



CLIENT AGREEMENT

客戶協議書

Goldhorse Securities Limited
金馬證券有限公司

Unit 4308, 43/F, COSCO Tower, 183 Queen's Road Central, Hong Kong
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Should there be any discrepancies between the English and the Chinese versions, the English version shall prevail.

如中英文版本之間有差異，以英文版本為準。 (Ver. Oct 21)

GOLDHORSE SECURITIES LIMITED

金馬證券有限公司

Terms & Conditions

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Section A General Terms & Conditions

In consideration of GOLDHORSE SECURITIES LIMITED (“GHSL”) of Room 4308, Cosco Tower, 183 Queen’s Road Central, Sheung Wan, Hong Kong (exchange participant of the Stock Exchange of Hong Kong Limited; clearing participant of the Hong Kong Securities Clearing Company Limited; and a licensed corporation (CE No. BFU406) with the Securities and Futures Commission in respect of carrying on the regulated activities of dealing in securities and advising on securities agreeing the Client identified in the Account Opening Form to open one or more accounts with GHSL and providing services to the Client in connection with securities trading with or without margin financing facilities, the Client HEREBY AGREES that all Transactions executed by GHSL for and all acts and activities in relation to any Account shall be subject to the Agreement (including without limitation the General Terms and Conditions and the Additional Terms and Conditions applicable to the services provided by GHSL) as amended from time to time notified to the Client. GHSL’s current provisions of the Agreement are hereinafter set out:

PART I - DEFINITIONS

1. In this Agreement, unless the context otherwise requires, the following words and phrases shall bear the following meanings:

Access Codes	such password(s), and/or form(s) of personal identification (in numeric, alpha-numeric or other format, usually known as login name) prescribed by GHSL from time to time, whether used alone or in conjunction with each other, for gaining access to the Electronic Trading Service;
Account	any Cash Account and/or Margin Account;
Account Opening Form	the account opening form or other document (however described) prescribed by GHSL from time to time and provided by or on behalf of the Client to GHSL in respect of an application to open an Account;
Agreement	the written agreement between the Client and GHSL regarding the opening, maintenance and operations of the Account(s) as amended from time to time, including but not limited to the General Terms and Conditions, the applicable Additional Terms and Conditions, the Account Opening Form, Risk Disclosure Statement, Personal Information Collection Statement, Fee Schedule and any other supplemental documents and any authority given by the Client to GHSL with respect to the Account(s);
Authorized Person	the person or any of the persons designated in or pursuant to this Agreement to issue instructions as authorized by the Client in relation to an Account;
BCAN	“Broker-to-Client Assigned Number”, being a unique identification code in the format prescribed by SEHK, generated by a relevant licensed or registered person in accordance with SEHK’s requirements;
Cash Account	any cash account, as indicated as such in the Account Opening Form, opened by the Client with GHSL for trading of Securities without Margin Facility;
Charge	the charge over the Collateral in favour of GHSL to secure repayment of the Secured Obligations in accordance with Clause 2 of the Additional Terms and Conditions – Dealing in Securities (Margin Account), and includes such modification or supplement from time to time;
CID	Client identification data;
Clearing House	in relation to SEHK, HKSCC, or other body appointed by or established and operated by SEHK to provide clearing services to exchange participants of SEHK; in relation to any other Exchange in any part of the world on which Securities are bought and sold, any clearing house providing similar services for such Exchange;

Client	the person(s) with whom GHSL has entered into this Agreement and such person's successors in title and (if appropriate) personal representatives whose name(s) and other identity details set out the Account Opening Form and shall include each Authorized Person;
Code of Conduct	Code of Conduct for Persons with the Securities and Futures Commission issued by the SFC and as amended from time to time;
Collateral	all Securities, money and any other properties provided by the Client to GHSL or purchased or received by GHSL for the Client or otherwise which come to possession, custody or control of GHSL or other persons on behalf of GHSL which are charged to GHSL as security under the Clause 2 of the Additional Terms and Conditions – Dealing in Securities (Margin Account); accordingly, “ Securities Collateral ” refers to the Securities comprised in the Collateral;
Electronic Media	any electronic or telecommunications media, including but not limited to the internet, interactive television systems, telephone, wireless application protocol or any other electronic or telecommunications devices or systems as GHSL may from time to time determine and prescribe;
Electronic Trading Service	any facility provided or to be provided by GHSL from time under the Agreement which enables the Client to give instructions relating to any Transaction in the Account(s) through any Electronic Media;
Event(s) of Default	any of the events of default as specified in Clause 5 of the General Terms and Conditions, Clause 4 of the Additional Terms and Conditions – Dealing in Securities (General);
Exchange	SEHK (Stock Exchange of Hong Kong) and any other exchanges, markets or associations of dealers in any part of the world on which Securities are bought and sold;
Financial Product	any securities or futures contracts as defined under the SFO (including securities; futures contract; collective investment scheme; leveraged foreign exchange contract; structured product);
Hong Kong	The Hong Kong Special Administrative Region of The People's Republic of China;
HKSCC	Hong Kong Securities Clearing Company Limited and its successors or assignees;
Investor Compensation Fund	The Investor Compensation Fund established pursuant to the SFO;
Margin	the amount, whether cash or non-cash Collateral as may from time to time be demanded by GHSL from the client by way of margin, variation adjustments or cash adjustments or otherwise in relation to the amount drawn under Margin Facility for the purpose of protecting GHSL against any loss or risk of loss on present, future or contemplated obligations arising from Margin Facility including and not being less than amount of margin required by the relevant Clearing House (if applicable), and “Margin Requirements” means the requirements set by GHSL in respect of the collection and specifications of Margin;
Margin Account	any margin account, as indicated as such in the Account Opening Form, opened by the Client with GHSL for trading of Securities with Margin Facility;
Margin Facility	the credit facility provided by GHSL to the Client to facilitate the acquisition of Securities and the continued holding of those Securities under the Margin Account and for other related purposes;
Personal Information Collection	GHSL's general statement in relation to the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong) and any subsidiary legislation made thereunder as amended,

Statement	consolidated or substituted from time to time;
Risk Disclosure Statement	the risk disclosure statement provided by GHSL to the Client before the opening of the Account and/or from time to time in form prescribed by the SFC from time to time;
Secured Obligations	all money, obligations or liabilities in any currency (together with any accrued interest) falling due, owing or incurred by the Client to GHSL under the Margin Account (including without limitation the obligations to satisfy the margin requirements and delivery obligations arising out of the Client's contracts), or to GHSL under any other accounts now and in the future, whether actually or contingently, whether solely or jointly with others;
Securities	includes (a) items under the definition of securities in Schedule 1 to the SFO; (b) all investment products listed or traded on Exchanges; and (c) any investment products prescribed by GHSL as such;
SEHK	The Stock Exchange of Hong Kong Limited and its successors or assignees;
SFC	in relation to Hong Kong, The Securities and Futures Commission constituted under the SFO, in relation to any other regions, other statutory bodies performing similar functions as The Securities and Futures Commission and have jurisdiction over the relevant Exchanges;
SFO	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and any subsidiary legislation made thereunder amended, consolidated or substituted from time to time; and
Transaction	the purchase, sale, exchange, disposal of, enter into and close out an agreement of and general dealing (including but not limited to deposit and withdrawal) in Securities and/or any other investment products, the disposition of funds, and the drawing and repaying under the Margin Facility on behalf the Client on a discretionary basis or otherwise in connection with this Agreement.

2. In this Agreement, words importing the singular shall, where the context permits, include the plural and vice versa and words importing gender or neuter include both gender and neuter. The expression "person" shall include any firm, partnership, association of persons and body corporate and any such persons acting jointly and the personal representatives or successors in titles of any such person. References to "writing" shall include telex, cable, facsimile transmission, mail and texts transmitted through Electronic Media (email). Headings and any arrangements into separate clauses and/or paragraphs are for convenience only. Any reference to Clauses or Schedules in the General Terms and Conditions or in the Additional Terms and Conditions is a reference to the clauses of or the schedules to General Terms and Conditions or the Additional Terms and Conditions respectively, unless otherwise stated.

PART II – GENERAL TERMS AND CONDITIONS

1. COMPLIANCE WITH LAWS AND REGULATIONS

- 1.1. All Transactions shall be subject to this Agreement and, in respect of those Exchange and/or Clearing Houses where the Transactions are processed, to the constitution, rules, regulations, practices, procedures and administrative requirements, as amended from time to time of the relevant Exchange and/or Clearing House (including but not limited to SEHK and HKSCC, if applicable), and to all applicable laws (including but not limited to the SFO) and rules and regulations of the relevant government agencies and statutory bodies of competent jurisdictions (including but not limited to the SFC) whether imposed on the Client or GHSL directly or indirectly as amended from time to time, and to all procedures and policies of GHSL in effect from time to time with respect to the operation and maintenance of the Accounts and the Transactions. All Transactions shall also be subject to the terms of business of dealer or other persons who are involved in the processing of the Transactions where GHSL deems fit.
- 1.2. Client whose Transactions are executed in markets other than those organized by SEHK or HKFE may have a markedly different level and type of protection in relation to those Transactions as compared to the level and type of protection afforded by the rules, regulations, practices, procedures and administrative requirements of SEHK and HKSCC.
- 1.3. The Client confirms that:
- a) in the event of any conflict between (I) this Agreement and (II) any constitution, rules, regulations, practices, procedures and administrative requirements of the relevant Exchange and/or Clearing House, laws, rules and regulations (collectively the “**Regulations**”), the latter shall prevail;
 - b) GHSL may take or omit to take any action it considers fit in order to ensure compliance with the Regulations including with limitation, adjusting any Account, disregarding any unexecuted orders or rescinding any executed Transactions;
 - c) the Regulations as are so applicable and all such actions so taken shall be binding upon the Client; and
 - d) the Client shall be responsible for obtaining in advance and maintaining any governmental or other consents required in connection with the Client’s entering into of this Agreement or GHSL effecting any Transaction in connection with this Agreement.
- 1.4. This Agreement shall not operate insofar as it removes, excludes or restricts any rights of the Client or obligations of GHSL under the laws of Hong Kong, any other relevant law and/or the rules and regulations of the relevant government agencies and statutory bodies of competent jurisdictions (including but not limited to the SFC). If any provisions hereof are or should become inconsistent with any present or future law, rule or regulation of the SFC, SEHK, HKSCC, and/or any Exchange and/or any Clearing House or any other relevant authority or body having jurisdiction over the subject matter of this Agreement, such provision shall be deemed to be rescinded modified or constructed in accordance with any such law, rule or regulation. In all other respects this Agreement shall continue and remain in full force and effect.

2. DEALING

- 2.1. GHSL shall act as an agent of the Client and not as a principal in relation to any Transaction undertaken by GHSL under this Agreement except where GHSL gives notice to the Client to the contrary.
- 2.2. If the Client is acting on behalf of any other person when instructing GHSL pursuant to this Agreement, GHSL will continue to treat the Client alone (rather than any such other person) as its Client for all purposes and in relation to all obligations, and the Client will be liable as such. This applies even if the Client is acting on behalf of a person whom the Client has notified to GHSL and no such person will be an “indirect Client”. GHSL shall have no responsibility for compliance by the Client with any law or regulation governing the Client’s conduct as a fiduciary, if applicable.
- 2.3. The Client hereby acknowledges that GHSL and its directors, employees may from time to time trade on their own accounts. Furthermore, the Client acknowledge the existence of GHSL’s interest, relationship or arrangement that is material in relation to any instruction received or Transaction effected for the Client and GHSL has no duty to disclose to the Client any information of such. In particular, GHSL may, without informing the Client:

- a) effect Transactions through GHSL or others;
- b) effect Transactions with the Client as a principal for account of GHSL or others;
- c) take position opposite to the order (provided that such trade is executed competitively in accordance with the rules and regulations of the relevant Exchange) of the Client either for its own account or others;
- d) match the Client's orders with those of other client of GHSL or others; and/or
- e) combine the Client's order with orders of GHSL or other clients of GHSL for execution.

and neither GHSL nor its the related parties shall be obliged to account to the Client or any third party for any profits or benefits received in connection therewith. In event of insufficient Securities to satisfy orders so combined as mentioned in the above paragraph (e), GHSL may in its absolute discretion allocate the transactions between clients, having due regard to market practice and fairness to the concerned clients. The Client acknowledges and accepts that such combination and/or allocation may on some occasions operate to the Client's advantages and on other occasions to the Client's disadvantages. However, GHSL shall take all reasonable steps to avoid conflicts of interest and where such conflicts cannot reasonably be avoided take all reasonable steps to ensure that clients are at all times treated fairly.

- 2.4. The Client understands and confirms its agreement that GHSL may record conversations with the Client whether conducted on the telephone or through any other media or otherwise by tape or electronic means for security, control or record purposes.
- 2.5. Subject to the applicable laws and regulations, GHSL may in its absolute discretion determine the priority in the execution of the orders received from its clients, having due regard to the sequence in which such orders were received and the Client shall not have any claim of priority to another client in relation to the execution of any orders received by GHSL, provided always that orders of clients should have priority over orders of the account of GHSL or any account in which GHSL has an interest or the account of any employee or agent of GHSL.

3. MONEY IN THE ACCOUNT(S)

- 3.1. The money of the Client in the Account, after discharging all the indebtedness of the Client owing to GHSL and/or its associates, shall be treated and dealt with in compliance with the provisions of the SFO. The money of Client (including the Client's approved debt securities and approved securities), after discharging all the indebtedness of the Client owing to GHSL and/or its associates, which is received and held by GHSL on behalf of the Client in Hong Kong shall be deposited with a segregated account which is designated as a trust account of client account and maintained by GHSL in Hong Kong with an authorized financial institution or any other person approved by the SFC for such purpose and that all monies, securities or other property so held by GHSL shall not form part of the assets of GHSL for insolvency or winding up purposes but shall be returned to the Client promptly upon the appointment of a provisional liquidator, liquidator or similar officer over all or any part of GHSL's business or assets. GHSL may pay the money of the Client out of the segregated account in accordance with a standing authority pursuant to the SFO or in accordance with Client's instructions or written directions.
- 3.2. For so long as there exists any indebtedness to GHSL on the part of the Client, GHSL may refuse any withdrawal of money, Securities and/or Collateral in the Account and the Client shall not without consent of GHSL withdraw any such money, Securities and/or Collateral.
- 3.3. Except as otherwise agreed, the Client agrees that no interest will accrue to the Client on any accounts (including any Margin) held in the Account or for GHSL on behalf of the Client and GHSL may retain for its own benefit any and all amounts derived by way of interest on the Client's money.
- 3.4. The Client hereby give Standing Authority ("Authority") pursuant to the Securities and Futures (Client Money) Rules, which covers money held or received by GHSL in Hong Kong or overseas in one or more segregated account(s) on the Client's behalf (the "Monies").
- 3.5. The Client hereby authorize GHSL to do any of the following without giving prior notice (unless instructed otherwise):
 - a) combine or consolidate any or all segregated accounts, of any nature whatsoever and either individually or jointly with others, maintained by GHSL from time to time and may transfer any sum of Monies to and between such segregated account(s) to satisfy the Client's obligations or liabilities to GHSL, whether such obligations and liabilities are actual or contingent, primary or collateral, secured or unsecured, or joint or several; and

- b) transfer any sum of Monies to any trading/clearing/settlement account(s) maintained by GHSL with its agent broker(s) and/or clearing agent(s) in Hong Kong or overseas for purpose of dealings in securities or meeting the Client's obligations to meet settlement or margin requirements in respect of such dealings for and on behalf of the Client;
- c) transfer any sum of Monies interchangeably between any of the segregated account(s) maintained at any time by GHSL; and
- d) exchange my/our Monies into any other currency(ies) at the rate of exchange conclusively determined by GHSL.

