Bright Smart Securities International (H.K.) Limited
Bright Smart Futures & Commodities Company Limited
Bright Smart Global Bullion Limited
Bright Smart Forex Limited

Terms and Conditions for Trading Account

〈Index〉

Sections	Contents	Pages
Section I	Securities Cash Trading	P. 2 - P. 40
Section II	IPO and Placing	P. 41 - P. 47
Section III	Securities Margin Trading	P. 48 - P. 51
Section IV	Stock Option Trading	P. 52 - P. 56
Section V	Electronic Trading Facilities	P. 57 - P. 65
Section VI	E-Statement Service	P. 66 - P. 68
Section VII	Futures Trading	P. 69 - P. 101
Section VIII	Futures (Margin Financing) Trading	P. 102 - P. 106
Section IX	Risk Disclosure Statements	P. 107 - P. 118
Section X	Standing Authority	P. 119 - P. 120
Section XI	Loan and Security	P. 121 - P. 137
Section XII	Pre-Listing Trading	P. 138 - P. 140
Section XIII	Bullion Trading	P. 141 - P. 166
Section XIV	Terms And Conditions For Leveraged Foreign Exchange Trading	P. 167 - P. 195
Section XV	International Taxation Requirements	P. 196 - P. 199
Section XVI	Addendum in relation to SPAC Transactions	P. 200 - P. 202

SECTION I – TERMS AND CONDITIONS FOR SECURITIES CASH TRADING

All transactions, purchase, investment, sale, trading, exchange, acquisition, holding, deposit, transfer, disposal, clearing, settlement or dealing in, of and with all kinds of Securities effected, conducted, carried on and entered into by the Client with and through BS Securities and/or BS Trading Agent, and the Securities Account opened and maintained by the Client with BS Securities shall be subject to and upon the Agreement.

1. **Definitions**

1.1 In these Terms, the following expressions, unless the context requires otherwise, shall have the following meanings: -

"**Account**" means any account of whatsoever nature now or in future opened and maintained in the name of the Client with any of the BS Group Companies in accordance with the Agreement or other agreement or document;

"**Account Opening Form**" means the Account Opening Form for the Securities Account including the declaration, information, notes and statements thereto to be completed and signed by the Client and, as the context requires, any amendments made thereto from time to time;

"**Acknowledgment by Client**" means the Acknowledgment by Client including the information for trading, procedure for funds deposit and withdrawal, procedure for transferring funds between any Account and the Securities Account and other information in respect of the Securities Account, as from time to time amended or supplemented;

"**Agreement**" means the agreement made between the Client and BS Securities and constituted by the Account Opening Form, these Terms, the Acknowledgment by Client and such other documents referred to therein or added thereto (including any amendment or supplement made thereto from time to time);

"**Authorized Person**" means the persons or any of them appointed by the Client as agent of the Client to (including but not limited to) issue Instructions on behalf of the Client in relation to the Securities Account and/or Transactions, and initially the persons specified as such in the Account Opening Form and such other person as appointed by the Client in substitution therefor or in addition thereto from time to time (the Client shall in writing notify BS Securities of such appointment, which shall only be effective after the actual receipt of such notification and approved by BS Securities);

"**Bill Payment Number**" means the designated depositing money reference number issued by BS Securities and the Client may rely on such designated depositing money reference number to transfer moneys or funds from Bank of China (Hong Kong) Limited, Hang Seng Bank Limited, The Hongkong and Shanghai Banking Corporation Limited or such other bank as determined by BS Securities from time to time to BS Securities in accordance with these Terms;

"**BS Futures**" means Bright Smart Futures & Commodities Company Limited, a company incorporated under the laws of Hong Kong (SFC-CE Number: ADH427) and its successors and assigns;

"**BSFL**" means Bright Smart Forex Limited, a company incorporated under the laws of Hong Kong (SFC-CE Number: AZK567) and its successors and assigns;

"**BS Group Companies**" means BS Securities, BS Futures, BSFL, BSGB and such other company as BS Securities may from time to time add and notify the Client;

"**BSGB**" means Bright Smart Global Bullion Limited, a company incorporated under the laws of Hong Kong (Company Number: 1810415) and its successors and assigns;

"**BS Securities**" means Bright Smart Securities International (H.K.) Limited, a company incorporated under the laws of Hong Kong (SFC-CE Number: AEZ575) and its successors and assigns;

"**BS Trading Agent**" means any agent appointed, engaged and instructed by BS Securities for executing, effecting, trading, implementing, clearing and settling the Instructions and Transactions on behalf of the Client;

"**BS Trading Agent Agreement**" means the agreements and the terms and conditions made between BS Securities and BS Trading Agent for the purposes of these Terms and the Transactions (including any amendment or supplement made thereto from time to time);

"**BS Website**" means any and all websites provided or operated by BS Group Companies;

"**Business Day**" means (a) in respect of notices made or given under the Agreement, a day (other than Saturday and Sunday and a day on which a black rainstorm warning or a number 8 or higher typhoon signal is hoisted before 2:00 p.m. in Hong Kong) on which banks are open for business in Hong Kong; (b) in respect of Transactions on SEHK, a day on which SEHK is open for the business of dealing in Securities; and (c) in

respect of Transactions on a Foreign Stock Exchange, a day on which such Foreign Stock Exchange is open for the business of dealing in Securities;

"**CCASS**" means the Central Clearing and Settlement System operated by HKSCC;

"**Clearing House**" means, as the case may be, (a) in relation to SEHK, HKSCC; and/or (b) in relation to a Foreign Stock Exchange, the relevant Foreign Clearing House providing similar services of HKSCC to such Foreign Stock Exchange in that Foreign Jurisdiction;

"**Clearing Rules**" means, as the case may be, (a) the general rules, operational procedures and other applicable rules, procedures and regulations of CCASS from time to time in force; and/or (b) the rules, procedures and regulations of the relevant Foreign Clearing System, from time to time in force;

"**Clearing System**" means, as the case may be, (a) CCASS; and/or (b) the relevant Foreign Clearing System;

"**Client**" means the person or persons who has/have signed and/or specified as such in the Account Opening Form, and where the Securities Account is opened by more than one person means all of such persons collectively and any legal or personal representative, executor, successor in title or permitted assign thereof, and shall include the Authorized Person where the context permits;

"**Client Group Company**" means any company which is controlled by the Client; a person is in "control" of a company if: (a) it is in accordance with such person's instructions the directors of the company or of another company of which it is a subsidiary are accustomed to act; or (b) such person, either alone or with any of its associate, is entitled to exercise or control the exercise of more than 30% of the voting power at general meeting of the company or of another company of which it is a subsidiary;

"**Code**" means the Code of Conduct for Persons Licensed by or Registered with the SFC issued by the SFC, as amended and substituted from time to time;

"**Confirmation**" means a written notice sent from time to time by BS Securities to the Client in relation to Transactions between the Parties, Transactions entered into on behalf of the Client and/or other adjustments by BS Securities to the Securities Account;

"**Credit Facilities**" means all or any of the loan or credit facilities made available, provided or granted by or agreed to be made available, provided or granted by any of the BS Group Companies under and pursuant to the Loan Agreement from time to time;

"**Deficit**" means the negative balance in the Account whatsoever and howsoever arising;

"**Device**" means any device (including but not limited to any digital or electronic certificate or encrypted software), equipment, phone, machine or computer provided, whether mobile, fixed, portable or otherwise (whether by BS Securities or not) to or otherwise employed by the Client for giving Instruction;

"**Dissolution**" of a person also includes the winding-up, liquidation or bankruptcy of that person, and any equivalent or analogous procedure under the law of any jurisdiction in which that person is incorporated, domiciled, resident, carries on business or has assets and "**dissolved**" shall be construed accordingly;

"**Encumbrance**" means any mortgage, charge, pledge, lien, assignment by way of security, financial lease, deferred purchase, sale-and-repurchase or sale-and-leaseback arrangement, hypothecation, retention of title by a vendor or other security interest given or arising in respect of any assets, and any arrangement the effect of which is to prefer any creditor or any agreement for any of the same;

"**ETF**" means "ETF' as defined in Section V headed "Terms and Conditions for Electronic Trading Facilities";

"**Event of Default**" has the meaning ascribed thereto in Clause 17;

"**Exchange**" means, as the case may be, (a) SEHK; and/or (b) the relevant Foreign Stock Exchange;

"**Foreign Clearing House**" means the clearing or settlement house, corporation, organization or body (being appointed, authorized or engaged by or established and operated by a Foreign Stock Exchange to provide clearing and settlement services to that Foreign Stock Exchange in respect of Securities) including, where the context so requires, its agents, nominees, representatives, officers and employees;

"**Foreign Clearing System**" means the clearing and settlement system operated by the relevant Foreign Clearing House from time to time;

"**Foreign Jurisdiction**" means a country, territory or jurisdiction outside Hong Kong;

"**Foreign Regulators**" means any regulatory or supervisory corporation, organisation or body in a Foreign Jurisdiction having jurisdiction or regulatory or supervisory power or authority over the Transactions;

"**Foreign Securities Laws**" means the relevant laws, legislations, rules and regulations of the relevant Foreign Jurisdiction relating to the Transactions;

"**Foreign SE Rules**" means the rules, regulations, bylaws and procedures of or made by the Foreign Stock Exchange, and any amendments, supplements, variations or modifications thereto from time to time in force;

"**Foreign Stock Exchange**" means a stock or securities exchange which is permitted to operate in a Foreign Jurisdiction by the law of that Foreign Jurisdiction including, where the context so requires, its agents, nominees, representatives, officers and employees;

"**HKSCC**" means the Hong Kong Securities Clearing Company Limited including, where the context so requires, its agents, nominees, representatives, officers and employees;

"**Hong Kong**" means the Hong Kong Special Administrative Region of the People's Republic of China ;

"**Hong Kong Regulators**" means SEHK, SFC, the Hong Kong Monetary Authority and/or any other regulatory or supervisory corporation, organization or body in Hong Kong having jurisdiction or regulatory or supervisory power or authority over the Transactions;

"**Instruction**" means any instruction or order communicated by the Client or the Authorized Person in whatever means (including but not limited to oral, phone, fax, email, internet or any electronic means or any written form) to BS Securities in accordance with these Terms;

"**Liabilities**" means all monies, liabilities and obligations, whether actual or contingent, present or future, due, owing or incurred from or by the Client to any of the BS Group Companies, their respective nominee, subsidiary or other associated company in connection with the Account and/or the Agreement or for which the Client may otherwise be or become liable to any of the BS Group Companies on any account or in any manner or currency whatsoever (whether alone or jointly with any other person and in whatever name, style or firm), together with interest from the date of demand to the date of payment, legal costs and all other costs, charges and expenses incurred by any of the BS Group Companies, their respective nominee, subsidiary or other associated company in connection with the recovery or attempted recovery of such monies, liabilities and obligations;

"**Loan Agreement**" means (a) the "Loan Agreement" as defined in Section XI headed "Terms and Conditions for Loan and Security"; or (b) any other loan or credit facility agreement (as the case may be) made or to be made between any of the BS Group Companies and the Client, as amended or supplemented from time to time, whereby, subject to the terms and conditions thereof, BS Securities and/or BS Futures and/or any of the BS Group Companies have agreed to make available, provide or grant Credit Facilities to the Client for the purposes stated therein;

"**Market**" means any stock, securities or other exchange (including SEHK), market, over-the-counter market, responsible association of dealers or corporation, whether within or outside Hong Kong, so dealing in Securities as to provide a market for Securities;

"**Market Rules**" means the constitution, rules, regulations, by-laws, customs, usages, rulings and procedures of or made by the Market, and any amendments, supplements, variations or modifications thereto from time to time;

"**Parties**" means BS Securities and the Client, and each of them is referred to as "**Party**";

"**Risk Disclosure Statements**" means the risk disclosure statements provided by the BS Group Companies to the Client, as may be prescribed, amended or supplemented by the BS Group Companies from time to time, the current version being set out in Section IX headed "Risk Disclosure Statements";

"**Securities**" means (a) securities as defined in SFO; and/or (b) any shares, stocks, debentures, loan stocks, money, bonds, notes, unit trusts, certificates of deposit or other commercial paper or securities or other similar instruments of any kind whatever or howsoever, of or issued by any body, whether incorporated or unincorporated, or any government authority for the time being traded in a Market and acceptable to BS Securities and may include, in the absolute discretion of BS Securities, (i) rights, options or interests (whether described as units or otherwise) in or in respect of any of the foregoing; (ii) certificates of interest or participation in, or temporary or interim certificates for, receipts for or warrants to subscribe to or purchase, any of the foregoing; or (iii) any instruments commonly known as securities;

"**Securities Account**" means any account now or in future opened and maintained in the name of the Client with BS Securities for conducting Transactions in accordance with the Agreement, and/or all other account(s) of whatsoever nature now or in future opened and maintained in the name of the Client with BS Securities in accordance with the Agreement or other agreement or document;

"**SEHK**" means The Stock Exchange of Hong Kong Limited including, where the context so requires, its agents, nominees, representatives, officers and employees;

"**SEHK Rules**" means the rules, regulations and procedures of or made by SEHK, and any amendments, supplements, variations or modifications thereto from time to time in force;

"**Settlement Account**" means the bank account of the Client for the purpose of Clause 9 of these Terms, the particulars of which are specified in the Account Opening Form;

"**SFC**" means the Securities and Futures Commission of Hong Kong;

"**SFO**" means the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) and any subsidiary legislation made thereunder;

"**Sub-account Number**" means the designated account number issued by designated banks as selected by BS Securities from time to time and the Client may rely on such designated bank account number to transfer moneys or funds to BS Securities in accordance with these Terms;

"**Supplement**" means the Stock Connect Supplement to these Terms as from time to time amended and supplemented;

"**these Terms**" means all the terms and conditions in this Section I headed "Terms and Conditions for Securities Cash Trading" and the Supplement as from time to time amended and supplemented;

"**Transaction**" means any transaction, purchase, investment, sale, trading, exchange, acquisition, holding, deposit, transfer, disposal, clearing, settlement or dealing in, of and with any Securities and generally dealing in any and all kinds of Securities including holding Securities (irrespective of whether it falls under the definition of "dealing in securities" as defined under Schedule 5 of the SFO); and

"**U.S. person**" includes any natural person who is a citizen of or resident in the United States; a corporation, partnership or other business organisation organised or incorporated under the laws of the United States or any political subdivision thereof, any estate or trust which is administered by an executor or trustee who is a U.S. person or the income of which is subject to U.S. federal income taxation regardless of its source; any account (other than any estate or trust) held by a dealer or fiduciary for the benefit of a U.S. person and any partnership or corporation organised and incorporated under the laws of any foreign jurisdiction which was formed by a U.S. person principally for the purpose of investing in securities not registered under the United States Securities Act of 1933. "U.S. person" shall not include any branch or agency of a United States bank or insurance company that is operating outside the United States for valid business reasons as a locally regulated branch or agency engaged in the banking or insurance business and not formed primarily for the purpose of investing in securities not registered under the United States Securities Act of 1933. For the purposes of this definition, the "**United States**" includes the United States of America, its states, territories and possessions and the District of Columbia.

1.2 In these Terms: -

(a) "include(s)" and "including" mean respectively "include(s) but not limited to" and "including but not limited to";
(b) "subsidiary" shall bear the meaning given by the Companies Ordinance (Cap. 622 of the Laws of Hong Kong) and "associated company" means, in respect of any person, any company (not being a subsidiary of that person) of which that person shall beneficially own twenty per cent (20%) or more of the issued share capital or in respect of which that person is entitled to appoint one or more directors or, in relation to any company, any company which is a subsidiary of a holding company of that first mentioned company;
(c) reference to a Clause is to a clause of these Terms and reference to the Account Opening Form is to the Account Opening Form as completed by or on behalf of the Client and where such information has been amended by subsequent notice to BS Securities means the Account Opening Form as amended by such notice;
(d) reference to an Ordinance is to an Ordinance or law of Hong Kong and any subsidiary legislation related thereto as from time to time amended, consolidated, extended, codified or re-enacted and for the time being in force;
(e) words importing the singular include the plural and vice versa; words importing person include bodies corporate or unincorporated or other entity; words importing gender include every gender and the neuter gender;
(f) the headings to the Clauses are for convenience only and do not affect their interpretation or construction; and
(g) where it is necessary for the true construction or interpretation of any provision herein so that the indebtedness, liability or obligation of any of the Parties shall continue after the termination of the Agreement, such provision shall survive the termination of the Agreement.

2. <u>Applicable Rules and Regulations</u>

2.1 All Instructions and Transactions made or entered into (i) by BS Securities with the Client; and (ii) by BS Securities and/or BS Trading Agent on behalf of the Client shall be subject to, and in respect of the above, both BS Securities and the Client shall be bound by: -

(a) the Agreement;
(b) BS Securities' rules, regulations, procedures and policies from time to time in force;
(c) the memorandum and articles of association of SEHK, SEHK Rules, Clearing Rules in Hong Kong and the customs, usages, rulings and procedures of SEHK;
(d) the SFO and all applicable laws, rules and regulations of Hong Kong;
(e) BS Trading Agent Agreement, and the rules, regulations, procedures and policies of BS Trading Agent relating and applicable to the Transactions from time to time in force;
(f) the constitution of the relevant Foreign Stock Exchange, the relevant Foreign SE Rules, the Clearing Rules in the relevant Foreign Jurisdiction and the Market (and their respective Clearing House, if any) and the customs, usages, rulings and procedures of the relevant Foreign Stock

Exchange, where the Instructions and Transactions are executed, performed, cleared or settled;

(g) the relevant Foreign Securities Laws of the Foreign Jurisdiction where the Instructions and Transactions are executed, performed, cleared or settled;

(h) any agreement made between, inter alia, (1) any of the BS Group Companies; and (2) any market data feed service providers (including but not limited to an Exchange and/or its associated companies); and

(i) any agreement made between, inter alia, (1) any of the BS Group Companies; and (2) any other service providers/agents providing services relating or applicable to the Instructions and/or Transactions.

2.2 If there shall be any conflict or inconsistency between any of the provisions of the Agreement and anything contained in paragraphs (b), (c), (d), (e), (f), (g) and (h) of Clause 2.1, BS Securities may, in its absolute discretion, take or refuse to take any action, or demand the Client to take or refrain from taking any action to ensure compliance with the same.

3. **Appointment and Scope of Agency**

3.1 BS Securities may (at its sole discretion and election) enter into Transaction with the Client on a principal-to-principal basis or act as the Client's agent to effect Transactions on the Client's behalf. For the avoidance of doubt, the Client is not entitled to request BS Securities to effect a Transaction as principal or the Client's agent specifically nor to claim against BS Securities for any compensation due to any loss, damages, expenses or loss of profit whatsoever suffered and/or incurred by the Client arising out (directly or indirectly) of or in connection with BS Securities' decision or election to act as principal or the Client's agent in any Transaction (whether such decision is against the Client's instruction or wish or otherwise). In any event, nothing herein contained shall constitute BS Securities as trustee for the Client or a partnership between BS Securities and the Client. The Client shall make its own judgments and decisions independently without reliance on BS Securities or any of the BS Group Companies in its decision in relation to dealing in Securities or any Transactions.

3.2 The Client shall, unless otherwise agreed in writing, enter into Transactions as principal. If, as between the Client and a third party, the Client acts as an agent, regardless of whether or not the Client identifies that principal to BS Securities, then unless BS Securities expressly accepts in writing the Client's status as agent, the Client shall, as between the Client and BS Securities be regarded as the sole principal to BS Securities and BS Securities shall have no privity of contract relationship or responsibilities to the third party.

3.3 Notwithstanding Clauses 3.1 and 3.2, BS Securities may, in its absolute discretion, (a) decline to accept, carry out, execute, enter into or effect any Instructions and/or any Transactions; or (b) decline to act on or stop carrying out, executing, entering into or effecting any accepted Instructions and/or any Transactions without giving any reason therefor. BS Securities shall not, in any circumstances, be liable (including liability for negligence) in any way to the Client for any loss, damages, expenses or loss of profit whatsoever suffered and/or incurred by the Client arising out (directly or indirectly) of or in connection with its not accepting, carrying out, executing, entering into, effecting or acting on such Instructions and/or Transactions or omitting to give notice therefor.

3.4 The Client acknowledges and accepts that it may not be possible to cancel, vary or amend an Instruction. Any attempt to cancel, vary or amend an Instruction is simply a request to cancel or modify. BS Securities shall not be obliged to act on any Instruction for cancellation, variation or amendment of any Instruction already given to BS Securities. BS Securities is not responsible for or liable to the Client for any loss or expense suffered or incurred by the Client if the original Instruction has already been completed, or in the opinion of BS Securities, BS Securities has insufficient time or is unable to act on such Instructions to cancel, vary or amend the original Instruction. The Client further acknowledges and accepts that attempts to cancel, vary or amend an Instruction can result in an over-execution of the Instruction, or the execution of duplicate or repeated Instructions, and the Client shall be responsible for all such executions.

3.5 The Client is an independent third party not connected with, an associate of, or acting in concert with any director, chief executive, substantial shareholder of BS Securities and/or any of their respective subsidiaries. The Client does not hold any interest in BS Securities.

3.6 Without prejudice to other provisions in these Terms, the Client agrees and authorizes BS Securities to appoint, engage and instruct BS Trading Agents as BS Securities may in its absolute discretion deem fit to execute, effect, trade, implement, clear and settle any Instructions and/or Transactions.

3.7 Notwithstanding that BS Securities has accepted or agreed to carry out, execute, enter into or effect any Instructions and/or any Transactions, if BS Trading Agent, in its absolute discretion, (a) decline to accept, carry out, execute, enter into or effect any Instructions and/or any Transactions; or (b) decline to act on or stop carrying out, executing, entering into or effecting any accepted Instructions and/or any Transactions, BS Securities may, in its absolute discretion, (a) stop or discontinue to accept, carry out, execute, enter into or effect any such accepted or agreed Instructions and/or Transactions; or (b) decline to act on or stop carrying out, executing, entering into or effecting any such accepted Instructions and/or Transactions without giving any reason therefor. BS Securities shall not, in any circumstances, be liable (including liability for negligence) in any way to the Client for any loss, damages, expenses or loss of profit whatsoever suffered and/or incurred by the Client arising out (directly or indirectly) of or in connection with its not accepting, carrying out, executing, entering into, effecting or acting on such Instructions and/or Transactions or omitting to give notice therefor.

4. **Authorized Person**

4.1 The Client authorizes the Authorized Person to represent the Client in all matters in relation to all Instructions and Transactions, in particular, to give Instructions and execute all agreements and documents in relation to the Agreement and the Securities Account and its operation. All such Instructions, Transactions, agreements and documents shall be absolutely and conclusively binding on the Client. The Client agrees that BS Securities is entitled to act on such Instructions until the Client notifies BS Securities in writing that the authority of the Authorized Person has been revoked or varied.

4.2 The Client undertakes with BS Securities from time to time and at all times to ratify and confirm any Instructions whatsoever given or purported to be given by the Authorized Person including but not limited to any Instructions which may be given or purported to be given between the revocation of the authority of the Authorized Person and the actual receipt of notice of such revocation by BS Securities. The Client agrees that any Instructions given or purported to be given by the Authorized Person after revocation of the Authorized Person's authority (but before the actual receipt of notice of such revocation by BS Securities) shall be absolutely and conclusively binding on the Client, and shall be valid and effectual in favour of BS Securities.

