

Installments Margin Scheme – Important Points to Note :

1. Clients have already opened a Margin Account.
 2. Clients participating in the Installments Margin Scheme must reserve at least HK\$10,000 as deposit in their account.
 3. Clients must buy at least one board lot (for those securities within the list of designated securities for installment) or must buy worth of securities of HK\$10,000(whichever is higher).
 4. Buy or sell:
 - (a) When clients participate in the Installment Margin Scheme, they must complete the Application Form and reserve 30% of the value of the intended securities (or at least HK\$10,000). They can then place order instructions directly through telephone (the remainder 70% of the value of the intended securities will be paid by Bright Smart first).
 - (b) Meanwhile, clients can at anytime sell all securities through telephone (please note that our Company does not accept clients to sell part of or a portion of securities).
- Note: clients must pay administrative fees for buy and sell orders: including brokerage fee – 0.085% or the lowest HK\$50, Stamp Duty, Transaction levy and Exchange fee.
5. Clients applying for the same security, the same installment schedule within the same trading day are regarded as enrolling for the same security. We will consolidate their applications after close of trading hours.
 6. Monthly Installment:

During the participation in the Installments Margin Scheme, clients are required to pay the monthly installment by depositing funds to Bright Smart Securities at or before 1:00 pm on the 8th day of each calendar month (the reference time should be taken from the bank confirmation of deposit), in accordance with the monthly contribution amount stated on the Repayment Schedule (our company provides different Repayment Schedule to different clients based on their different stocks holding and amount of outstanding) (if the 8th day of any calendar month is not a trading day, the previous trading day shall be taken as the repayment day). Failure to serve the monthly installment will render the clients to pay a P+5% default interest which are required to be paid immediately.
 7. If Clients default in payment, we reserve the right to liquidate clients' positions at anytime. Clients should bear the relevant fees and any outstanding amount due to us.
 8. During the monthly installment, if clients early sell the securities or repay all loans, our Company will charge clients 1% of the outstanding amount as the administration fee.
 9. If existing clients want to transfer the securities and outstanding amount from securities account or margin account to Installments Margin Scheme account, they will be charged 2% of the outstanding amount as the administration fee.

Installments Margin Scheme – Important Points to Note (Continued) :

10. When our Company issues margin calls, clients will then deposit funds into their accounts to cover the shortfall. To this effect, our Company will issue another Repayment Schedule on the remaining outstanding loan amount. The installment period will remain the same.
11. Clients should follow the terms and conditions of our margin account. For details, please refer to the attached Clause 3 of Section III of the Terms and Conditions of Trading Account.
12. If there is rights issue, clients must pay full amount of the rights issue. Otherwise our Company will not exercise the rights on the clients' behalves.
13. Mortgaged portions and the list of designated securities will vary depending on the market situation. Clients should take note of the situation on the day they apply for the Scheme.
14. Clients should be bound by the relevant sections under the Account Opening Form, the Client Acknowledgement and the Terms and Conditions of the Trading Account.
15. Our Company may vary the above terms at anytime. Our Company will notify clients. Clients could also refer to the notice of amendments and details of amendments posted onto our website or call us by phone for enquiries.
16. Risk Disclosure :
Investors should pay attention: Investment involves risk. The price of investment product can go up or down. Investors should understand the risk of the investment product and consult professional advice before investment. Clients could read further from the risk disclosure statements attached onto our Account Opening Form to understand the risk level of each product in details. Clients could also refer to Section IX "Risk Disclosure Statement" of the Terms and Conditions of Trading Account for complete details.
17. In case of discrepancies between the English and Chinese versions of this Application Form, the Chinese version will prevail.