- 3.6. This Authority is given to GHSL in consideration of its agreeing to continue to maintain one or more trading account(s) for the Client. This Authority is given without prejudice to other authorities or rights which GHSL may have in relation to dealing in the Monies in the segregated accounts.
- 3.7. The Client acknowledge that the validity of this Authority shall be limited to 12 months commencing from the date of this Authority. Written notification will be sent to the Client at least 14 days prior to the expiry date informing that this Authority will automatically be renewed for a further 12 months unless the Client specifically revokes it in writing before the expiry date. GHSL may set the validity of this Authority to be less than 12 months in order to correspond to its renewal system which falls on the months ending March, June, September or December of each year. Alternatively, the Client may revoke this Authority by giving not less than ten (10) business days' prior written notice to GHSL.
- 3.8. The Client agree to be solely and fully responsible for this Authority. In consideration of GHSL agreeing to act in accordance with the terms of this Authority, the Client further undertake to keep GHSL and its directors, employees and representatives indemnified at all times against, and to save GHSL or GHSL's directors, employees and/or representatives harmless from all actions, proceedings, claims, loss, damage, costs and expenses which may be brought against GHSL or GHSL's directors, employees and/or representatives or suffered or incurred by GHSL or GHSL's directors, employees and/or representatives and which shall have arisen either directly or indirectly from acting as such.

4. CHARGES, COSTS AND EXPENSES

- 4.1. The Client agrees to pay to GHSL all commission, brokerage or other remuneration payable on all Transactions (including those pursuant to Clause 5) at the rates established from time to time by GHSL. The Client also agrees to reimburse GHSL on a full indemnity basis for all applicable levies (including but not limited to levies imposed by the Exchanges, Clearing Houses and the SFC), fees, stamp duties, expenses and other charges in respect of or connection with the Transactions. Commissions and brokerage are subject to change from time to time and can be ascertained by contacting GHSL. GHSL may impose additional charges for special or other services furnished at the request of the Client.

- 4.2. The Client agrees to pay GHSL the following:

- a) all subscription, service and usage fees, which are payable 1 month in advance as prescribed by GHSL and the fees are non-refundable;
- b) Exchange information licence fees, and/or any fees/levies charges in connection with the Account and/or Transactions by Exchanges or other third parties or authorities;
- c) any other reasonable fees and charges imposed by GHSL from time to time for services and facilities rendered to the Client; and
- d) interest on all outstanding sums (including any monies advanced to the Client) at such rate and at such mode as GHSL shall notify the Client in writing;

The above fees, charges and interest are subject to change and GHSL may notify the Client in writing or by posting the changes to GHSL's website from time to time.

- 4.3. The Client acknowledges:

- a) that (i) every purchase or sale recorded on the stock market operated by SEHK or notified to the SEHK, (ii) every Exchange Contract is subject to the charge of an Investor Compensation Fund levy and a levy pursuant to the SFO and the cost of each such charge and levy attributable to the Client shall be borne by the Client; and

- b) that in the case of a default committed by GHSL and the Client having suffered pecuniary loss thereby, the liability of the Investor Compensation Fund will be restricted to valid claims as provided for in the SFO and will be subject to the monetary limits specified in the SFO and accordingly that there can be no assurance that any pecuniary loss sustained by reason of such a default will necessary be recouped from the Investor Compensation Fund in full, in part, or at all.
- 4.4. The Client undertakes to pay interest to GHSL on all overdue balances owed by the Client to GHSL (including interest arising after a judgment debt is obtained against the Client) at the prevailing interest rate according to the GHSL's fees table as amended from time to time, and such interest will be calculated and payable on the last day of each calendar month or at such time as GHSL may determine.
- 4.5. The Client agrees that, subject to applicable law and the SFC's requirements, GHSL is entitled to solicit, accept and retain for GHSL's own benefit any rebate, brokerage, commission, fee benefit, discount and/or other advantage from any Transaction effected by GHSL. GHSL may also offer at its absolute discretion any benefit or advantage to any person in connection with such Transaction.
- 4.6. The Client may have been introduced to GHSL by any introducing broker or other third party and the Client agrees that GHSL may share GHSL's commissions and fees charged to the Client with any such person.
- 4.7. Notwithstanding any other provisions in this Agreement, the Client shall pay all indebtedness to GHSL on demand or earlier when due and at GHSL's request shall deposit such cash, Securities or Collateral with GHSL and maintain such as security with GHSL as GHSL deems satisfactory. The Client shall at GHSL's request from time to time deposit (at GHSL's absolute discretion) sufficient cleared funds in the Account before carrying out any Transaction.

5. DEFAULT

5.1. The following shall constitute events of default (the "**Events of Default**"):

- a) (for Client being an individual) the death of the Client or the Client becoming incapacitated from due performance of the terms and conditions of this Agreement;
- b) the filing of a petition in bankruptcy or, as the case may be, dissolution, winding up or the commencement of other analogous proceedings, the appointment of a receiver, liquidator, administrator, trustee or other analogous officer, or merger or consolidation with any non-affiliated party, in respect of the Client;
- c) the levy or enforcement of any attachment, execution or other process against the Client;
- d) default by the Client in the due performance or observance of any of the terms and conditions of this Agreement;
- e) any representation or warranty made in or in pursuance of this Agreement or in any certificate, statement or other document delivered to GHSL being or becoming incorrect in any material respect;
- f) any of the consents, authorizations, approvals, licenses, or board resolutions required by the Client to enter into this Agreement or any Transaction being modified in a manner unacceptable to GHSL or being wholly or partly revoked, withdrawn, suspended or terminated or expiring and not being renewed or otherwise failing to remain in full force and effect;
- g) the continued performance of the Agreement becomes illegal or claim by any government authority to the illegal;
- h) the Client being in breach, voluntary or otherwise, of any of the conditions contained herein or of the constitutions, rule and regulations of any Exchange or Clearing House;
- i) material adverse change in the financial position, including sale of a substantial portion of the business or assets of the Client;
- j) the occurrence of any event which, in GHSL's sole discretion, GHSL reasonably considers that the continued performance of the Agreement shall or might put in jeopardy GHSL's rights and interests; and
- k) the occurrence of any other event(s) of default as set out in this Agreement.

5.2. Without prejudice to any other right or remedy which GHSL may have, if any one or more Events of Default occur, GHSL shall be authorized, in its absolute discretion, to take one or more of the following actions no matter separately, successively or concurrently (but shall not be bound to take any such action):

- a) cancel any or all outstanding orders or Transactions or any other commitments made on behalf of the Client and/or decline to take any further orders from the Client;
- b) call upon any security including but not limited and guarantees and letters of credit which may have been issued to or in favour of GHSL as securities for the Account(s);
- c) set-off, combine, consolidate, realise and/or sell all or any of the Accounts or accounts maintained by the Client with GHSL (including any money or client Securities or Collateral or other properties under such accounts);
- d) exercise any of its rights under the Agreement; and/or
- e) terminate this Agreement forthwith,

PROVIDE ALWAYS THAT a prior tender or demand for any Collateral or deposit or call of any kind from GHSL, or prior or outstanding demand or call from GHSL, or notice of the time and place of the sale or purchase shall not be considered a waiver of any of GHSL's rights granted by the Agreement.

5.3. After deducting all costs and expenses incurred in connection with taking any action referred to in Clause 5.2, Clause 4.2 of the Additional Terms and Conditions – Dealing in Securities (General) and similar clauses in any other applicable Additional Terms and Conditions (collectively the “**Default Action Clauses**”), GHSL may apply any remaining proceeds, if any, to settle the payment of any liabilities owed by the Client to GHSL; and in the event such proceeds are insufficient for the payment of liabilities the Client shall promptly upon demand and, notwithstanding that the time originally stipulated for settlement may not then have arrived, pay to GHSL and indemnify and hold GHSL harmless against any differences or deficiencies arising therefrom or in any Account, together with interest thereon and all professional costs (including solicitor's and counsel's fees on a full indemnity basis should GHSL in its absolute discretion refer the matter to legal advisers) and/or costs and expenses incurred by GHSL in connection with the Account or the enforcement of any outstanding position in the Account which shall be for the account of the Client and property deductible by GHSL from any funds of the Client in its possession.

5.4. Without prejudice to Clause 5.3, GHSL may place any of the proceeds obtained from performing any actions in the Default Action Clauses to the credit of a suspense account with a view to preserve the rights of GHSL to prove for the whole of GHSL's claim against the Client in the event of any proceedings in or analogous to bankruptcy, liquidation or arrangement for so long as GHSL in its absolute discretion determines without any obligation to apply the same or any part thereof in or towards discharge of any debts or liabilities due to or incurred by the Client to GHSL.

5.5. The Client acknowledges that GHSL is entitled to exercise its right under this Clause 5 when it is reasonable and necessary for its protection having regard to (i) the nature of the Securities and Margin trading in particular the volatility in the prices of Securities.

6. LIEN, SET OFF AND COMBINATION OF ACCOUNTS

6.1. In addition and without prejudice to any general liens, right of set-off or other similar rights to which GHSL is entitled under law or this Agreement, all Securities, receivables, monies (in any currency) and other property of the Client (held by the Client individually or jointly with others) held by or in possession of GHSL at any time shall be subject to a general lien in favour of GHSL as continuing securities to offset and discharge all of the Client's obligations, arising from the Transaction, Margin or otherwise, to GHSL.

6.2. In the event that the Client has more than one accounts (of any nature whatsoever including accounts of other clients guaranteed by the Client and whether in single or joint names) maintained with GHSL then, in addition to and without prejudice to any general liens or similar rights, GHSL may by itself at any time, and without notice to the Client, combine or consolidate all or any of them and set-off or transfer any monies (in any currency) and/or any other properties standing to the credit of any one or more than one of them in or towards satisfaction of any of the liabilities to GHSL of the Client on any such account or in any other respect, including liabilities under facilities (including Margin Facility) or accommodation for any unexpired fixed term or in respect of dealings in Securities or under guarantees or indemnities or any other instruments whatsoever given or assumed by GHSL at the Client's request,

whether such liabilities are present or future, actual or contingent, primary or collateral and joint or several. For the purpose of this Clause, the Client shall deliver to GHSL for every twelve-month period a written standing authority in respect of client money duly signed and completed by Client.

- 6.3. Where any such set-off or combination requires the conversion of one currency into another, such conversion shall be calculated at the rate of exchange (as determined by GHSL and binding in all respects upon the Client) utilized by GHSL in GHSL's normal course of business for such currencies at the time of the combination or set-off.
- 6.4. The right of set off in this Clause is a continuing security and is in addition and without prejudice to any security interest GHSL may now or hereafter hold. In respect of any payments to set off any liabilities or obligations of the Client to GHSL, GHSL shall not be concerned with whether or not such liabilities or obligations exist provided that demand has been made on GHSL.
- 6.5. Nothing herein shall restrict the operation of any general lien or other rights or lien whatsoever which GHSL may have, whether by law or otherwise, and the rights of set-off conferred hereby are in additional and without prejudice to any general right of set-off arising by law or rights granted to GHSL by Clause 5 or 6 of any lien, guarantee, bill, note, mortgage or other security now or hereafter held by GHSL.

7. ASSIGNMENT AND SUCCESSION

- 7.1. The Client shall not assign, delegate, transfer or otherwise dispose of any rights or obligations under this Agreement without prior written consent of GHSL.
- 7.2. Subject to the provision of the SFO and any applicable law, GHSL may assign, delegate, transfer or otherwise dispose of any rights or obligations under this Agreement or any Transactions to another person with prior written notice to the Client.
- 7.3. All the provision of this Agreement shall survive any changes or successions in GHSL's business and shall be binding, where the Client is corporation upon its successors, where the Client is a partnership upon the partners and their personal representatives, and where the Client is an individual upon his personal representatives.

8. NO WAIVER

The rights, remedies, powers and privileges of GHSL in accordance with the terms and conditions of this Agreement are cumulative and not exclusive of any rights or remedies provided by law. The Client acknowledges that no act, omission to act, delay, indulgence or forbearance by GHSL or any of its employees, servants or agents shall be, or be deemed to be, a waiver by GHSL of any rights against the Client or against Collateral, or any properties of the Client on hand with GHSL.

9. LIABILITIES AND INDEMNITY

- 9.1. Neither GHSL, nor any of its directors, employees, agents or representatives (the "**Relevant Persons**") shall under any circumstances whatsoever be liable to the Client (whether under contract, in negligence or otherwise) in the absence of bad faith or willful default of or by the Relevant Persons in respect of any loss, damage, injury sustained or liability incurred by the Client by reason of:
- a) any act, advice, statement (express or implied), default or omission of the Relevant Persons, whether such loss, damage, injury or liability be caused by breach or otherwise by the Relevant Persons or however caused;
 - b) any conditions or circumstances which are beyond the reasonable control or anticipation of the Relevant Persons including but not limited to any delay in transmission of orders due to whatsoever reasons; failure of electronic or mechanical equipment, telephone, postal system or other interconnection problems; unauthorized use of Access Code; prevailing fast moving market conditions; governmental agency, Exchange or Clearing House actions or omissions; theft; war; severe weather, earthquake, tsunami or other natural disaster; and strikes or similar industrial action;
 - c) GHSL exercising any of its rights conferred by the terms of this Agreement; or
 - d) any conversion of one currency to another pursuant to, in relation to or arising from this Agreement.

- 9.2. The Client agrees to indemnify the Relevant Persons against and hold the Relevant Persons harmless from all expenses, liabilities, claims and demand arising out of the following, in the absence of bad faith or willful default of or by the Relevant Persons:
- a) anything lawfully done or omitted to be done by the Relevant Persons in connection with this Agreement; or
 - b) any breach by the Client of its obligations under this Agreement.
- 9.3. The Client may have been introduced to GHSL by any introducing broker, or other third party and GHSL has no responsibilities or obligations regarding any conduct, action, representation or statement of any such person.