4.3 Notwithstanding anything herein contained, the Client acknowledges and confirms that the Authorized Person is neither an employee nor agent of BS Securities and there is no partnership or employment relationship between the Authorized Person and BS Securities. The Authorized Person is appointed by the Client as agent and shall have full authority to act on behalf of the Client under the Agreement as if he were the Client himself, and shall have the authority to give good and valid receipt to any payment, monies, funds, Securities, properties or assets comprised in the Securities Account made or given to the Authorized Person. All Instructions given by the Authorized Person shall be and be deemed to be the Instructions given by the Client and all acts, omissions, default or breach by the Authorized Person (whether with or without the instructions or consent of the Client) shall be and be deemed to be the acts, omissions, default or breach by the Client. BS Securities shall not be in any way liable to the Client or any other parties for the acts, omissions, default or breach by the Authorized Person (whether with or without the instructions or consent of the Client). In the Agreement, the expression "Client" shall, where the context permits, include the Authorized Person.

5. **Form of Instructions**

5.1 Subject as provided herein, all Instructions in relation to Transactions shall be given by the Client or the Authorized Person direct to BS Securities (whether oral (in person or by telephone), via internet or any electronic means, by ETF or other means of communication accepted by BS Securities from time to time) in such manner as may be prescribed by BS Securities from time to time. If Instructions are given by telephone, internet, electronic means or ETF, BS Securities is entitled to rely upon and act in accordance with such Instructions without inquiry or verification by BS Securities of the authority or identity of the person making or giving or purporting to make or give such Instructions and regardless of the circumstances prevailing at the time of the giving of such Instructions or amount of money involved in the Instructions, and notwithstanding any error, misunderstanding, lack of clarity, fraud, forgery or lack of authority in relation thereto.

5.2 BS Securities shall be entitled to treat an Instruction given as provided in Clause 5.1 as fully authorized by and binding upon the Client. BS Securities shall be entitled (but not bound) to act on or take such steps in connection with or in reliance upon such Instruction as BS Securities may in good faith consider appropriate, notwithstanding any error or misunderstanding or lack of clarity in the terms of such Instruction.

5.3 When Instructions are given by the Client or the Authorized Person by telephone: -

(a) the Client or the Authorized Person must use the designated telephone number provided by BS Securities from time to time (the "**Designated Telephone**"). For the avoidance of doubt, any Instructions given by telephone without using the Designated Telephone, and any Instructions given by messages left at the voicemails of any telephone numbers of BS Securities or any personal mobile phone numbers of the employees or agents of BS Securities shall not be regarded as valid or effective Instructions to BS Securities. BS Securities shall not be liable to the Client for any loss whatsoever arising out of or in connection with the Client's or the Authorized Person's failure to comply with the terms of this Clause;

(b) Notwithstanding the designation of the Designated Telephone and the provisions in Clause 5.3(a) above, BS Securities (but not the Client) has the absolute discretion to accept, act on, carry out or effect any Instructions given by telephone other than using the Designated Telephone (the "**Non-Designated Telephone Instruction**"). If BS Securities accepts, acts on, carries out or effects any Non-Designated Telephone Instruction, such Non-Designated Telephone Instruction shall be treated and deemed as an Instruction within the meaning of these Terms in all respects and all BS Securities' rights, protections, powers and remedies shall be applicable to such Non-Designated Telephone Instruction; and

(c) BS Securities has no responsibility for any delay, failure, error, interruption or suspension in the transmission or communication of Instructions or information on prices or the mistaken receipt of any Instructions by any other party. BS Securities is authorized to act upon any Instructions received by it (regardless of delay, failure, error, interruption or suspension as aforesaid) and BS Securities shall not be required to check the accuracy or authenticity of such Instructions with the Client, nor shall BS Securities be liable for any losses or costs suffered or incurred by the Client as a result of BS Securities acting upon the same. BS Securities shall be entitled to require the Client to enter into a further agreement if the Client wishes it to act on telephonic Instruction.

5.4 In the case of Instruction by ETF, the Client or the Authorized Person must give such Instruction: -

(a) only by such means and in such manner as BS Securities may from time to time designate for the relevant type of Transaction;
(b) by use of the suitable Device (if applicable) to obtain access to the designated computer or other systems of BS Securities for the relevant type of Transaction; and
(c) at the request of BS Securities (such request may be represented by electronic image or digitized voice or other electronic form, as the case may be), by inputting the designated number and/or the relevant password and any other information relating to the identity of the Client as may be required by BS Securities, as well as the information and details with respect to the Transaction.

5.5 The Client recognizes the risks in giving Instructions by telephone or ETF including, without limitation, the risk of any Instruction being unauthorized or given by an unauthorized person. The Client accepts the risks in full if the Client chooses to give Instructions by such means.

5.6 Once the Client has given an Instruction, it may not be cancelled, varied or amended without BS Securities' written consent.

5.7 BS Securities shall have no responsibility to procure compliance by the Client with any law or regulation governing the Client's conduct as a fiduciary (if applicable).

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

5.9 Where the Client is acting as agent for and on behalf of any other person when giving Instructions to BS Securities pursuant to the Agreement, BS Securities shall be entitled to treat the Client (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 BS Securities and no such person will be an "indirect client".

5.10 The Client understands that BS Securities is unable to know whether someone other than the Client has given or entered, or is giving or entering, instructions using the Client's name or the Client's user name, password or biometric authentication data. The Client shall not permit or allow any other person to have access to the Securities Account for any purpose. The Client shall be responsible for the confidentiality and use of, and any order given or entered with, the Client's name or the Client's user name, password and/or biometric authentication data. The Client shall remain responsible for all instructions using the Client's name or the Client's user name, password and/or biometric authentication data.

5.11 BS Securities may accept the digital signature of the Client or the Authorized Person which is supported by a digital certificate tendered to BS Securities. The Client agrees that BS Securities is entitled to treat such digital signature as the manual signature of the relevant person.

5.12 The Client acknowledges that it will be responsible to and will indemnify and keep indemnified BS Securities for any loss, costs, fees and expenses arising directly or indirectly out of or in connection with the Instructions and BS Securities acting thereon hereunder.

6. **Transactions**

6.1 BS Securities has the absolute discretion to select the Market on and through which to route, execute, perform or fulfill the Instructions.

6.2 The Client authorizes BS Securities to instruct such BS Trading Agent, executing brokers, agents, custodians, nominees, overseas brokers and dealers (including branches or associates of BS Securities) as BS Securities may in its absolute discretion deem fit to execute any Instructions and Transactions, such persons shall have the benefit of all of BS Securities' rights, powers and remedies hereunder. The Client acknowledges that the terms of business of such persons and the applicable rules of any relevant Exchange and/or Market and/or Clearing System on and through which such Instructions and Transactions are executed and settled shall apply to such Instructions and Transactions.

6.3 All Transactions shall be effected in accordance with all laws, rules and regulatory directions of government agencies and statutory bodies of competent jurisdiction applying to BS Securities. All actions taken by BS Securities in accordance with such laws, rules and directions shall be binding on the Client. In the absence of wilful misconduct or fraud of BS Securities, BS Securities shall not be liable to the Client as a result of any action or omission taken by BS Securities or any of the persons specified in Clause 6.2 to comply with such laws, rules and directions.

6.4 BS Securities may post the specification of Securities on BS Website from time to time. The Client acknowledges that it will be responsible to read and fully understand such specification before giving Instructions and shall review such specification regularly to obtain timely notice of any amendment. The Client further acknowledges that such specification and amendment shall be binding on the Client.

6.5 By reasons of the environment of or physical restraints on any Exchange, Clearing House or Market and the volatility of price movements, there may, on occasions and despite BS Securities', BS Trading Agent's, executing brokers', overseas brokers' or dealers' reasonable endeavours, be a delay in executing Instruction or dealing at any specific time. The Client accepts that BS Securities may not be able to execute the Client's order at the price specified by the Client, and that BS Securities may not be able to execute the Client's order at the price quoted at any specific time or "at best", "at the best quoted or posted" or "at market". The Client agrees in any event to accept and be bound by Transactions executed by BS Securities following Instructions, and agrees that BS Securities shall not be liable for any loss arising by reason of its failing, or being unable, to comply with any terms of an order of the Client.

6.6 Where BS Securities or the persons specified in Clause 6.2 are unable to perform any of the Instructions in full, BS Securities or such persons are entitled to effect partial performance only without prior reference to or confirmation from the Client. The Client shall be bound by such part of the Instructions so performed by BS Securities. BS Securities shall not have any obligation or liability whatsoever in respect of such part of the Instructions which has not been performed.

6.7 Unless the Client gives specific Instructions to BS Securities to the contrary, the Client acknowledges that all Instructions are good for the day only and that, to the extent unfulfilled, they will lapse at the end of the official trading day of the Exchange or Market in respect of which they are given.

6.8 In the event that BS Securities shall have effected a purchase of any Securities on behalf of the Client which Transaction is recorded in accordance with the SEHK Rules and accordingly recognized by SEHK, and the selling broker (other than BS Securities) fails to deliver such Securities on the due date in accordance with the SEHK Rules, the Client shall be responsible for any difference in price and all incidental expenses incurred by BS Securities in obtaining such Securities in the open market.

6.9 In the event that BS Securities and/or BS Trading Agent shall have effected a purchase of any Securities on behalf of the Client which Transaction is recorded in accordance with the Foreign SE Rules and accordingly recognized by a Foreign Stock Exchange, and the selling broker or BS Trading Agent (other than BS Securities) fails to deliver such Securities on the due date in accordance with the Foreign SE Rules, the Client shall be responsible for any difference in price and all incidental expenses incurred by BS Securities in obtaining such Securities in the open market.

6.10 Subject to applicable laws and regulations and Market requirements, BS Securities may in its absolute discretion determine the priority in the execution of its clients' orders, having due regard to the sequence in which such orders were received, and the Client shall not have any claim of priority to another client in relation to the execution of any order received by BS Securities.

6.11 The Client acknowledges that BS Securities and/or BS Trading Agent will not accept an Instruction to sell for short account on behalf of the Client. BS Securities shall not be responsible to the Client for identifying whether or not an Instruction is to sell for short account. The Client undertakes that it will not give any Instruction to sell for short account and will notify BS Securities whenever any sale order relates to a short sale of Securities and such notification shall be given at the same time as notification of the sale order. In case of a "covered" short selling order, the Client must inform BS Securities where the Client places a "covered" short selling order and BS Securities has the absolute discretion to determine whether or not to accept Instruction to effect such order.

6.12 The Client acknowledges that it will be responsible and will indemnify and keep indemnified BS Securities for any loss, costs, fees and expenses in connection with the Client's failure to meet its obligations by the settlement dates or to pay any other sum due to BS Securities hereunder.

6.13 The Client shall pay interest on all overdue balances on the Securities Account or any amount otherwise owing to BS Securities at any time (including interest arising after a judgment debt is obtained against the Client) 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 such 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.

6.14 The Client acknowledges that all telephone conversations between the Client and BS Securities may be taped without an automatic tone-warning device in order to enable BS Securities to verify the Instructions. The Client agrees to accept the recordings on relevant tapes as final and conclusive evidence of the contents of the Instructions in case of dispute. Such tapes will always remain the property of BS Securities.

6.15 The Client acknowledges that the books and records of BS Securities in respect of any Instruction or Transaction shall be conclusive evidence (except for manifest error) against the Client in all courts of law and for all purposes. In this connection, a certificate signed by an authorized officer of BS Securities as to any matter in respect of any Instruction or Transaction, save for manifest error, shall be conclusive and binding against the Client.

6.16 Where BS Securities knows of or suspects a breach of security or other suspicious circumstances in respect of or in connection with the operation of one or more of the Accounts or any service to the Client generally, BS Securities may, in its absolute discretion and without any liability, refuse to execute or delay the execution of any Instruction and in that event, BS Securities will, to the extent possible, inform the Client as soon as

practicable.

6.17 In the event of death or liquidation of the Client or in the event of the Client being rendered incapable or disabled from managing and administering the Client's property or affairs, then prior to the actual receipt by all the BS Group Companies of written notice of death, liquidation or incapacity or disability of the Client, all the BS Group Companies may, but shall not be obliged to, continue to act upon the Instructions given by the Client or the Authorized Person as if the Client were still alive, existing or capable of managing and administering the Client's property or affairs.

6.18 BS Securities and/or BS Trading Agent may not have access to every Market at which a particular product or Securities may trade. Exchanges or Market makers may fail or refuse to honour their quoted or posted prices. Exchanges may re-route Client's orders out of automated execution systems for manual handling (in which case execution or representation of Client's order may be substantially delayed). Exchange or Market rules, policies, procedures or decisions or system delays or failures may prevent Client's order from being executed, may cause a delay in the execution or performance of the Instruction or may cause the Instruction not to be executed at the best price. In no event shall BS Securities be liable to the Client for any action, inaction, decision or ruling of any Exchange, Market, Clearing House or regulatory authority.

6.19 If BS Securities cannot execute or carry out any Instruction, BS Securities may take any other action as BS Securities shall think fit. The Client understands that the Client will be responsible for all the consequences or expenses of BS Securities in connection with the above and that BS Securities will not be liable for any loss that may thereby be incurred.

6.20 BS Securities may trade or execute trading on its own account or on the account of any associated company of BS Securities, even though BS Securities may simultaneously hold unexecuted Instructions for the same product or Securities which could be executed at the same price. Any directors, officers or employees of BS Securities, BS Futures and/or BS Group Companies may trade on his/their own accounts.

6.21 BS Securities may elect to confirm the execution or cancellation of any Instruction by transmitting a Confirmation in electronic form to the Client via e-mail or through ETF, or for security purposes, by posting the Confirmation on the BS Website, with a notification sent to the Client to login and retrieve the Confirmation. The Client agrees to accept electronic form of Confirmations in lieu of printed form of Confirmations.

6.22 Confirmations may be subject to delays. The Client understands that Confirmations and reports of Instruction cancellations or Transactions may be erroneous for various reasons, including, but not limited to, cancellation, modification or adjustment by the relevant Market or Clearing House. Confirmations are also subject to change by BS Securities, in which case the Client shall be bound by the actual Transaction executed, so long as it is consistent with the Instruction. In the event that BS Securities confirms an execution or cancellation in error and the Client unreasonably delays in reporting such error, BS Securities reserves the right to require the Client to accept the Transaction, or remove the Transaction from the Securities Account.

6.23 The Client agrees to notify BS Securities immediately if: (a) the Client fails to receive an accurate Confirmation of an execution or cancellation; (b) the Client receives a Confirmation that is not consistent with the Instruction; (c) the Client receives Confirmation of execution or cancellation of an instruction that the Client did not place; or (d) the Client receives an account statement, Confirmation, or other information reflecting inaccurate Instructions, orders, trades, account balances or positions, funds, margin status, or Transaction history.

6.24 The Client understands and agrees that BS Securities may adjust the Securities Account to correct any error. The Client agrees to promptly return to BS Securities any assets distributed to the Client to which the Client was not entitled.

6.25 The Client acknowledges and accepts that neither BS Securities nor BS Trading Agent shall be responsible for giving notification in whatsoever manner to the Client informing, notifying or reminding the Client of any information, action, matter relating to and in respect of: (a) the Securities purchased or held by them, (b) Client's rights, interests, obligations attached, incidental, deriving or arising to and from such Securities, and (c) the issuer of such Securities. The Client shall be responsible for reading or obtaining the information, announcements, circular or notices of such Securities and the issuer of such Securities, and taking and doing the necessary actions in relation to and in respect of: (aa) such Securities, (bb) the rights, interests, obligations attached, incidental, deriving or arising to and from such Securities, and (cc) the issuer of such Securities. BS Securities shall not be liable for any loss, cost or expense of the Client arising from any failure or delay of BS Securities in notifying the Client of the information, action, matter relating to and in respect of: (i) such Securities, (ii) the rights, interests, obligations attached, incidental, deriving or arising to and from such Securities, and (iii) the issuer of such Securities.

6.26 In the event that the Client instructs BS Securities to deliver the Securities to the Client, BS Securities shall make the necessary arrangement and deliver the same to the Client within such period as may be determined by BS Securities.

7. **Deposits of Money or Funds**

7.1 The Client shall pay moneys or funds (i) personally to BS Securities, (ii)deposit directly into the bank accounts designated by BS Securities, (iii) transfer by way of Faster Payment System ("**FPS**") into the

accounts with the relevant FPS identifier ("**FPS ID**") as designated by BS Securities and stated in the FPS Payment Procedure (as defined below), or (iv) to BS Securities through the Electronic Real Time Direct Debit Authorisation Services ("**eDDA Services**"). The Client shall collect and deposit his share certificates with BS Securities in person. BS Securities may, at its sole and absolute discretion, refuse to accept deposits of moneys or funds by any person other than the Client or the Authorized Person (the "**Third Party**"). If the Client uses FPS to pay moneys or funds, the Client shall follow the relevant FPS payment procedures and guidelines as amended, supplemented, modified and/or varied from time to time which is posted on the website of BS Securities or separately notified to the Client from time to time ("**FPS Payment Procedure**"). If the Client uses eDDA Services to pay moneys or funds, the Client shall follow the "Terms and Conditions for Electronic Real Time Direct Debit Authorisation Services" as amended, supplemented, modified and/or varied from time to time which is posted on the website of BS Securities or separately notified to Client from time to time. Notwithstanding the above, the Client understands that the use of FPS and/or eDDA Services are subject to the rules, guidelines and procedures imposed by Hong Kong Interbank Clearing Limited and/or other relevant regulatory authority(ies) from time to time and agrees to comply with all such applicable rules, guidelines and procedures in using FPS and/or eDDA services.

7.2 BS Securities does not accept deposits of moneys or funds by Third Party cheques. BS Securities may, at its absolute discretion, accept cleared funds transferred to its designated account by the Third Party on the Client's behalf as the Client's deposit of funds.

7.3 The Client or the Third Party (as the case may be) shall immediately notify BS Securities after payment of funds to BS Securities by delivering to BS Securities the pay-in slips and/or other documentary evidence of such payment accepted by BS Securities from time to time (the "**Payment Evidence**") with the Client's name, Securities Account number and signature thereon either by fax or in person within the business hours on the date of deposit for verification. The Client acknowledges and understands that payment of funds to BS Securities (whether by the Client or the Third Party) may not be credited to the Securities Account or reflected in any account statement until such notification is received by BS Securities.

7.4 The Client acknowledges that the Client or the Third Party (as the case may be) is under a duty for the safekeeping of the Payment Evidence before delivering the same to BS Securities. BS Securities shall not be liable to the Client for any loss whatsoever arising out of or in connection with the Client's or the Third Party's (as the case may be) failure to deliver the Payment Evidence to BS Securities in time or at all, or the use of the Payment Evidence by any person other than the Client or the Third Party (whether with or without the instructions or consent of the Client).

7.5 The Client shall retain the originals of Payment Evidence for at least one (1) month from the date of deposit. BS Securities will send a statement of account to the Client as soon as possible following the deposit for record and verification. If the Client does not receive the relevant statement of account after the deposit, the Client shall immediately inform BS Securities.

7.6 The Client recognizes, understands and accepts (i) the risks in transferring money or funds from its bank account to the designated bank account of BS Securities through internet for trading Securities or settlement of Transactions ("**Internet Depositing Money**"), (ii) the risks in using FPS to transfer moneys or funds to BS Securities ("**FPS Depositing Money**") and (iii) the risks in using eDDA Services to transfer moneys or funds to BS Securities ("**eDDA Depositing Money**"). The Client accepts the risks in full and agrees to bear all the risks and undertake all the responsibilities arising therefrom if the Client chooses to transfer moneys or funds by such means. Such risks, duties and responsibilities shall include but not limited to the following: -

(a) The Client shall be solely responsible for ensuring that all the relevant procedures, steps, information, Sub-account Number, Bill Payment Number, personal identification number, FPS ID, amount to be transferred and other relevant information for transferring moneys or funds to BS Securities had been checked and verified as true, accurate and correct prior to giving any Instruction for Internet Depositing Money, FPS Depositing Money or eDDA Depositing Money (as the case may be). Once an Instruction for Internet Depositing Money, FPS Depositing Money or eDDA Depositing Money (as the case may be) has been sent in whatsoever manner, such Instruction may not be amended, revoked, rescinded or withdrawn without BS Securities' written consent and will be effectual and valid in favour of BS Securities, and shall be absolutely and conclusively binding on the Client. The Client acknowledges that BS Securities shall not be liable for any loss, costs, damages, fees and expenses arising out of or in relation to Internet Depositing Money, FPS Depositing Money or eDDA Depositing Money (as the case may be) in any circumstances, notwithstanding any error or misunderstanding in giving such Instructions;

(b) BS Securities shall be entitled to treat Instructions for Internet Depositing Money, FPS Depositing Money or eDDA Depositing Money (as the case may be) as fully authorized by and binding upon the Client and shall be entitled to act on or take steps in connection with or in reliance upon such Instructions without inquiry or verification by BS Securities of the authority or identity of the person making or giving such Instructions, the relevant circumstances at the material time when such Instructions were given and notwithstanding any error, misunderstanding, fraud, forgery or lack of authority in relation thereto;

(c) The Client agrees and accepts that if BS Securities receives Instructions for Internet Depositing Money, FPS Depositing Money or eDDA Depositing Money (as the case may be) after BS Securities' daily prescribed cut-off time, such Instructions shall be treated as received by BS Securities on the next Business Day. BS Securities shall not, in any circumstances, be liable (including liability for negligence) to the Client for any loss, damages, expenses or loss of profit

whatsoever suffered and/or incurred by the Client arising out (directly or indirectly) of or in connection with the aforesaid arrangement; and

(d) The Client fully understands and agrees that there may be interruption, delay or lost of Instructions in respect of Internet Depositing Money, FPS Depositing Money or eDDA Depositing Money (as the case may be) caused by malfunction of communication network, system malfunction, interferences of program or software, malfunction or error of the relevant third party service provider(s) or other circumstances. The Client agrees to bear such risks in full and shall be solely responsible for any loss, damages, expenses or loss of profit whatsoever suffered and/or incurred by the Client arising out (directly or indirectly) of or in connection with Internet Depositing Money, FPS Depositing Money or eDDA Depositing Money (as the case may be).

7.7 All deposits of moneys or funds shall have been cleared and actually received by BS Securities before such money or funds can be used or applied for the Securities Account.

7.8 In the event that the Client shall fail to comply with any part of this Clause, the Client shall be wholly responsible for all Liabilities and obligations whatsoever in connection with the deposit and shall fully indemnify BS Securities against all costs, claims, liabilities and expenses directly or indirectly arising out of or in connection therewith.

