases to be a constituent stock of the relevant indices, and/or (ii) the China Connect Security subsequently moves to the risk alert board, and/or (iii) the corresponding H share of the China Connect Security subsequently ceases to be traded on SEHK, and/or (iv) other criteria prescribed in SSE China Connect Rules and SZSE China Connect Rules.

According to the Operator Listing Rules, if any China Connect Market-listed company is in the delisting process, or its operation is unstable due to financial or other reasons such that there is a risk of being delisted or exposing investors' interest to undue damage, the China Connect Market-listed company will be earmarked and traded on the risk alert board. Any change to the risk alert board may occur without prior notice. For details concerning the risk alert board, please refer to the Operator Listing Rules and the provisional trading arrangement on the risk alert board of China Connect Market Operator.

12. No off-exchange transfers

The Company and any of its Group Company may not provide any off-exchange services relating to the transfer in any China Connect Securities otherwise than through the Stock Connect, unless otherwise provided by a Stock Connect Authority (such as post-trade allocation of shares by a fund manager across the funds and/or sub-funds it manages, stock borrowing and lending of China Connect Securities which are eligible for covered short selling and with a tenor of no more than one month and any other situations specified by the China Connect Market Operator and ChinaClear).

13. Offshore RMB exchange rate risks

Similar to other foreign currencies, the exchange rate of Offshore RMB may rise or fall. There is no guarantee that RMB will not depreciate. The exchange rate of Offshore RMB will be affected

by, amongst other things, foreign exchange control imposed by the Mainland Chinese central government from time to time (for example, there are currently restrictions on the conversion of RMB into other currencies). The exchange rate of Offshore RMB may fluctuate as a result of market conditions and economic factors.

In addition, RMB is currently subject to foreign exchange control and restrictions by the Mainland China central government. There is currently a limited pool of RMB outside Mainland China. Should the Mainland China central government tighten its foreign exchange control over the cross-border movements between onshore RMB and Offshore RMB, the liquidity in RMB is likely to be adversely affected.

If RMB is not the Client's home currency, the Client may have to convert his home currency into RMB when investing in China Connect Securities and vice versa for any payments in RMB from transactions under the China Connect Securities. The Client will be incurring currency conversion costs (being the spread between buying and selling of Offshore RMB) and subject to exchange rate fluctuation risks in any such currency conversion, which may adversely affect the market value of China Connect Securities.

14. Limitations on the conversion of RMB

RMB is currently not freely convertible and subject to foreign exchange control and restrictions by the Mainland Chinese central government. Conversion of RMB through banks in Hong Kong is currently subject to certain restrictions. In particular, the conversion of RMB by a Hong Kong resident is currently subject to a daily conversion limit (if any). If the Client is a Hong Kong resident and intend to convert an amount of RMB from/to another currency exceeding such daily conversion limit, he should allow sufficient period to enable the conversion of the amount of RMB exceeding such daily conversion limit, taking into account the maximum amount of RMB that he is permitted to convert on each day, such that he can accumulate sufficient RMB to make the relevant payment.

There may be additional rules, regulations and restrictions under contemplation or to be issued by the relevant Hong Kong or Mainland Chinese authorities that may be relevant to the Client's investment in the Stock Connect. The Client should check for updates and details before he buys or sells his China Connect Securities.

15. Placing orders

The Company only accepts orders for Northbound Trading that comply with the Applicable Requirements. Currently, only limit orders with a specified price are allowed for China Connect Securities pursuant to the Applicable Requirements, whereby buy orders may be executed at or lower than the specified price and sell orders may be executed at or higher than the specified price. Market orders will not be accepted.

16. Price limits for China Connect Securities

China Connect Securities are subject to a general price limit of $\pm 10\%$ based on the previous Trading Day's closing price (and $\pm 5\%$ for stocks under risk alert). The price limit may be changed from time to time. All orders in respect of China Connect Securities must be within the price limit. Any orders with a price beyond the price limit are rejected by the relevant China Connect Market Operator.