10. WARRANTIES AND REPRESENTATIONS

10.1. The Client hereby undertakes, represents and warrants on a continuing basis that:

- a) the information given by the Client, or on the Client's behalf, to GHSL in the Account Opening Form or otherwise in connection with the opening of any Account is true, full and complete and GHSL shall be entitled to rely on such information until GHSL receives written notice from the Client of any changes thereto;
- b) it has the authority and capacity to enter into and execute this Agreement and no one except the Client (unless otherwise disclosed to GHSL pursuant to Clause 11.1) has an interest in the Account(s);
- c) save as disclosed by the Client to GHSL pursuant to Clause 11.1 with the consent given by GHSL:
 - i. the Client enters into this Agreement as a principal and is trading on its own account and does not do so as nominee or trustee for any other person and there exists no arrangements whereby any person other than the person(s) signing this Agreements as the Client has or will have any beneficial interest in this Agreement; and
 - ii. the Client is the ultimate beneficiary of the Account and the person ultimately responsible for originating instruction about Transactions;
- d) this Agreement and its performance and the obligations contained therein do not and will not contravene any applicable laws, and regulations, contravene any provisions of the memorandum and articles or by-laws (for corporate Client), or constitute a breach or default under any agreement or arrangement by which the Client is bound;
- e) subject to any security interest of GHSL and the information disclosed to GHSL, all properties including but not limited to 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 and the Client will not charge, pledge or allow to subsist any charge or pledge or grant any option over such properties without GHSL's prior consent;
- f) the Client has received, read and understood the contents of the Risk Disclosure Statement and the Client has sufficient experience to assess the suitability of the Transactions contemplated under the Agreement;
- g) the Client is not, or in the case where the Client is a company or body corporate, none of its officers are employed by any Exchange, board of trade or Clearing House, or by any corporation of which any Exchange owns a majority of the share capital, or (unless written consent to such trading is filed with GHSL) employed by a member of any Exchange or by a firm registered on any Exchange;
- h) where the Client or any one of them is a body corporate (in respect of such person):
 - i. it is a corporation duly organized and is validly existing under the laws of the country of its incorporation and in every other country where it is carrying on business;
 - ii. this Agreement has been validly authorized by the appropriate corporate action of the Client and when executed and delivered it will constitute valid and binding obligations of the Client in accordance with the terms and conditions herein, notwithstanding any change at any time or from time to time in the present constitution of the Client;
 - iii. the certified true copies of the Client's certificate of incorporation or registration, charter, statute or memorandum and articles or other instrument constituting or defining its constitution and the board resolutions of the Client delivered to GHSL are true, accurate and still in force;
 - iv. no steps have been taken or are being taken to appoint a receiver and/or manager or liquidator over the

- v. asset of, or to wind up the Client; and none of the Client's officers are a "Connected Person" as defined in the Listing Rules and/or the Growth Enterprise Market Listing Rules, as the case may be, of the issuer of the Securities which are or are directly relevant to the subject of these instructions;

- i) where the Client or any one of them is an individual, the Client is legally capable of validly entering into and performing this Agreement and is of sound mind and legal competence and is not a bankrupt;
- j) where the Client is a sole proprietorship, this Agreement shall continue to be valid and binding for all purposes notwithstanding the change from the sole proprietor to a partnership; and
- k) where the Client is a partnership and business is carried on under a firm's name, this Agreement shall continue to be valid and binding for all purposes notwithstanding any change in partnership or constitution of the firm by the introduction of a new partner or by the death, insanity or bankruptcy or a retirement of any partner for the time being carrying on the business of or constituting the firm or otherwise.

10.2. The Client undertakes to notify GHSL immediately upon the occurrence of any material changes in the information supplied in this Agreement and/or the Account Opening Form. In particular, the Client agrees to inform GHSL of any change in contact information (including address and telephone number) upon occurrence of such changes. In event that in exercising its rights or discharging its duties under this Agreement, GHSL cannot communicate with the Client using the latest contact details provided by the Client for over a period of seven (7) days, the Client agrees that this constitutes a material breach of the Agreement by the Client which constitutes an Event of Default under Clause 5.1 (e).

10.3. GHSL will notify the Client of any material change to: (a) the name, address and operating hours of its business; (b) its licensing/registration status with the SFC and its CE number; (c) the description of the nature of services provided by it; or (d) the description of the remuneration payable to GHSL and the basis for such payment, including any content of its Fee Schedule.

11. DISCLOSURE OF INFORMATION ABOUT CLIENT

11.1. Subject to the provisions of this Agreement, GHSL will keep the information relating to the Accounts confidential. The Client acknowledges that there are codes, rules and regulations of the relevant markets and Exchanges which contain provisions requiring GHSL upon the request of SEHK, the SFC and/or any other regulator in Hong Kong having jurisdiction over the Transactions (collectively, "**Relevant Regulators**"), to disclose details of the Transactions, the name of the Client, beneficiary of the Transactions and such other information concerning the Client as any such Relevant Regulators may require and that the Client agrees to provide such information concerning the Client as GHSL may require in order for GHSL to comply with the requirements. The Client acknowledges that in the event that any disclosure of information required by the Relevant Regulators is not complied with, the relevant Exchanges may require the closing out of positions on behalf of the Client or the imposition of a margin surcharge on the positions of the Client.

11.2. Without limiting the disclosure to anything provided in Clause 11.1 the Client hereby irrevocably authorizes GHSL without further notice and consent from the Client, to disclose to any person information, reports, records or document pertaining to the Account together with such other information as may be required or GHSL may deem appropriate and, to produce computerized record or other document relating to the Client and the Account if such disclosure is required by the Relevant Regulators for the purpose of assisting them with any investigation or enquiry they are undertaking or by a court of competent jurisdiction or if the disclosure is in the public interest or in GHSL's or the Client's interest or is made with the Client's expressed or implied consent.

11.3. The Client further agrees that GHSL may, whether during the continuance or after the termination of this Agreement, without prior notice the Client, disclose any information relating to the Client and the Account(s) to any other staff and departments of GHSL, or to any assignee of any of the rights or obligations of GHSL under this Agreement.

11.4. The Client shall provide the information about the identity, address and contact details ("**identity details**") of the persons or entities which (i) are the Client, (ii) are ultimately responsible for originating the instructions in relation to the Transactions, or (iii) stand to gain the commercial or economic benefit of the transactions and/or bear its commercial or economic risk or such other information concerning the Client as any Relevant Regulator may require from GHSL in order to comply with the applicable laws and regulations and the Client authorizes GHSL to provide such information about the Client to such Relevant Regulator without further consent from or notification to the

Client.

11.5. Without prejudice to Clause 11.4, if the Client's Transaction is effected for the account of its clients, whether the Client effects the Transaction on a discretionary or non-discretionary basis, and whether the Client is an agent or enters into matching transactions as a principal with any clients of the Client, the Client agrees that, in relation to a transaction where GHSL has received an enquiry from the Relevant Regulators, the following provisions shall apply:

- a) Subject to as provided below, the Client shall, immediately upon request by GHSL, inform the Relevant Regulators of the identity 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 Relevant Regulators of the identity details of any third party (if different from the client/the ultimate beneficiary) originating the transaction.
- b) If the Client effects the transaction for a collective investment scheme, discretionary account or discretionary trust, the Client shall:
 - i. immediately upon request by GHSL, inform the Relevant Regulators of the identity details of the person(s) who, on behalf of the scheme, account or trust, has instructed the Client to effect the transaction; or
 - ii. as soon as practicable, inform GHSL when discretion to invest on behalf of the scheme, account or trust has been overridden, and the Client shall immediately upon request by GHSL, inform the Relevant Regulators of the identity details of the person who has given the instruction.
- 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 GHSL when its discretion to invest on behalf of the beneficiaries of such scheme, account or trust has been overridden and immediately upon request by GHSL, inform the Relevant Regulators of identity details of the person who has given the instruction in relation to the relevant transaction.
- d) If the Client is aware that its client is acting as intermediary for its underlying clients, and the Client does not know the identity details of any underlying client for whom the transaction is effected, the Client confirms that:
 - i. the Client has legally binding arrangements in place with its client which entitle the Client to obtain the information set out in Clause 11.5(a), (b) and/or (c) from its client immediately upon request or procure that it be so obtained;
 - ii. the Client will, upon request from GHSL in relation to a transaction, promptly request the information set out in Clause 11.5(a), (b) and/or (c) from its client on whose the transaction is effected, and provide the information to the Relevant Regulators as soon as it is received from its client or produce that it be so provided; and
 - iii. the Client and the Client's clients will comply with all applicable laws and regulations of Hong Kong including but not limited to the SFO.

11.6. The Client hereby agrees that GHSL shall not be in any way liable for any consequences arising out of any disclosure made under this Clause.

11.7. The Client hereby authorizes GHSL to conduct a credit inquiry or check on the Client for the purpose of ascertaining the Client's financial situation and investment objectives. Such information (and other information acquired about the Client) may be used by GHSL for operation and maintenance of the Accounts and for credit control purposes and for the purposes of marketing products and services to the Client.

11.8. The Client understands that the Client has supplied or may from time to time supply to GHSL personal data about the Client (the "**Personal Data**"), within the meaning ascribed in the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong), in connection with to opening or maintenance of any Account(s) or the provision of services to the Client by GHSL. The Client acknowledges that the Client is not required to provide any Personal Data to GHSL unless the Client chooses to do so. However, if the Client fails to supply any such Personal Data, GHSL may not be able to open or maintain as Account(s) for the Client and/or provide the Client with any services.

11.9. The Client acknowledges that the Client has read and understood the Personal Information Collection Statement fully and agrees to the terms and conditions therein.

11.10. The terms and conditions contained in this Clause 11 shall continue in effect notwithstanding the termination of the

Agreement.

12. TRANSACTIONS CONDUCTED IN FOREIGN CURRENCY

In the event that any Transaction effected by GHSL on behalf of the Client involves conversion of a foreign currency (i.e. currency other than Hong Kong Dollars), the Client agrees that:

- a) any profit or loss arising as a result of a fluctuation in the exchange rate affecting such currency will be entirely for the Client's account and risk; and
- b) any conversion from one currency to another required to be made for performing any action or step taken by GHSL under this Agreement may be effected in such manner and such time as it may in its absolute discretion decide.

13. AMENDMENTS

13.1. To the extent permitted by law, GHSL may from time to time amend or supplement (whether by the addition of schedules to this Agreement or otherwise) any of terms and conditions of this Agreement by notifying the Client in accordance with Clause 15. If the Client does not accept the same, the Client may terminate this Agreement by notifying GHSL in writing within seven (7) business days from the Client's receipt or deemed receipt of the notice in accordance with Clause 15. If the Client does not terminate this Agreement within such time or if the Client continues to operate the Account after receipt or deemed receipt of notice of the amendment or supplement, the Client shall be deemed to have accepted such amendment or supplement and shall continue to be bound by this Agreement as so amended or supplemented.

13.2. Subject to Clause 13.1, no provision of this Agreement may be amended or supplement unless agreed to in writing signed by GHSL's authorized representative(s).

14. JOINT CLIENT

14.1. Where the Client consists of more than one person:

- a) the liability and obligations of each of them shall be joint and several and references to the Client shall be construed, as the context requires, to any one of them;
- b) GHSL is entitled to, but shall not be obliged to, act on instructions or requests from any of them;
- c) any notice, payment or delivery by GHSL to any one of the Client shall be a full discharge of GHSL's obligations to notify, pay or deliver under this Agreement; and
- d) GHSL is entitled to deal separately with any one of the Client on any matter including the discharge of any liability to any extent without affecting the liability of any others.

14.2. Notwithstanding the above paragraph (b) and any agreement between any person of the Client with GHSL, GHSL reserves the right to demand all the persons of the Client to give instructions or requests in writing or in any such other manner determined by GHSL before GHSL's acceptance or act upon such instruction.

14.3. Where the Client consists of more than one person, the death of any of such persons (if being survived by any other such persons) and/or the bankruptcy of any of such persons (if any other such persons are not bankrupt) does not operate to terminate this Agreement automatically unless it is terminated in accordance with other provisions of this Agreement but such death and/or bankruptcy constitutes an Event of Default under Clause 6.1(c) and/or 6.1(d).

15. NOTICES

15.1. In the event of GHSL being required to give any reports, written confirmations, notice to, or to make any demand or request of the Client or otherwise being obliged to contact the Client in connection with this Agreement, notice (including any demand for Margin or Collateral) may be personally delivered, transmitted by post, telex, facsimile, through Electronic Media (email) or by telephone in each case to the address or telex, facsimile, email address or telephone numbers set out in the Account Opening Form or otherwise as notified to GHSL in writing from time to time.

15.2. Notices to be delivered by the Client to GHSL may be personally delivered, transmitted by post, telex or facsimile or through Electronic Media (email) or by telephone in each case to the address or telex, facsimile, email address or telephone numbers set out in this Agreement or otherwise as notified by GHSL from time to time.

15.3. All notices and other communications shall be deemed to be given at the time of transmission if delivered personally, by telex, facsimile or telephone or through Electronic Media (email) or one day after the date of posting if transmitted by mail whichever shall be the first to occur; provided that any notice or other communication to be given to GHSL shall be effective only when received by GHSL.

16. TERMINATION

16.1. Without prejudice to Clause 5 and 13, Clause 4 of the Additional Terms and Conditions – Dealing in Securities (General), Clause 3.8 of the Additional Terms and Conditions – Dealing in Securities (Margin Account), GHSL and the Client may terminate this Agreement by giving to the other two (2) business days' prior written notice. This does not affect the undertaking and indemnities given by and obligations of the Client under this Agreement (including but not limited to Clause 9, 10 and 11, Clause 5 of the Additional Terms and Conditions – Dealing in Securities (General) and any rights and obligations under this Agreement outstanding as of the date of termination, all of which shall survive the termination. Without prejudice to the forgoing, any termination shall not affect the rights or liabilities of either party arising out of or in connection with any Transactions entered into before the time of termination or with any of the Client's contracts outstanding at the time of such termination, including as to Margin, until all such contracts have been closed out or settlement and/or delivery has been effected and all such liabilities have been fully discharged.

16.2. Notwithstanding Clause 16.1, the Client has no right to terminate the Agreement if the Client has sums owing to GHSL, open position or any other outstanding liabilities or obligations.

16.3. In case of any remaining cash balances in the Account upon termination of this Agreement, the Client agrees that such balances will be automatically credited into the designated account in the Account Opening Form within seven (7) days from the date on which all open positions and Open Contracts have been closed out. If there is no such designated account or if such designated account cannot be used by GHSL for any reason, GHSL may send the Client GHSL's cheque representing the credit balances in the Account to the last known address of the Client at the sole risk of the Client.

16.4. In case of any remaining Securities in the Account upon termination of this Agreement, the Client agrees that such Securities will be collected by the Client or his agent in person at GHSL's office within seven (7) days from the date on which all open positions and Open Contracts have been closed out. To the extent that it is not practicable to transfer any such Securities or the Client fails to collect any such Securities in the manner as stipulated in this Clause, GHSL is authorized to sell the same and account to the Client for the proceeds in accordance with Clause 16.3 above.

17. MISCELLANEOUS

17.1. This Agreement is written in English language and may be translated into Chinese language but in the event of any conflict arising the English version shall prevail.

17.2. In case of any conflict between any terms and conditions in the General Terms and Conditions and any terms and conditions in any applicable Additional Terms and Conditions, the provision of the latter shall prevail.

17.3. Time shall in all respects be of the essence in the performance of all the Client's obligations under or in connection with this Agreement, in particular for the Client's obligation in providing adequate Collateral to GHSL within the prescribed time limit.

17.4. Except where GHSL is given express written instructions to the contrary, in accordance with the terms of this Agreement, GHSL may make payment of any amounts owing to the Client by crediting the same to the Account, details of which are specified in this Agreement. Payment to such Account shall constitute payments to the Client for all purposes.

17.5. All sums payable by the Client in connection with this Agreement shall be exclusive of all taxes, duties or other charges of similar nature. If any tax, duty or other charge of similar nature is required by law to be withheld from such payments, the amount payable by the Client shall be increased to the extent necessary to ensure that, after the

making of any withholding, GHSL receives on the due date a net sum equal to what it would have received and retained had no deduction been made.