8. **Settlement**

8.1 The Client shall provide Securities (which are fully paid with valid and good title and in deliverable form) to BS Securities for delivery against sales or provide cleared funds to BS Securities for payment of Securities purchased, by the due settlement date or payment date and at such place as BS Securities has notified the Client. The settlement date shall be the date on which BS Securities received the Securities for the relevant Transaction, and the payment date shall be the date on which BS Securities received cleared funds in the currency for the relevant Transaction. Any failure by the Client to provide such Securities or cleared funds to BS Securities by the due settlement date or payment date shall entitle BS Securities and/or BS Trading Agent, without further notice or demand, to forthwith: -

(a) borrow and/or buy the Securities required for the delivery at a price as BS Securities and/or BS Trading Agent shall in its absolute discretion determine, charge any Account for the cost thereof, deliver the Securities to satisfy the Client's obligations, and credit any Account with the payment received for delivery; or

(b) accept delivery of the Securities, charge any Account for the payment to satisfy the Client's obligations, transfer and/or sell the Securities at a price as BS Securities and/or BS Trading Agent shall in its absolute discretion determine, and credit any Account for the proceeds thereof.

or, in addition or as an alternative to (a) or (b) above, to have recourse to its rights of combination and set-off as set out in Clause 32 in order to settle the Transactions.

8.2 The Client shall be liable for any Deficit resulting from losses and any cost or expense (including legal costs) incurred by BS Securities and/or BS Trading Agent, on a full indemnity basis, related to the purchase and sale of Securities pursuant to Clause 8.1.

8.3 The Client irrevocably authorizes BS Securities to transfer, debit or deduct any money in the Securities Account and/or any Account so as to pay, discharge, satisfy the Liabilities, including but not limited to the outstanding purchase moneys, fees, charges, expenses, commissions and interests payable by the Client under and pursuant to the Agreement.

9. **Settlement Account**

9.1 BS Securities is authorized to transfer to the Settlement Account all moneys or funds payable to the Client pursuant to the Agreement. All transfers of moneys or funds payable as aforesaid to the Settlement Account or payment of such moneys or funds pursuant to the Instructions shall be and be deemed good and valid discharge of the obligation hereunder to make such payment to the Client.

10. **Safekeeping of Securities**

10.1 The Client acknowledges that there are risks in leaving Securities in the custody of BS Securities and/or BS Trading Agent, and agrees that any Securities held by BS Securities, its associated entity or BS Trading Agent for safekeeping may, at BS Securities' discretion: -

(a) (in the case of registrable Securities) be registered in the name of the Client or in the name of BS Securities, its nominee or BS Trading Agent; or

(b) be deposited in safe custody in a designated account of BS Securities, its designated account with another institution or BS Trading Agent which provides facilities for the safe custody of Securities and documents relating thereto.

10.2 The Client acknowledges and agrees that Securities from time to time acquired and/or held pursuant to the Agreement through or in a Clearing System shall be held subject to and in accordance with the applicable Clearing Rules.

10.3 The Client hereby appoints BS Securities and/or BS Trading Agent as custodian of all such cash and Securities of the Client as are delivered to and accepted by BS Securities or any of its sub-custodians and held pursuant to the Agreement. BS Securities and/or BS Trading Agent shall be entitled to deposit such cash or Securities with such other company or institution and on such terms as it may deem fit. Such cash or Securities may be co-mingled with those of other clients (but not with cash or Securities held for BS Securities' own account), in which case the Client shall be entitled in common with the other clients to its proportionate share of such cash or Securities or the rights thereto as are held by BS Securities and/or BS Trading Agent for the account of its clients.

10.4 Subject to Clause 10.7, BS Securities and/or BS Trading Agent shall as soon as reasonably practicable after having been required to do so by Instructions: -

(a) procure the registration of any Securities from time to time in the Securities Account in the name of the Client or a person notified by the Client as being the nominee of the Client, or if so instructed, deliver the documents representing or evidencing such Securities to the Client or such nominee whereupon such Securities shall cease to be in the Securities Account; and

(b) transfer any sum specified in the Instructions from the Securities Account to the Settlement Account or such bank account of the Client as the Client may advise and such transfer shall be deemed to be a good discharge of the obligation to make payment to the Client.

10.5 Any obligation of BS Securities and/or BS Trading Agent to deliver, to hold in safe custody or otherwise or to register, in the name of the Client or its nominee, Securities or document evidencing any Securities purchased, acquired or retained by it on behalf of the Client shall be satisfied by the delivery, the holding or registration in the name of the Client or its nominee Securities or equivalent document evidencing such Securities of the same number, class, denomination and nominal amount as, and rank pari passu with, those originally deposited with, transferred to or acquired by BS Securities and/or BS Trading Agent on behalf of the Client (subject always to any capital reorganization which may have occurred in the meantime) and BS Securities shall not be bound to deliver or return such original document evidencing such Securities or the Securities being identical with such Securities in terms of number, class, denomination, nominal amount and rights attached thereto.

10.6 Where Securities listed in a Foreign Stock Exchange are accepted in Foreign Jurisdictions restricting foreign ownership of Securities, BS Securities and/or BS Trading Agent shall have no duty to ascertain the nationality of owner of Securities or whether the Securities deposited are approved for foreign ownership unless specifically instructed by the Client.

10.7 The obligations of BS Securities and/or BS Trading Agent in Clause 10.4 shall be subject to the other provisions of the Agreement and to the right of BS Securities to require that prior to any withdrawal by the Client, the Client discharges in full all the Liabilities. BS Securities may, without notice to the Client, discharge any or all the Liabilities out of monies standing to the credit of the Securities Account or any Account prior to implementing any registration or transfer pursuant to Clause 10.4 or otherwise may require payment thereof to be made by the Client prior to implementing any registration or transfer pursuant to Clause 10.4.

10.8 The Client hereby expressly waives any or all rights attached to the Client's Securities, including any rights issues, take-over offers, capitalisation issues, exercises of conversion or redemption or subscription rights, voting rights.

10.9 BS Securities will pay all dividends, distributions, interest, coupons or benefits relating to Securities of the Client into the Securities Account within such period as may be determined by BS Securities. If the Securities in respect of which the dividend, distribution, interest, coupons or other benefit accrues form part of a larger holding of identical Securities held by BS Securities for other clients, then the Client shall be entitled to the share and proportion of such dividend, distribution, interest, coupons or benefit arising on the larger holding as equals the share or proportion of the Client's holding of Securities to the total larger holding of those Securities.

10.10 The Client hereby authorizes BS Securities, its nominee or BS Trading Agent to take all such actions as may be required to comply with applicable laws, Clearing Rules, and regulations and rules of Exchanges. The Client acknowledges that BS Securities, its nominee and BS Trading Agent shall not be liable in respect of any call, instalment or other payment in relation to Securities held by BS Securities, its nominee or BS Trading Agent in the Securities Account.

10.11 BS Securities, its nominee or BS Trading Agent shall levy charges as determined by BS Securities, its nominee or BS Trading Agent from time to time for BS Securities', its nominee's or BS Trading Agent's custodian services together with all costs, expenses and disbursements incurred by BS Securities, its nominee or BS Trading Agent in connection with the custodian service provided hereunder. Such charges, costs, expenses and disbursements may be deducted by BS Securities from the Securities Account or any Account.

10.12 BS Securities shall provide the Client with statements of the Securities Account on a monthly basis or at such intervals as BS Securities shall decide in its absolute discretion. The Client agrees that the Client must examine and verify such statements and will inform BS Securities of any mistake, omission, disagreement or unauthorized Transactions within four (4) days from the date the said statement was sent. If the Client fails to do so, the Client shall not be entitled to dispute any Transactions or entry recorded in such statements and accepts such statements as final and conclusive and the same shall be binding on the Client for all purposes. Likewise, Confirmations and all other documents relating to the Securities Account shall be conclusive of

the matters stated therein and shall be deemed to have been accepted by the Client if not objected to in writing by the Client within four (4) days from the date the said documents were sent.

10.13 BS Securities shall issue to the Client contract notes and authorized documents as evidence of execution of Transactions on behalf of the Client. Where several documents relating to a series of Transactions are involved, these will normally be held until the series is completed, when they will be forwarded to the Client.

10.14 Any notice to be given by the Client pursuant to Clause 30.1 shall specify the names of the persons to whom BS Securities shall deliver the Securities or monies in the Securities Account. If notice of termination is given by BS Securities, the Client shall, within two (2) Business Days or such longer period as BS Securities may agree following the giving of such notice, deliver to BS Securities a written notice specifying the names of the persons to whom BS Securities shall deliver the Securities or monies in the Securities Account. In either case, BS Securities shall deliver such Securities and monies to the persons so specified, after deducting therefrom all Liabilities. If after two (2) Business Days or such longer period as BS Securities may agree following the giving of a notice of termination by BS Securities, BS Securities does not receive from the Client any written notice as aforesaid, BS Securities shall continue to hold such Securities and monies until a written notice as aforesaid is delivered to BS Securities, but without being subject to the obligations imposed on BS Securities hereunder and the Client is liable for all costs, expenses, fees and charges as imposed by BS Securities for such purpose until actual delivery of the Securities and monies to the Client or other person specified by the Client.

10.15 Without prejudice to the rights and powers conferred to BS Securities under the Agreement and/or the Loan Agreement (if any), BS Securities shall not, without the Client's prior written consent, deposit any of the Client's Securities as security for loans or advances or lend or otherwise part with the possession of any such Securities for any purpose.

11. **Tax**

11.1 The Client hereby authorize BS Securities or BS Trading Agent to take and do all necessary actions as may be required to comply with applicable rules, regulations, laws in Hong Kong and/or Foreign Jurisdictions (as the case may be) in respect of the tax, duties, levy, charges arising out of or in connection with any Transaction and/or Securities purchased or held by the Client, including filing of returns, forms and/or other documents as may be required by the relevant authority or department in Hong Kong and/or Foreign Jurisdictions, and withholding and/or making payment of payable tax, duties, levies or charges. The Client acknowledges that BS Securities shall withhold and/or deduct such payment from any Account.

11.2 The Client shall at its own costs furnish all necessary documents and/or information to BS Securities and/or BS Trading Agent for facilitating BS Securities and/or BS Trading Agent to take or do all necessary actions as stipulated in Clause 11.1 and execute such returns, forms and/or other documents as may be required by the relevant authority or department in Hong Kong and/or Foreign Jurisdictions (as the case may be) upon the request of BS Securities.

11.3 The Client acknowledges and accepts that neither BS Securities nor BS Trading Agent shall be responsible for advising or reminding the Client the due date for payment of tax, duties, levy or charges and/or giving any advice on the tax, duties, levy or charges payable by the Client. The Client further agrees that neither BS Securities nor BS Trading Agent shall be in any way liable for any penalty or charges levied on the Client for late payment of tax, duties, levy or charges where such late payment is due to or in connection with the default or negligence of the Client. The Client shall fully indemnify and keep BS Securities and BS Trading Agent indemnified on a full indemnity basis against all reasonable costs and expenses which BS Securities and/or BS Trading Agent may reasonably incur in making the necessary arrangement for such late payment.

11.4 If at any time BS Securities considers that it may be required to make a deduction or withholding (the "**Authorized Withholding or Deduction**") for or on account of tax imposed under, pursuant or incidental to any foreign laws and regulation including but not limited to the Foreign Account Tax Compliance Act, US Internal Revenue Code of 1986, the United States Treasury Regulations or other guidance issued under the foregoing, any associated intergovernmental agreement, any similar or associated non-US Law or any agreement, undertaking or obligations, or any policies or directions (whether having the force of law or otherwise) that BS Securities enters into or have undertaken or is accustomed to comply with or in respect of any supranational, governmental, quasi-governmental, regulatory, administrative, law enforcement or supervisory body, entity, department, office, institution, agency, stock exchange, clearing house, banking commission, tax authority, or any other authority, body, entity, department, office or institution or court or tribunal of any competent jurisdiction, (each an "**Authority**") or pursuant to any or more of the foregoing (such foreign laws and regulations, agreements, undertakings, obligations, policies or directions are referred to as "**Applicable Laws**") as a result of the Client's status or otherwise under and/or arising by reason of US tax laws and regulations, BS Securities is entitled to and the Client hereby expressly authorizes BS Securities to make such Authorized Withholding or Deduction in respect of any sum payable by BS Securities to the Client, so that any payment to the Client will be made net of Authorized Withholding and Deduction, and to pay any such Authorized Withholding and Deduction as may be necessary to any Authority (including United States Internal Revenue Service ("**IRS**")), or any other person on behalf thereof. If the Client is required by any Applicable Laws to make the Authorized Withholding or Deduction, the Client shall promptly pay to BS Securities such additional amount as will result in the net amount receivable by BS Securities being equal to the full amount which would have been receivable had there been no such Authorized Withholding and Deduction.

11.5 The Client agrees and expressly consents that BS Securities may gather, store, use, process, disclose, provide,

divulge and report to the IRS, any Authority or any other person such information, document and record (including any information, document and record relating to any of the Account(s) and any transaction or dealing with the Client and the personal data of any person who is a direct or indirect beneficial owner, beneficiary or controlling person of the Account(s) or the Client) which BS Securities considers may be required, necessary or helpful for BS Securities to comply with or subject to under the Applicable Laws whether as a result of the Client's US tax status or the status of any beneficial owner of the Account(s) or the Client or otherwise.

11.6 The Client agrees to provide BS Securities as soon as possible, upon BS Securities' request, with:

(a) any documentation or information relating to the Client's identity and tax status and that of any person who is a direct or indirect beneficial owner, beneficiary or controlling person of the Client (including IRS Forms W-9, W-8BEN and W-8IMY or any other forms from time to time prescribed by the IRS or any Authority);

(b) any documentation or information relating to the direct or indirect ownership or holding of any of the Account(s) or any product, service, assistance or support whatsoever provided by BS Securities to the Client from time to time; and

(c) such written consents and waivers of applicable data protection legislation or other rules or regulations in a form provided or approved by BS Securities from the Client's direct and indirect beneficial owners for the purpose of permitting BS Securities to take the actions set forth in Clause 11.5.

11.7 The Client agrees to inform BS Securities as soon as possible, if any of the foregoing information (including information contained in the documentation and forms described above) changes or is inaccurate, and to provide BS Securities with updated documentation, forms and information.

11.8 If the Client fails to provide BS Securities with the information, documentation, forms, consents or waivers as described in Clause 11.6 and 11.7 above in a timely and accurate fashion, BS Securities shall be entitled to reach whatever conclusions it considers to be appropriate as to the status of any Account(s) or product, service, assistance or support whatsoever provided by BS Securities to the Client from time to time and the conclusion so reached shall be final and binding on the Client.

11.9 BS Securities may at any time terminate any of the Account(s) without notice or assigning any reason if BS Securities determines that it is illegal, unlawful or prohibited by the Applicable Laws or is restricted by any economic trade sanctions imposed by any Authority to maintain such Account(s). In such event, BS Securities shall be entitled to hold any credit balance (less any Authorized Withdrawal and Deduction) in such Account(s) in a non-interest bearing suspense account pending withdrawal by the Client.

11.10 The Client hereby unconditionally and absolutely relinquishes and exonerates BS Securities from any liability, claims and demands as a result of or arising from the bona fide exercise of any of the rights or the taking of any steps by BS Securities under this Clause. Without prejudice to any other indemnity provided by the Client to BS Securities under the Agreement or any other agreement with BS Securities, the Client further agrees to indemnify BS Securities against any liabilities, claims, demands, losses, costs, charges and expenses of any kind which BS Securities may suffer or incur as a result of the Client providing misleading information, document or records for the purpose of BS Securities' compliance with the Applicable Laws.

12. **Charges and Expenses**

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

12.2 Without prejudice to BS Securities' right to terminate the Securities Account in accordance with Clause 30, BS Securities may charge a monthly maintenance fee to be notified by BS Securities to the Client on any dormant Account if the Client has no trading activity for six months or more. Payment of such fees (if any) will be automatically deducted from the Securities Account or any Account.

12.3 The Client shall be liable on a full indemnity basis for all fees and expenses of any brokers, agents and nominees including BS Securities' nominee engaged in respect of the Securities Account, all applicable levies and/or fees imposed by any relevant Clearing System or Market and other handling costs or expenses incurred in respect of or connected with Transactions, the Securities Account or any receivables or monies held in or for the account of the Securities Account, services rendered to the Client or otherwise.

12.4 BS Securities may, at its option, withdraw cash from any Account to pay any amounts due to BS Securities under the Agreement.

12.5 The Client agrees and authorizes BS Securities to accept from any brokers and dealers engaged in Transactions for the account of the Client any rebate or reallowance or soft commission as may be authorized from time to time by the Hong Kong Association of Brokers and/or the rules of any applicable Markets and

Clearing Systems on and through which such Transactions are executed and settled provided always that: -

(a) BS Securities and/or its nominee may enter into soft commission arrangements with brokers through which Transactions are executed for the Client. BS Securities and/or its nominee will enter into such an arrangement only where the goods or services are of demonstrable benefit to the clients of BS Securities and/or its nominee as applicable. In allocating business to the broker concerned BS Securities and/or its nominee is under an obligation to ensure that the quality of Transaction execution is consistent with best execution standards and that brokerage rates are not in excess of customary full-service rates. For this purpose, such goods and services may include: research and advisory services; economic and political analysis; portfolio analysis, including valuation and performance measurement; market analysis, data and quotation services; computer hardware and software incidental to the above goods and services; clearing and custodian services and investment-related publications; and

(b) BS Securities and/or its nominee may receive cash or money rebates on Transactions executed for the Client's account. Such rebates will be retained by BS Securities and/or its nominee for their own account absolutely without prior disclosure to Client. If BS Securities and/or its nominee retains such rebates it is under an obligation to ensure that brokerage rates are not in excess of customary full service rates.

13. **Client's Money**

13.1 BS Securities shall be entitled to deposit all moneys or funds held in the Securities Account and all moneys received for or on account of the Client with one or more accounts at one or more licensed banks. Unless otherwise agreed between the Client and BS Securities, any interest accrued on such moneys or funds shall belong to BS Securities absolutely. The Client hereby expressly waives any or all rights, claims and entitlements whatsoever to such interest.

13.2 For Transactions executed in a Foreign Jurisdiction, the Client hereby authorizes and directs BS Securities to pay into any trust account maintained by BS Securities with any financial institution, which may or may not be a licenced bank, all amounts (less all brokerage and other proper charges accruing thereon) from time to time received by BS Securities for and on behalf of the Client from such Transactions, notwithstanding that any such amounts may be reinvested for or on behalf of the Client.

14. **Disclosure**

14.1 The Client shall immediately on demand supply to BS Securities such financial or other information relating to the Client as BS Securities may, in its absolute discretion and without giving any reason therefrom, require.

14.2 The Client acknowledges that the Market Rules may contain provisions requiring BS Securities upon the request of such Market or in certain circumstances to disclose the name, beneficial identity of the Client and such other information concerning the Client as such Market may require. The Client shall immediately on demand supply to BS Securities the name, the beneficial identity of the Client and such information concerning the Client as BS Securities may require in order for BS Securities to comply with the rules and regulations of such Market. The Client agrees that in the event BS Securities fails to comply with such disclosure requirement, the relevant authority 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.

14.3 BS Securities and the Client hereby agree that this Clause shall continue in effect notwithstanding the termination of this Agreement.

15. **Lien**

15.1 Without prejudice and in addition to any general lien, right of set-off or other similar right to which BS Securities may be entitled by laws, the Client agrees, accepts and declares that: -

(a) all Securities (and all the Client's interest, title, rights, powers, benefits thereto, thereof and therein) which are now or will in future be deposited with, held in or transferred into the Securities Account and any other Account(s) by, for or attributable to the Client for any purpose whatsoever, and/or which are or will be deposited with or transferred to BS Securities by, for or attributable to the Client for any purpose whatsoever, and/or which have been or will be purchased, acquired or held by BS Securities on behalf of the Client for any purpose whatsoever all respectively together with all further or other Securities in substitution therefor or in addition thereto, all accretions thereto, all interest, rights, moneys, dividends, distributions paid, payable, accrued thereon and derived therefrom, all proceeds of sale thereof, and all moneys or funds received in connection with transfer, disposal or trading thereof; and

(b) all the Client's properties, assets, moneys, funds, receivables, sums, title, interests, powers, options, benefits and rights of, to and in the Securities Account and any other Account(s);

((a) and (b) above are collectively referred to as the "**Retained Properties**") are subject to a lien in favour of all the BS Group Companies as continuing security (the "**Lien**") for : (i) the due and punctual performance and fulfillment of all obligations or Liabilities of the Client under the Agreement, and (ii) the payment, repayment, satisfaction and/or discharge on demand of the moneys, funds, indebtedness, obligations and Liabilities (whether past, present or future, or whether absolute or contingent) which are now or at any time hereafter shall be due, owing or incurred from or by the Client or the Client Group Company to or in favour of BS Securities and/or any of the BS Group Companies under or pursuant to the Agreement, the Loan

Agreement, other agreement with any of the BS Group Companies or any other agreement or document, or on any account or in any manner whatsoever (whether alone or jointly with any other person and in whatever name, style or firm) together with interest thereon and legal costs and expenses of BS Securities and/or any of the BS Group Companies.

15.2 The Client shall not, without BS Securities' prior written consent, assign, transfer, mortgage, pledge, charge, or create or permit to arise or exist any lien, security or other form of Encumbrances of any nature on or over his right, title, interest and claim in or to any investment products held by BS Securities for the account of the Client.

15.3 At any time as BS Securities shall determine appropriate and/or upon the occurrence (in the sole and subjective judgment of BS Securities) of any Event of Default, the Lien shall be immediately enforceable and BS Securities, without prejudice to any of the rights or powers of BS Securities under the Agreement, the Loan Agreement or other documents, shall have the right, without notice to the Client, to: (a) appropriate, pay, deduct, transfer or set-off the whole or any part of any funds or moneys comprised in the Retained Properties at any time and from time to time in or towards payment, satisfaction or discharge of any money, fund, indebtedness, obligation or liability secured by the Lien, and/or (b) sell, dispose of, liquidate, transfer, trade or deal with (and BS Securities is authorized to do all such things necessary in connection with such sale, disposal, liquidation, transfer, trading or dealing) the Retained Properties or any part thereof (to be selected by BS Securities in its absolute discretion) at any time and from time to time either together or in parcels and either by dealings at any broker's board through any Market or by public or private means or in such other manner and for such consideration (whether payable or deliverable immediately or by instalments and whether for cash or other valuable consideration or both) and on such terms and conditions as BS Securities shall think fit in its absolute discretion without being in any way liable to the Client for any loss occasioned thereby however arising. Without limiting the generality of the foregoing, BS Securities is hereby specifically authorized to dispose of, liquidate, transfer, trade and/or deal with the Securities Account and all Securities comprised in the Retained Properties or held in the Securities Account without notice to the Client.

15.4 In any sale, disposal, liquidation, transfer, trading or dealing pursuant to this Clause or the Agreement, if less than all the Retained Properties are to be sold, disposed of, liquidated or transferred, BS Securities shall in its absolute discretion select which part of the Retained Properties are to be sold, disposed of, liquidated, transferred, traded or dealt with at any time and from time to time.