3. Margin & Fund

- 3.1 The Client agrees to provide and maintain such margin (the "**Margin Requirement**") in the Margin Account and/or such collateral, guarantees and other security to the Margin Account in such form and amount and on such terms as BS Securities may in its absolute discretion require from time to time. Such Margin Requirement demanded or required by BS Securities may exceed any margin requirement prescribed by any Exchange or Clearing House or broker. BS Securities may change any Margin Requirement in its sole discretion and at any time without prior notice to the Client. If BS Securities determines that additional margin is required, the Client agrees to deposit with BS Securities such additional margin forthwith upon demand. No previous Margin Requirement shall establish any precedent.
- 3.2 Without prejudice to Clauses 3.4 to 3.11, calls or demands for Margin Requirement must be met or satisfied by the Client forthwith upon demand by BS Securities. The Client shall on demand put BS Securities in funds or moneys or arrange for BS Securities to be put in funds or moneys in time to enable BS Securities to discharge any liability incurred or to be incurred in connection with trading, dealing or Transactions effected in relation to the Margin Account. The Client shall on demand reimburse BS Securities for all costs and expenses incurred by it in connection with the trading, dealing or Transaction effected in relation to the Margin Account and/or pay or settle any outstanding amount under the Margin Account.
- 3.3 BS Securities is not liable to pay interest on the moneys or funds paid to or received by BS Securities in respect of the Margin Account whether on deposit or however described. BS Securities is entitled to retain for its own benefit any interest or other realized income or increase in value earned or received in respect of such moneys or funds. BS Securities is entitled to charge and the Client agrees to pay interest to BS Securities in respect of any Deficit or any moneys or funds otherwise owing to BS Securities at any time at such rates and on such other terms as BS Securities notifies the Client from time to time or failing such notification at a rate equivalent to five per cent (5%) above the prevailing prime or best lending rate for Hong Kong dollars of The Hongkong and Shanghai Banking Corporation Limited or other bank as determined by BS Securities from time to time. Interest shall be payable on the last day of each calendar month or forthwith upon demand by BS Securities.
- 3.4 The Client shall monitor the Margin Account so that at all times the Margin Account shall contain a sufficient account balance to meet the Margin Requirement. BS Securities may modify such Margin Requirement for the Client at any time in BS Securities' absolute and sole discretion. BS Securities may reject any Instruction or order of the Client if the Client does not have a sufficient account balance to meet Margin Requirement and may delay the processing of any Instruction or order while determining the correct margin status of the Margin Account. The Client shall maintain, without notice or demand from BS Securities, a sufficient account balance at all times so as to continuously meet the Margin Requirement. The Client must at all times satisfy whatever Margin Requirement calculated by BS Securities.
- 3.5 BS Securities has no obligation to notify the Client of any failure to meet Margin Requirement in the Margin Account prior to BS Securities exercising its rights, powers, discretion and remedies under the Agreement. The Client understands and accepts that BS Securities generally will not issue call or demand on Margin Requirement, that BS Securities generally will not credit the Margin Account to meet any deficiency on Margin Requirement, and that BS Securities is authorized to exercise any of its rights under Clause 4 in order to satisfy Margin Requirement without prior notice to the Client.
- 3.6 In the event that the balance of the Margin Account has zero equity or is in deficit at any time, or the Margin Account does not have a sufficient account balance to meet Margin Requirement, BS Securities shall have the right, in its sole discretion, but not the obligation, to exercise any of its rights under Clause 4 at any time and in such manner and in any Market as BS Securities deems necessary, without prior notice demand or call to the Client. The Client agrees to be responsible for, and promptly pay to BS Securities, any deficiency in the Margin Account that arises from such exercise of rights or remain after such exercise of rights. BS Securities shall not have any liability to the Client for any losses or damages sustained by the Client in connection with such exercise of rights (or if BS Securities experiences a delay in exercising, or does not exercise such rights).
- 3.7 The Client expressly waives and relinquishes any rights to receive prior notice or demand from BS Securities and agrees that any prior demand, notice, announcement or advertisement shall not be deemed a waiver of BS Securities' right to exercise any of its rights under Clause 4. The Client understands that, in the event that BS Securities exercise such rights, the Client shall have no right or opportunity to determine the manner of exercising such rights by BS Securities. BS Securities may, in its absolute and sole discretion, exercise such rights on any Exchange or Market, and BS Securities or its associated company may take the other side of any closing out, liquidating or settlement transaction. In the event that BS Securities exercise such rights, such exercise of rights shall establish the amount of the Client's gain or loss and indebtedness to BS Securities, if any. The Client shall reimburse and hold BS Securities harmless for all actions, omissions, costs, expenses, fees (including, but not limited to, legal costs), penalties, losses, claims or liabilities associated with any exercise of such rights by BS Securities. The Client shall be liable to and responsible for all resulting losses, notwithstanding BS Securities' delay in or failure to exercise such rights. If BS Securities executes an order for which the Client did not have sufficient funds, BS Securities has the right, without notice to the Client, to liquidate the Transaction and the Client shall be responsible for any loss as a result of such liquidation, including any costs, and shall not be entitled to any profit that results from such liquidation.
- 3.8 The Client irrevocably and unconditionally authorizes BS Securities to transfer, debit or deduct any money in the Margin Account and/or the Account so as to pay, discharge, satisfy the Client's indebtedness, obligations and Liabilities to BS Securities arising from, incurred under and relating to the Agreement, including but not limited to the outstanding purchase moneys, fees (including but not limited to market data fees), charges, expenses, commissions and interests payable by the Client under and pursuant to the

Agreement. The Client acknowledges and agrees that such deductions may affect the amount of money in the Margin Account to be applied against the Margin Requirement. BS Securities may exercise any of its rights under Clause 4 if deduction of commissions, fees or other charges causes the Margin Account to have an insufficient balance to satisfy the Margin Requirement.

- 3.9 If BS Securities issues a call or demand for Margin Requirement to the Client, the Client must satisfy such call or demand immediately. The Client agrees to satisfy any call or demand for Margin Requirement issued by BS Securities by immediately depositing cleared funds in the Margin Account to pay, in full, the under-margined open position.
- 3.10 BS Securities shall also have the right to exercise any of its rights under Clause 4 without prior notice to the Client in the same manner as provided above: (a) if any dispute arises concerning any trading or Transaction of the Client; (b) upon the Client's failure to timely discharge its obligations to BS Securities; (c) upon the Client's insolvency or filing of a petition in bankruptcy or for protection from creditors; (d) upon the appointment of a receiver, or (e) whenever BS Securities, in its absolute and sole discretion, deems necessary or advisable for the protection of BS Securities and/or any of the BS Group Companies.
- 3.11 Any failure by the Client to comply with this Clause 3 shall constitute an Event of Default under Clause 4.