- 17.6. Any provision in this Agreement which is invalid for any reason in any jurisdiction shall be ineffective to the extent of such invalidity and shall be severed from this Agreement in that jurisdiction without affecting the validity of the remaining provisions of this Agreement in that jurisdiction or affecting validity of such provision in any other jurisdiction.
- 17.7. This Agreement constitutes the whole agreement between GHSL and the Client and supersedes all previous agreements, memorandums of understanding and/or arrangements whether in writing or verbally.
- 17.8. The Client hereby declares that he has read and understood this Agreement in the language of the Client's choice of English or Chinese and that the Client agrees to be bound by the terms and conditions of this Agreement.
- 17.9. The Client hereby irrevocably appoints GHSL with full power and authority as the Client's attorney, to the fullest extent permitted by law, to act for and on behalf of the Client for the purpose of carrying out the provisions of this Agreement and taking any action and executing any document or instrument in the name of the Client or GHSL which GHSL may deem necessary or desirable to accomplish the purposes of this Agreement, including (without limitation), in particular for an Account being a Margin Account:
- a) to execute any transfer or assurance in respect of any of the Collateral;
 - b) to perfect GHSL's title to any of the Collateral;
 - c) to ask, require, demand, receive, compound and give a good discharge for any and all moneys and claims for moneys due or to become due under or arising out of any of the Collateral;
 - d) to give valid receipts and discharges and to endorse any checks or other instruments or orders in connection with any of the Collateral; and
 - e) generally to file any claims or take any lawful action or institute any proceedings which GHSL considers to be necessary or advisable to protect the security created under this Agreement.

18. DISPUTES AND GOVERNING LAW

- 18.1. This Agreement and its enforcement shall be governed by the laws of Hong Kong and its provisions shall be continuous, shall cover individually and collectively all Account which the Client may open or re-open with GHSL, and shall inure to the benefit of, and bind GHSL, GHSL's successors and assignees, whether by merger, consolidation or otherwise as well as heirs, estate, executors, administrators, legatees, successors, personal representatives and assignees of the Client.
- 18.2. Any dispute arising under or in connection with this Agreement, any Transaction or any of the Client's contract is to be settled by arbitration or by court proceedings in GHSL's absolute discretion which shall be binding absolutely on the Client.
- 18.3. Any dispute which, in GHSL's discretion, is referred to arbitration shall be settled at the Hong Kong International Arbitration Centre conducted in Hong Kong according to the securities arbitration rules of the Hong Kong International Arbitration Centre. The Client hereby expressly agrees to accept the finding of any such arbitration as absolute and final.
- 18.4. By execution and delivery of this Agreement the Client hereby irrevocably submits to and accepts unconditionally the non-exclusive jurisdiction of the courts of Hong Kong. In the event of any legal proceedings being brought in the courts of Hong Kong this Agreement shall in all respects be governed by and construed in accordance with the laws of Hong Kong PROVIDED ALWAYS THAT GHSL shall have the right to proceed against the Client in any other court which has jurisdiction over the Client or any of the Client's assets and the Client hereby submits to the non-exclusive jurisdiction of such other courts.
- 18.5. Notwithstanding any other provision in this Agreement, the Client has the right, to the extent conferred by applicable law and regulations, to refer any dispute arising under or in connection with this Agreement to the Financial Dispute Resolution Scheme.

19. SUITABILITY OF FINANCIAL PRODUCTS

If GHSL 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 these Terms or any other document GHSL may ask the Client to sign and no statement GHSL may ask the Client to make derogates from this clause.

In relation to Transactions entered by the Client without or inconsistent with any of GHSL's solicitations or recommendations, GHSL is not responsible to the Client with respect to the suitability of the Transaction. Nor is GHSL responsible for the profitability, tax, legal or accounting consequences of any such Transactions.

Before the Client enters any transactions, the Client should note that GHSL has no ongoing responsibility to ensure that a product GHSL has solicited the sale of or recommended to the Client remains suitable for the Client and that if circumstances relating to the Client, such product, such product's issuer or general market conditions change, such product may no longer be suitable for the Client.

Section B

Additional Terms & Conditions

Dealing in Securities (General)

The provision in these Additional Terms and Conditions – Dealing in Securities (General) apply to Cash Account and Margin Account. The Client shall open and maintain a Cash Account and/or Margin Account with GHSL subject to the General Terms and Conditions, these Additional Terms and Conditions – Dealing in Securities (General) and other applicable Additional Terms and Conditions.

Unless defined herein or the content otherwise requires, capitalized terms used herein shall have the same meaning as those defined in the General Terms and Conditions. Further, in case of inconsistency between these Additional Terms and Conditions – Dealing in Securities (General) and the General Terms and Conditions, the provisions in the former shall prevail.

1. DEALING

- 1.1. GHSL shall be authorized but not bound to act on an instruction given by the Client or the Authorized Person (if any) to carry out a Transaction (whether directly or through other dealer or otherwise). GHSL may at any time and from time to time impose any limits including position limits on any Account and the Client agrees not to exceed such limits. If any of the said limits are or to be exceeded, GHSL may decline such an instruction and/or is entitled to close the open position of the Transaction concerned. GHSL may in its absolute discretion refuse to act on any of the instructions received from the Client without giving any reason, in particular for sell order without evidence of sufficient Securities, or buy order without evidence of sufficient funds or compliance with the Margin Requirements, or otherwise in accordance with law or requirements of the SFC. GHSL is not in any circumstance be liable in any way for any loss of profit or gain, damage, liability or cost or expense suffered or incurred by the Client arising from or in connection with GHSL's refusal to act such instruction or omitting to notify the Client of such refusal.
- 1.2. The Client shall inform GHSL when a sell order in respect of Securities which the Client does not own (that is, a short sale) and, where required, shall provide GHSL with the assurance in accordance with the SFO.
- 1.3. Because of physical restraints on any Exchange or the very rapid changes in the prices of Securities that frequently take place, there may, on occasions, be a delay in making prices or in dealing. GHSL may not always be able to trade at the prices or rates quoted at any specific time or "at best" or "at market". GHSL shall not be liable for any loss howsoever arising by reason of its failing, or being unable, to comply with the terms of any limit order undertaken on behalf of the Client or under the circumstances contemplated in this Clause. Where GHSL is for any reason whatsoever unable to perform the Client's order in full, it may in its discretion effect performance only in partial or in lesser number. The Client shall in any event accept and be bound by the outcome when any request to execute orders is made.
- 1.4. The Client acknowledges that it may not be possible to cancel or amend its instructions once given. The Client agrees to exercise caution before giving any instruction and accept full responsibility for the Transaction partially or fully executed prior to the processing of the Client's cancellation or amendment.
- 1.5. All orders shall be made by the Client orally either in person or by telephone, or in writing, delivered by post, by hand or transmitted by facsimile or through Electronic Media at the Client's risk. GHSL may act on such instructions which GHSL reasonably believes to come from the Client without any duty to verify the capacity of the person giving the instruction and for this purpose, GHSL is entitled to conclusively treat any written instruction bearing the same signature as appeared in the signature specimen on the Account Opening Form as a duly given instruction from the Client. GHSL shall not be responsible for the non-performance of its obligations hereunder by reason of any cause beyond GHSL's control, including, without limitation, transmission or computer delays, errors or omissions, strikes and similar industrial action or the failure of any dealer, Exchange or Clearing House to perform its obligations. The Client hereby confirms and agrees that the Client shall be responsible to GHSL for all engagements, indebtedness and any other obligations made or entered into in the Client's name whether in writing or orally and howsoever communicated and recorded.
- 1.6. All instructions relating to sale, purchase and entering into and closing out an agreement of Securities or otherwise given hereunder which may be executed on more than one Exchange may be executed on any Exchange GHSL selects. GHSL may also in its discretion direct the instructions of the Client to other dealers for execution without giving any notification to the Client. GHSL may also in its discretion instruct overseas brokers and dealers to execute Transactions in overseas Securities in such terms and at such times as in GHSL's discretion deems fit and acknowledges that the

terms of business of such overseas brokers and dealers shall apply to such transactions and the Client agrees to be bound by such terms.

- 1.7. All the trading orders placed by the Client are good for the day and will be automatically cancelled at the close of business of the relevant Exchange to the extent not yet executed unless the Client has indicated to GHSL to the contrary.
- 1.8. Following execution of the orders of the Client, GHSL will send trade confirmation of the Transactions effected and relevant statement summarizing Transactions and securities and cash positions in the Account subject to Clause 6 of Additional Terms & Conditions – Electronic Trading. Such trade confirmations and statements shall be conclusive and binding on the Client if not objected to in writing sent by registered mail to GHSL's office within forty-eight (48) hours after transmission of the information contained in such confirmations and statements to the Client. GHSL may not provide the Client with monthly statements in relation to the Account when during the relevant period there is no transaction or revenue or expense item and no outstanding balance or holding securities position in the Account.
- 1.9. If the services provided by GHSL to the Client relates to any derivative products, GHSL shall provide to the Client, upon entering into Transactions relating to such products and upon the Client's request, product specifications and copies of prospectus and any other offering documents relating to such products (if applicable).
- 1.10. The Client shall make own independent judgment and decision with respect to each instruction given to GHSL. GHSL is under no liability whatsoever in respect of any information or suggestion given by GHSL or any of its directors, officers, employees or agents irrespective of whether or not such information or suggestion is given at the Client's request.

2. SETTLEMENT

- 2.1. Unless otherwise agreed or GHSL is already holding sufficient cash or Securities on the Client's behalf to settle the Transaction, in respect of each Transaction, the Client shall
 - a) pay GHSL funds or deliver to GHSL Securities in deliverable form; or
 - b) otherwise ensure that GHSL has received such funds or Securities,by such time as GHSL has notified (whether verbally or in writing) the Client in relation to the relevant Transaction.
- 2.2. Unless otherwise agreed, the Client agrees that if the Client fails to make such payment or delivery of Securities by the due time as mentioned in Clause 2.1, GHSL is hereby authorized to:
 - a) in the case of a purchase transaction, sell the purchased Securities; and
 - b) in the case of a sale transaction, borrow and/or purchase such Securities in order to settle the Transaction.
- 2.3. The Client hereby acknowledges that the Client shall be responsible to GHSL for any loss, costs, fees and expenses incurred by GHSL in connection with the Client's failure to meet the Client's obligation by the due time as set out in Clause 2.1.

3. CHARGES, COSTS AND EXPENSES

- 3.1. The Client hereby agrees to the imposition upon its Account or Accounts from time to time as GHSL may determine, of a minimum charge in respect of Accounts that maintain only average credit balances of less than such minimum amount as GHSL may from time to time determine, or that has no trading activity for more than such period as GHSL may from time to time determine. Payment of such charge will be automatically deducted from the Account.

4. DEFAULT

- 4.1. In addition to Clause 5.1 of the General Terms and Conditions, the following shall also constitute Events of Default:
 - a) The Client's failure to provide sufficient Collateral within the time limit upon call from GHSL, deposits, purchase consideration or any other sums payable to GHSL, to submit documents or to deliver securities to GHSL hereunder when called upon to do so or on due date;
 - b) In respect of any Transaction, the Client fails:

- i. to provide Margin when called upon to do so;
- ii. to make or take delivery of any underlying Securities when required under such Transaction; or
- iii. to pay any purchase price or other payment thereunder when due;

4.2. In addition to Clause 5.2 of the General Terms and Conditions, without prejudice to any other right or remedy which GHSL may have, if any one or more Events of Default occur, GHSL shall be authorized, in its absolute discretion, to also take one of the following actions no matter separately, successively or concurrently (but shall not be bound to take any such action):

- a) cover any short position in the Account through purchase of securities on the relevant Exchange and subject to Clause 2.1 and 2.2, to liquidate any or all of the Client's Securities;
- b) close out without recourse any or all open positions under the Account; and/or
- c) borrow, buy or sell in any manner any property whatsoever found necessary by GHSL or required to make delivery against any sale effected for the Client.

4.3. In the event of sale of any client Securities or the Collateral or liquidation of the Accounts in Clause 1 of the Additional Terms and Conditions – Dealing in Securities (Margin Account) or Clause 5 or 6 of the General Terms and Conditions, GHSL shall not be responsible for any loss occasioned thereby howsoever arising if GHSL has already used reasonable endeavours to sell or dispose of any of client Securities and the Collateral and/or close out or liquidate any outstanding position in the Account under the prevailing market conditions. GHSL is also entitled to exercise its own judgement in determining the time of the aforesaid sale or disposal or liquidation and to sell or dispose of any of such properties at current market price to any person(s) (including GHSL) at GHSL's sole discretion without any responsibility for any loss occasioned or being accountable for any profit made by GHSL.

5. INFORMATION GIVEN TO CLIENT

5.1. GHSL shall provide to the Client product specifications, procedures and other information in such form or manner as the relevant Exchange or the Code of Conduct may specify. In particular, in relation to Securities admitted to trading under the Nasdaq-Amex Pilot Program of the SEHK, GHSL shall provide the Client with documentation on the Nasdaq-Amex Pilot Program as prescribed by SEHK in either the Chinese or English language according to the language preference of the Client.

5.2. GHSL may provide financial market data, quotes, news, research or other information, including graphic images (collectively, the “**Information**”), to Client by means of hardcopy, conversation, Electronic Media, website operated by GHSL or otherwise (no matter in writing or verbally). The Client acknowledges that the rights in the information are the property of GHSL the information providers of the licensors (the “**Information Providers**”) and are protected by applicable copyright and other intellectual property laws and the Client is allowed to use the Information on the condition of not engaging in any actions which may infringe the rights of the Information Providers.

5.3. The Client acknowledges that none of the Information Providers make any representation or warranty of any kind (including but not limited to warranties of merchantability or fitness for any particular use) and none of them guarantees the timeliness, sequence, accuracy, adequacy and/or completeness of the Information. In particular, owing to market volatility and possible delay in data-transmission process, the market data containing in the Information may not be real-time market quotes for relevant products. Whilst GHSL reasonably believes such data to be reliable, it has no independent basis to verify the accuracy or completeness of the Information provided. No recommendation or endorsement from GHSL shall be inferred from such data.

5.4. The Client acknowledges that the Information is provided for information purpose only and should not be used as a basis for making business, investment or any kind of decision and the Information Providers do not accept any responsibility or liability for any loss or damage howsoever arising from any person acting or refraining from acting in reliance on the Information. The Information does not constitute any offer, invitation or solicitation to enter into any transaction of Securities.

6. NEW LISTING OF SECURITIES

6.1. The Clause shall apply only to any Cash Account or Margin Account in respect of which the Client has requested GHSL to apply on the Client's behalf for securities in new issue for listing on SEHK (an “**Application**”) on the terms and condition of the Agreement.