15.5 The Client agrees that BS Securities shall have the full and absolute right and discretion to determine at what time and day to exercise or enforce its right and power to carry out or execute the sale, disposal, appropriation, liquidation, transfer, trading or dealing pursuant to this Clause or the Agreement. The Client shall not have any right to claim against BS Securities in respect of any loss arising out of any sale, disposal, appropriation, liquidation, transfer, trading or dealing pursuant to the Agreement, howsoever such loss may have been caused, and whether or not a better price or position could or might have been obtained on the sale, disposal, appropriation, liquidation, transfer, trading or dealing of any of the Retained Properties by either deferring or advancing the time or date of such sale, disposal, appropriation, liquidation, transfer, trading or dealing or otherwise howsoever.

16. **Client's Representations, Undertakings and Warranties**

16.1 The Client represents and warrants that he is not an officer or employee of the SFC, any Clearing House, Market, Exchange, board of trade, 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 BS Securities) employed by a member of any Exchange or by a firm registered on any Exchange.

16.2 The Client represents and warrants that for so long as the Client maintains the Securities Account and on the giving of each Instruction: -

(a) the Client will be the ultimate originator of all Transactions and is dealing on its own account as beneficial owner of the relevant Securities and the Securities Account and that no one other than the Client has any interest in the relevant Securities in or held for the Securities Account;
(b) the information provided in the Account Opening Form is true, complete and correct;
(c) the Client has or will have good and unencumbered title as beneficial owner to all Securities which the Client instructs BS Securities to sell or otherwise dispose of for the Securities Account in accordance with the Agreement and undertakes to deliver such Securities in time for BS Securities to comply with the rules of the relevant Exchange applicable thereto;
(d) all necessary consents, approvals or authorisations which may be required for the execution of the Agreement and for the carrying out of any Transaction on any Market have been obtained and are in full force and effect;
(e) the Client has the authority and power and legal capacity to open the Securities Account and to perform its obligations under the Agreement and the Agreement constitute valid and legally binding obligations of the Client;
(f) the Client in entering into this Agreement does not and will not violate or exceed any borrowing or similar limit or other power or restriction granted or imposed by any law to the Client;
(g) the Agreement, when signed / executed by the Client, will constitute legal, valid and binding obligations of the Client in accordance with the terms therein;
(h) all written or oral answers to any questionnaire completed by the Client or any other person or other information provided to BS Securities or any of the BS Group Companies are true, accurate and complete, and all the BS Group Companies are entitled to rely on such information;
(i) the Client will forthwith notify BS Securities in writing of any change (material or not) in any of

the aforesaid information and such change shall only take effect after receipt of such notice by BS Securities;

(j) the Client has determined that trading in Securities is appropriate for the Client, is prudent in all respects, and does not and will not violate any statue, rule, regulation, judgment, or decree, agreement or undertaking to which the Client is subject or bound;

(k) the Client is not carrying on any money laundering or terrorist activities. The Transactions are not relating to or in connection with any money laundering or terrorist activities. The moneys, investment or Securities, property and assets in the Securities Account does not arise out of, relating to or in connection with money laundering or terrorists activities; and

(l) the Client is not a U.S. person and will not acquire or hold Securities beneficially owned by or for a U.S. person or in violation of any applicable law.

16.3 The Client represents and warrants that the information provided in any completed Account Opening Form is complete and accurate and that BS Securities may rely on information provided in the Account Opening Form until BS Securities has received written notice from the Client of any changes therein. The Client shall promptly notify BS Securities in writing of any material changes in the information provided pursuant to the Agreement or any agreement entered into pursuant to the Agreement or relating to the Securities Account.

16.4 The Client undertakes to BS Securities to do or execute any act, deed, document or thing which BS Securities requires the Client to do being in the reasonable opinion of BS Securities necessary or desirable in connection with the implementation and enforcement of the Agreement including the execution by the Client of an irrevocable power of attorney appointing BS Securities as the lawful attorney of the Client to do and execute all such acts, deeds, documents or things on behalf of the Client as BS Securities considers necessary or desirable in connection with such implementation and enforcement.

16.5 The Client agrees to do such acts and things and to execute such documents as are necessary or are in the reasonable opinion of BS Securities desirable to ratify or confirm anything done by BS Securities, its nominee, subsidiary or associated company, or any other entity instructed by any of them in the proper exercise of any right or power conferred by the Agreement or any agreement entered into pursuant to the Agreement or relating to the Securities Account.

16.6 If the Client is a corporation, the Client represents, warrants and undertakes with BS Securities that: -

(a) the Client is duly incorporated, validly existing and in good standing under the laws of its place of incorporation and has full power and authority to conduct the business and operations which it now conducts or proposes to conduct, and the business under the Agreement, and to own, acquire or hold Securities, property and assets;

(b) the Client has full power and authority to enter into, sign and execute the Agreement, to perform and fulfill its duties and obligations under the Agreement, and to carry out any Transaction on any Market under the terms of the constitutional document(s) by which the Client is established or constituted;

(c) the specimen signature(s) on the Account Opening Form is/are the genuine signature(s) of the authorized signatory(ies) whom is/are duly authorized by the board of directors of the Client, and that BS Securities shall dispense with making enquiries, verification or investigation in relation to the authorization of such signature(s);

(d) all necessary corporate and other action have been taken, and all necessary shareholder and other consent have been given to authorize the entering, signing, execution, performance and fulfillment of the Agreement. The Agreement when signed or executed by the Client will constitute valid and legally binding obligations of the Client;

(e) the Client is not carrying on any money laundering or terrorist activities. The Transactions are not relating to or in connection with any money laundering or terrorist activities. The moneys, investment, Securities, property and assets in the Securities Account does not arise out of, relating to or in connection with money laundering or terrorists activities;

(f) the financial statement and accounts of the Client supplied to BS Securities have been prepared in accordance with accounting policies consistently applied, and present a true, fair and accurate view on the operation of the Client for the relevant accounting period and the financial position of the Client at the end of such accounting period;

(g) the certified copy resolutions provided by the Client to BS Securities with the Agreement were duly passed at a meeting of its directors duly convened and held on or prior to the date hereof in accordance with its constitutional documents and were entered in its minutes book and are in full force and effect; and

(h) the Client shall absolve and exonerate BS Securities from all blames and liabilities and shall indemnify BS Securities against all losses, damages, liabilities, claims, demands and costs arising out or in respect or as a result of BS Securities agreeing to accept and act on the said resolutions as effectively and duly passed and the said signature(s) as genuine and to dispense with making enquiries in relation thereto.

16.7 Where the Client effects Transactions for the account of its clients, whether on a discretionary or non-discretionary basis, and whether as agent or by entering into matching Transactions as principal with its clients, the Client hereby agrees that where BS Securities has received an enquiry from the Hong Kong Regulators, the following provisions shall apply: -

(a) subject as provided below, the Client shall, immediately upon request from BS Securities (which request shall include the relevant contact details of the Hong Kong Regulators), inform the Hong Kong Regulators (i) the information on the identity, address, occupation, contact and other details

of its client for whose account the Transaction was effected; (ii) the person or entity (legal or otherwise) ultimately responsible for originating the Instruction to effect the relevant Transaction; and (iii) the person or entity (legal or otherwise) that stands to gain the commercial or economic benefit of the relevant Transaction and/or bear its commercial or economic risk;

(b) if the Client effects the Transaction for a collective investment scheme, discretionary account or discretionary trust, the Client shall immediately upon request from BS Securities (which request shall include the relevant contact details of the Hong Kong Regulators), inform the Hong Kong Regulators of the name of the relevant scheme, account or trust and, if applicable, the identity, address, occupation, contact and other details of the person who, on behalf of the scheme, account or trust, ultimately originates the Instruction to effect the relevant Transaction;

(c) if the Client is acting as an investment manager for any collective investment schemes, discretionary accounts or trusts, the Client shall immediately inform BS Securities when any Transactions in which the Client's investment discretion to invest on behalf of the scheme, account or trust is overridden. In the case where the Client's investment discretion is overridden, the Client shall immediately upon request by BS Securities (which request shall include the relevant contact details of the Hong Kong Regulators) inform the Hong Kong Regulators of the identity, address, occupation and contact details of the person(s) who has or have ultimately originated the Instruction to effect the 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, address, occupation and contact details of the underlying clients for whom the Transaction was effected, the Client confirms that: -

(i) it has arrangements in place with its client which entitle the Client to obtain the information set out in paragraphs (a), (b) and/or (c) above from its client immediately upon request or procure that it be so obtained; and

(ii) it will, on request from BS Securities in relation to a Transaction, promptly request the information set out in paragraphs (a), (b) and/or (c) above from its client on whose instructions the Transaction was effected, and provide the information to the Hong Kong Regulators as soon as it received from its client or procure that it be so provided;

(e) the Client confirms that, where necessary, it has obtained all relevant consents or waivers from its clients, collective investment schemes, discretionary accounts or discretionary trusts for whose account Transactions may be effected and (where appropriate) complied with the requirements of the Personal Data (Privacy) Ordinance (Cap. 486 of the Laws of Hong Kong) such that it is able to release information to the Hong Kong Regulators of the identity and contact details of such clients, collective investment schemes, discretionary accounts or discretionary trusts, and of the person(s) with the ultimate beneficial interest in any such Transaction, and (if different from the Client/ultimate beneficiary) of the person(s) who originated the Transaction;

(f) the Client agrees and undertakes to provide the client identity information set out in paragraphs (a), (b) and/or (c) above direct to the Hong Kong Regulators within two (2) Business Days of written request from BS Securities (which request shall include the relevant contact details of the Hong Kong Regulators);

(g) for any intermediary in a jurisdiction with client secrecy laws, the Client confirms that agreements have been entered into by the Client's ultimate clients that waive the benefit of the secrecy laws in respect of providing the client identity information to the Hong Kong Regulators; and such agreements are binding under the relevant law; and

(h) BS Securities and the Client hereby agree that the provisions of this Clause shall continue in effect notwithstanding the termination of the Agreement.

16.8 Where the Client effects Transactions for the account of its clients, whether on a discretionary or non-discretionary basis, and whether as agent or by entering into matching Transactions as principal with its clients, the Client hereby agrees that where BS Securities has received an enquiry from the Foreign Regulators, the following provisions shall apply: -

(a) subject as provided below, the Client shall, immediately upon request from BS Securities (which request shall include the relevant contact details of the Foreign Regulators), inform the Foreign Regulators (i) the information on the identity, address, occupation, contact and other details of its client for whose account the Transaction was effected; (ii) the person or entity (legal or otherwise) ultimately responsible for originating the Instruction to effect the relevant Transaction; and (iii) the person or entity (legal or otherwise) that stands to gain the commercial or economic benefit of the relevant Transaction and/or bear its commercial or economic risk;

(b) if the Client effects the Transaction for a collective investment scheme, discretionary account or discretionary trust, the Client shall immediately upon request from BS Securities (which request shall include the relevant contact details of the Foreign Regulators), inform the Foreign Regulators of the name of the relevant scheme, account or trust and, if applicable, the identity, address, occupation, contact and other details of the person who, on behalf of the scheme, account or trust, ultimately originates the Instruction to effect the relevant Transaction;

(c) if the Client is acting as an investment manager for any collective investment schemes, discretionary accounts or trusts, the Client shall immediately inform BS Securities when any Transactions in which the Client's investment discretion to invest on behalf of the scheme, account or trust is overridden. In the case where the Client's investment discretion is overridden, the Client shall immediately upon request by BS Securities (which request shall include the relevant contact details of the Foreign Regulators) inform the Foreign Regulators of the identity, address, occupation and contact details of the person(s) who has or have ultimately originated the Instruction to effect the 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, address, occupation and contact details of the underlying clients for whom the Transaction was effected, the Client confirms that: -

(i) it has arrangements in place with its client which entitle the Client to obtain the information set out in paragraphs (a), (b) and/or (c) above from its client immediately upon request or procure that it be so obtained; and

(ii) it will, on request from BS Securities in relation to a Transaction, promptly request the information set out in paragraphs (a), (b) and/or (c) above from its client on whose instructions the Transaction was effected, and provide the information to the Foreign Regulators as soon as it received from its client or procure that it be so provided;

(e) the Client confirms that, where necessary, it has obtained all relevant consents or waivers from its clients, collective investment schemes, discretionary accounts or discretionary trusts for whose account Transactions may be effected and (where appropriate) complied with the requirements or regulations for protecting the privacy of personal data such that it is able to release information to the Foreign Regulators of the identity and contact details of such clients, collective investment schemes, discretionary accounts or discretionary trusts, and of the person(s) with the ultimate beneficial interest in any such Transaction, and (if different from the Client/ultimate beneficiary) of the person(s) who originated the Transaction;

(f) the Client agrees and undertakes to provide the client identity information set out in paragraphs (a), (b) and/or (c) above direct to the Foreign Regulators within two (2) Business Days of written request from BS Securities (which request shall include the relevant contact details of the Foreign Regulators);

(g) for any intermediary in a jurisdiction with client secrecy laws, the Client confirms that agreements have been entered into by the Client's ultimate clients that waive the benefit of the secrecy laws in respect of providing the client identity information to the Foreign Regulators; and such agreements are binding under the relevant law; and

(h) BS Securities and the Client hereby agree that the provisions of this Clause shall continue in effect notwithstanding the termination of the Agreement.

16.9 The Client agrees and undertakes to report any loss or theft of the Client's user name, password and/or biometric authentication data, or any unauthorized access to the Securities Account immediately.

17. **Default**

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

(a) at any time when BS Securities shall, in its sole discretion, consider it necessary for the protection of BS Securities or any of the BS Group Companies;

(b) the Client fails or refuses to pay or settle any outstanding amount, money, fund, purchase price or other payment becoming due or payable under the Agreement or any other agreement with any of the BS Group Companies;

(c) the Client fails or refuses to settle or pay any outstanding amount, money or Deficit on any of the Account(s);

(d) the Client violates or fails to perform on a timely basis any term, undertaking, agreement, covenant or condition on its part to be performed under the Agreement;

(e) the Client fails to submit to BS Securities any documents or deliver any Securities to BS Securities, when called upon to do so or on the due date;

(f) the Client fails to observe any by-laws, rules and regulations of the appropriate Market or Clearing House;

(g) the Client fails or refuses to discharge, pay, satisfy or perform any of the Client's obligations, indebtedness or Liabilities under the Agreement or any other agreement with any of the BS Group Companies;

(h) breach, refusal, failure or default of or by the Client in complying with, fulfilling, performing or observing any terms or conditions of the Agreement or any other agreement with any of the BS Group Companies;

(i) any representation or warranty made in the Agreement or in any document delivered to BS Securities or any of the BS Group Companies being or becoming incomplete, untrue or incorrect;

(j) any consent or authorization required by the Client to enter into the Agreement being wholly or partly revoked, suspended, terminated or ceasing to remain in full force and effect;

(k) the filing or commencement of a petition or application in bankruptcy, liquidation or winding up, petition or application for the appointment of a receiver, or the commencement of other similar proceedings against the Client;

(l) the Lien or any security created or any part thereof respectively in relation to the Client's obligations, indebtedness or Liabilities under the Agreement and/or the Loan Agreement being avoided or discontinued;

(m) any deterioration or impairment (in BS Securities' opinion) or any decline or depreciation (in BS Securities' opinion) in the value or market price (whether actual or reasonably anticipated) of the Retained Properties or any security or any part thereof respectively;

(n) the levying of attachment or charge against the Securities Account or any Account;

(o) any third party asserts a claim, right or interest in respect of any moneys or funds in the Securities Account or any Account;

(p) the Client takes advantage of any bankruptcy, liquidation, reorganization, moratorium, insolvency or similar law or makes or proposes to make any arrangements or compositions for the benefit of any of the Client's creditors, or is the subject of any order, judgment or decree entered by any court providing for the winding up, reorganization, liquidation or appointment of a liquidator, trustee in

bankruptcy or receiver of the Client or a substantial part of the Client's business or assets;

(q) the Client becomes insolvent or dissolved for any reason whatsoever, merges or becomes consolidated with any non-affiliated party, or sells all or a substantial portion of the Client's business or assets;

(r) the death, liquidation or judicial declaration of incompetence of the Client;

(s) any action or proceeding is commenced or any claim or demand is made by any person against the Client in connection with any matter herein contained or the Retained Properties or any part thereof or against BS Securities in connection with any matter herein contained or the Retained Properties or any part thereof;

(t) any adverse change (in the sole and subjective opinion of BS Securities) in the corporate structure, business, assets, financial condition, and general condition or prospects of the Client;

(u) at any time when BS Securities and/or BS Trading Agent and/or any of the BS Group Companies is or becomes under any obligation imposed by any relevant Exchange and/or Market and/or Clearing House and/or broker or any applicable laws, rules and regulations to do any of the acts mentioned in this Clause; and

(v) the occurrence of any event which, in the sole and subjective opinion of BS Securities, may or shall jeopardize, prejudice or affect any of the rights, interests or benefits of BS Securities or any of the BS Group Companies.

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

(a) satisfy any obligations the Client may have to BS Securities (either directly or by way of guarantee or other security) by selling, realizing or otherwise dealing with, in such manner as BS Securities in its absolute discretion may determine, all or part of any property or assets held by any of the BS Group Companies for any purpose in any of the Accounts, and to apply the proceeds in reduction of all or part of any Liabilities;

(b) take such action or do such act, matter or thing as it shall consider necessary or desirable to comply with or to perform, cancel or satisfy any obligations of BS Securities to the Client or any obligations of the Client and/or BS Securities and/or BS Trading Agent to the relevant Exchange and/or Market and/or Clearing House and/or broker, as the case may be, in respect of any outstanding Transaction;

(c) set-off, combine or consolidate any of the Accounts or any obligations of BS Securities to the Client under the Agreement against any obligations of the Client to BS Securities under the Agreement;

(d) suspend BS Securities' obligations to perform pursuant to the Agreement;

(e) revise, change, withdraw, stop or cancel the facilities, advances, credits or loans made or granted to the Client, or any part thereof respectively;

(f) enforce the Lien and/or the security constituted or created under and pursuant to the Loan Agreement;

(g) liquidate the Securities Account or any Account;

(h) where applicable, sell any Securities in the Securities Account and/or any Account;

(i) where applicable, buy Securities previously sold as a short sale in the Securities Account and/or any Account;

(j) liquidate or terminate any open contract held by BS Securities on behalf of the Client, and make or take delivery of the Securities in respect of such contract;

(k) borrow or purchase any Securities required to make delivery on behalf of the Client;

(l) exercise any options held by BS Securities on behalf of the Client;

(m) transfer in, transfer out, settle, clear all or any Securities;

(n) call upon or enforce any security which may have been issued, made or created in favour of BS Securities or any of the BS Group Companies as security for the Client's obligations, indebtedness or Liabilities under the Agreement;

(o) exercise any or all the rights and powers of BS Securities under the Agreement;

(p) cancel any or all outstanding instructions, orders or any other commitments made on behalf of the Client;

(q) take any actions, or do any acts, matters or things as authorized, instructed, directed, appointed or empowered under the Agreement;

(r) take such actions, or do such acts, matters or things as BS Securities shall think fit in relation to the Retained Properties; and/or

(s) take or not to take any actions, or do or not to do any acts, matters or things as BS Securities shall think fit.

17.3 Any sale, purchase, transfer, trading, disposal, dealing, settlement and/or clearing of any Securities and/or property and/or assets shall be made according to the judgment of and at the discretion of BS Securities. In all cases, a prior demand or call, or prior notice of the time or place of sale, purchase, transfer, trading, disposal, dealing, settlement and/or clearing shall not be considered as waiver of the right of BS Securities herein provided.

17.4 BS Securities may at its absolute discretion apply the net proceeds (after deduction of all fees, costs and expenses incurred in connection with the exercise of the powers conferred on BS Securities by this Clause) actually received by BS Securities pursuant to the exercise of powers under this Clause in reduction of the

Liabilities in such order or manner as BS Securities considers fit.

17.5 BS Securities shall have absolute discretion in all matters relating to the exercise of its rights under this Clause , and may sell any Securities on a single or collective basis. The Client hereby waives all claims and demands (if any) against BS Securities in respect of any loss, involuntary or otherwise, directly arising from the exercise by BS Securities of the powers conferred by this Clause, howsoever such loss may have been caused (other than through wilful default of BS Securities, or the reckless disregard of the obligations of BS Securities under this Clause), whether in relation to the timing or manner of the exercise of such powers or otherwise.

17.6 If an Event of Default (in the sole and subjective judgment of BS Securities) occurs, then the Agreement may be terminated by BS Securities forthwith without notice to the Client. Any such termination shall be without prejudice to the accrued rights and obligations of the Parties contained in any provision hereof which shall remain in full force and effect and shall be enforceable notwithstanding such termination.

17.7 The Client shall be liable for any Deficit that may exist after BS Securities has exercised any or any combination of rights in this Clause, and any cost or expense (including legal costs) incurred by BS Securities, on a full indemnity basis, related to such exercise.

17.8 On the exercise of the rights of BS Securities under this Clause, BS Securities shall not be obliged to deliver to the Client any Securities, property or assets, or any money or fund due to the Client until the Client's obligations, indebtedness and Liabilities under the Agreement have been fully paid, satisfied or discharged.

17.9 BS Securities shall be entitled at all times to employ debt collecting agent(s) to collect any sum due but unpaid by the Client hereunder and for doing so, BS Securities may and is hereby authorized to disclose to such agent(s) any or all information available in relation to the Client and BS Securities shall not be liable or responsible (whether in contract or tort) for such disclosure or for any default negligence act conduct misconduct and/or deeds of such agent(s). The Client is hereby warned that the Client shall indemnify and keep BS Securities indemnified on a full indemnity basis against all reasonable costs and expenses which BS Securities may reasonably incur in employing debt collecting agent(s).

18. Client's Responsibility for Disclosure of Interests

18.1 The Client's attention is drawn to the provisions of the SFO and the obligations therein to disclose certain shareholdings including corporate and family interests. Other disclosure obligations may arise under legislation of other jurisdictions or the rules and regulations of a Market.

18.2 BS Securities acts as a licensed corporation and is not responsible for advising the Client of any such obligations generally or any obligation that may arise from any Instruction or which has arisen as a result of any Transaction or from any holding or otherwise. Such obligations of disclosure are personal obligations of the Client. BS Securities shall not be obliged to give notice of holdings of the Client in any form or by any time limit for such purpose save any notice or statement to be issued as expressly set out in the Agreement. BS Securities shall not be liable for any loss, cost or expense of the Client from any failure or delay by the Client or any other person to disclose in accordance with any such obligation nor any delay or default in notification to the Client as to the carrying into effect of any Instructions and the Client shall indemnify BS Securities for any loss, cost or expense arising from any such failure, delay or default.

19. Trading Recommendation

19.1 The Client acknowledges and agrees that: (a) the Client assumes full responsibility for all trading decisions in the Securities Account and, unless BS Securities has expressly agreed otherwise, all trading, dealing or Transactions in the Securities Account, and BS Securities and/or BS Trading Agent is responsible only for the execution, clearing, and carrying out of the Instructions; (b) BS Securities has no responsibility or obligation regarding any conduct, action, representation or statement of any introducing firm, trading advisor or other third party in connection with the Securities Account or any trading, dealing or Transaction therein; and (c) any advice or information by BS Securities, its directors, employees or agents, whether or not solicited, is provided to the Client for the Client's information and reference only and shall not constitute an offer to enter into any Transaction or be taken by the Client or any person as soliciting the sale of or recommending any financial product to the Client and BS Securities shall be under no liability whatsoever in respect of such advice or information. "**Financial product**" in this Clause has the same meaning as ascribed to it under Clause 25.4.