17. Dynamic Price Check

To prevent mischievous behaviour towards the use of the Daily Quota, SEHK has put in place a dynamic price checking for buy orders. Buy orders with input prices lower than the current best

bid (or the last traded price in the absence of current best bid, or the previous closing price in the absence of both current best bid and last traded price) beyond a prescribed percentage will be rejected.

During the opening call auction session, the current bid (or the previous closing price in the absence of the current bid) will be used for checking. During the closing call auction of SZSE, the current bid (or last traded price in the absence of the current bid) will be used for checking. Dynamic price checking will be applied throughout each Trading Day, from the 5-minute input period before the start of an opening call auction session until market close of the China Connect Market. SEHK has set the dynamic price checking at 3% during the initial phase of Stock Connect. Such price checking percentage may be adjusted from time to time subject to market conditions.

18. Restrictions on selling China Connect Securities

Investors are prohibited from using China Connect Securities purchased through Stock Connect to settle any sell orders placed through channels other than Stock Connect. Accordingly, there may be a limited market and/or lower liquidity for China Connect Securities purchased through Stock Connect (as compared to the same shares purchased through other channels).

In addition, there are restrictions on any entitlement security received by the Client in respect of China Connect Securities. If such entitlement securities are in the form of Special China Connect Securities, they are only eligible for sale through Stock Connect (i.e. they cannot be purchased by other parties through Stock Connect). If such entitlement securities are not in the form of Special China Connect Securities, they are not eligible for trading through Stock Connect (i.e. they are only available for trading in the relevant stock market in Mainland China). Accordingly, there is a risk of low (or no) liquidity for such shares received by way of entitlement.

If China Connect Securities involve odd lots, they cannot be purchased through Stock Connect. A sale of China Connect Securities involving odd lots is allowed if the sale order of such China Connect securities relates to the sale of all, but not part, of the odd lots held in respect of such China Connect Securities. It is common that a board lot buy order may be matched with different odd lot sell orders, resulting in odd lot trades. Accordingly, there may be a limited market and/or lower liquidity for China Connect Securities involving odd lots purchased through Stock Connect.

19. Taxation

China Connect Securities traded under Stock Connect currently enjoy a temporary exemption from Mainland Chinese capital gain tax and Mainland Chinese business tax. It is uncertain when such exemptions will expire and whether other Mainland Chinese Taxes will be applicable to trading of China Connect Securities under Stock Connect. Dividends derived from China Connect Securities are subject to Mainland Chinese withholding tax. Mainland Chinese stamp duty is also payable for transactions in China Connect Securities under Stock Connect. The Client is fully responsible for any Taxes in respect of China Connect Securities, and agrees to indemnify the Company on demand from and against all Taxes which the Company may incur or be subject to in connection with any China Connect Securities which the Client holds, trades or otherwise deals in. Neither the Company nor any of its Group Company assumes any responsibility for advising on or handling any tax issues, liabilities and/or obligations in connection with Stock Connect, and neither the Company nor any of its Group Company will provide any service or assistance in this regard. Prior to investing in China Connect Securities, the Client is strongly urged to consult his own tax advisers with respect to the possible tax consequences to him of such investment since such tax consequences may differ in respect of different investors.

20. Hong Kong client securities and identity rules

As a general rule, investors participating in Northbound Trading do not enjoy the full protection afforded under the Securities and Futures Ordinance and its related subsidiary legislation. In particular, as the China Connect Securities traded through Stock Connect are not listed or traded on SEHK, the Client will not have protection under the Client Securities Rules, unless otherwise specified by the SFC or any other relevant Stock Connect Authority.

21. Investor Compensation Fund

Trading in China Connect Securities does not enjoy the protections afforded by the Investor Compensation Fund established under the Securities and Futures Ordinance. Accordingly, unlike the trading of SEHK-listed securities, the Client will not be covered by the Investor Compensation Fund in respect of any loss he may sustain by reason of a default by any SFC licensed or registered person.

22. Ownership of China Connect Securities

China Connect Securities are uncertificated and are held by HKSCC for its account holders. Physical deposit and withdrawal of China Connect Securities are not available under the Northbound Trading.