- 6.2. The Client authorizes GHSL to complete such application form as may be required for the Application, and represents and warrants to GHSL that all representations, warranties, confirmations and undertakings on the part of the applicant contained or incorporated in such application form are true and accurate in respect of the Client.
- 6.3. The Client agrees to be bound by the terms of the new issue and in particular, the Client hereby.
- a) warrants and undertakes that the Application shall be the only application made by the Client or on the Client's behalf for the Client's benefit in respect of the same issue of securities and the Client shall make no other application in that issue;
 - b) authorizes GHSL to represent and warrant to SEHK that no other application shall be made or shall be intended to be made by the Client or for the Client's benefit;
 - c) acknowledges that any application made by an unlisted company which does not carry on any business other than dealing in Securities and in respect of which Client exercises statutory control shall be deemed to be an application made for the benefit of the Client; and
 - d) acknowledges that GHSL will rely on the above warranties, undertaking and authorizations in making the Application.
- 6.4. In relation to a bulk Application to be made by GHSL on behalf of GHSL, the Client and/or Broker's other clients, the Client acknowledges and agrees:
- a) that if such bulk Application may be rejected for reasons which are unrelated to the Client, GHSL, in absence of fraud, gross negligence or willful, shall not be liable to the Client or any other person in consequence of such rejection; and
 - b) to indemnify GHSL in accordance with Clause 9.1 and 9.2 of the General Terms and Conditions if such bulk Application is rejected because of any breach of representations and warrants or otherwise arising from factors relating to the Client.
- 6.5. The Client may at the same time request GHSL to provide a loan to finance the Application (the "**Loan**"), the following provisions shall apply:
- a) GHSL has discretion to accept or reject the request for the Loan.
 - b) Upon the acceptance of the request for the Loan, the employee or representative of GHSL will verbally or in writing confirm the terms of the Loan ("**Agreed Loan Terms**") as agreed between GHSL and the Client, which shall be conclusive and binding on the Client.
 - c) Before the provision of the Loan, the Client shall provide GHSL a deposit, which shall form part of the proceeds for the Application, in the amount and within the time in accordance with the Agreed Loan Terms.
 - d) Unless contrary to the Agreed Loan Terms, the Loan amount is the total price of the securities (including applicable charges) applied under the Application less the amount of deposit in Clause 6.5 (c); and the Client has no right to repay the Loan, in part or full, before the date of repayment in accordance with the Agreed Loan Terms.
 - e) The interest rate applicable to the Loan shall be determined under the Agreed Loan Terms.
 - f) When GHSL receives any refund in respect of the Application, GHSL has the right, at its discretion, to apply the same or part of it towards the discharge of the Loan including any interest accrued thereon and/or return the same or the remaining balance (if any) to the Client, whether before or after the repayment date in accordance with the Agreed Loan Terms.
 - g) In consideration for GHSL's granting of the Loan to the Client, the Client charges to GHSL by way of first fixed charge as a continuing security for the full repayment of the Loan and the accrued interest thereon, all the securities acquired on behalf of the Client under the Application in respect of which the Loan is provided. The Client has no right to the possession of the aforesaid securities until the full repayment of the Loan (including

interest accrued thereon). The Client authorises GHSL to dispose of the aforesaid charge securities without prior notice to the Client for discharge of the liabilities owing to GHSL under the Loan so long as to Loan (including interest thereon) has not been repaid in full.

Section C
Additional Terms & Conditions
Dealing in Securities (Cash Account)

The provision in these Additional Terms and Conditions – Dealing in Securities (Cash Account) apply to Cash Account. The Client shall open and maintain a Cash Account with GHSL subject to the General Terms and Conditions, the Additional Terms and Conditions – Dealing in Securities (General), these Additional Terms and Conditions – Dealing in Securities (Cash Account) and other applicable Additional Terms and Conditions.

Unless defined herein or the content otherwise requires, capitalized terms used herein shall have the same meaning as those defined in the General Terms and Conditions. Further, in case of inconsistency between these Additional Terms and Conditions – Dealing in Securities (Cash Account) and the General Terms and Conditions and/or the Additional Terms and Conditions – Dealing in Securities (General), the provisions in the former shall prevail.

1. SECURITIES IN THE ACCOUNT

- 1.1. The Securities of the Client in the Account shall be treated and dealt with in compliance with the provisions of the SFO. In particular, the Securities which the listed or traded on market operated by SEHK or interests in an authorized collective investment scheme (as defined in the SFO) and are received or held in Hong Kong by GHSL (“**Local Securities**”) shall be:
 - a) deposited in safe custody in a segregated account which is designated as a trust account or client account and maintained by GHSL in Hong Kong with an authorized financial institution, a custodian approved by the SFC or another intermediary licensed for dealing in securities; or
 - b) registered in the name of the Client or GHSL or its nominees.
- 1.2. In respect of any Securities of the Client other than Local Securities (“**Overseas Securities**”) held for safekeeping by any other party engaged by GHSL on the Client’s behalf, the Client hereby authorize GHSL to instruct the relevant party on behalf of the Client to deposit such Overseas Securities in the safe custody of that party or its custodian or with any other institution in the relevant jurisdiction where the relevant Transaction was effected which provides facilities for the safe custody of documents.
- 1.3. Any Securities held by GHSL on behalf of the Client in the manner mentioned Clause 1.1 and 1.2 or otherwise shall be at the sole risk of the Client and GHSL has no obligation to insure the Client against any kind of risk. GHSL shall not be responsible for any losses, costs, damages, interests and charges arising from or in connection with such engagement or custody under the aforesaid clauses, including without limitation any losses arising from fraud or negligence of that party so engaged.
- 1.4. For any Securities of the Client deposited with GHSL not registered in the name of the Client, any dividend, distribution or benefits accrued in respect of such Securities which are received by GHSL shall be credited to the Account (or payment made to the Client as may be agreed) subject to a reasonable administration fee charged by GHSL. GHSL shall not be responsible for any failure in making such distribution of any party which holds the Client Securities and Collateral for safekeeping. GHSL may also exercise voting right on behalf of the Client with respect to such securities upon prior specific instruction received by GHSL from the Client.
- 1.5. Securities purchased for the Client will be delivered to the Client (or as the Client may direct) PROVIDE THAT such Securities are fully paid and are not subject to any lien, and/or are not held as Collateral by GHSL.
- 1.6. GHSL is not obliged to return the Securities originally delivered or deposited by the Client but may return Securities of the same class, denominations and nominal amount and ranking to the Client.
- 1.7. Without prejudice to any other rights and remedies available to GHSL, GHSL is authorized to dispose of any of the Securities from time to time received from or held on behalf of the Client in settlement of any liability owed by the Client or on the Client’s behalf to GHSL or a third party.
- 1.8. Except as provided in Clause 1.7, Clause 2.2 of the Additional Terms and Conditions – Dealing in Securities (General), or Clause 5.2 and 6 of the General Terms and Conditions or permitted under the SFO, GHSL shall not without the Client’s verbal or written direction or standing authority deposit, transfer, lend, pledge, re-pledge or otherwise deal with any Securities of the Client.

- 1.9. Subject to the provisions of the SFO, the Client agrees that GHSL is entitled to retain for its own benefit and not accountable to the Client for any fee, income, rebate or other benefits resulting from any lending or deposit of the securities of the Client with any third party for any purpose by GHSL.

Section D
Additional Terms & Conditions
Dealing in Securities (Margin Account)

The provision in these Additional Terms and Conditions – Dealing in Securities (Margin Account) apply to Margin Account. The Client shall open and maintain a Margin Account with GHSL subject to the General Terms and Conditions, the Additional Terms and Conditions – Dealing in Securities (General), these Additional Terms and Conditions – Dealing in Securities (Margin Account) and other applicable Additional Terms and Conditions.

Unless defined herein or the content otherwise requires, capitalized terms used herein shall have the same meaning as those defined in the General Terms and Conditions. Further, in case of inconsistency between these Additional Terms and Conditions – Dealing in Securities (Margin Account) and the General Terms and Conditions and/or the Additional Terms and Conditions – Dealing in Securities (General) the provisions in the former shall prevail.

1. MARGIN FACILITY

- 1.1. The Margin Facility is extended by GHSL to the Client for financing the trading of securities in Margin Account on the Additional Terms and Conditions – Dealing in Securities (Margin Account) and any other terms and conditions which may be indicated by GHSL to Client from time to time.
- 1.2. GHSL is authorized by the Client to draw on the Margin Facility to settle any amounts due to GHSL in respect of purchase of Securities and to finance continued holding of Securities, the payment of commission, interest and any other expense incidental to the operation of the Margin Account and any other sums owing to GHSL. The Margin Facility is repayable on demand and GHSL may, in its absolute discretion, vary the terms in this Clause or terminate the Margin Facility at any time it thinks fit. GHSL is not obliged in any way to provide financial accommodation to the Client.
- 1.3. The Client shall provide and maintain adequate Collateral and provide such additional Collateral in the manner and within the time limit specified by GHSL for the compliance with the margin requirements set by GHSL. GHSL in its absolute discretion determines the amount, type and form, manner of delivery, calculation basis of permissible value and timing of the delivery or the required Collateral. GHSL may change the margin requirement at any time in its absolute discretion without prior notice to the Client. Any failure of the Client in providing the required Collateral in this Clause constitutes an Event of Default and GHSL is entitled to dispose of any of the Collateral without prior notice to the Client. No previous margin shall establish any precedent.
- 1.4. The time for provision of Collateral and for payment of margin deposit is of essential and if no time is stipulated by GHSL in making a demand for Collateral or margin deposit, the Client is required to comply with such demand within twenty-four hours from the time of making such demand (or in a shorter period if so required by GHSL). The Client also agrees to pay immediately in full on demand any amount owing under the Margin Facility. All initial and subsequent payments for margin deposits shall be made in cleared funds and in such currency and in such amounts as GHSL may in its sole direction require.
- 1.5. Notwithstanding Clause 1.3 and 1.4, in the event that it is in the sole opinion of GHSL that it is impracticable for GHSL to make demand on the Client for additional Collateral pursuant to Clause 1.3, GHSL shall be deemed to have made such demand of additional Collateral in such form and amount as GHSL may determine and such demand shall become immediately due and payable by the Client. The aforesaid impracticality may be due to the following (without limitation) rapid change or development involving prospective changes:
 - a) in the local, national or international monetary, financial, economic or political conditions or foreign exchange controls which has resulted or is in the opinion of GHSL likely to result in a material or adverse fluctuation in the stock market and currency market in Hong Kong and /or overseas; or
 - b) which is or may be of a material adverse nature affecting the conditions of the Client or operations of the Margin Account.
- 1.6. The Client shall pay interest on the outstanding amount of the Margin Facilities from time to time at such rate and in such manner as determined by GHSL from time to time. Interest will accrue on the outstanding amount of the Margin Facilities on daily basis and the accrued interest will be deducted from the Margin Account on a monthly basis and shall be payable at any time upon the demand made by GHSL.

2. COLLATERAL

- 2.1. The Client, as beneficial owner of the Collateral, hereby charges in favour of GHSL in respect of all the Secured Obligations by way of first fixed charge all the Client's right, title, benefits and interests in and to the Collateral including any additional or substituted collateral and all dividends, interest paid or payable, rights, interests, money or other properties accruing or offering at any time by way of redemption, bonus, preference, options or otherwise on or in respect of the Collateral as continuing security for the payment and discharge of the Secured Obligations.
- 2.2. The Charge is a continuing security notwithstanding any intermediate payment, settlement of the Margin Account or satisfaction of whole or any part of Secured Obligations and notwithstanding any closure and subsequent opening of such Margin Account.
- 2.3. GHSL is entitled to exercise any voting right or other rights in respect of the Collateral for the protection of GHSL's interest in the Collateral and the Client shall not exercise any rights attaching to the Collateral in any manner which, in Broker's opinion, may be inconsistent with the obligations under this Agreement or prejudicial to GHSL's rights in the Collateral.
- 2.4. Whenever there is any Secured Obligations, GHSL has the right, without prior notice or consent from the Client, to dispose of or otherwise deal with any part of the Collateral at its absolute discretion upon such terms and in such manner it thinks fit for settlement of the Secured Obligations to protect its interest, in particular for the Client's failure in meeting any call for Collateral or Margin call made by GHSL or significant fluctuation in market prices. In event of any deficiency after the sale of Collateral, the Client shall make good and pay on demand to GHSL such deficiency.
- 2.5. The Client shall pay or reimburse GHSL immediately upon demand all costs (including collection expense and legal costs on a full indemnity basis) and expense in connection with the enforcement or preservations of any right of GHSL under this Agreement.
- 2.6. Without prejudice to the generality of the foregoing, neither the Charge nor the amounts thereby secured will be affected in any way by:
 - a) any other security, guarantee or indemnity now or hereafter held by GHSL in respect of the Secured Obligations;
 - b) any variation or amendment to or waiver or release of any security, guarantee or indemnity or other document (including the Charge except to the extent of the relevant variation, amendment, waiver or release);
 - c) the enforcement or absence of enforcement or release by GHSL of any security, guarantee or indemnity or other document (including the Charge);
 - d) any time, indulgence, waiver or consent given to the Client or any other person whether by GHSL.
 - e) the making or absence of any demand for Collateral or payment of any sum payable under this Agreement made on the Client whether by GHSL or any other person;
 - f) the insolvency, bankruptcy death or insanity of the Client;
 - g) any amalgamation, merger or reconstruction that may be effected by GHSL with any other person or any sale or transfer of the whole or any part of the undertaking, property or assets of GHSL to any other person;
 - h) the existence of any claim, set-off or other right which the Client may have any time against GHSL or any other person;
 - i) any arrangement or compromise entered into by GHSL with Client or any other person;
 - j) the illegality, invalidity or unenforceability of, or any defect in, any provision of any document relating to the Margin Facility or Margin Account 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 authorized, executed or delivered by any person or for any other reason whatsoever;

- k) 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 on 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
- l) any other thing done or omitted or neglected to be done by GHSL 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 terms of this Agreement governing the Margin Facility.

3. SECURITIES IN THE ACCOUNT

- 3.1. The Securities and Securities Collateral in the Account shall be treated and dealt with in compliance with the provisions of the SFO. In particular, the Securities and Securities Collateral which are listed or traded on market operated by SEHK or interests in an authorized collective investment scheme (as defined in the SFO) and are received or held in Hong Kong by GHSL ("**Local Securities Collateral**") shall be:
 - a) deposited in safe custody in a segregated account which is designated as a trust account or client account and maintained by GHSL in Hong Kong with an authorized financial institution, a custodian approved by the SFC or another intermediary licensed for dealing in securities;
 - b) deposited in an account in the name of GHSL with an authorized financial institution, a custodian approved by the SFC or another intermediary licensed for dealing in securities; or
 - c) registered in the name of the Client or GHSL or its nominees.
- 3.2. In respect of any Securities of the Client other than Local Securities Collateral to which the Securities and Futures (Client Securities) Rules are not applicable under Section 3 of the aforesaid Rules, the Client authorizes GHSL in its discretion to deposit, transfer, lend, pledge, repledge or otherwise deal with such Securities to any other parties in whatsoever manner and for any purpose (including without limitation as security for financial accommodation provided to GHSL) GHSL thinks fit.
- 3.3. Any Securities and Securities Collateral held by GHSL on behalf of the Client in the manner mentioned in Clause 3.1 and 3.2 or otherwise shall be at the sole risk of the Client and GHSL has no obligation to insure the Client against any kind of risk. GHSL shall not be responsible for any losses, costs, damages, interests and charge arising from or in connection with such dealing of securities under the aforesaid clauses in the absence of bad faith or willful default of or by GHSL.
- 3.4. For any Securities of the Client deposited with GHSL not registered in the name of the Client, any dividend, distribution or benefits accrued in respect of such securities which are received by GHSL shall be credited to the Account (or payment made to the Client as may be agreed) subject to a reasonable administration fee charged by GHSL. GHSL shall not be responsible for any failure in making such distribution of any party which holds the securities of the Client. GHSL may also exercise voting right on behalf of the Client with respect to such securities upon prior specific instruction received by GHSL from the Client.
- 3.5. For so long as there exists any indebtedness to GHSL on the part of the Client, GHSL may refuse any withdrawal of securities collateral and the Client shall not without consent of GHSL withdraw any securities collateral.
- 3.6. GHSL is not obliged to return the Securities originally delivered or deposited by the Client but may return Securities of the same class, denominations and nominal amount and ranking to the Client.
- 3.7. Without prejudice to any other rights and remedies available to GHSL, GHSL is authorized to dispose of any of the Securities from time to time received from or held on behalf of the Client in settlement of any liability owed by the Client or on the Client's behalf to GHSL or a third party.
- 3.8. Without prejudice to any other right or remedy available to GHSL, the Client agrees to (and also agrees to give) the standing authority to GHSL to authorize GHSL to deal with the Local Securities Collateral from time to time received or held on the Client's behalf in one or more of the following ways (inter alia), namely to:
 - a) apply any of the Local Securities Collateral pursuant to a securities borrowing and lending agreement;

- b) deposit any of Local Securities Collateral with an authorized financial institution as collateral for financial accommodation provided to GHSL; or
- c) deposit any of Local Securities Collateral with (i) a recognized clearing house; or (ii) another intermediary licensed or registered for dealing in securities, as collateral for the discharge and satisfaction of GHSL's settlement obligations and liabilities.