20. Disclaimer

20.1 Neither BS Securities nor any of the BS Group Companies nor any of its directors, employees or agents shall have any liability whatsoever (whether in negligence or otherwise) for any direct, indirect or consequential loss, expense or damages suffered by the Client as a result of: -

(a) BS Securities and/or BS Trading Agent acting or relying on any Instruction whether or not such Instruction was given following any recommendation, advice or opinion given by BS Securities, BS Trading Agent and/or any of their respective directors, employees or agents; or

(b) BS Securities' and/or BS Trading Agent's delay or failure to perform or execute the Instruction or their respective obligations hereunder by the following reasons: (i) any disruption, breakdown, malfunction or failure of transmission, communication or computer facilities, (ii) any postal or other strikes or similar industrial action, (iii) any disruption, closure, breakdown or failure of any

relevant Exchange and/or Market and/or Clearing House and/or Clearing System and/or broker and/or any other person or firm or company whatsoever, (iv) any prevailing Market conditions, or (v) any action of government, governmental agency, any relevant Exchange, Market and/or Clearing House; or

(c) any default negligence act omission conduct misconduct breach and/or deeds of/by (i) BS Trading Agent; and (ii) executing brokers, agents, custodians, nominees, overseas brokers and dealers that are not branches or associates of BS Securities.

20.2 Without limiting the generality of Clause 20.1, neither BS Securities, any of the BS Group Companies nor any of their respective directors, employees or agents shall have any liability whatsoever for any direct, indirect or consequential loss, expense or damages suffered by the Client (including losses and liabilities resulting from Transactions executed by any brokers or dealers) unless due to fraud or wilful default on the part of BS Securities or any of the BS Group Companies.

21. **Client Information**

21.1 The Client shall provide such information as BS Securities may from time to time request, such information shall include without limitation financial data concerning the Client. Failure to supply such information may result in BS Securities being unable to open or continue the Securities Account or establish, continue or provide services in relation to the Transactions.

21.2 The Client authorizes BS Securities to disclose, provide or transmit to BS Trading Agent all or any part of the information provided by the Client to BS Securities for the purpose of effecting the relevant Transaction as instructed by the Client.

21.3 The Client agrees promptly (a) to furnish appropriate financial statements to BS Securities; (b) to disclose to BS Securities any material change in the financial position of the Client; (c) to furnish such other information concerning the Client as BS Securities may reasonably request; (d) to notify BS Securities in writing if any of the representations contained in the Agreement cease to be true, accurate and correct in any respects and (e) to notify BS Securities of the occurrence of any Event of Default upon its occurrence.

22. **Use of Client Information**

22.1 The Client acknowledges that the laws of the relevant jurisdictions, the applicable rules and regulations of any Market on which BS Securities or any of the BS Group Companies enters into Transactions with or for and on behalf of the Client may require the disclosure of information relating to the Client and/or the Accounts. The Client hereby irrevocably authorizes BS Securities and BS Group Companies, without notice or consent from the Client, to disclose to and provide the relevant authorities with all such information and documents of the Clients as may be required for such purpose, including without limitation, the name and identity of the Client or the ultimate beneficial owner of the Securities Accounts, and the financial position of the Client as may be known to BS Securities or BS Group Companies. The Client shall not hold BS Securities or BS Group Companies liable for any consequences arising from such disclosure, and the Client shall reimburse BS Securities and BS Group Companies on demand for all costs and expenses (including legal costs) incurred by BS Securities and BS Group Companies in complying with requests for such disclosure.

22.2 Without limiting the generality of Clause 22.1, the Client acknowledges and agrees that BS Securities may collect, store, process, use, disclose and transfer personal data relating to the Client (including the Client's CID (as defined in paragraph 5.6 of the Code) and BCAN(s) (as defined in paragraph 5.6 of the Code)) as required for BS Securities to provide services to the Client in relation to securities listed or traded on the SEHK, IPO application(s) and for complying with the rules and requirements of SEHK and 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.

(d) Providing BCAN to HKSCC allowing HKSCC to: (i) retrieve from SEHK (which is allowed to disclose and transfer to HKSCC), process and store Client's CID and transfer Client's CID to the issuer's share registrar to enable HKSCC and/or the issuer's share registrar to verify that Client has not made any duplicate applications for the relevant share subscription and to facilitate IPO balloting and IPO settlement; and (ii) process and store Client's CID and transfer Client's 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 Client's application for the relevant share subscription or any other purpose set out in the IPO issuer's prospectus.

The Client also agrees 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 BS Securities with the Client's personal data or consent as described above may mean that BS Securities 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 understands and confirms that the CID as maintained with BS Securities is provided in the following order of priority designated by the SFC: (1) HKID card (*mandatory document for Hong Kong residents); or (2) national identity document; or (3) passport.

The Client agrees to promptly notify BS Securities with the updated identity documents if there is any update of identity documents after the client's account has been opened (e.g. expiration of the identity document).

22.3 BS Securities will keep information relating to the Client and the Securities Account confidential, but is authorized to use such information for the following purposes including but not limited to: (a) the daily operation of the Securities Account and the services provided to the Client; (b) conducting credit enquiries on the Client; (c) ensuring ongoing credit worthiness of the Client; (d) designing and marketing services or related products; (e) collection of amounts outstanding from the Client and those providing security for the Client's obligations; (f) make disclosure under the requirements of any laws binding on BS Securities; and (g) purposes relating thereto. BS Securities may provide any such information to the following persons including but not limited to (i) its auditors, legal advisers, brokers or dealers instructed by BS Securities on behalf of the Client, (ii) the SEHK or any regulatory bodies, (iii) any Market in which Securities are traded for the Securities Account, (iv) any regulatory authority (including the Hong Kong Regulators and the Foreign Regulators) to comply with their requirements or requests for information, (v) any employee, agent, contractor, sub-contractor or third party service provider who provides administrative, telecommunications, computer, payment, clearing or other services to BS Securities in connection with the operation of its business; and (vi) any other person under a duty of confidentiality to BS Securities including but not limited to all the BS Group Companies which have undertaken to keep such information confidential. BS Securities shall not be liable in any way to the Client for any disclosure made pursuant to this Clause.

22.4 Where the Client is an individual, the Client agrees to be bound by BS Securities' "Notice to Clients relating to the Personal Data (Privacy) Ordinance", and to the use of his/her personal data in the manner specified in the said Notice.

22.5 Under and in accordance with the Personal Data (Privacy) Ordinance (Cap. 486 of the Laws of Hong Kong) any individual: (a) has the right to check whether BS Securities holds data about him and the right of access to such data; (b) has the right to require BS Securities to correct any data relating to him which is inaccurate; and (c) has the right to ascertain BS Securities' policies and practices in relation to data and to be informed of the kind of personal data held by BS Securities.

22.6 BS Securities may, whether during the continuance or after the termination of the Agreement, without notice to the Client, disclose to any of the BS Group Companies or any agent, or to any actual or proposed assignee or participant or sub-participant or transferee of any of BS Securities' rights or obligations under the Agreement, any information relating to the Client.

22.7 BS Securities or BS Group Companies intends to use and/or transfer the Client's data to BS Securities or any of the BS Group Companies for direct marketing purpose and BS Group Companies require the consent (including an indication of no objection) of the Client. For the aforesaid purpose, consent is hereby given by the Client on such use and transfer. The Client's name, contact details, financial background and statistical data held by BS Securities and BS Group Companies from time to time may be used by BS Securities or BS Group Companies in direct marketing of: (i) financial services and investment products; (ii) related promotional schemes; (iii) financial and investment advices; or (iv) promotional and marketing events of BS Group Companies for the aforesaid services or products until BS Securities or BS Group Companies receive Client's objection or requirement to cease such use or transfer through the prescribed channel.

23. **Liability and Indemnity**

23.1 The Client shall indemnify and keep indemnified BS Securities, all the BS Group Companies and their respective directors, officers, delegates, agents, employees, nominees, correspondents or representatives from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, legal expenses and other expenses or disbursements of any kind or nature whatsoever (other than those resulting from fraud or wilful default on the part of BS Securities) which may be imposed on, incurred by or asserted against BS Securities or any of the BS Group Companies (or any of their respective directors, officers, delegates, agents, employees, nominees, correspondents or representatives) directly or indirectly arising out of or in connection with:-

(a) the performance or exercise of their duties or discretion under the Agreement or arising out of or

in connection with the default or breach by the Client of any provision of the Agreement or any of the Client's obligations to BS Securities or any of the BS Group Companies, or any representation or warranty by the Client becoming untrue or inaccurate, including but not limited to any costs incurred by any of them in the collection of debts owed by the Client to any of them;

(b) anything done or omitted pursuant to any Instruction, anything lawfully done or omitted by BS Securities, any Transaction entered into by BS Securities on behalf of the Client, or any action by BS Securities in accordance with the Agreement;

(c) any act of omission of the Authorized Person; or

(d) a purchaser or any other person by reason of any defect in the title of the Client to the Securities.

23.2 The Client also agrees to pay promptly to BS Securities and all the BS Group Companies all damages, costs and expenses (including legal costs and expenses on a full indemnity basis) incurred by BS Securities or any of the BS Group Companies in the enforcement of any of the provisions of the Agreement.

24. **BS Securities' Interests**

24.1 The Client acknowledges and agrees that when BS Securities effects any Transaction for the Client, BS Securities, its nominees, subsidiaries or associated companies, any of the BS Group Companies, their respective directors, officers, employees and/or agents may have an interest, relationship or arrangement that is material in relation to such Transaction. The Client agrees that subject to the provisions of the SFO and any applicable law, BS Securities may, notwithstanding any such interest, relationship or arrangement, effect Transactions for the Client with or through any of its nominees, subsidiaries or associated companies, or any of the BS Group Companies, and BS Securities, its nominees, subsidiaries or associated companies, or any of the BS Group Companies may: -

(a) be the counterparty as principal for its own account in respect of any such Transactions;

(b) effect Transactions in circumstances when it, any of its nominees, subsidiaries or associated companies, or any of the BS Group Companies has a position in the Securities or is involved with those Securities as underwriter, sponsor or otherwise;

(c) match the Client's orders with those of other clients of BS Securities; or

(d) take the opposite position to the Client's order, whether on BS Securities' own account or for the account of any of the BS Group Companies or other clients of BS Securities.

24.2 In the absence of fraud or wilful misconduct on the part of BS Securities, BS Securities shall not be liable to the Client for any claims against BS Securities, any of its nominees, subsidiaries or associated companies, or any of the BS Group Companies in relation to any Transaction referred to in Clause 24.1 including any claims to the effect that BS Securities, any of its nominees, subsidiaries or associated companies, or any of the BS Group Companies shall account to the Client for any emoluments, commissions, profits or any other benefits whatsoever earned or received by BS Securities, any of its nominees, subsidiaries or associated companies, or any of the BS Group Companies in relation to any such Transactions.

25. **Suitability**

25.1 Unless BS Securities expressly agrees in writing to the contrary, no representation or warranty, express or implied, is given by BS Securities as to the value or suitability for the Client of any Transaction entered into by the Client.

25.2 The Client hereby acknowledges that any information communicated to the Client by BS Securities, although obtained from sources believed by BS Securities to be reliable, has not been independently verified by BS Securities and may be incomplete, inaccurate or changed without notice to the Client. The Client acknowledges that any such information is provided by BS Securities to the Client for its information and reference only and is not intended as investment advice or for trading or other purposes. BS Securities makes no representation, warranty or guarantee with respect to the sequence, accuracy, truth, reliability, adequacy, timeliness, completeness or correctness of such information. BS Securities and/or BS Group Companies shall have no responsibility or liability whatsoever in respect of any information given, or views expressed by them or any of their directors, officers, employees or agents to the Client, whether or not such information or views are expressed at the request of the Client.

25.3 The Client shall make its own judgment and independent decision with respect to any Transaction which he enters. BS Securities is not obliged to give any investment advice or recommendation to the Client, and any comment, information, communication or explanation which may be provided by any representatives of BS Securities shall not be treated or relied upon by the Client as investment advice or recommendation to enter into any Transaction, unless BS Securities has expressly agreed otherwise. The Client understands that BS Securities, or one or more of the BS Group Companies, may purchase or sell, have a position in the Securities or financial instruments which are the subject of information furnished to the Client, and that the positions or Transactions of BS Securities or any of the BS Group Companies may or may not be consistent with the information furnished to the Client by BS Securities. Any information communication or explanation from BS Securities to the Client in respect of any Instruction or Transaction under the Agreement shall not be regarded as investment advice or recommendation to enter into any Transaction under the Agreement.

25.4 If BS Securities solicits the sale of or recommends 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 in these Terms or any other document BS Securities may ask the Client to sign and no statement BS Securities may ask the Client to make derogates from this Clause. For the purpose of this Clause, "**financial product**" means any securities, futures contracts or leveraged foreign exchange contracts as defined under the SFO. Regarding "**leveraged foreign exchange contracts**", it is only applicable to those traded by persons licensed for Type 3 regulated activity.

26. **Investor Compensation Fund**

26.1 In the event that BS Securities commits a default as defined in Part XII of the SFO and the Client thereby suffers a pecuniary loss, the Client understands that the right to claim under the Investor Compensation Fund established under Part XII of the SFO will be restricted to the extent provided for therein.

26.2 Notwithstanding the aforesaid, the Client fully understands that the right to claim under the Investor Compensation Fund as mentioned in Clause 26.1 will not be applicable to any Instructions or Transactions effected on an Exchange other than a recognized stock market as defined under the SFO, in which case the Client's right to compensation in the event of any default on the part of BS Securities or its associated person will be subject to the rules of the relevant Exchange.

27. **Securities Borrowing & Lending**

27.1 BS Securities shall be permitted to borrow or lend Securities only in accordance with the Securities Borrowing & Lending Regulations issued by SEHK or the Clearing Rules (as the case may be) and, where the Securities borrowing relates to Hong Kong stock, with applicable law and in particular the Stamp Duty Ordinance (Cap. 117 of the Laws of Hong Kong) and the relevant Stamp Duty Interpretation and Practice Notes.

28. **Joint and Several Liability/Successors**

28.1 Where the Client consists of more than one person (whether a partnership or otherwise): -

(a) the expression "Client" shall include each such person (a "**Joint Client**") and the liability of Joint Clients under the Agreement shall be joint and several;

(b) any demand for payment on any one or more of the Joint Clients shall be treated as a valid demand on all Joint Clients;

(c) BS Securities and any of the BS Group Companies shall be entitled to deal separately with any of the Joint Clients on any matter including the release or discharge of any one or more of the Joint Clients from liability under the Agreement or compound with, accept compositions from, or make any other arrangement with, any of such persons without, in consequence, releasing or discharging or otherwise prejudicing or affecting its rights and remedies against any other Joint Clients;

(d) each of the Joint Clients shall, in favour of all the BS Group Companies, waive the right of proof in competition with any one or more of the BS Group Companies in the bankruptcy or insolvency of any of the Joint Clients and none of the Joint Clients shall take from any other Joint Client(s) any counter-security without prior written consent from all the BS Group Companies;

(e) the discharge, satisfaction or performance of any liability, obligation or indebtedness under the Agreement by any of the BS Group Companies in favour of or for the benefit of any of the Joint Clients shall be and be deemed to be full and sufficient discharge, satisfaction or performance of such liability, obligation or indebtedness in favour of or for the benefit of any or all of the Joint Clients. The payment of money or fund by any of the BS Group Companies towards or in favour of any of the Joint Clients shall be and be deemed to be full and sufficient discharge, satisfaction or performance of such payment of money or fund towards or in favour of any or all of the Joint Clients;

(f) the Agreement shall not be affected by the death, incapacity or Dissolution of any Joint Client;

(g) termination of the Agreement pursuant to Clause 30 by any one or more of the Joint Clients or his or their personal representatives shall not affect the continuing liability of the other Joint Clients;

(h) BS Securities shall have a lien on the property (including without limitation the Securities Account) of each Joint Client. BS Securities' lien shall be additional to the rights and remedies of BS Securities pursuant to the Agreement;

(i) the Joint Clients have authorized BS Securities to accept instructions given by any one or more of the Joint Clients ("**Such Person**") to BS Securities (including but not limited to verbal instructions and written instructions). Such Person will have the authority to handle the operation of the Securities Account and exercise all rights, powers and discretion pursuant to the Agreement on behalf of any of the Joint Clients. BS Securities may follow the instructions given by Such Person and will not be required to give notice to, or obtain authorization from, any one or more of the Joint Clients in respect of such instructions. BS Securities will have an absolute discretion to determine whether or not to accept the relevant instructions and BS Securities will not be liable as such for any loss whatsoever incurred as a result of accepting or not accepting the instructions. Any act, conduct, instructions, directions, decisions and/or authorizations of any of the Joint Clients shall be jointly and severally binding on the other Joint Clients;

(j) BS Securities shall be under no duties whatsoever (including without limitation any duty to inquire into or see to) in respect of the application of any monies or properties between the Joint Clients;

(k) any of the Joint Clients is not entitled to claim or assert interest, benefit, ownership or title to any particular or specific Securities, property and/or assets in the Securities Account separately or independently with any other Joint Clients;

(l) the Joint Clients have entered into the Agreement with a right of survivorship;

(m) in the event of death of any Joint Client, the estate of the deceased Joint Client or the surviving

Joint Client(s) shall immediately notify BS Securities in writing of the relevant death and produce and deliver to BS Securities true copy of proof of such death and such other documents as BS Securities may in its absolute discretion require (but BS Securities is not required to verify the authenticity of such evidence so produced); and

(n) each of the Joint Clients shall be bound by the Agreement regardless of the arrangement or agreement among the Joint Clients and notwithstanding the Agreement may be invalid or unenforceable against any one or more of the Joint Clients (whether or not the deficiency is known to BS Securities).

29. **Single and Continuous Agreement**

29.1 The Agreement and all its amendments shall be continuous, and shall cover individually and collectively all Securities Accounts which the Client may from time to time open and maintain with BS Securities, each order executed by BS Securities shall be subject to the terms and conditions of the Agreement. The Client hereby acknowledges that all Transactions executed for the Client's account shall be executed by BS Securities in reliance upon such fact and as if the representations, undertakings and warranties given by the Client to BS Securities in Clause 16 were repeated before each such Transaction, and that the Parties would not otherwise enter into such Transaction.

30. **Termination**

30.1 The Client shall only terminate the Agreement by a valid and effective prior written notice to BS Securities. The aforesaid prior written notice shall be a valid and effective prior written notice only and only if such notice shall be actually received by BS Securities and the effective date for termination of the Agreement stated therein shall be at least seven (7) Business Days after the date of receipt of such notice by BS Securities. The Agreement shall be terminated by BS Securities at its discretion and at any time by notice given by BS Securities to the Client without the need to give reasons for such termination. The termination of the Agreement shall not affect or prejudice: -

(a) the Liabilities, obligations or indebtedness of the Client existing, arisen or incurred at the time under the Agreement, the Loan Agreement and/or any agreement made with any of the BS Group Companies on or before the termination of the Agreement, including but not limited to the Liabilities, obligations or indebtedness of the Client arising out of or in connection with any open positions or outstanding Transactions at the time of the termination of the Agreement;

(b) the Liabilities, obligations or indebtedness of the Client arising out of or in connection with any agreements, warranties, representations, undertakings and indemnities given by the Client under the Agreement, the Loan Agreement and/or any agreement made with any of the BS Group Companies;

(c) the rights and powers to liquidate, terminate, transfer or settle all the open positions or outstanding Transactions of the Client, and the rights and powers to take such action or do all such acts and things incidental or in relation to the liquidation, termination, transfer or settlement mentioned in this Clause; and

(d) the rights and powers to take such action or do all such acts and things incidental or in relation to the termination, conclusion, consolidation, clearing or settlement of all Liabilities, the Client's obligations or indebtedness under the Agreement, or the rights and powers to take such action or do all such acts and things incidental or in relation to the termination of the Agreement.

30.2 Upon termination of the Agreement under Clause 30.1, all amounts due or owing by the Client to BS Securities under the Agreement shall become immediately due and payable. BS Securities shall cease to have any obligation to effect any Transaction on behalf of the Client in accordance with the provisions of the Agreement, notwithstanding any Instructions to the contrary.

30.3 As soon as practicable after termination of the Agreement, BS Securities shall have the power to sell, realise, redeem, liquidate or otherwise dispose of all or part of the Client's Securities for such consideration and in such manner as BS Securities shall in its absolute discretion consider necessary to satisfy first, all costs, charges, fees and expenses (including legal expenses) incurred by BS Securities in such sale, realisation, redemption, dissolution or other disposal and all other monies and sums due or owing and other liabilities accrued or accruing due to BS Securities and outstanding (whether actual or contingent, present or future or otherwise) under the Agreement and second, all other Liabilities, at the Client's sole risk and cost and without incurring any liability on the part of BS Securities for any loss or damage incurred by the Client.

30.4 Any cash proceeds remaining after satisfaction of all sums specified in Clause 30.3 shall be credited to the Settlement Account. All Securities not realised or disposed of together with any relevant documents of title in BS Securities' possession shall be delivered to the Client at the Client's sole risk and expense. BS Securities shall have no liability for any loss or damage incurred by the Client arising from such delivery. Without prejudice to the foregoing, if the Client shall fail to take such delivery, BS Securities may charge a monthly maintenance fee to be notified by BS Securities to the Client. Payment of such fees (if any) will be automatically deducted from any Account.

30.5 If there is any Deficit after application of the sale proceeds pursuant to Clause 30.3, the Client shall immediately pay to BS Securities an amount equal to such Deficit together with BS Securities' cost of funding such Deficit and interest at the rate of 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 such other bank as determined by BS Securities from time to time up to the date of actual receipt of full payment by BS Securities (after as well as before any judgment).

31. **Force Majeure**

31.1 Neither of the Parties shall be liable for any loss sustained by the other, directly or indirectly, if either Party is prevented from acting as a direct or indirect result of government restrictions, the imposition of emergency procedures or suspension of trading by any relevant Exchange, Clearing House or Market, civil disorder, acts or threatened acts of terrorism, natural disasters, war, strikes or other circumstances beyond third party's control.

32. **Combination and Set-Off**

32.1 Notwithstanding anything contained in the Agreement, the Loan Agreement or any other agreement between any of the BS Group Companies and the Client, the Client irrevocably and unconditionally authorizes and directs BS Securities to, with or without notice, set-off and withhold from and apply the Retained Properties, Securities, receivables, moneys or funds held in or for the Securities Account or any Account against and in whole or partial payment, discharge or satisfaction of any indebtedness, obligation or Liabilities of whatsoever nature (whether primary, collateral, several, joint or in other currencies and whether or not in connection with the Securities Account or any other previous closed Account) owed by the Client to BS Securities or any one of the BS Group Companies.