Under current Mainland China regulations, China Connect Securities will be recorded in a nominee account opened by HKSCC with ChinaClear and the Client's title or interests in, and entitlements to, China Connect Securities (whether legal, equitable or otherwise) will be subject to Applicable Requirements, including laws relating to any disclosure of interest requirement or foreign shareholding restriction. This is a complicated area of law and the Client should seek independent professional advice.

23. Disclosure of information and publication of trade information

The SEHK may require the Company to provide information on the Client's profile, and the type and value of his orders in relation to Northbound Trading of China Connect Securities and the trades which the Company executed for him, at such intervals and in such form as SEHK may specify from time to time for purposes of the publication, dissemination or public distribution of aggregated information in respect of China Connect Securities trades under Stock Connect, trading volumes, investor profiles and other related data.

24. No manual trade or block trade

There is no manual trade facility or block trade facility for Northbound Trading.

25. Amendment of orders and loss of priority

Consistent with the current practice in Mainland China, if an investor engaged in Northbound Trading wishes to amend an order, the investor must first cancel the original order and then input a new one. Accordingly, order priority will be lost and, subject to the restrictions on the balance of the Daily Quota, any subsequent order may not be filled on the same Trading Day.

26. Difference in Trading Day

Stock Connect is open for trading only when (a) each of HKEx and the relevant China Connect Market is open for trading; and (b) banking services are available in both Hong Kong and Mainland China on the corresponding money settlement days. If any of the exchanges is not open or if the banks in either Hong Kong or Mainland China are not open for money settlement business, the Client will not be able to conduct any Northbound Trading. The Client should take note of the days on which the Stock Connect operates and decide according to his own risk tolerance capability whether or not to take on the risk of price fluctuations in China Connect Securities

during the time when the Stock Connect is not available for Northbound Trading.

27. Operational hours

SEHK has absolute discretion to determine from time to time the operational hours of the Stock Connect, and will have absolute discretion to change the operational hours and arrangements of the Stock Connect at any time and without advance notice whether on a temporary basis or otherwise. Neither the Company nor any of the Group Company shall be under any obligation to inform the Client of any such determinations by SEHK as to the operational hours of the Stock Connect. The Client should be aware of the risk of price fluctuations in China Connect Securities during the time when the Stock Connect is not available for Northbound Trading.

28. Risk of ChinaClear default

ChinaClear has established a risk management framework and measures that are approved and supervised by the CSRC. Pursuant to the General Rules of CCASS, if ChinaClear (as the host central counterparty) defaults, HKSCC may, in good faith, seek recovery of the outstanding China Connect Securities and monies from ChinaClear through available legal channels and through ChinaClear's liquidation process, if applicable. HKSCC will in turn distribute the China Connect Securities and/or monies recovered to clearing participants on a pro-rata basis as prescribed by the relevant Stock Connect Authorities. The Company in turn will be distributing China Connect Securities and/or monies only to the extent recovered directly or indirectly from HKSCC. Although the likelihood of a default by ChinaClear is considered to be remote, the Client should be aware of this arrangement and of this potential exposure before engaging in Northbound Trading.

29. Risk of HKSCC default

The Company's ability to provide the services under this Supplement is subject to the due performance by HKSCC of its obligations. Any action or inaction of the HKSCC or a failure or delay by the HKSCC in the performance of its obligations may result in a failure of settlement, or the loss, of China Connect Securities and/or monies in connection with them and the Client may suffer losses as a result. Neither the Company nor any of the Group Company is responsible or liable for any such losses.

30. Company announcements on corporate actions

Any corporate action in respect of China Connect Securities is announced by the relevant issuer through the relevant China Connect Market Operator's website and certain officially appointed newspapers. HKSCC also records all corporate actions relating to China Connect Securities in CCASS and informs its clearing participants of the details via the CCASS terminals as soon as practicable on the announcement date. Investors engaged in Northbound Trading may refer to the relevant China Connect Market Operator's website and the relevant newspapers for the latest listed company announcements or, alternatively, the HKEx website's China Stock Markets Web (or such other replacement or successor web-page from time to time) for corporate actions in respect of China Connect Securities issued on the previous Trading Day. The Client should note that SSE-listed issuers or SZSE-listed issuers publish corporate documents in Chinese only, without any official English translation.