Such authority shall remain valid for a period of twelve (12) months from the approval date of the opening of the Margin Account unless the Client gives not less than ten (10) business days' prior written notice to GHSL to revoke the same at any time, provided that no such revocation shall be effective if there is any indebtedness in the Margin Account. Such standing authority which is not revoked prior to its expiry may be renewed or shall be deemed to have been renewed in accordance with the relevant rules made under the SFO. If the Client requests for revocation of such standing authority or the standing authority has not been renewed by the Client whom GHSL called upon to do so, GHSL reserves the right to terminate this Agreement and operations of the Margin Account and then the Client shall forthwith settle any indebtedness owing to GHSL.

- 3.9. Subject to the provisions of the SFO, the Client agrees that GHSL is entitled to retain for its own benefit and not accountable to the Client for any fee, income, rebate or other benefits resulting from any lending or deposit of the securities of the Client held in the Account with any third party for any purpose by GHSL.

Section E

Additional Terms and Conditions

Shanghai-Hong Kong & Shenzhen-Hong Kong Connect Trading

This Shanghai-Hong Kong and Shenzhen-Hong Kong Stock Connect Trading Agreement is supplemental to the Securities Client Agreement entered into by GHSL and the Client to which this Shanghai-Hong Kong and Shenzhen-Hong Kong Stock Connect Trading Agreement is annexed whereby the Client is allowed to conduct trading of China Connect Securities through China Connect and GHSL agrees to provide such trading services to the Client. Where any conflict arises between the Securities Client Agreement and the provisions of this Shanghai-Hong Kong and Shenzhen-Hong Kong Stock Connect Trading Agreement, the provisions of the latter shall prevail.

Important Notes

The following describes some of significant aspects of trading the Shanghai Stock Exchange (“SSE”) and/or Shenzhen Stock Exchange (“SZSE”) securities via Shanghai-Hong Kong Stock Connect and/or Shenzhen-Hong Kong Stock Connect (collectively referred to as “China Connect”) through GHSL.

Compliance with Applicable Laws and Rules

The Client must observe relevant laws and regulations of Mainland China and Hong Kong as well as the rules of the exchanges. The Client must accept and agree the aforesaid and the risks related to China Connect, including but not limited to being liable or responsible for breaching the SSE Listing Rules, SSE Rules, SZSE Listing Rules, SZSE Rules and other applicable laws and regulations before giving instructions. Some of these rules are referred to below; detailed information on trading via China Connect can be referred to on HKEX or GHSL website.

1. Day Trading is Not Permitted

The Client is not allowed to carry out day trading through China Connect. A shares bought on trade day (T-day) can only be sold on or after T+1 day.

2. OTC Trading is Not Permitted

All trading must be conducted on SSE and or SZSE, i.e. no over-the-counter (OTC) or manual trades are allowed.

3. Naked Short Selling is Not Permitted

The Client must have shares transferred to GHSL’s corresponding CCASS account before the commencement of trading on a trading day if he intends to sell the shares during a trading day. If the Client does not have sufficient shares in his account to cover a proposed share order GHSL may in its absolute discretions reject the Clients sell order. Any risk, loss or cost resulting from the non-compliance of this rule shall be borne by the Client.

4. Stock and Money Settlement Arrangement

For SSE and SZSE shares trading, stock settlement will be conducted on T-day, while money (including the transaction amount as well as the related fees and levies) will settle on T+1 day. The Client should ensure you have sufficient RMB in your account for settlement.

4. GHSL’s Right to Cancel Client Orders

GHSL may, in its absolute discretion, refuse to execute any order made by the Client without prior notice, if (for example and without limitation) such order is not compliant with any rules, laws, or regulations or if GHSL is required by the SEHK, SSE, SZSE or any other China Connect Authority to reject orders from the Client. GHSL may further cancel the Client’s orders in case of contingencies such as the hoisting of Typhoon Signal No 8 or any other incident beyond the control of GHSL which may affect order placing or settlement of the transaction.

6. Quota Restrictions

Purchases of SSE and or SZSE securities through China Connect are subject to certain daily quota controls. As a result, there is no assurance that a buy order can be successfully placed through China Connect.

7. Difference in trading day and trading hours

China Connect allows trading only on the days when both Hong Kong and the respective Mainland Chinese markets are open for trading, and banking service are available in both markets on the corresponding settlement days. You should also note that A shares trading will follow the trading hours of the Exchange where it is listed.

8. Foreign Shareholding Restriction

Under Mainland China laws, there is a limit to how many shares a single foreign investor is permitted to hold in a single Mainland China listed company. GHSL has the right to force-sell your shares upon receiving a forced-sale notification from SEHK. Accordingly, you should ensure you fully understand the Mainland rules and regulations in relation to shareholding restrictions and disclosure obligations and follow such rules and regulations.

9. Short Swing Profit Rule

Under Mainland China laws, the “short swing profit rule” requires investors to return any profits made from purchases and sales in respect of China Connect securities of a Mainland China listed company if (a) your shareholding in the Mainland China listed company exceeds the threshold prescribed by the relevant China Connect authority from time to time and (b)

the corresponding sale transaction occurs within the six months after a purchase transaction, or vice versa.

10. Not Covered by Investor Compensation Fund

The Client should note that both SSE and SZSE trading under China Connect will not be covered by Hong Kong's Investor Compensation Fund. As Hong Kong investors are not carrying out SSE and/or SZSE trading through Mainland brokers, they are not protected by China Securities Investor Protection Fund on the Mainland

11. Warnings

SSE and/or SZSE may request SEHK to require GHSL to issue warning statements (verbally or in writing) to clients, and not to extend SSE and/or SZSE trading service to certain clients.

12. Liability

SEHK, SEHK parent companies and subsidiaries, SSE, SSE subsidiary, SZSE and SZSE subsidiary and their respective directors, employees and agents shall not be responsible or held liable for any loss or damage directly or indirectly suffered by GHSL, its clients or any third parties arising from or in connection with SSE and/or SZSE trading or the CSC

13. Margin Trading

The margin trading of China Connect shares is subject to eligibility requirements as determined by the SSE or the SZSE. The list of eligible shares and their margin ratios may change from time to time. Should the volume of margin trading in a specific share exceed the threshold, the SSE or SZSE will suspend further margin trading of the stock on the next trading day.

The Client acknowledges that he/she may be liable to regulatory investigations and any legal consequences if he/she are in breach of or fail to comply with the applicable rules, laws, or regulations of the SEHK, SSE, SZSE or any other China Connect Authority.

The Client acknowledges and accepts that GHSL may, in its absolute discretion, suspend, terminate or limit the Client's access the China Connect through GHSL without advance notice to the Client, including but not limited to where requested by the SEHK, SSE, SZSE or any other China Connect Authority.

In the event that the SEHK, SSE, SZSE or any other China Connect Authority have reasonable cause to believe that the Client has failed to comply with or has breached any applicable rules, laws, or regulations, the Client shall, upon the request of GHSL provide such information (including translations into Chinese if so requested) as GHSL may reasonably request to enable GHSL to assist the SEHK, SSE, SZSE or any other China Connect Authority to assess whether there is any non-compliance or breach of the applicable rules, laws or regulations and/or extent of any non-compliance or breach.

Risk Disclosure

The Client has read the Product Information and Risk Disclosure Statement contained in Section IV of the Securities Client Agreement and understands the risks relevant to China Connect trading.

The Client should undertake transactions only if the Client understand the nature of China Connect trading and the extent of the Client's exposure to risk. The Client should carefully consider (and consult independent advisers where necessary) whether trading is appropriate for the Client in light of the Client's experience, objectives, financial resources and other relevant circumstances.

Processing of Personal Data as part of the China Connect

In view of GHSL's provision of China Connect Trading Services to the Client, the Client

acknowledges and agrees that GHSL will be required and is given the explicit permission of the Client to:

- (i) tag each of the Client's orders submitted to the China Connect with a Broker-to-Client Assigned Number ("BCAN") that is unique to each Client (for a single account) or to each joint account with GHSL, as appropriate; and
- (ii) provide to the SEHK the Client's assigned BCAN and such identification information ("Client Identification Data" or "CID") relating to him as the SSE or the SZSE may request from time to time under the Rules of the Exchange.

By instructing GHSL in respect of any transaction relating to China Connect Securities, the Client acknowledges and agrees that GHSL may collect, store, use, disclose, and transfer personal data relating to the Client as required for the purposes of complying with the requirements of the Exchange and its rules as in force from time to time in connection with the China Connect, including as follows:

- (a) to disclose and transfer the Client's BCAN and CID to the Exchange and the relevant SEHK Subsidiaries from time to time, including by indicating the Client's BCAN when inputting a China Connect Order into the CSC, which will be further routed to the relevant China Connect Market Operator on a real-time basis;

(b) to allow each of the Exchange and the relevant SEHK Subsidiaries to: (i) collect, use and store your BCAN, CID and any consolidated, validated and mapped BCANs and CID information provided by the relevant China Connect Clearing House (in the case of storage, by any of them or via HKEX) for market surveillance and monitoring purposes and enforcement of the Rules of the Exchange; (ii) transfer such information to the relevant China Connect Market Operator (directly or through the relevant China Connect Clearing House) from time to time for the purposes set out in (c) and (d) below; and (iii) disclose such information to the relevant regulators and law enforcement agencies in Hong Kong so as to facilitate the performance of their statutory functions with respect to the Hong Kong financial markets;

(c) to allow the relevant China Connect Clearing House to: (i) collect, use and store the Client's BCAN and CID to facilitate the consolidation and validation of BCANs and CID and the mapping of BCANs and CID with its investor identification database, and provide such consolidated, validated and mapped BCANs and CID information to the relevant China Connect Market Operator, the Exchange and the relevant SEHK Subsidiary; (ii) use your BCAN and CID for the performance of its regulatory functions of securities account management; and (iii) disclose such information to the Mainland regulatory authorities and law enforcement agencies having jurisdiction over it so as to facilitate the performance of their regulatory, surveillance and enforcement functions with respect to the Mainland financial markets; and

(d) to allow the relevant China Connect Market Operator to: (i) collect, use and store your BCAN and CID to facilitate their surveillance and monitoring of securities trading on the relevant China Connect Market through the use of the China Connect Service and enforcement of the rules of the relevant China Connect Market Operator; and (ii) disclose such information to the Mainland regulatory authorities and law enforcement agencies so as to facilitate the performance of their regulatory, surveillance and enforcement functions with respect to the Mainland financial markets.

The Client also acknowledges that despite any subsequent purported withdrawal of consent by the Client, his personal data may continue to be stored, used, disclosed, transferred and otherwise processed for the above purposes, whether before or after such purported withdrawal of consent.

Consequences of failing to provide Personal Data or Consent

Failure to provide GHSL with the consent as described above will mean that GHSL will not be able to provide the Client with GHSL's Stock Connect Northbound Trading Service.

Section F

Additional Terms & Conditions

Electronic Trading

The provisions in these Additional Terms and Conditions (Electronic Trading) apply only to any Account in respect of which the Client has requested (including but not limited to by completing and filing the relevant part in the Account Opening Form) and GHSL has agreed to provide with Electronic Trading Service on the terms and conditions of this Agreement.

1. When using the Electronic Trading Service, the Client warrants that the Client is the only authorized user of the Client's Access Codes and will be responsible for all instructions placed and all Transactions conducted with the use of the Access Codes. The Client shall be responsible for the confidentiality, security and use of the Access Codes issued to the Client by GHSL. GHSL may use authentication technologies in connection with the Electronic Trading Service.
2. The Client acknowledges that it may not be possible to correct, amend or cancel an instruction given through Electronic Trading Service and agree to exercise caution before placing orders.
3. GHSL may (but not have obligations to) monitor and/or record any of the Client's instruction given or orders transacted through the Electronic Trading Service. The Client agrees to accept such recording (or a transcript thereof) as final and conclusive evidence of the contents and the nature of the relevant instructions and any Transactions in accordance with such instructions are binding on the Client.
4. GHSL will not be deemed to have received or executed the instructions from the Client given through the Electronic Trading Service unless and until the Client has received the relevant acknowledgement or confirmation in such manner specified by GHSL from time to time (including without limitation by posting the status of the instructions in order journals on the website which is operated by GHSL and is freely accessible by the Client). GHSL is also entitled to correct any errors in such acknowledgement or confirmation without incurring any liability in connection therewith.
5. The Client shall immediately notify GHSL if:
 - a) an instruction has been placed through the Electronic Trading Service and the Client has not received an instruction number or, whether accurate or at all, acknowledgement of receipt of the instruction or of its execution from GHSL (whether by hard copy, electronic or verbal means); or
 - b) the Client has received acknowledgement of a Transaction (whether by hard copy, electronic or verbal means) which the Client did not instruct;
 - c) the Client has any suspicion of unauthorized access to the Electronic Trading Service;
 - d) the Client becomes aware of or suspicious of any unauthorized disclosure or use of the Client's Access Codes;and/or otherwise, and GHSL or its agents, employees or representatives shall not be responsible or liable to the Client or any other person for any claim with respect to handling, mishandling or loss of instruction placed through the Electronic Trading Service
6. Notwithstanding any other provisions in this Agreement, where the Client is provided Electronic Trading Service, following execution of the Client's trading order, the Client accepts that GHSL may send to the Client and the Client agrees to receive trading confirmations and records (including but not limited to contract notes and statement of transactions) through electronic posting to the Account, a website operated by GHSL or the Client's email address (as provided in the Account Opening Form or notified by the Client from time to time) or other electronic means in lieu of printed documents. Any such information will be fully and freely accessible by the Client after such sending by GHSL and the Client shall print out such documents or make its own arrangement forthwith without delay to maintain its own records if necessary. If the Client insists to receive confirmation and records in printed documents, GHSL is entitled to charge a reasonable fee for providing such service.
7. The Client shall use any website and/or software provided (whether by GHSL or any other third party) for use in accessing or using the Electronic Trading Service at its own risk and costs. The Client shall provide and maintain the connection equipment (including computers and modems) and services for accessing and using the Electronic Trading Service at its own risk and costs.

8. The Client agrees that should Client experience any problems in reaching GHSL through the Electronic Trading Service or vice versa, the Client shall attempt to use an alternative method or device, as GHSL may make available, to communicate with GHSL to place the Client's orders and to inform GHSL of the difficulty the Client has experienced.
9. The Client acknowledges that the Electronic Trading Service, the website operated by GHSL, and the software comprised in them, are licensed or proprietary to GHSL. The Client shall not, and shall not attempt to, tamper with, modify, decompile, reverse engineer or otherwise alter in any way or gain unauthorized access to, any part of the Electronic Trading Service, the website operate by GHSL or any of the software comprised in them.
10. The Client acknowledges that the Client has fully understood the implications of the risks associated with the Electronic Trading Service but agrees that the benefits of using the Electronic Trading Service outweigh these risks and waive any claim the Client might have against GHSL arising from:
 - a) systemic errors or failures (including hardware, software and communication errors/failures);
 - b) GHSL's acceptance of any unauthorized instructions which appear or which GHSL believes to be from the Client;
 - c) failure of delay in execution of instructions from the Client of execution of the Client's instructions at prices different from those prevailing of the time the instructions were given;
 - d) the Client's access to the website of GHSL or the Electronic Trading Service being limited or unavailable;
 - e) failure of or delay in dispatch or delivery of any notice or information provided or requested via the Electronic Trading Service or any inaccuracy, error or omission in or from any such notice or in or from any information contained in any such notice;
 - f) Client's failure to use the Electronic Trading Service in accordance with this Agreement or any relevant agreement between GHSL and the Client; and
 - g) the Client's reliance, use or otherwise acting upon any information or materials provided via the Electronic Trading Service or the website operated by GHSL.
11. The Client acknowledges that the real-time quote service available at GHSL is provided by third party provider(s) appointed by GHSL from time to time and GHSL does not warrant and/or guarantee the accuracy and completeness of any information or materials provided via such real-time quote service, and is not liable to any loss or damage caused (whether directly or indirectly) by the any inaccuracy and/or incompleteness of such information provided.
12. 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 the Client's or GHSL's 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 Instruction at prices different from those prevailing at the time the Instruction 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 the Client.