32.2 Without prejudice to the generality of Clause 32.1, if the Client has more than one Account, any of the BS Group Companies is hereby authorized by the Client to combine or consolidate at any time without notice to the Client all or any of such Accounts and set-off, apply or transfer any of the Retained Properties, moneys, funds, Securities, properties or assets in any one or more of such Accounts in or towards payment, discharge or satisfaction of any indebtedness, obligations or Liabilities of the Client of whatsoever nature, actual or contingent, primary or collateral, secured or unsecured, joint or several, to any of the BS Group Companies in respect of any other Accounts. Where any such combination, consolidation, set-off or transfer requires the conversion of one currency into another, such conversion shall be calculated at the spot rate of exchange prevailing in such foreign exchange market as any one of the BS Group Companies shall determine to be relevant on the date of the combination, consolidation, set-off or transfer.

32.3 Subject to the Agreement, all money or other property received by BS Securities from the Client or from any other person for the account of the Client shall be held by BS Securities and within a reasonable time from receipt of such money or other property by BS Securities shall be segregated from BS Securities' own assets and paid into a segregated company account.

32.4 The Client acknowledges that in respect of any account of BS Securities or any of the BS Group Companies maintained with any Clearing House, whether or not such account is maintained wholly or partly in respect of any Transaction on behalf of the Client and whether or not money paid by the Client has been paid to such Clearing House, as between BS Securities or any of the BS Group Companies and the relevant Clearing House, BS Securities (or any of the BS Group Companies as the case may be) deals as principal.

33. **Authorization**

33.1 The Client irrevocably and unconditionally directs, instructs and authorizes BS Securities that upon request, direction, instruction or demand of any of the BS Group Companies from time to time, BS Securities shall do the following acts and things: -

(a) to sell, purchase, enter into, make, dispose of, deal with, trade, transfer, liquidate, clear or settle all or any Securities and/or positions in the Securities Account; and

(b) to sell, purchase, deal with, trade, dispose of, realize, transfer in or out all or any Securities, properties or assets in the Securities Account.

33.2 The Client irrevocably and unconditionally directs, authorizes, instructs and agrees that upon request, direction, instruction or demand of any of the BS Group Companies from time to time, BS Securities shall deliver, transfer, debit, deduct or pay from the Securities Account or any Account such receivables, moneys or funds as any of the BS Group Companies shall direct or determine from time to time and/or in or towards the total or partial satisfaction, payment or discharge of any moneys, indebtedness, outstanding amounts, obligations or Liabilities incurred, owing, due or payable by or from the Client or the Client Group Company to or in favour of any of the BS Group Companies from time to time.

33.3 The Client agrees and accepts that all the acts, things and matters done or made by BS Securities pursuant to this Clause shall be and be treated and deemed the acts, things, and matters done or made by the Client, and shall be absolutely binding on the Client in all respects and for all purposes.

34. **Communications, Notice and Services**

34.1 Unless otherwise specified in the Agreement, any notice to be made or given by the Client to BS Securities under the Agreement shall be in writing.

34.2 Without prejudice to other provisions of the Agreement relating to communication or notice by or from BS Securities and the right of BS Securities to use any way or method of communication, any report, confirmation, statements, notice and other communication from BS Securities to the Client under the Agreement may be delivered personally or sent by post or fax or electronic mail ("**E-mail**") addressed to the Client at the address or fax number or E-mail address set out in the Account Opening Form, at its registered

office or at such other address or fax number or E-mail address as may have been notified in writing by the Client to BS Securities (such notification shall only take effect twenty-four (24) hours after the actual receipt of the same by BS Securities). Any such report, confirmation, statements, notice and other communication shall be and be deemed to have been received by the Client (a) if hand delivered, when delivered, (b) if given by post, twenty-four (24) hours after the same has been posted, or (c) if given by fax or E-mail, at the same time as it is dispatched. The contents of such report, confirmation, statement, notice or communication or statement of account issued by BS Securities shall be or be deemed correct, accurate and conclusive and no objection thereto shall be made by the Client unless written objection is actually received by BS Securities within four (4) days after delivery by hand, by fax or E-mail, or by post.

34.3 Without prejudice to the other provisions of the Agreement, any letter, notice, documents or other communication from the Client to BS Securities shall take effect only on actual receipt and actual notice of the same by BS Securities.

35. **Time of the Essence**

35.1 Time shall in every respect be of the essence in relation to all Liabilities and obligations of the Client under the Agreement.

36. **Automatic Postponement**

36.1 It is hereby agreed that if any day on which BS Securities has agreed or obliged to do, take or conduct any matter, action or Transaction (the "**Action Date**") shall fall on a day which is not a Business Day, the Action Date shall automatically be postponed to the next Business Day.

37. **Severability**

37.1 Any provision in the Agreement which is illegal, invalid or unenforceable for any reason in any jurisdiction shall be ineffective only to the extent of such illegality, invalidity or unenforceability and shall not affect the legality, validity or enforceability of the remaining provisions hereof or the legality, validity or enforceability of such provision in any other jurisdiction. Where, however, the provisions of any applicable law may be waived, they are waived by the Parties hereto to the full extent permitted by such law to the end that the Agreement shall be a valid and binding agreement enforceable in accordance with its terms and conditions.

38. **Assignment**

38.1 The Client shall not assign, transfer, alienate, charge, delegate or otherwise dispose of any of its rights, interest, benefits, Liabilities or obligations under the Agreement. BS Securities may assign or transfer any of its rights and obligations under the Agreement without the prior consent of the Client. Any assignee, transferee or successor of BS Securities shall have the same interest, rights, benefits, liabilities and remedies as if it were BS Securities. BS Securities may delegate and sub-contract the performance of its obligations hereunder as it thinks fit.

38.2 Upon BS Securities assigning and transferring all its rights and obligations under the Agreement to another intermediary (as defined under the SFO) (whether due to a restructuring or transfer of business or otherwise), the Client undertakes to give a written direction in favour of BS Securities or its associated entity, authorizing BS Securities or its associated entity to transfer all the Client's Securities and/or property and /or assets held by BS Securities or its associated entity to the assignee intermediary, failing which BS Securities shall terminate the Securities Account in accordance with Clause 30.

39. **Successors and Assigns**

39.1 The Agreement shall ensure for the benefit of BS Securities, its successors and assigns and shall be binding upon the Client's heirs, executors, administrators, personal representatives, successors and assignees, as the case may be.

40. **Foreign Currency Transactions**

40.1 If the Client gives Instructions to BS Securities to enter into any Transaction requiring a conversion from one currency to another, then the costs thereof and any profit or loss arising as a result of fluctuations in the exchange rate of the relevant currency will be entirely for the account and risk of the Client.

40.2 The Client authorizes BS Securities to convert monies, at any time at such exchange rate and for such amount as BS Securities deems fit, into and from any currency at such rate of exchange as BS Securities shall in its sole discretion determine as being the then prevailing market rate of exchange. Such conversion may be made for the purpose of any Transaction or for the calculation of any debit balance due from the Client or credit balance owed to the Client.

40.3 The Client authorizes BS Securities to debit any Account for any expenses incurred in effecting any currency conversion.

40.4 All payments to be made by the Client to BS Securities in a foreign currency shall be in freely transferable and immediately available funds clear of any taxes, charges or payments of any nature when received by BS Securities.

40.5 BS Securities reserves the right at any time to refuse to accept any Instructions in relation to any currency conversion.

41. **Miscellaneous Provisions**

41.1 The Agreement supersedes all prior engagements, arrangements, agreements and contracts whether oral or in writing whatsoever made by BS Securities. No warranties or representations express or implied are or have been made or given by BS Securities or by anybody on its behalf relating to the subject of the Agreement prior to the entering hereof. If any such warranty or representation express or implied has been made the same is withdrawn or deemed to have been withdrawn immediately before BS Securities entering into the Agreement. However, the Agreement does and will not supersede any prior engagements, arrangements, agreements and contracts whether oral or in writing whatsoever and whether past, present or future made by the Client with or in favour of BS Securities, and does and will not affect or prejudice any or all the Liabilities, obligations or indebtedness (whether oral or in writing whatsoever and whether past, present or future) of the Client to BS Securities.

41.2 BS Securities and the Client shall notify each other promptly in writing of any material changes in the information provided under the Agreement or any agreement entered into pursuant to the Agreement or relating to the Securities Account.

41.3 BS Securities shall have absolute rights to amend, delete or substitute any of the terms herein or add new terms to the Agreement (including but not limited to the Acknowledgment by Client). An amendment notice and the revised Agreement will be posted at the "**Important Terms**" column of BS Website at www.bsgroup.com.hk. The Client should visit the BS Website from time to time for obtaining the latest Agreement and read the terms thereof. Such amendment, deletion, substitution or addition shall be deemed as effective and incorporated herein (and shall form part of the Agreement) on the date of publication of such amendment notice. The Client may raise written objection within fourteen (14) days after the publication of such amendment notice at the BS Website. Failing which, it shall be deemed an acceptance of such amendment, deletion, substitution or addition.

41.4 Any complaint about the performance of BS Securities under the Agreement shall be made in writing and addressed to the Complaints Officer c/o BS Securities, who will investigate the complaint. The Client agrees to provide the Complaints Officer with all such information as the Complaints Officer may reasonably request to enable the Complaints Officer to investigate the complaint.

41.5 The Client undertakes and acknowledges that the Client shall at all times notify BS Securities in writing, and sign (the signature shall conform to the specimen signature provided to BS Securities in the Account Opening Form), of any change of the Client's particulars (where the Client shall consist of any individual, the Client's personal particulars), address(es), telephone number(s), facsimile number(s) and/or email address(es).

41.6 Except as provided in the Agreement, the rights, powers, remedies and privileges in the Agreement are cumulative and not exclusive of any right, powers, remedies and privileges provided by law.

41.7 No failure or delay on BS Securities' part to exercise any power, right or remedy which BS Securities may have shall operate as a waiver thereof.

42. **Submission to Rules and Regulations**

42.1 In respect of Transactions on SEHK: -

(a) every Transaction executed on the SEHK will be subject to a transaction charge, the cost of which shall be borne by the Client;
(b) every Transaction executed on the SEHK will be subject to other levies the SEHK may impose from time to time; and
(c) BS Securities is authorized to collect the appropriate transaction charge or other levies in paragraphs (a) and (b) above in accordance with the SEHK Rules from time to time.

42.2 In respect of Transactions on a Foreign Stock Exchange: -

(a) every Transaction executed on a Foreign Stock Exchange will be subject to a transaction charge, the cost of which shall be borne by the Client;
(b) every Transaction executed on a Foreign Stock Exchange will be subject to other levies such Foreign Stock Exchange may impose from time to time; and
(c) BS Securities is authorized to collect the appropriate transaction charge or other levies in paragraphs (a) and (b) above in accordance with the Foreign SE Rules from time to time.

43. **Confirmation**

43.1 The Client confirms that it has read the Agreement (including the Account Opening Form, Acknowledgment by Client and these Terms) and the Risk Disclosure Statements, that it has already been invited and advised by BS Securities and/or any of the BS Group Companies to seek independent legal advice on the Agreement (including the Account Opening Form, Acknowledgment by Client and these Terms) and the Risk Disclosure Statements, that the contents of the Agreement (including the Account Opening Form, Acknowledgment by

Client and these Terms) and the Risk Disclosure Statements have been fully explained to the Client in a language which the Client understands, and that the Client fully confirms, accepts, understands, and agrees to be bound by, the Agreement (including the Account Opening Form, Acknowledgment by Client and these Terms) and the Risk Disclosure Statements. The Client acknowledges that, in the event of any discrepancy between the English version and the Chinese version, the English version shall prevail.

44. **Contracts (Rights of Third Parties) Ordinance**

44.1 The Contracts (Rights of Third Parties) Ordinance (Chapter 623 of the Laws of Hong Kong) shall not apply to the Agreement and unless specifically herein provided no person other than the Parties shall have any rights under it nor shall it be enforceable by any person other than the Parties.

45. **Governing Law and Jurisdiction**

45.1 The Agreement and all rights, obligations and liabilities hereunder shall be governed by and construed in accordance with the laws of Hong Kong. The Client and BS Securities hereby irrevocably submit to the exclusive jurisdiction of the courts of Hong Kong as regards any claim, matter or proceedings arising under this Agreement. The Client agrees that the rulings, orders, decisions and/or judgments of the courts of Hong Kong shall be final and conclusive.

45.2 The Client agrees that BS Securities is entitled to enforce and execute the judgment of the courts of Hong Kong in any jurisdiction as it thinks fit. The Client hereby further agrees not to oppose in any legal proceedings arising under this Agreement (including the legal proceedings in other jurisdiction for enforcement of judgment) and not to appeal the judgments of the courts of Hong Kong or other jurisdictions.

45.3 The Client agrees that any writ, summons, order, judgment or other document shall be and be deemed duly and sufficiently served on the Client if addressed to the Client and left at or sent by post to the Client's registered office or the address of the Client set out in the Account Opening Form or last known to BS Securities. The foregoing shall not limit BS Securities' right to serve process on the Client in any manner permitted by laws of the relevant jurisdiction.

SUPPLEMENT

Stock Connect Supplement to the Terms and Conditions for Securities Cash Trading

The terms and conditions of this Supplement are additional and supplemental to the terms and conditions in Section I headed "Terms and Conditions for Securities Cash Trading" ("**Section I**"). This Supplement applies at any time when the Client trades China Connect Securities under Stock Connect through BS Securities. Where any conflict or inconsistency arises between any provision of this Supplement and any provision of Section I, the provisions of this Supplement shall prevail in relation to trading of China Connect Securities by the Client under Stock Connect through BS Securities.

1. **Definitions**

1.1 In this Supplement, unless redefined herein or the context requires otherwise, all expressions defined in clause 1 of Section I shall, where applicable, have the same meanings when used herein.

1.2 In this Supplement, the following expressions, unless the context requires otherwise, shall have the following meanings: -

"**A-Shares**"	means any securities issued by companies incorporated in the PRC which are listed and traded on the Mainland China A-Share markets and not on the SEHK.
"**Applicable Requirements**"	means the relevant laws, rules, regulations, policies, interpretations, guidelines, requirements and other regulatory documents promulgated by relevant governmental or regulatory bodies of Hong Kong and Mainland China from time to time including the Stock Connect Rules and any other relevant requirements and/or restrictions of any governmental or regulatory body, exchange or clearing house as may be published and/or amended from time to time.
"**BCAN**"	means Broker-to-Client Assigned Number, a number assigned by BS Securities to each of the Clients.
"**Cash**"	means all cash or cash equivalents in Offshore RMB received and held by BS Securities based on the terms of this Supplement.
"**CCASS**"	means the Central Clearing and Settlement System operated by HKSCC and/or any system established for the purpose of Stock Connect.
"**CCASS Rules**"	means the general rules of CCASS as amended, supplemented, modified and/or varied from time to time.
"**ChinaClear**"	means China Securities Depository and Clearing Corporation Limited.
"**China Connect Market**"	means SSE or SZSE as applicable.
"**China Connect Market Operator**"	means SSE or SZSE as applicable.
"**China Connect Securities**"	means any securities listed on a China Connect Market which are from time to time accepted as eligible stocks for trading by Hong Kong and overseas investors under Stock Connect. Unless the context requires otherwise, "**China Connect Securities**" includes "**Special China Connect Securities**".
"**ChiNext Shares**"	means any securities accepted for listing and admitted to trading on the ChiNext market operated by SZSE from time to time.
"**Circuit Breaker**"	means any measures that may be imposed or activated by a China Connect Market Operator on the relevant China Connect Market in accordance with the Circuit Breaker Provisions.

"**Circuit Breaker Provisions**"	means the relevant provisions in the Operator Rules under which Circuit Breaker may be imposed for the purpose of, among others, minimising or averting substantial upward or downward price movements of securities traded on the relevant China Connect Market including all related provisions on the application and lifting of the Circuit Breaker.
"**CID**"	means Client Identification Data, which is the identification information relating to the Clients which may be required to be provided to the Exchange by BS Securities under the Applicable Requirements from time to time.
"**Costs**"	includes costs, charges and expenses, including those in connection with the provision of legal advice.
"**CSRC**"	means the China Securities Regulatory Commission of Mainland China.
"**HKEx**"	means the Hong Kong Exchanges and Clearing Limited.
"**Institutional Professional Investor**"	means a "professional investor" within the meaning of paragraph (a), (b), (c), (d), (e), (f), (g), (h) or (i) of the definition of "professional investor" in section 1 of Part 1 of Schedule 1 to SFO.
"**Mainland China**"	means, for the purposes of this Supplement, PRC other than Hong Kong, Macau and Taiwan.
"**Northbound Trading**"	means the trading of China Connect Securities by Hong Kong and overseas investors through Stock Connect.
"**Loss**" or "**Losses**"	means any loss, damage, demand, claims, liabilities and Costs of any kind.
"**Offshore RMB**"	means RMB available for general exchange market transactions outside Mainland China.
"**Operator China Connect Rules**"	means the SSE China Connect Rules or the SZSE China Connect Rules as applicable.
"**Operator Listing Rules**"	means the SSE Listing Rules or the SZSE Listing Rules as applicable.
"**Operator Rules**"	means the SSE Rules or the SZSE Rules as applicable.
"**PRC**"	means the People's Republic of China.
"**RMB**"	means Renminbi, the lawful currency of PRC.
"**SAFE**"	means the State Administration of Foreign Exchange of Mainland China.
"**Shanghai-Hong Kong Stock Connect**"	means the securities trading and clearing links programme developed by the SEHK, SSE, HKSCC and ChinaClear for the establishment of mutual market access between the SEHK and the SSE.
"**Shenzhen-Hong Kong Stock Connect**"	means the securities trading and clearing links programme developed by the SEHK, SZSE, HKSCC and ChinaClear for the establishment of mutual market access between the SEHK and the SZSE.
"**Short Selling**"	means the sale of China Connect Securities, which are from time to time included in the list of eligible China Connect Market securities for short selling published by the SEHK from time to time, in respect of which the Client has a presently exercisable and unconditional right to vest such securities in the purchaser by virtue of having borrowed such securities under a Stock Borrowing and Lending Arrangement.
"**Special China Connect**	means any securities listed on a stock market in Mainland China

Securities"	acceptable to SEHK which are from time to time accepted as eligible stocks for sale only but not for purchase by Hong Kong and overseas investors under Stock Connect.
"**Special Segregated Account**"	has the meaning set out in CCASS Rules.
"**SPSA Order**"	means Stock Connect sale order for the sale of China Connect Securities held in a Special Segregated Account.
"**SSE**"	means the Shanghai Stock Exchange.
"**SSE China Connect Rules**"	means the rules and regulations on the Shanghai-Hong Kong Stock Connect which have been published by SSE for the purposes of implementing Shanghai-Hong Kong Stock Connect, as amended, supplemented, modified and/or varied from time to time.
"**SSE Listing Rules**"	means the Rules Governing the Listing of Stocks on Shanghai Stock Exchange as amended, supplemented, modified and/or varied from time to time.
"**SSE Rules**"	means the SSE China Connect Rules and the business and trading rules and regulations of SSE as amended, supplemented, modified or varied from time to time.
"**SZSE**"	means the Shenzhen Stock Exchange.
"**SZSE China Connect Rules**"	means the rules and regulations on Shenzhen-Hong Kong Stock Connect which have been published by SZSE for the purposes of implementing Shenzhen-Hong Kong Stock Connect, as amended, supplemented, modified and/or varied from time to time.
"**SZSE Listing Rules**"	means the Rules Governing the Listing of Stocks on Shenzhen Stock Exchange, as amended, supplemented, modified and/or varied from time to time.
"**SZSE Rules**"	means the SZSE China Connect Rules and the business and trading rules and regulations of SZSE, as amended, supplemented, modified and/or varied from time to time.
"**Stock Borrowing and Lending Arrangement**"	has the meaning as set out in the Stock Connect Rules.
"**Stock Connect**"	means Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect, or such other securities trading and clearing links programme developed or to be developed between SEHK and a trading platform in Mainland China as applicable.
"**Stock Connect Authorities**"	means the exchanges, clearing systems and regulators which provide services and/or regulate Stock Connect and activities relating to Stock Connect, including the Hong Kong Monetary Authority, SFC, SEHK (and its relevant subsidiary), HKSCC, the People's Bank of China, CSRC, SAFE, China Connect Market Operators, ChinaClear and any other regulator, agency or authority with jurisdiction or responsibility in respect of Stock Connect.
"**Stock Connect Rules**"	means, in the context of Stock Connect, any laws, rules, regulations, policies, interpretations, guidelines, requirements or other regulatory documents promulgated, published or applied by any Stock Connect Authority in relation to the relevant market from time to time in respect of Stock Connect or any activities arising from Stock Connect.
"**Supplement**"	means this Stock Connect Supplement to the Terms and Conditions for Securities Cash Trading, as from time to time amended and supplemented.
"**Taxes**"	includes:

(a) any tax, levy, impost, deduction, charge, rate, withholding or duty by whatever name called levied, imposed or assessed (including withholding tax, goods and services tax, value added tax, sales tax, consumption tax, stamp duty and transaction duties or any similar impost imposed or levied): and
(b) any interest, penalty, charge, fine or fee or other amount of any kind assessed, charged or imposed on or in respect of the above (including in connection with any failure to pay or any delay in payment).

"**Trading Day**" means a day on which trading is conducted through the system for receiving and routing Northbound Trading orders on SEHK.

"**Uptick Long Sale**" means:

(a) the Client places a sell order with BS Securities for China Connect Securities which is not a Short Selling order;
(b) the Client has borrowed other shares of that China Connect Securities pursuant to a Stock Borrowing and Lending Arrangement and such shares are not subject to the sell order referred to in (a);
(c) the Client has not returned all of the shares that the Client has borrowed under the Stock Borrowing and Lending Arrangement; and
(d) the price requirements set out in the Stock Connect Rules relating to Short Selling apply to the sell order.

1.3 In this Supplement: -

(a) "include(s)" and "including" mean respectively "include(s) but not limited to" and "including but not limited to";
(b) reference to a Clause is to a clause of this Supplement and reference to the Account Opening Form is to the Account Opening Form as completed by or on behalf of the Client and where such information has been amended by subsequent notice to BS Securities means the Account Opening Form as amended by such notice;
(c) reference to an Ordinance is to an Ordinance or law of Hong Kong and any subsidiary legislation related thereto as from time to time amended, consolidated, extended, codified or re-enacted and for the time being in force;
(d) words importing the singular include the plural and vice versa; words importing person include bodies corporate or unincorporated or other entity; words importing gender include every gender and the neuter gender;
(e) the headings to the Clauses are for convenience only and do not affect their interpretation or construction; and
(f) where it is necessary for the true construction or interpretation of any provision herein so that the indebtedness, liability or obligation of any of the Parties shall continue after the termination of the Agreement, such provision shall survive the termination of the Agreement.

2. **Eligible Investors**

2.1 The Client acknowledges that Northbound Trading is available only to Hong Kong and overseas investors and represents and undertakes on a continuing basis that:

(a) the Client is not a legal entity incorporated or registered in Mainland China;
(b) the Client will use assets located outside of Mainland China only for its investments through Northbound Trading;
(c) unless the Client is an Institutional Professional Investor and such status has been confirmed by BS Securities, the Client will not place any order or give any Instruction to buy or sell ChiNext Shares under Stock Connect (other than Special China Connect Securities which are eligible for sell orders only); and
(d) in the case where the Client is acting as agent on behalf of its client, the Client will not place any order or give any Instruction to buy or sell ChiNext Shares under Stock Connect on behalf of such client (other than Special China Connect Securities which are eligible for sell orders only), unless the Client is reasonably satisfied that such client is an Institutional Professional Investor.