In addition, pursuant to the General Rules of CCASS, HKSCC endeavours to collect and distribute cash dividends relating to China Connect Securities to clearing participants in a timely manner. Upon receipt of the dividend amount, HKSCC will arrange to distribute it to the relevant clearing participants on the same day, to the extent practicable.

Following existing market practice in Mainland China, investors engaged in Northbound Trading are not entitled to attend shareholder meetings by proxy or in person, unlike the current practice in

Hong Kong in respect of SEHK-listed shares.

The Company does not verify or warrant the accuracy, reliability or timeliness of any company announcements of corporate actions, and neither the Company nor any of the Group Company accepts any liability (whether in tort or contract or otherwise) for any Loss arising from any errors, inaccuracies, delays or omissions or any actions taken in reliance thereon. The Company expressly disclaims all warranties, expressed or implied, as to the accuracy of any company announcement or as to the fitness of the information for any purpose.

31. Rights issuance

Where the Client receives shares or other types of securities from an issuer of a China Connect Security as entitlements, the Client should note that the Client may not be able to buy or sell such entitlement security through the Stock Connect in certain circumstances (for example, if such entitlement security is listed on a China Connect Market but is not traded in RMB or if such entitlement security is not listed on a China Connect Market).

32. General market risks associated with investing in China Connect Securities

Investing in China Connect Securities involves special considerations and risks, including without limitation greater price volatility, less developed regulatory and legal framework, economic, and social and political instability of the stock market in Mainland China. The Client should also note that the China Connect Market Operator's trading rules, listing rules, and other applicable laws and regulations may be published in Chinese only, without any official English translation.

33. Risks associated with trading of ChiNext Shares

The trading of ChiNext Shares is subject to the risks associated with the SZSE ChiNext market, including but not limited to such risks arising from the following: (a) volatility and overvaluation of the share prices; (b) the less stringent requirements on profitability and share capital of the ChiNext market (compared to the main board markets in Mainland China); (c) given the technological focus of the companies listed on the ChiNext market, such companies are more susceptible to technical failures in their respective business areas; and (d) conventional valuation methods may not be entirely applicable to companies listed on the ChiNext market due to the high-risk nature of the relevant industries.

Only Institutional Professional Investors are allowed to place orders with the Company to buy or sell ChiNext Shares which are accepted as China Connect Securities (other than Special China Connect Securities which are eligible for sell orders only) through the use of Stock Connect.

34. Warning statements and termination of service

The Company may be required by SEHK and/or a China Connect Market Operator to issue to the Client, either verbally or in writing, a warning statement and terminate the provision of Northbound Trading services to the Client for a period which SEHK and/or the China Connect Market Operator may prescribe.

35. Novelty of Stock Connect

Stock Connect is an unprecedented scheme launched jointly between the China Connect Market Operators and HKEx to facilitate cross-border trading of China Connect Securities through HKEx. Trading in China Connect Securities under Northbound Trading is subject to all Applicable Requirements. Any change in the Applicable Requirements may have an adverse impact on the trading of China Connect Securities. Such impact may adversely affect the Client's investment in China Connect Securities. In the worst case scenario, the Client may lose a substantial part of his investments in China Connect Securities under Stock Connect. The Company provides trading

services based on the Stock Connect market system which is operated by the relevant China Connect Market Operator. The Company is not responsible for any delay or failure caused by the Stock Connect market system and investors accept all risks arising from trading China Connect Securities through the Stock Connect market system. Neither the Company nor any of the Group Company shall be responsible or held liable for any loss or damage directly or indirectly suffered by the Client arising from or in connection with the Stock Connect or the china stock connect system for receiving and routing Stock Connect orders to a Stock Connect market system for automatic matching and execution, through Northbound Trading.