Section I

Personal Information Collection Statement

The following Personal Information Collection Statement is provided to you pursuant to the Personal Data (Privacy) Ordinance of Hong Kong (“Ordinance”) in connection with your provision of personal data or information (“Data”) to, Goldhorse Securities Limited (“GHSL”) from time to time.

Securities Trading Services:

Collection:

1. From time to time, it is necessary for you to supply GHSL with Data in connection with various matters such as account opening or continuations, provision of services to you or compliance with any laws or guidelines issued by regulatory or other authorities.
2. The kinds of Data that may be collected includes, but is not limited to, name and address, occupation, contact details, date of birth, marital status, nationality, identity card or passport numbers, details of financial and investment status.
3. Failure to supply such Data may result in GHSL being unable to open an account or continue to provide any services to you or unable to comply with any laws or regulations or guidelines and codes issued by regulatory or other authorities.
4. It is also the case that Data is collected from you in the ordinary course of the continuation of your relationship with GHSL, for example, when you direct GHSL to effect a transaction or generally communicate verbally or in writing with GHSL.

Purpose and Use:

The purposes for which Data may be used will vary depending on the nature of your relationship with GHSL. GHSL intends to use your Data for any or all of the following purposes:

1. the processing of opening your account with GHSL including confirming and verifying your identity;
2. the daily operation of the account and the services to be provided to you;
3. any purpose related to the administration of the products and services offered by GHSL;
4. researching, designing and launching new services or related products for clients;
5. meeting the disclosure and compliance requirements under any laws or regulations, codes, guidelines or internal GHSL compliance policies applicable to GHSL in Hong Kong or elsewhere; and
6. any other purpose directly related to the above.

Retention and Access:

1. The Data collected may be maintained for such period of time required under applicable law and as otherwise needed to fulfil the purposes set out above.
2. Data held by GHSL relating to you will be kept confidential and GHSL will take all reasonable measures to ensure that Data is kept secure against unauthorized access, loss, disclosure and destruction. GHSL may provide such information to the following parties, whether inside or outside of Hong Kong, for the purposes set out in the “Purpose and Use” section above:
 - a) the ultimate holding company of GHSL, its subsidiaries, representative offices, associated companies and/or affiliates;
 - b) the service providers of GHSL, including but not limited to the trustee, investment manager, registrar, transfer agent, the custodian, administrative service agent, lawyer, accountant and auditor of GHSL;
 - c) any agent, contractor or third party service provider who provides administrative, research, design, launch, digital or telecommunication, clearing and settlement or other services to GHSL in connection with the operation of its business;
 - d) the employees, officers, directors of GHSL; and
 - e) any party (including but not limited to, any governmental or regulatory authority or court of competent jurisdiction) entitled thereto by law or regulation or in response to a regulatory request; and
3. Under the Ordinance, you have the right to:
 - a) check whether GHSL holds Data about you, and access to such Data;
 - b) require GHSL to correct any Data relating to you which is inaccurate;
 - c) ascertain GHSL’s policies and practices in relation to data and to be informed of the kinds of Data held by GHSL; and
 - d) object to the use of your Data for direct marketing purposes and GHSL shall not use your Data in any way for direct marketing purposes after you communicate your objection to GHSL.

Cross-border Transfer of Personal Data:

For the purpose as set out above, GHSL may transfer the Client's personal data including without limitation name, identity documents, contact details, financial background and demographic data outside Hong Kong to GHSL's credit reporting agency(ies), execution brokers, agents or nominees, associates, individuals or corporations dealing with securities clearing, GHSL's auditors and/or service providers providing administrative support or other back office services to GHSL, for providing operational and administrative support and back office services to GHSL which are situated in places including the People's Republic of China and/or overseas areas where there may not be in place data protection laws which are substantially similar to, or serve the same purposes as, the Ordinance. That means the Client's personal data may not be protected to the same or similar level in Hong Kong.

GHSL requires the Client's consent (which includes an indication of no objection) for this purpose. If the Client does not wish GHSL to transfer his/her personal data to places other than Hong Kong, the Client may exercise his/her opt-out right by notifying GHSL at any time and without charge.

Data Access Request

In accordance with the Ordinance, GHSL has the right to charge a reasonable fee for the process of any data access request.

For access to your Data held by GHSL, correction of such Data, objection to use of your Data for direct marketing purposes and/or cross-border transfer of personal data, or for information regarding policies and practices and kinds of Data held, please contact:

Room 4308 Cosco Tower
183 Queen's Road Central
Sheung Wan
Hong Kong
Attn: Officer-in-charge (Personal Data Privacy)
Goldhorse Securities Limited

Email: compliance@igoldhorse.com
Fax: 39745275

Nothing in this Statement shall limit your rights under the Ordinance.

Section II

Notice of Collection and Use of Personal Data for Direct Marketing under the Personal Data (Privacy) Ordinance

Goldhorse Securities Limited (“GHSL”) intends to use your personal data in direct marketing and GHSL requires your consent (which includes an indication of no objection) for that purpose. In this connection, kindly note that:-

1. GHSL intends to use your name, contact details, products and services portfolio information, transaction pattern and behaviour, and financial background and demographic data held by GHSL from time to time in direct marketing.
2. The following classes of services, products and subjects may be marketed: financial, insurance, securities, investment, and related services, products and credit facilities.
3. The above services, products and subjects may be provided or solicited by GHSL and/or: i) any member of the GHSL’s group companies; ii) third party financial institutions, insurers, securities, commodities and investment services providers.
4. In addition to marketing the above services, products and subjects itself, GHSL also intends to provide the data described in paragraph (1) above to all or any of the persons described in paragraph (3) above for use by them in marketing those services, products and subjects, and GHSL requires your written consent (which includes an indication of no objection) for that purpose.

GHSL may not use your personal data unless we have received your consent. If you do not wish GHSL to use or provide to other persons his data for use in direct marketing as described above, you may exercise his opt-out right by notifying GHSL.

Section III

Client consent under the Hong Kong Investor Identification Regime (HKIDR)

The Client acknowledges and agrees that GHSL may collect, store, process, use, disclose and transfer personal data relating to the Client (including CID and BCAN(s)) as required for us to provide services to the Client in relation to securities listed or traded on the Stock Exchange of Hong Kong (SEHK) and for complying with the rules and requirements of SEHK and the Securities and Futures Commission (SFC) in effect from time to time.

Without limiting the foregoing, this includes –

- (a) disclosing and transferring the Client's personal data (including CID and BCAN(s)) to SEHK and/or the SFC in accordance with the rules and requirements of SEHK and the SFC in effect from time to time;
- (b) allowing SEHK to: (i) collect, store, process and use the Client's personal data (including CID and BCAN(s)) for market surveillance and monitoring purposes and enforcement of the Rules of the Exchange of SEHK; and (ii) disclose and transfer such information to the relevant regulators and law enforcement agencies in Hong Kong (including, but not limited to, the SFC) so as to facilitate the performance of their statutory functions with respect to the Hong Kong financial markets; and (iii) use such information for conducting analysis for the purposes of market oversight; and (c) allowing the SFC to: (i) collect, store, process and use the Client's personal data (including CID and BCAN(s)) for the performance of its statutory functions including monitoring, surveillance and enforcement functions with respect to the Hong Kong financial markets; and (ii) disclose and transfer such information to relevant regulators and law enforcement agencies in Hong Kong in accordance with applicable laws or regulatory requirements.

The Client also agree that despite any subsequent purported withdrawal of consent by the Client, the Client's personal data may continue to be stored, processed, used, disclosed or transferred for the above purposes after such purported withdrawal of consent. Failure to provide us with the Client's personal data or consent as described above may mean that we will not, or will no longer be able to, as the case may be, carry out the Client's trading instructions or provide the Client with securities related services (other than to sell, transfer out or withdraw the Client's existing holdings of securities, if any).

The Client agree that by providing BCAN to Hong Kong Securities Clearing Company Limited (HKSCC) allowing HKSCC to: (i) retrieve from SEHK (which is allowed to disclose and transfer to HKSCC), process and store your CID and transfer your CID to the issuer's share registrar to enable HKSCC and/ or the issuer's share registrar to verify that you have not made any duplicate applications for the relevant share subscription and to facilitate IPO balloting and IPO settlement; and (ii) process and store your CID and transfer your CID to the issuer, the issuer's share registrar, the SFC, SEHK and any other party involved in the IPO for the purposes of processing your application for the relevant share subscription or any other purpose set out in the IPO issuer's prospectus.

Note: The terms "BCAN" and "CID" used in this clause shall bear the meanings as defined in paragraph 5.6 of the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission."

Section IV

Risk Disclosure Statement (Securities)

The following risks factors are non-exhaustive and are intended to highlight certain risks associate with investing in securities. These risk factors are not intended as a substitute for professional legal, tax or financial advice.

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.

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 have not understood any aspect of this risk disclosure statement or the nature and risks involved in trading of GEM stocks.

Risks Involved in Trading Callable Bull / Bear Contracts (“CBBC”)

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 Mandatory Call Event (MCE) of a CBBC with overseas assets as underlying may be triggered outside the Exchange's trading hours.

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.

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.

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.

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.

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. However if 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.

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.

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

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.

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.

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.

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.

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.

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.

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.

Specific Risks Relating to Securities Trading Through Shanghai-Hong Kong/Shenzhen-Hong Kong Stock Connect Not protected by Investor Compensation Fund

The Client should note that any Northbound or Southbound trading under Shanghai-Hong Kong/Shenzhen-Hong Kong Stock Connect will not be covered by Hong Kong's Investor Compensation Fund. As far as Hong Kong investors participating in Northbound trading are concerned, since they are carrying out Northbound trading through securities brokers in Hong Kong and these brokers are not Mainland brokers, they are not protected by China Securities Investor Protection Fund on the Mainland.

Quotas Used Up

When the respective aggregate quota balance for Northbound and Southbound trading is less than the daily quota, the corresponding buy orders will be suspended on the next trading day (sell orders will still be accepted) until the aggregate quota balance returns to the daily quota level. Once the daily quota is used up, acceptance of the corresponding buy orders will also be immediately suspended and no further buy orders will be accepted for the remainder of the day. Buy orders which have been accepted will not be affected by the using up of the daily quota, while sell orders will be continued to be accepted. Depending on the situation of aggregate quota balance, buying transactions will be resumed on the following trading day.

Difference in Trading Day and Trading Hours

The Client should note that, due to differences in public holidays between Hong Kong and Mainland China or other reasons such as bad weather conditions, there may be differences in trading days and trading hours in the two markets. Shanghai-Hong Kong/Shenzhen-Hong Kong Stock Connect will only operate on days when both markets are open for trading and when banks in both markets are open on the corresponding settlement days. Therefore, it is possible that there are occasions when it is a normal trading day for the Mainland market but Hong Kong investors cannot trade A-shares. The Client should take note of the days and the hours which Shanghai-Hong Kong/Shenzhen-Hong Kong Stock Connect is open for business and decide according to his own risk tolerance capability whether or not to take on the risk of price fluctuations in A-shares during the time when Shanghai-Hong Kong/Shenzhen-Hong Kong Stock Connect is not trading.

The Recalling of Eligible Stocks and Trading Restrictions

A stock which is on the list of eligible stocks for trading via Shanghai-Hong Kong/Shenzhen-Hong Kong Stock Connect may be recalled from the list for various reasons and, in such event, the stock can only be sold but cannot be bought. This may affect the investment portfolio or strategies of the Client. The Client should therefore pay close attention to the list of eligible stocks as provided and updated from time to time by China Stock Exchange ("SSE") and Hong Kong Exchanges and Clearing Limited ("HKEx").

Under the following circumstances, purchase of A shares via Northbound trading will be suspended temporarily (but sale is permitted): (i) the A-shares cease to be constituent stocks of the relevant indices; (ii) the A-shares are put under "risk alert"; and/or (iii) the corresponding H shares of the A-shares cease to be traded on SEHK. The Client should also note that such A-shares may be subject to the restriction of price fluctuation limits.

Transaction Costs

In addition to paying trading fees and stamp duties in connection with trading of A-shares, the Client carrying out Northbound trading via Shanghai-Hong Kong/Shenzhen-Hong Kong Stock Connect should also take note of any new portfolio fees, dividend tax and tax concerned with income arising from stock transfers, which may be levied by the relevant authorities.

Mainland China's Laws and Regulations, Foreign Shareholding Restrictions and Disclosure Obligations

Under Shanghai-Hong Kong/Shenzhen-Hong Kong Stock Connect, A-share listed companies and trading thereof are subject to the laws and regulations and disclosure obligations of the A-share market. Any changes in relevant laws or regulations may affect share prices. The Client should also take note of the foreign shareholding restrictions and disclosure obligations applicable to A-shares. The Client may be subject to restrictions on trading and retention of proceeds as a result of his interests and shareholdings in A-shares. The Client himself is responsible for compliance with the requirements of all relevant notifications, reports and disclosure of interests.

Under the current Mainland rules, when an investor holds up to 5% of the shares of a company listed on SSE, the investor is required to disclose his interest within three working days during which he cannot trade the shares of that company. The investor is also required to disclose any change in his shareholding and comply with related trading restrictions in accordance with the Mainland laws.

According to existing Mainland practices, Hong Kong and overseas investors as beneficial owners of A-shares traded via Shanghai-Hong Kong/Shenzhen-Hong Kong Stock Connect cannot appoint proxies to attend shareholders' meetings on their behalf.

Currency Risks

Northbound investments via Shanghai-Hong Kong/Shenzhen-Hong Kong Stock Connect will be traded and settled in Renminbi. If the Client invests in A-shares with a local currency other than RMB, the Client will be exposed to a currency risk due to the need for the conversion of the local currency into RMB. During the conversion, the Client will also incur currency conversion costs. Even if the price of the RMB asset remains unchanged, the Client will still incur an exchange loss if RMB depreciates during the process of currency conversion.

If the Client invests in A-shares without converting the local currency which he holds, into RMB and this results in a RMB debit balance of his account, GHSL will charge debit interest on that outstanding balance. (Please refer to the notice on GHSL's website for information of the debit interest rate)

The above summary only covers part of the risks related to Shanghai-Hong Kong/Shenzhen-Hong Kong Stock Connect and any above mentioned laws, rules and regulations are subject to change from time to time. The Client should visit the website of HKEx for updates and details for Shanghai-Hong Kong/Shenzhen-Hong Kong Stock Connect.

If the aforesaid provisions are inconsistent with the rules and regulations of HKEx, SZSE and SSE, the rules and regulation of HKEx, SZSE and SSE shall prevail.

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

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 not more than 12 months. If you are a professional investor, these restrictions do not apply.

Additionally, your authority may be deemed to be renewed (i.e. without your written consent) if 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 collateral lent or deposited under your authority, a default by it could result in the loss of your securities or securities collateral.