3. **Compliance with Applicable Requirements**

3.1 Trading in any China Connect Securities is subject to the Applicable Requirements.

3.2 BS Securities is not obliged to act until it has received all necessary instructions, funds, property and

documents, but BS Securities may do so. If BS Securities does so, it has the right to apply any procedures or requirements in respect of any trading of China Connect Securities through Stock Connect which it determines in its discretion to be necessary or desirable for the purpose of complying with any Applicable Requirements, its policies and/or market practice. BS Securities' rights will not be affected if BS Securities does not do so or as a consequence of anything done or omitted to be done by it acting in good faith.

3.3 BS Securities may, in its discretion, refuse to execute any Instruction, if such Instruction is not, or BS Securities reasonably believes it may not be, in compliance with any Applicable Requirements or its policies. BS Securities is not liable for any Loss incurred by the Client which may result directly or indirectly from such refusal.

4. **Placing Orders**

4.1 BS Securities only accepts orders for Northbound Trading that comply with the Applicable Requirements. BS Securities is not liable for any Loss that the Client may suffer as a result of any attempt by the Client to place an order for Northbound Trading that does not comply with any Applicable Requirements.

4.2 BS Securities will not accept any Short Selling orders or Uptick Long Sale orders in respect of China Connect Securities. The Client represents and undertakes on a continuing basis on each date that any order that the Client places with BS Securities in relation to China Connect Securities is not, and will not be, a Short Selling order or an Uptick Long Sale order which is subject to the Stock Connect Rules in relation to Short Selling.

4.3 BS Securities will not accept any Northbound Trading buy order for ChiNext Shares unless it determines in its absolute discretion that the Client is an Institutional Professional Investor.

5. **Enhanced Pre-Trade Checking**

5.1 To the extent that the Client instructs BS Securities to execute a SPSA Order on behalf of the Client, the provisions set out in this Clause 5 apply.

5.2 Prior to instructing BS Securities to execute any SPSA Order, the Client will provide to BS Securities all information or document in the manner as maybe required by BS Securities from time to time in order for BS Securities to place a SPSA Order on behalf of the Client.

5.3 The Client authorities, and the Client has appropriate arrangements in place to authorise, the reproduction, replication and transmission of the stock holding records of the Special Segregated Account at any time for the purpose of enabling SEHK and its subsidiaries to carry out their pre-trade checking procedures.

5.4 In the event that:

(a) the Client instructs BS Securities to execute a SPSA Order on behalf of the Client and an investor identification number other than the Client’s investor identification number is used to execute such order, the Client acknowledges and confirms that BS Securities may settle such SPSA Order using China Connect Securities from the Special Segregated Account pursuant to the Client's original Instructions; or

(b) the Client's investor identification number is used by BS Securities to execute a SPSA order on behalf of another client of BS Securities, the Client acknowledges and confirms that BS Securities may settle such SPSA order using China Connect Securities from the Special Segregated Account of such client pursuant to that client's original instructions.

5.5 The Client represents and undertakes on a continuing basis, including at each time that the Client places a SPSA Order, or otherwise give an Instruction, in respect of the China Connect Securities held in a Special Segregated Account, that in respect of any SPSA Order which the Client instructs BS Securities to execute, at all relevant times:

(a) the Client has been designated such Special Segregated Account and CCASS has assigned the investor identification number to such Special Segregated Account that the Client has provided to BS Securities in respect to any such SPSA Order, in each case in accordance with the CCASS Rules and any applicable Stock Connect Rules;

(b) the Client unconditionally authorises BS Securities to execute the sale of the relevant China Connect Securities in the specified Special Segregated Account on behalf of the Client;

(c) (A) there are, and will be, sufficient China Connect Securities in the Special Segregated Account for the Client to settle the delivery obligations in respect of such SPSA Order on the settlement day as required under the Stock Connect Rules; and (B) the Client will ensure that the China Connect Securities that are the subject of the SPSA Order will be delivered to BS Securities or to the account specified by BS Securities no later than the cut-off time for delivery as may be specified by BS Securities from time to time or, if earlier, as may be specified by any relevant Stock Connect Authority, on the settlement day specified by BS Securities and in compliance with any other requirements for settlement which may be specified by BS Securities to the Client or the Client's agent for settlement from time to time;

(d) the total number of China Connect Securities subject to SPSA Orders, in respect of China Connect Securities in that Special Segregated Account on any relevant Trading Day will not exceed the total stock holding position in respect of the same China Connect Securities as shown against the investor identification number for the relevant Special Segregated Account (A) immediately before

the commencement of operation of Stock Connect on that Trading Day or (B) as at such other time an maybe specified by BS Securities or any relevant Stock Connect Authority from time to time;

(e) to the extent that (i) the Client is a fund manager and (ii) the Client aggregates SPSA Orders across more than one Special Segregated Account (whether they are maintained with one or more custodian participant registered pursuant to the CCASS Rules),

(A) the Client has authority from all relevant parties (including the relevant funds or sub-funds) so to aggregate such SPSA Orders and allocate China Connect Securities across such Special Segregated Accounts at the Client's discretion; and

(B) any such actions taken or to be taken comply with all Applicable Requirements and do not involve any misappropriation of client assets;

(f) the relevant number of China Connect Securities recorded in the relevant Special Segregated Account will be used by the Client for stock settlement of such SPSA Order in accordance with the CCASS Rules and any other relevant Stock Connect Rules; and

(g) to the extent that a SPSA order is a Short Selling order, the borrowed Short Selling Securities are held in the relevant Special Segregated Account and the order is in compliance with (i) the China Connect Rules applicable to any SPSA Order and (ii) the obligations set out herein. For the avoidance of doubt, BS Securities does not accept any Short Selling orders.

5.6 The Client must immediately inform BS Securities if any of the representations set out above in Clause 5.5 are no longer correct or have become misleading or the Client has not complied, or will not comply, with any of the obligations under this Supplement or under the Stock Connect Rules in a way which may affect the ability of BS Securities to execute a SPSA Order in compliance with the Stock Connect Rules.

5.7 In the event that there is a breach of any of the terms of Clause 5 which results in a failure by BS Securities to deliver any China Connect Securities held in the relevant Special Segregated Account to CCASS in respect of any SPSA Order as required by the Stock Connect Rules:

(a) the Client acknowledges that BS Securities is entitled to inform HKSCC that the failure to deliver was the result of the failure to deliver from a Special Segregated Account and, as a consequence, any overdue short stock position quantities will be deducted from the sellable balances of the relevant Special Segregated Account; and

(b) the Client agrees to provide any information or any other assistance as may be required by BS Securities to ensure that SEHK and/or HKSCC is satisfied that the overdue short stock position was a result of a failure to deliver the China Connect Securities from a Special Segregated Account.

6. **Settlement, Currency Conversion and Instructions**

6.1 Northbound Trading is traded and settled in RMB. If the Client does not have sufficient Offshore RMB in the Account(s) for any purchase order of China Connect Securities through Northbound Trading or other payment obligation in connection with Stock Connect, the Client authorises BS Securities to convert any funds in another currency in any Account(s) into Offshore RMB for the purposes of settlement in connection with Stock Connect. However, If there are no such funds (or all or any part of such funds cannot be converted into sufficient Offshore RMB) before any such settlement, settlement may be delayed and/or fail and the Client may not be able to purchase or transfer the relevant China Connect Securities.

6.2 Notwithstanding any other provision in Section I, where it is necessary to convert one currency to another pursuant to, in relation to or arising from this Supplement, such currency conversion may be carried out automatically by BS Securities in good faith at a rate BS Securities reasonably considers appropriate without prior notice to the Client. The Client indemnifies BS Securities for any shortfall arising from any such conversion.

6.3 The Client waives any of his right in any jurisdiction to pay any amount other than in the currency in which it is due. If BS Securities receives an amount in a currency other than that in which it is due:

(a) BS Securities may convert the amount into the due currency on the date and at rates BS Securities reasonably considers appropriate without prior notice to the Client. BS Securities may deduct its Costs incurred in the conversion; and

(b) the Client satisfies his obligations to pay in the due currency only to the extent of the amount of the due currency obtained from the conversion after deducting the Costs of the conversion.

6.4 The Client must comply with all applicable exchange control laws and requirements in connection with this Supplement and Northbound Trading.

6.5 BS Securities may in its discretion reject the Client's sell order if BS Securities considers that the Client does not have sufficient available China Connect Securities in the Account(s) by the applicable cut-off time (as notified to the Client by BS Securities from time to time) or it for any other reason BS Securities considers that there is or maybe non-compliance with any Applicable Requirement. The Client indemnifies BS Securities for any Loss incurred in connection with any non-compliance or potential non-compliance with pre-trade checking and/or any Applicable Requirement.

6.6 BS Securities may reject the Client's purchase order or sell order upon a request from SEHK, a China Connect Market Operator, or other Stock Connect Authorities. BS Securities is not liable for any Loss incurred by the Client in connection with any such request from SEHK, the China Connect Market Operator, or other Stock

Connect Authorities.

6.7 If BS Securities is unable to effect an order cancellation request received from the Client due to the occurrence of a contingency (such as a breakdown or failure of all communication links between SEHK and a China Connect Market Operator), the Client shall remain liable for his settlement obligations if the relevant order has already been matched and executed.

6.8 BS Securities is not liable for any Loss incurred by the Client in connection with any trading based on the Instructions. BS Securities is not able to unwind any trade, and the Client should also take note of the settlement arrangements in respect of China Connect Securities under Stock Connect, the pre-trade checking requirement and the restriction on day (turnaround) trading which may affect the Client's ability to mitigate the consequences of his own error trades.

7. **Authority to Sell**

7.1 The Client authorises BS Securities to sell or arrange for the sale of any quantity of China Connect Securities held on the Client's behalf at such price and on such terms as BS Securities may determine In its absolute discretion if:

(a) BS Securities receives an instruction directly or indirectly from a China Connect Market Operator or other Stock Connect Authority requiring the Client to sell and liquidate any specified China Connect Securities;
(b) BS Securities is of the view that the Client is in breach or may be in breach of any Applicable Requirements; or
(c) BS Securities has held on the Client's behalf such China Connect Securities for a period longer than BS Securities' prescribed period as notified to the Client from time to time.

8. **Limitation of Liability and Indemnity**

8.1 Unless an Applicable Requirement prohibits BS Securities from excluding or limiting its liability or where the Loss is directly caused by BS Securities' fraud or wilful misconduct, BS Securities is not liable for any Loss incurred in connection with this Supplement or any Northbound Trading (including in connection with the provision, unavailability or improper functioning of any Stock Connect related services, delay or error in the transmission of any electronic payment transfer, failure or delay in the execution of any Instruction, breakdown or failure of any communications system, delay in providing funds to the Client, or any other thing BS Securities does or does not do). This applies where the Loss arises for any reason and even if the Loss was reasonably foreseeable or BS Securities had been advised of the possibility of the Loss.

8.2 To the maximum extent permitted by the Applicable Requirements, the Client indemnifies BS Securities against, and must pay BS Securities on demand for, any Loss BS Securities reasonably incurs in connection with all proceedings and/or Taxes howsoever arising, directly or indirectly, out of or resulting from the Client's trading of China Connect Securities pursuant to Stock Connect.

8.3 For the avoidance of doubt, this Clause 8 is in addition to clause 23 (Liability and Indemnity) of Section I and any other exclusions or limitations of BS Securities' liability and indemnities set out in this Supplement, Section I, or otherwise.

9. **Miscellaneous**

9.1 The Chant agrees to execute any further documents and provide any materials and/or information as BS Securities may reasonably request to enable BS Securities to perform its duties and obligations under this Supplement which may become necessary as and when the Stock Connect Rules are updated, amended and/or replaced from time to time. The Client's failure to comply with this provision may result in a suspension of Stock Connect services to the Client.

9.2 Without prejudice to Section I, the Client acknowledges that BS Securities may use any such materials and/or information received from the Client for compliance with the Applicable Requirements and may retain any such materials and/or information received from the Client for such period as it deems appropriate pursuant to the Applicable Requirements.

10. **Risk Disclosures and Acknowledgement**

10.1 The Client acknowledges that he has read and understands the risk disclosures and other information set out in the Risk Disclosure Statements and that the Client understands his obligations set out in this Supplement and the Risk Disclosure Statements.

10.2 The Client acknowledges that he understands and has assessed the risks relating to Stock Connect (including but not limited to those as set out in the Risk Disclosure Statements) and the Client is willing to undertake those risks.

10.3 The Client acknowledges that BS Securities is not liable for any Loss the Client may suffer as a result of the materialization at any of the risks described in the Risk Disclosure Statements or other risks relating to trading under Stock Connect.

10.4 The Client acknowledges that he must comply with all Applicable Requirements applicable to his trading of China Connect Securities through Stock Connect. In particular, the Client acknowledges and agrees that among other things, the following in respect of Northbound Trading:

(a) no day trading is allowed (i.e. China Connect Securities purchased on a Trading Day shall not be sold on the same day);

(b) unless a SPSA Order arrangement is in place, pre-trade checking is in place so that the Client must have his China Connect Securities transferred to BS Securities' corresponding CCASS account before trading commences on a Trading Day if he intends to sell those China Connect Securities during that Trading Day;

(c) all trading must be conducted on a China Connect Market, i.e. no over-the-counter or manual trades are allowed;

(d) naked short selling is not allowed;

(e) where the Client conducts margin trading, stock borrowing and lending and/or short-selling activities through the use of Stock Connect services, the Client shall be fully aware of the restrictions, requirements and conditions applicable to such activities. In particular, the Client acknowledges that trading services for such activities may be suspended, restricted or ceased in circumstances stipulated by the Applicable Requirements (such as when volume of trading activities exceeds the thresholds prescribed by the Applicable Requirements or any abnormal trading activities have or are suspected to have taken place) and that margin trading and short-selling activities may only be conducted in respect of eligible China Connect Securities. The Client may refer to the lists of eligible China Connect Securities published on the website of SEHK (www.hkex.com.hk) from time to time;

(f) foreign ownership limits (including the individual shareholding limit (currently at 10%) and the aggregate shareholding limit (currently at 30%) which are applicable to foreign investors and the forced-sale arrangement) are in place, and BS Securities shall have the right to sell the Client's shares upon receiving any forced-sale notification from HKEx. The Client shall not in any event claim against BS Securities for any losses or damages incurred by the Client arising from or in connection with such foreign ownership limits;

(g) the Client should understand fully the Applicable Requirements in relation to “short swing profits” and his disclosure obligations (including, but not limited to, the shareholding disclosure requirement (currently at 5%) applicable to persons who invest in A-Shares under the applicable laws of Mainland China), and he should follow such rules and regulations accordingly;

(h) BS Securities shall have the right to cancel the Client's orders in case of contingency, such as when a Typhoon Signal No.8 or above is hoisted in Hong Kong. The Client shall not in any event claim against BS Securities for any losses or damages incurred by him arising from or in connection with such cancellation;

(i) BS Securities may not be able to send in a Client's request to cancel an order in case of contingency, such as when HKEx loses all its communication lines with a China Connect Market Operator, and the Client should still be liable for the settlement obligations if the orders are matched and executed;

(j) the Client must comply with the Operator Rules and other applicable laws of Mainland China relating to Northbound Trading;

(k) BS Securities is entitled to provide, disclose and transfer information regarding the Client's identity or such other information (including the BCAN, CID and the Client’s personal data and trading activities) to HKEx, SEHK or its subsidiary which may provide, disclose and transfer such information to a Stock Connect Authority for the purposes of assisting in any surveillance and investigation by a Stock Connect Authority;

(l) HKEx and SEHK or its subsidiary are entitled to collect, use and store the BCAN, CID and any consolidated, validated and mapped BCAN and CID information provided by ChinaClear or the relevant Stock Connect Authorities (in the case of storage, by any of them or via HKEx) for market surveillance and monitoring purposes and enforcement of the Applicable Requirements; (ii) provide, disclose and transfer such information to ChinaClear or the relevant China Connect Market Operator (directly or through ChinaClear or the relevant Stock Connect Authorities) from time to time; and (iii) provide, disclose and transfer such information to the relevant Stock Connect Authorities or Hong Kong Regulators as to facilitate the performance of their statutory functions;

(m) ChinaClear and China Connect Market Operator are entitled to (i) collect, use and store the BCAN and CID to facilitate the consolidation and validation of BCAN and CID and the mapping of BCAN and CID with their investor identification database, and provide such consolidated, validated and mapped BCAN and CID information to the relevant China Connect Market Operator, HKEx and SEHK or its subsidiary; (ii) use the BCAN and CID for the performance of its regulatory functions; and (iii) provide, disclose and transfer such information to the Mainland regulatory authorities and law enforcement agencies so as to facilitate the performance of their regulatory, surveillance and enforcement functions;

(n) if the Operator Rules are breached, or the disclosure and other obligations referred to in the Operator Listing Rules or Operator Rules are breached, the relevant China Connect Market Operator may have the power to carry out an investigation, and the relevant China Connect Market Operator may, through HKEx or its subsidiaries, require BS Securities to provide relevant information and materials and to assist in its investigation. The Client shall authorise and fully cooperate with BS Securities to provide such information and materials;

(o) HKEx or its subsidiary may upon a China Connect Market Operator's request, require BS Securities to reject orders from the Client and the Client shall not in any event claim against BS Securities for any losses or damages incurred by the Client arising from or in connection with such rejection;

(p) the Client needs to accept all the risks relating to Northbound Trading, including, but not limited

to, the risks disclosed in the Risk Disclosure Statements;

(q) a China Connect Market Operator may request HKEx or its subsidiaries to require BS Securities to issue warning statements (verbally or in writing) to the Client, and not to extend Northbound Trading services to the Client. The Client shall not in any event claim against BS Securities for any losses or damages incurred by the Client arising from or in connection with such non-extension;

(r) HKEx and its subsidiaries, the China Connect Market Operators and their subsidiaries, and any Stock Connect Authorities and their respective directors, employees and agents shall not be responsible or held liable for any losses or damages directly or indirectly incurred by the Client or any third parties arising from or in connection with Northbound Trading, or arising from or in connection with the China Connect Market Operator making, amending or enforcing the relevant Operator Rules, or any action taken by it in the discharge of its supervisory functions or regulatory obligations; and

(s) the imposition of a Circuit Breaker by a China Connect Market Operator on any trading day of the relevant China Connect Market will result in suspension of trade execution on the relevant China Connect Market.

10.5 The Client acknowledges and accepts that:

(a) this Supplement does not purport to disclose all the risks or other material considerations in connection with Northbound Trading or Transactions in general;

(b) this Supplement does not modify any Applicable Requirements (except to the extent set out in this Supplement and permitted under the Applicable Requirements);

(c) SEHK has the power not to extend any service relating to trading China Connect Securities through Stock Connect to the Client and the power to require BS Securities not to accept Instructions if it is found that the Client, BS Securities and/or any of BS Securities' clients has or may have committed any abnormal trading conduct set out in the Stock Connect Rules or failed to comply with any Stock Connect Rules;

(d) the relevant China Connect Market Operator has the power to carry out investigations, and may, through SEHK (or any other governmental or regulatory body), require BS Securities and/or any BS Group Company to provide relevant information and materials relating to the Client including, without limitation, in relation to the identity, personal data, and trading activity of the Client; and assist in a Stock Connect Authority's investigation in relation to the Client and/or the Client's trading activity;

(e) where a Stock Connect Authority considers that there is a serious breach of the Applicable Requirements, BS Securities and/or any BS Group Company may be required by a Stock Connect Authority to (a) issue warning statements (verbally or in writing) to the Client; and (b) cease providing the Client with any service relating to trading China Connect Securities through Stock Connect;

(f) this Supplement does not constitute any business, legal, tax or accounting advice and that the Client should seek independent professional advice and undertake his own research and assessment before entering into any transaction through Stock Connect; and

(g) the Client should refrain from entering into any transaction through Stock Connect unless he has fully understood the terms and risks of the relevant transaction, including the extent of his potential risk of loss.

*****

SECTION II – TERMS AND CONDITIONS FOR IPO AND PLACING

These Terms are additional and supplemental to the terms and conditions in Section I headed "Terms and Conditions for Securities Cash Trading" ("**Section I**"). All Applications and the Credit Facilities in respect of such Applications shall be subject to and upon the Agreement and the Loan Agreement. Where any conflict or inconsistency arises between any provision of these Terms and any provision of Section I, the provisions of these Terms shall prevail.

1. **Definitions**

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

1.2 In these Terms, the following expressions, unless the context requires otherwise, shall have the following meanings: -

"**Agreement**" means the agreement made between the Client and BS Securities and constituted by the Account Opening Form, these Terms, the Acknowledgment by Client, the terms and conditions in Section I, and such other documents referred to therein or added thereto (including any amendment or supplement made thereto from time to time);

"**Allotted Securities**" means, in respect of each Application, all the Securities in relation to which the Application is accepted;

"**Application**" means any and each application to be made by BS Securities or its agent as agent on behalf of the Client for the subscription or purchase of the Offer Securities pursuant to Clause 2;

"**Application Amount**" means, in respect of each Application, an amount equal to the total value of the Offer Securities applied for in the Application plus all fees, charges and expenses payable by the Client in connection with the Application (including transaction levy, commission, account opening fee and such other fees where applicable);

"**Bank**" means a bank or restricted licence bank as defined in the Banking Ordinance (Cap.155 of the Laws of Hong Kong);

"**Credit Facilities**" means all or any of the loan or credit facilities made available, provided or granted by or agreed to be made available, provided or granted by any of the BS Group Companies to the Client on demand in respect of an Application under and pursuant to Clause 7 and the Loan Agreement from time to time;

"**Foreign Currency**" means a currency other than Hong Kong Dollar;

"**Funding Fee**" means the amount of moneys, fees, costs, interest, expenses, commissions and charges (including but not limited to the moneys, fees, costs, interest, expenses, commissions and charges referred to or incurred under or pursuant to Clause 7.5) as BS Securities may from time to time notify the Client (if any);

"**Hong Kong Dollar**" or "**HK$**" means the lawful currency of Hong Kong at the relevant time;

"**IPO**" means a public offer of Securities in respect of a new listing and/or issue of such Securities on an Exchange;

"**Issuer**" means the issuer or vendor of the Offer Securities;

"**Offer**" means an IPO or Placing, as the case may be;

"**Offer Securities**" means the Securities offered by the Issuer for (a) subscription in an IPO; or (b) purchase in a Placing;

"**Placing**" means a placing and/or selected/restricted offering of Securities;

"**Relevant Person**" means, in respect of an Offer, the Issuer, sponsors, underwriters, placing agents, registrar, central depository, receiving bank, other intermediaries involved in such Offer, the Exchange, the SFC, the Clearing House, any other relevant regulators and/or persons; and

"**these Terms**" means all the terms and conditions in this Section II headed "Terms and Conditions for IPO and Placing" as from time to time amended and supplemented.