36. Margin trading

Subject to certain conditions prescribed by the Stock Connect Authorities, Hong Kong and overseas investors may conduct margin trading in China Connect Securities determined by the relevant Stock Connect Authorities to be eligible for margin trading ("Eligible Margin Trading Securities"). HKEx will from time to time publish a list of Eligible Margin Trading Securities. Each of the China Connect Market Operators may suspend margin trading activities in any specific A Share if the volume of margin trading activities in such A Share exceeds a threshold determined by such China Connect Market Operator and resume margin trading activities when the volume of margin trading activities drops below a prescribed threshold. Where SEHK is notified by a China Connect Market Operator that a suspension or resumption involves a security on the list of Eligible Margin Trading Securities, HKEx will disclose such information on its website. In such circumstances, any margin trading in the relevant China Connect Security shall be suspended and/or resumed accordingly. Each of the China Connect Market Operators has reserved the right to require margin trading orders to be flagged as margin trading orders when routed to Stock Connect. Neither the Company nor any of its Group Company shall have any obligation to update you in respect of the list of Eligible Margin Trading Securities or any restrictions or suspensions in respect of margin trading from time to time.

37. Limits on Short Selling

Hong Kong and overseas investors are currently prohibited from naked Short Selling China Connect Securities. Covered Short Selling of China Connect Securities is permitted subject to certain requirements in the Stock Connect Rules. However, the Company will not facilitate covered Short Selling of China Connect Securities and/or any Uptick Long Sale. The Client shall be fully responsible for understanding and complying with the Short Selling requirements in effect from time to time and for any consequences of non-compliance.

38. Stock Borrowing and Lending

Stock borrowing and lending are permitted for the eligible China Connect Securities as specified by the China Connect Market Operators for the purposes of (a) covered short selling, (b) satisfying the Pre-Trade Checking requirement and (c) in any other circumstances as SEHK or the China Connect Market Operators may specify from time to time. The China Connect Market Operators will determine a list of eligible China Connect Securities for stock borrowing and lending. Stock borrowing and lending of eligible China Connect Securities will be subject to restrictions set by SEHK and the China Connect Market Operators, including but not limited to the following:

- (a) stock borrowing and lending agreements for the purpose of covered short selling shall have a duration of not more than one month;
- (b) stock borrowing and lending agreements for the purpose of satisfying the Pre-Trade Checking requirement shall have a duration of not more than one day (and roll-over is not permitted);
- (c) stock lending will be restricted to certain types of persons to be determined by the China Connect Market Operators; and
- (d) stock borrowing and lending activities will be required to be reported to SEHK.

Only certain persons are eligible to lend China Connect Securities in stock borrowing and lending arrangements concerning China Connect Securities.

The Company will be required to file a monthly report to SEHK providing details of its stock borrowing and lending activities with respect to China Connect Securities. This may include (amongst others) details of the borrower, lender, amount of shares borrowed/lent, amount of shares outstanding and date of borrowing/returning. The Client should refer to the relevant provisions from time to time governing stock borrowing and lending of China Connect Securities under the Applicable Requirements. Neither the Company nor any of its Group Company shall have any obligation to update the Client in respect of any change to the relevant Applicable Requirements.

39. Risks associated with the Circuit Breaker mechanism

The execution of trades in China Connect Securities is subject to the Stock Connect Rules including the Circuit Breaker Provisions. Imposition of a Circuit Breaker on any China Connect Market Trading Day will result in the suspension of the execution of trades through the China Connect Market system for such period or periods as set out in the Circuit Breaker Provisions. Further, the lifting of a Circuit Breaker during a continuous auction session of any China Connect Market Trading Day may result in trades being executed through call auction. Unless otherwise determined by the SEHK, where the Circuit Breaker Provisions allow orders in respect of China Connect Securities to be cancelled during the period when a Circuit Breaker is in effect, the Company may input order cancellation requests through the Stock Connect during such period as usual. Notwithstanding this, no Stock Connect order is regarded as cancelled unless and until a cancellation confirmation has been issued by the relevant China Connect Market system, and neither the SEHK nor its subsidiaries shall have any liability in the event that a Stock Connect order which the Company has required to be cancelled is not cancelled for any reason whatsoever.