A cash account not involving securities borrowing and lending is available from 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.

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.

Notes for licensed or registered persons

The licensed or registered person should confirm with the Client at least on an annual basis whether that Client wishes to revoke the authority. For the avoidance of doubt, it will be acceptable for the licensed or registered person to send a notification to the Client before the expiry date of the authority and inform the Client that it is automatically renewed unless the Client specifically revokes it in writing before the expiry date.

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.

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 the licensed or registered person and become familiarised 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.

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 will 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 regulation which may offer different or diminished investor protection. Before you trade you should enquire about any rules relevant to your particular transactions. 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 the firm with which you deal 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 contracts (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 contract to another currency.

Trading facilities

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

Electronic trading

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

Off-exchange transactions

In some jurisdictions, and only then in restricted circumstances, firms are permitted to effect off-exchange transactions. The firm with which you deal may be acting as your counterparty to the transaction. It may be difficult or impossible to liquidate an existing position, to assess the value, to determine a fair price or to assess the exposure to risk. For these reasons, these transactions may involve increased risks. Off-exchange transactions may be less regulated or subject to a separate regulatory regime. Before you undertake such transactions, you should familiarize yourself with applicable rules and attendant risks.

SECTION V

ADDITIONAL RISK DISCLOSURE STATEMENT FOR FINANCIAL INSTRUMENTS

Specific Risk of Trading Exchange Traded Funds (“ETFs”)

Market risk: ETFs are typically designed to track the performance of certain indices, market sectors, or groups of assets such as stocks, bonds, or commodities. ETF managers may use different strategies to achieve this goal, but in general they 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 index/assets.

Tracking errors: Tracking errors refer to the disparity in performance between an ETF and its underlying index/assets. Tracking errors can arise due to factors such as the impact of transaction fees and expenses incurred to the ETF, changes in composition of the underlying index/assets, and the ETF manager’s replication strategy. (The common replication strategies include full replication/representative sampling and synthetic replication.)

Trading at discount or premium: An ETF may be traded at a discount or premium to its Net Asset Value (NAV). This price discrepancy is caused by supply and demand factors, and may be particularly likely to emerge during periods of high market volatility and uncertainty. This phenomenon may also be observed for ETFs tracking specific markets or sectors that are subject to direct investment restrictions.

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

Liquidity risk: Securities Market Makers (SMMs) are Exchange Participants that provide liquidity to facilitate trading in ETFs. Although most ETFs are supported by one or more SMMs, there is no assurance that active trading will be maintained. In the event that the SMMs default or cease to fulfill their role, investors may not be able to buy or sell the product.

Risk of Trading Exchange Traded Notes (ETNs)

ETN is a type of unsecured, unsubordinated debt security issued by an underwriting bank, designed to provide investors access to the returns of various market benchmarks. The returns of ETNs are usually linked to the performance of a market benchmark or strategy, minus applicable fees. Similar to other debt securities, ETNs have a maturity date and are backed only by the credit of the issuer.

You can buy and sell the ETNs on the exchange or receive a cash payment at the scheduled maturity or may early redeem the ETNs directly with the issuer based on the performance of the underlying index less applicable fees, with redemption restrictions, such as the minimum number of ETNs for early redemption, may apply.

There is no guarantee that investors will receive at maturity, or upon an earlier repurchase, investors’ initial investment back or any return on that investment. Significant adverse monthly performances for investors’ ETNs may not be offset by any beneficial monthly performances. The issuer of ETNs may have the right to redeem the ETNs at the repurchase value at any time. If at any time the repurchase value of the ETNs is zero, investors’ investment will expire worthless. ETNs may not be liquid and there is no guarantee that you will be able to liquidate your position whenever you wish.

Although both ETFs and ETNs are linked to the return of a benchmark index, ETNs as debt securities do not actually own any assets they are tracking, but just a promise from the issuer to pay investors the theoretical allocation of the return reflected in the benchmark index. It provides limited portfolio diversification with concentrated exposure to a specific index and the index components. In the event that the ETN issuer defaults, the potential maximum loss could be 100% of the investment amount and no return may be received, given ETN is considered as an unsecured debt instrument.

The value of the ETN may drop despite no change in the underlying index, instead due to a downgrade in the issuer’s credit rating. Therefore, by buying ETNs, investors get direct exposure to the credit risk of the issuer and would only have an unsecured bankruptcy claim if the issuer declares bankruptcy. The principal amount is subject to the periodic application of investor fees or any applicable fees that can adversely affect returns. Where you trade ETNs with underlying assets not denominated in local currencies investors are also exposed to exchange rate risk. Currency rate fluctuations can adversely affect the underlying asset value, also affecting the ETN price.

Investors may have leveraged exposure to the underlying index, depending on the product feature. The value of ETNs can change rapidly according to the gearing ratio relative to the underlying assets. You should be aware that the value of an ETN may fall to zero resulting in a total loss of the initial investment.

Leveraged & Inverse (“L&I”) Products Key risks

Investment risk:

Trading L&I Products involves investment risk and are not intended for all investors. There is no guarantee of repaying the principal amount.

Volatility risk:

Prices of L&I Products may be more volatile than conventional exchange traded funds (ETFs) because of using leverage and the rebalancing activities.

Unlike conventional ETFs:

L&I Products are different from conventional ETFs. They do not share the same characteristics and risks as conventional ETFs.

Long-term holding risk:

L&I Products are not intended for holding longer than the rebalancing interval, typically one day. Daily rebalancing and the compounding effect will make the L&I Product’s performance over a period longer than one day deviate in amount and possibly direction from the leveraged/inverse performance of the underlying index over the same period. The deviation becomes more pronounced in a volatile market.

As a result of daily rebalancing, the underlying index’s volatility and the effects of compounding of each day’s return over time, it is possible that the leveraged product will lose money over time while the underlying index increases or is flat. Likewise, it is possible that the inverse product will lose money over time while the underlying index decreases or is flat.

Risk of rebalancing activities:

There is no assurance that L&I Products can rebalance their portfolios on a daily basis to achieve their investment objectives. Market disruption, regulatory restrictions or extreme market volatility may adversely affect the rebalancing activities.

Liquidity risk:

Rebalancing typically takes place near the end of a trading day (shortly before the close of the underlying market) to minimize tracking difference. The short interval of rebalancing may expose L&I Products more to market volatility and higher liquidity risk.

Intraday investment risk:

Leverage factor of L&I Products may change during a trading day when the market moves but it will not be rebalanced until day end. The L&I Product’s return during a trading day may be greater or less than the leveraged/opposite return of the underlying index.

Portfolio turnover risk:

Daily rebalancing causes a higher levels of portfolio transaction when compared to conventional ETFs, and thus increases brokerage and other transaction costs.

Correlation risk:

Fees, expenses, transactions cost as well as costs of using financial derivatives may reduce the correlation between the performance of the L&I Product and the leveraged/inverse performance of the underlying index on a daily basis.

Termination risk:

L&I Products must be terminated when all the market makers resign. Termination of the L&I Product should take place at about the same time when the resignation of the last market maker becomes effective.

Leverage risk (for leveraged products only):

The use of leverage will magnify both gains and losses of leveraged products resulting from changes in the underlying index or, where the underlying index is denominated in a currency other than the leveraged product's base currency, from fluctuations in exchange rates.

Unconventional return pattern (for inverse products only):

Inverse products aim to deliver the opposite of the daily return of the underlying index. If the value of the underlying index increases for extended periods, or where the exchange rate of the underlying index denominated in a currency other than the inverse product's base currency rises for an extended period, inverse products can lose most or all of their value.

Inverse products vs short selling (for inverse products only):

Investing in inverse products is different from taking a short position. Because of rebalancing, the performance of inverse products may deviate from a short position in particular in a volatile market with frequent directional swings.

General Major Risks associated with Exchange-traded Derivative Products (including but not limited to the following)

Issuer default risk

In the event that an exchange-traded derivative product issuer becomes insolvent and defaults on their issued products, 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 exchange-traded derivative product issuers. Since exchange-traded derivative products are not asset backed, in the event of issuer bankruptcy, investor can lose their entire investment.

Gearing risk

Exchange-traded derivative products such as derivative warrants and callable bull/bear contracts 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 an exchange-traded derivative product may fall to zero resulting in a total loss of the initial investment.

Limited Life

Most of the exchange-traded derivative product issuer has an expiry date after which the products may become worthless. Investors should be aware of the expiry time horizon and choose a product with an appropriate lifespan for their trading strategy.

Extraordinary price movements

The price of an exchange-traded derivative 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.

Risk relating to Collective Investment Schemes

Collective Investment Scheme may invest extensively (up to 100%) in financial derivative instruments, fixed income securities and/or structured products (including, but not limited to credit default swaps, sub-investment grade debt, mortgage-backed securities and other asset-backed securities) and be subject to various risks (including but not limited to counterparty risk, liquidity risk, credit risk and market risk). Collective Investment Scheme may use trading strategies that use financial derivative instruments which may be unsuccessful due to a number of reasons; including, but not limited to volatile market conditions, imperfect correlation between the movements in securities on which derivatives are based, lack of liquidity within markets and counterparty default risk.

Nature of Rights Issue

A rights issue is a one-time offering of shares in a company to existing shareholders, allowing them an opportunity to maintain their proportional ownership without being diluted by buying additional new shares at a discounted price on a stated future date. Until the date at which the new shares can be purchased, investors may trade the rights to the market the same way they would trade ordinary shares. If the investors do not exercise their rights within the specified period of time, the rights will expire. If the investors do not intend to exercise their rights, they can sell them on the open market. Once exercised, the rights cannot be used again.

Risks associated with Rights Issue

It is easy to be enticed by shares offered at a discount, but you should not assume that you are getting a bargain. An informed decision should be made by looking at the rationale behind the fund raising exercise.

A company may use a rights issue to cover debt, especially when they are unable to borrow money from other sources. You should be concerned with whether or not the management are addressing any underlying problems.

If you decide not to take up the rights your overall shareholding in GHSL will be diluted as a result of the increased number of shares in issue.

If you do not participate in the rights issue within the specified time-frame your nil-paid rights will lapse. GHSL will sell these entitlements and distribute any net proceeds after deduction of the offer price and costs. The amount of lapsed proceeds, if any, will not be known until the offer has closed. Lapsed proceeds are not guaranteed.

Investments and income arising from them can fall in value and you may get back less than you originally invested.

Risk of Trading Equity-linked Instrument (“ELI”)

Where you instruct GHSL to use the Account for trading equity-linked instrument, you acknowledge that ELIs are not principal protected and you may suffer a loss if the price(s) of the reference asset(s) of an ELI go against your view. In extreme cases, you could lose your entire investment. The risk of loss may be substantial in certain circumstances and should not deal in them unless you understand the nature of the transactions entering into and the extent of your exposure to risk. You should carefully consider whether the transactions are suitable in the light of your circumstances and financial position.

You understand that while most ELIs generally higher than the interest on an ordinary time deposit or traditional bonds, the potential gain on your ELI may be capped at a predetermined level specified by the issuer. During the investment period, you have no rights in the reference asset(s). Changes in the market prices of such reference asset(s) may not lead to a corresponding change in the market value and/or potential payout of the ELI.

You are fully aware that an investment in ELI exposes you to equity risk. You are exposed to price movements in the underlying security and the stock market, the impact of dividends and corporate actions and counterparty risks. You accept the legal obligation to take the underlying instrument at the pre-agreed conversion price instead of receiving the principal of the ELI, if the price of the underlying instrument falls below the conversion price. You will therefore receive an instrument that has fallen in value to the extent that it is less than your original investment, and might even lose the entire principal or deposit if the underlying instrument become worthless. ELIs are not secured on any assets or collateral.

You are fully aware that 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). 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. Equity-linked instrument may be “non transferable” and it may be impossible for you to close out or liquidate them. 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.

Investors should note that any dividend payment on the underlying security may affect its price and the payback of the ELI at expiry due to ex-dividend pricing. Investors should also note that issuers may make adjustments to the ELI due to corporate actions on the underlying security.

Potential yield Investors should consult their brokers on fees and charges related to the purchase and sale of ELI and payment / delivery at expiry. The potential yields disseminated by HKEx have not taken fees and charges into consideration.

Risk Disclosure Statement for Investment Funds:

Investment involves risks. The prices of units/shares of unit trusts or mutual funds fluctuate, sometimes dramatically and may become valueless. Investor(s) may not get back the amount they have invested. It is as likely that losses will be incurred rather than profit made as a result of buying and selling unit trusts or mutual funds. Past performance is no guide to its future performance.

Investor(s) should read the terms and conditions contained in the relevant offering documents and in particular the investment policies and the risk factors and latest financial results information carefully and are advised to seek independent professional advice before making any investment decision.

Investor(s) should ensure they fully understand the risks associated with unit trusts or mutual funds and should also consider their own investment objective and risk tolerance level.

Risk Disclosure of bonds, high yield bonds and high yield bond funds

Holders of bonds, including plain-vanilla bonds, are subject to various risks, including but not limited to:

Credit risk - bonds are subject to the risk of the issuer defaulting on its obligations. It should also be noted that credit ratings assigned by credit rating agencies do not guarantee the creditworthiness of the issuer;

Liquidity risk - some bonds may not have active secondary markets and it would be difficult or impossible for investors to sell the bond before its maturity; and

Interest rate risk – bonds are more susceptible to fluctuations in interest rates and generally prices of bonds will fall when interest rates rise.

Key risks of investing in high-yield bonds

In addition to the generic risks listed above, investments in high-yield bonds are subject to risks such as:

Higher credit risk - since they are typically rated below investment grade or are unrated and as such are often subject to a higher risk of issuer default;

Vulnerability to economic cycles - during economic downturns such bonds typically fall more in value than investment grade bonds as (i) investors become more risk averse and (ii) default risk rises.

Bonds with special features

Furthermore, some bonds may contain special features and risks that warrant special attention. These include bonds:

That are perpetual in nature and interest pay-out depends on the viability of the issuer in the very long term;

That have subordinated ranking and in case of liquidation of the issuer, investors can only get back the principal after other senior creditors are paid;

That are callable and investors face reinvestment risk when the issuer exercises its right to redeem the bond before it matures;

That have variable and/or deferral of interest payment terms and investors would face uncertainty over the amount and time of the interest payments to be received;

That have extendable maturity dates and investors would not have a definite schedule of principal repayment;

That are convertible or exchangeable in nature and investors are subject to both equity and bond investment risk; and/or

That have contingent write down or loss absorption feature and the bond may be written-off fully or partially or converted to common stock on the occurrence of a trigger event.

Funds investing in high-yield bonds

Intermediaries should also pay particular attention to those funds that invest primarily in high-yield bonds as (i) they will be subject to the risks associated with investments in bonds as described above; and (ii) the net asset value of a fund that invests in high-yield bonds may decline or be negatively affected if there is a default of any of the high yield bonds that it invests in or if interest rates change. The special features and risks of high-yield bond funds may also include the following:

Capital growth risk - some high-yield bond funds may have fees and/ or dividends paid out of capital. As a result, the capital that the fund has available for investment in the future and capital growth may be reduced;

Dividend distributions - some high-yield bond funds may not distribute dividends, but instead reinvest the dividends into the fund or alternatively, the investment manager may have discretion on whether or not to make any distribution out of income and/ or capital of the fund. Also, a high distribution yield does not imply a positive or high return on the total investment; and

Other key risks that may relate to the relevant fund including concentration of investments in particular types of specialized debt or a specific geographical region or sovereign securities.