1.3 In these Terms: -

(a) "include(s)" and "including" mean respectively "include(s) but not limited to" and "including but not limited to";

(b) reference to a Clause is to a clause of these Terms and reference to the Account Opening Form is to the Account Opening Form as completed by or on behalf of the Client and where such

information has been amended by subsequent notice to BS Securities means the Account Opening Form as amended by such notice;

(c) reference to an Ordinance is to an Ordinance or law of Hong Kong and any subsidiary legislation related thereto as from time to time amended, consolidated, extended, codified or re-enacted and for the time being in force;

(d) words importing the singular include the plural and vice versa; words importing person include bodies corporate or unincorporated or other entity; words importing gender include every gender and the neuter gender;

(e) the headings to the Clauses are for convenience only and do not affect their interpretation or construction; and

(f) where it is necessary for the true construction or interpretation of any provision herein so that the indebtedness, liability or obligation of any of the Parties shall continue after the termination of the Agreement, such provision shall survive the termination of the Agreement.

1.4 Where it is necessary for the true construction or interpretation of any provision of the Agreement, all references to (i) "Agreement" in Section I shall be construed as references to Agreement as defined in these Terms; and (ii) "Credit Facilities" in Section I shall be construed as references to Credit Facilities as defined in these Terms.

2. **Application**

2.1 The Client irrevocably and unconditionally requests and authorizes BS Securities or its agent to make Application(s) containing the following details :-

(a) the quantity of the Offer Securities to be applied for;

(b) the name of Issuer of such Offer Securities; and

(c) the Application Amount for such Offer Securities.

2.2 BS Securities reserves the right to refuse making any Application on the Client's behalf if there are insufficient funds in the Account at the relevant time for settling the Application Amount and Funding Fee or if, in BS Securities' opinion, there is any other reasonable ground for such refusal.

2.3 Where BS Securities or its agent submits an Application, BS Securities or its agent acts as the agent of the Client for the purpose of applying for the Offer Securities and neither BS Securities nor its agent (as the case may be) is the agent of the Issuer or any Relevant Person.

2.4 The Client must apply for the Offer Securities as principal only. Any Application by the Client as agent, nominee or trustee for any other person will not be processed by BS Securities.

2.5 The Client must ensure that each Application complies with any minimum, maximum, denomination and/or other requirements (whether in respect of the quantity or value of the Offer Securities or the number of Application) prescribed by the Issuer of the relevant Offer. Any Application which does not fully comply with such requirements will not be processed by BS Securities.

2.6 Each Application shall be subject to the Agreement.

2.7 BS Securities may aggregate any Application with a bulk application to be made by BS Securities or its agent on behalf of BS Securities and/or BS Securities' other clients. The Client acknowledges and agrees: -

(a) that such bulk application may be rejected by reasons which are unrelated to the Client and the Application and neither BS Securities nor its agent shall, in the absence of fraud or wiful default, be liable to the Client or any other person in consequence of such rejection;

(b) to indemnify BS Securities against any and all losses, damages, costs, charges, expenses (including legal fees on a full indemnity basis), claims or demands whatsoever which may be sustained or incurred by or made against BS Securities if such bulk application is rejected as a result of the Client's failure to comply with any of its obligations under the Agreement or otherwise in connection with the Application (including any representations, undertakings and/or warranties of the Client being or becoming untrue or having been breached) or any other factors relating to the Client. The Client acknowledges that the Client may also be liable in damages to other persons affected by such failure, breach or factors; and

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

2.8 If the Offer Securities are denominated in a Foreign Currency or in both Hong Kong Dollar and a Foreign Currency, BS Securities shall have the absolute discretion to :-

(a) request the Client to pay or transfer to BS Securities the Application Amount and the Funding Fee in Hong Kong Dollar and/or the relevant Foreign Currency in such proportion as may be determined by BS Securities from time to time; and

(b) convert (the entirety or any part of) the Application Amount and the Funding Fee from one currency to another currency for the purpose of submission of the Application and/or other purposes relating or incidental to the Application.

2.9 In respect of each Application, the Client acknowledges that BS Securities has invited the Client to seek independent legal and other professional advice or the Client does not wish to seek independent legal or other professional advice despite every chance having been offered to the Client to do so.

2.10 The Client acknowledges and agrees that any Application, once submitted by BS Securities or its agent on behalf of the Client, cannot be withdrawn, cancelled or modified without the prior written consent of BS Securities.

3. **Responsibility of BS Securities**

3.1 BS Securities shall not have any liability in respect of, is not responsible for, has not authorized and shall not be deemed to have authorized, the contents of any prospectus, offering document(s), application form(s) and/or other documents relating to any Offer.

3.2 Unless otherwise appointed in writing, BS Securities is not the investment adviser of the Client with respect to any Offer or Application and shall not be responsible for any loss which the Client may suffer as a result of any Application made on behalf of the Client pursuant to the Agreement. The Client confirms that each Application is made by the Client on its own judgment and at its sole risk.

3.3 BS Securities makes no undertakings, warranties or representations as to the result of the allotment of the Offer Securities in any Offer and BS Securities shall not in any event be responsible for the result of such allotment or any rejection in full or in part of any Application for any reason.

3.4 BS Securities shall not incur any liability or responsibility whatsoever arising out of or in consequence of any failure or omission by BS Securities to perform any of its obligations hereunder including but without limitation the making of any Application or any refusal to make or any withdrawal of any Application.

4. **Notification and Results**

4.1 The Issuer shall be solely responsible for approving or disapproving Applications and for announcing the results of allocation of the Offer Securities. The specific arrangements with regard to the announcement of results may differ from one Offer to another and the Client shall be responsible for ascertaining details of such arrangements by reviewing the relevant prospectus and/or offering document(s). BS Securities will notify the Client of the results of its Application in such manner as BS Securities may deem fit.

4.2 Unless BS Securities receives from the Client notice to the contrary together with payment of all amounts owing by the Client to BS Securities in connection with any Application (including but not limited to the interest payable on the Credit Facilities, the outstanding principal amount of the Credit Facilities, the Application Amount and the Funding Fee) within such time as BS Securities may specify in its notification of allotment to the Client (without prejudice to BS Securities' right of repayment on demand or any other rights or remedies), BS Securities is authorized but not obliged, without notice to or consent from the Client, to sell or otherwise dispose of any and all Allotted Securities in such manner and for such price or prices and without being responsible for any loss, as BS Securities may think fit and apply the proceeds of such sale or disposal towards discharging the Liabilities (including the costs incurred in connection with the sale or disposal of the Allotted Securities and all other costs incurred by BS Securities in connection with the Application, the interest payable on the Credit Facilities, the outstanding principal amount of the Credit Facilities, the Funding Fee and the Application Amount) in such order of priority as BS Securities may consider appropriate, and the remaining amount (if any) shall be paid to the Client or to the Client's order. In the event of any deficiency after applying the proceeds of sale or disposal of the Allotted Securities, the Client shall make good and pay on demand to BS Securities such deficiency. The Client shall also pay interest on such deficiency 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 ten per cent (10%) above the prevailing prime or best lending rate for Hong Kong dollars of The Hongkong and Shanghai Banking Corporation Limited or other bank as determined by BS Securities from time to time, such interest shall be payable on the last day of each calendar month or forthwith upon demand by BS Securities.

4.3 If the Client gives any notice to BS Securities pursuant to Clause 4.2, the Client shall pay to BS Securities at the time of giving such notice or otherwise on demand all amounts owing by the Client to BS Securities in connection with the relevant Application (including but limited to the interest payable on the Credit Facilities, the outstanding principal amount of the Credit Facilities, the Application Amount and the Funding Fee). BS Securities is not obliged to release or procure its agent to release to the Client the certificates relating to the Allotted Securities, or to procure the Allotted Securities to be credited to the Client's specified Account, unless and until all amounts owing by the Client to BS Securities have been received in full by BS Securities to its satisfaction.

5. **Refund of Application Amount**

5.1 Where no Application has been submitted on behalf of the Client for any reason, BS Securities will arrange for refund of the Application Amount to the extent debited or received by BS Securities (in full but without interest) to the Client by crediting the relevant sum to the Settlement Account as soon as reasonably practicable. If an Application is submitted but is wholly or partly unsuccessful, BS Securities will arrange for refund of the Application Amount (or the applicable balance in the case of a partly unsuccessful Application) on (a) in the case of IPO, the refund date as announced by the Issuer; or (b) in the case of Placing, within 3 Business Days after completion and/or termination of such Placing pursuant to the terms and conditions of

the prospectus, offering document(s), application form(s) or other documents relating to such Placing, in the same manner described in this Clause subject to Clauses 5.5 and 7.

5.2 In the event that the offer price of the Offer Securities (as finally determined by the Issuer) is less than the Application Amount initially paid by the Client, subject to the terms and conditions of the relevant Offer, BS Securities will arrange to refund the surplus of the Application Amount to the Client in the same manner described in this Clause subject to Clauses 5.5 and 7.

5.3 All Funding Fee in connection with the Application are not refundable unless otherwise specified by BS Securities in writing.

5.4 If the Offer Securities are denominated in a Foreign Currency or in both Hong Kong Dollar and a Foreign Currency, BS Securities shall have the absolute discretion to :-

(a) refund, pay or transfer to the Client the Application Amount (or the applicable balance in the case of a partly unsuccessful Application) in Hong Kong Dollar and/or the relevant Foreign Currency in such proportion as may be determined by BS Securities from time to time; and

(b) convert (the entirety or any part of) the Application Amount (or the applicable balance in the case of a partly unsuccessful Application) from one currency to another currency for the purpose of such refund, payment or transfer and/or other purposes relating or incidental to such refund, payment or transfer.

5.5 Notwithstanding that an Application is made on behalf of the Client, where Credit Facilities have been made to the Client, all the rights to any refund amount of the Application Amount shall be held by BS Securities or its agent on trust to pay the same to BS Securities. The Client shall have no right or claim in respect of such refund amount. By giving Instruction to make an Application, the Client irrevocably agrees and confirms that BS Securities or its agent (as the case may be) is authorized to apply any refund amount towards satisfaction of any amount owing by the Client to BS Securities in the manner specified in Clause 4.2. BS Securities may at its discretion grant security interest of any nature over any such refund amount to any third party as security for any credit facilities made to BS Securities to finance the BS Securities' funding of all or part of the Credit Facilities.

6. **Client's Representations, Undertakings and Warranties**

6.1 The Client warrants to and for the benefit of BS Securities and any of its agents that BS Securities or any such agent (as the case may be) shall be authorized by the Client to make Application(s) as the Client's agent and on the Client's behalf.

6.2 The Client warrants to and for the benefit of BS Securities and any of its agents that the Client is not a person prohibited by any Relevant Person or any legislation, rule or regulation from making Application(s) or from owning the Offer Securities and that the Client makes each Application as principal and not on behalf of any person that is subject to such prohibition or any other person.

6.3 With respect to each Application, the Client shall familiarize itself and comply with all the terms and conditions: - (a) governing the relevant Offer set out in the application form(s), prospectus, offering document(s) and any other relevant document in respect of such Offer; and (b) in the Agreement, and the Client agrees to be bound by such terms and conditions in respect of each Offer for which BS Securities or its agent makes an Application on the Client's behalf. The Client shall make the investment decision based on the prospectus, offering document(s) and any other relevant document(s) in respect of the relevant Offer rather than on any other information, particularly promotional or marketing materials and media coverage relating to such Offer. The giving of any Instruction to make an Application shall constitute the Client's confirmation that the Client has complied with this Clause with respect to the relevant Offer and Application.

6.4 The Client represents, undertakes and warrants to BS Securities that: - (a) (in respect of any Offer where multiple applications for subscription or purchase of Offer Securities are not permitted) the Client has not made and will not make, and the Client has not procured and will not procure to make, more than one Application in respect of such Offer whether for its own account or for account of any other person; (b) the Client has not made and will not make, and the Client has not procured and will not procure to make, any Application as agent, nominee or trustee for any other person; (c) in respect of any Application, the Client has not been placed (for the benefit of itself or for the benefit of any other person) with any shares or warrants or interests which are of the same class or type as those applied for in the Application. The Client acknowledges that any breach by the Client of, or any inaccuracy of, the representations, undertakings and warranties set out in this Clause might result in, in addition to the rejection of the Application, the rejection of other applications submitted by BS Securities on its own behalf or on behalf of others. The Client shall indemnify BS Securities on demand for all losses resulting from such breach or inaccuracy. The Client acknowledges and accepts that the aforesaid representations, undertakings and warranties will be relied upon by BS Securities, its agent and the Relevant Persons in respect of the relevant Application.

6.5 In addition to the other representations, warranties and undertakings given or to be given by the Client to BS Securities in connection with each Application, the Client gives BS Securities all the representations, warranties and undertakings which an applicant for the Offer Securities in an Offer is required to give (whether to any or all of the Relevant Persons).

6.6 The Client recognizes and understands that the legal and regulatory requirements and Market practice in respect of each Offer or Application may vary from time to time. The Client undertakes to provide to BS

Securities such information, make such disclosure, take such steps and give such representations, warranties and undertakings as may be required of the Client in accordance with such legal and regulatory requirements and Market practice as BS Securities may in its absolute discretion determine from time to time. The Client shall also comply with such requirements and practice.

6.7 Where BS Securities or its agents is required, in respect of any Offer and/or the Application, to give any undertakings, representations and warranties to any one or more of the Relevant Persons with respect to the Client or any other matters, BS Securities is authorized by the Client to give such undertakings, representations and warranties in reliance solely upon any undertakings, representations and warranties given by the Client to BS Securities. The Client shall be bound by all applicable announcements made by any Relevant Person and all the applicable legislation, rules and regulations governing each Offer and Application and the issue of the Allotted Securities.

6.8 The Client authorizes BS Securities to execute all documents and to do all things necessary on behalf of the Client for the purposes of making any Application. The Client accepts all things done by BS Securities and/or its agent on the Client's behalf in connection with each Application. The Client shall accept the Offer Securities applied for in each Application or any lesser quantity allocated to BS Securities or its agent on behalf of the Client pursuant to each Application. The Client indemnifies BS Securities and/or its agent against any loss or claims suffered or incurred by each of them in connection with any Application.

6.9 The Client authorizes BS Securities to disclose to any Relevant Person all information relating to the Client and the relevant Application if disclosure is required by law or is requested or required in connection with the relevant Offer or Application.

7. **Application Financing**

7.1 The Client applies to and requests BS Securities to grant or extend to the Client on demand Credit Facilities for Application(s). The following items shall be agreed by the Client and BS Securities in respect of the relevant Application: -

(a) the principal amount of the Credit Facilities;
(b) the interest rate; and
(c) the Funding Fee.

7.2 Subject to this Clause, BS Securities, relying on the representations, warranties and undertakings of the Client in the Agreement and the Loan Agreement, agrees to grant or extend to the Client the Credit Facilities for Application(s) subject to and upon the terms and conditions of the Agreement and the Loan Agreement.

7.3 Notwithstanding any of the terms and conditions herein (in particular Clause 7.2) or in the Loan Agreement, and without prejudice to any other rights and powers of BS Securities under the Agreement, the Loan Agreement and/or otherwise conferred by the applicable legislation, rules and regulations, the Client agrees and acknowledges that the provision and drawdown of any Credit Facilities are at BS Securities' sole discretion. BS Securities reserves the right, without notice to the Client, to withdraw, stop or cancel any part or the whole of the Credit Facilities at any time up to the moment when the relevant Application is made. In the event of BS Securities exercising the aforesaid right, then the Credit Facilities (or any part thereof) shall automatically be withdrawn, stopped or cancelled, and the Credit Facilities (or any part thereof) shall not thereafter be available to the Client. For the avoidance of doubt, it is hereby agreed and declared that all the Client's rights and benefits under the Agreement and the Loan Agreement shall always be subject to BS Securities' right of withdrawal, stop, cancellation as mentioned in this Clause.

7.4 Notwithstanding any of the terms and conditions in the Agreement or the Loan Agreement, the Client authorizes BS Securities to apply for, be granted and/or be extended financial facilities from the Bank at any time and on such terms and conditions to be agreed between BS Securities and the Bank from time to time, for financing all or any part of the Credit Facilities to be granted or extended to the Client The Client further agrees, acknowledges and authorizes that :-

(a) BS Securities may provide the Bank with security or collateral arrangement up to such extent as may be determined by the Bank and BS Securities for securing such financial facilities from the Bank; and
(b) BS Securities and the Bank may enter into or make any kind of hedging, financial or other arrangement (including but not limited to swap arrangement) with respect to such financial facilities from the Bank.

7.5 Notwithstanding any of the terms and conditions in the Agreement or the Loan Agreement, the Client agrees, acknowledges and undertakes to BS Securities that and the Client shall bear and pay BS Securities and shall fully indemnify and keep BS Securities indemnified on demand against any moneys, fees, costs, interest, expenses, commissions, and charges arising out of or in connection with the financial facilities, security or collateral arrangement, and hedging, financial or other arrangement (including but not limited to swap arrangement) referred to in Clause 7.4.

7.6 Notwithstanding any of the terms and conditions in the Agreement or the Loan Agreement, the Client agrees, acknowledges and undertakes to BS Securities that: -

(a) the Client will pay to BS Securities on demand the Credit Facilities, interest thereon, the Funding Fee, all fees, charges and costs in connection with the Credit Facilities;

(b) the Credit Facilities are advanced to the Client, and shall be used, exclusively for the purpose of making the relevant Application, and the Credit Facilities proceeds shall be held on trust for that purpose. Notwithstanding that the Application is made by BS Securities or its agent as agent on the Client's behalf, the Client shall have no right, title, interest or claim of whatever nature in or to any amount of the Credit Facilities or to use the Credit Facilities for any purpose other than making the relevant Application. Where any Application is to be made by BS Securities' agent, BS Securities' agent shall hold the amount of the relevant Credit Facilities on trust for BS Securities at all times pending payment to or to the order of the Issuer;

(c) in consideration of BS Securities making available the Credit Facilities to the Client and upon the allotment and issuance to BS Securities or its agent on the Client's behalf of the Allotted Securities pursuant to the relevant Application, the Client as beneficial owner hereby charges, assigns, mortgages and pledges and agrees to charge, assign, mortgage and pledge to BS Securities by way of first fixed charge and release to BS Securities all the Client's rights, title and interest in and to the Allotted Securities as a continuing security for the payment of all amounts payable by the Client to BS Securities in connection with the Credit Facilities and the Application and the performance of any other obligation of the Client to BS Securities. The security created by this charge shall extend to and cover any and all dividends, warrants, shares, stocks, rights, benefits, interest, distributions, accretions and other money and property accruing or offered at any time by way of substitution, redemption, bonus, preference, option or otherwise in respect of the Allotted Securities. Without prejudice to the aforesaid, the Allotted Securities (including all dividends, warrants, shares, stocks, rights, benefits, interest, distributions, accretions and other money and property accruing or offered at any time by way of substitution, redemption, bonus, preference, option or otherwise in respect thereof) shall become part of the Retained Properties (as defined in Section I) and subject to the Lien (as defined in Section I);

(d) BS Securities is authorized by the Client to pledge or grant security interest of any nature over any and all of the Allotted Securities subject to the security constituted by Clause 7.6(c) above in favour of any third party as security for any credit facilities made to BS Securities to finance its funding of all or part of the Credit Facilities;

(e) upon failure by the Client to pay on demand any amount payable by the Client to BS Securities hereunder, or if the Client is unable or admits to being unable to pay its debts as they become due, or if the Client is subject to any proceedings in or analogous to insolvency, bankruptcy or liquidation, or if legal process is applied for, levied or enforced against any Allotted Securities or other assets of the Client, BS Securities shall be entitled to enforce the security constituted by Clause 7.6(c) above and without further notice, demand, legal process or any other action with respect to the Client, (i) may, without further notice, demand, legal process or any other action with respect to the Client or the Client's consent, sell or otherwise dispose of the Allotted Securities (or any part thereof) in such manner and for such price or prices, and without being responsible for any loss, as BS Securities may think fit and apply the proceeds of sale or disposal after deducting expenses, in or towards satisfaction of all Liabilities. In the event of any deficiency after the enforcement of the security as aforesaid, the Client shall make good and pay on demand to BS Securities such deficiency. The Client shall also pay interest on such deficiency 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 ten per cent (10%) above the prevailing prime or best lending rate for Hong Kong dollars of The Hongkong and Shanghai Banking Corporation Limited or such other bank as determined by BS Securities from time to time, such interest shall be payable on the last day of each calendar month or forthwith upon demand by BS Securities;

(f) in addition and without prejudice to any other provisions in the Agreement or any security or right BS Securities may have in law or otherwise, the Client authorizes BS Securities to apply any credit balance to which the Client is entitled on any Account and any other money payable to the Client from BS Group Companies in satisfaction of any amount due and payable to BS Securities hereunder but unpaid. For this purpose, BS Securities is authorized to purchase with the money standing to the credit of any such Account such other currency as may be necessary to effect such application;

(g) the Client shall at its own cost and expense execute and sign all transfer documents, power of attorney, proxies and/or other documents and do all acts and things which BS Securities may require for perfecting BS Securities' title to the Allotted Securities or any of them and/or for vesting or enabling BS Securities to vest such Allotted Securities in its name, in the name of its nominee and/or any purchaser or otherwise for the purposes of obtaining, preserving and enforcing full benefit of the security and/or other rights and remedies conferred on BS Securities by the Agreement and the Loan Agreement. BS Securities shall be entitled to exercise all rights and powers that are conferred upon BS Securities herein including without limitation the right to sell the Allotted Securities;

(h) without prejudice to any other provisions in the Agreement, the Client will fully indemnify and keep BS Securities indemnified on demand against any losses, damages, costs, charges, expenses, claims or demands which may be sustained or incurred by or made against BS Securities arising out of the Credit Facilities and/or the Application;

(i) regarding each Credit Facilities, the Client acknowledges that BS Securities has invited the Client to seek independent legal and other professional advice or the Client does not wish to seek independent legal or other professional advice despite every chance having been offered to the Client to do so;

(j) BS Securities has the overriding right at any time to demand immediate repayment of any outstanding amount of any Credit Facilities and to cancel any Credit Facilities;

(k) the security constituted by Clause 7.6(c) above is a continuing security and secures the ultimate balance of all indebtedness from time to time owing by the Client to BS Securities notwithstanding any intermediate repayment or satisfaction of all or any of such indebtedness. Each security is in

addition to, shall not be affected by and may be enforced despite the existence of any other security held by BS Securities. Any restriction on the right of consolidating security interests shall not apply to any security constituted by Clause 7.6(c) above;

(l) any monies paid to BS Securities in respect of any Credit Facilities or Application may be applied in or towards satisfaction of the same or placed to the credit of such account as BS Securities may determine with a view to preserving its rights to prove for the full amount of indebtedness of the Client; and

(m) BS Securities may at any time continue any existing account and open any new account in the name of the Client and no subsequent transactions, receipts or payments involving such new account shall affect the liability of the Client.

7.7 If the Offer Securities are denominated in a Foreign Currency or in both Hong Kong Dollar and a Foreign Currency, BS Securities shall have the absolute discretion to :-

(a) provide or grant the Credit Facilities to Client in Hong Kong Dollar and/or the relevant Foreign Currency to BS Securities in such proportion as may be determined by BS Securities from time to time; and

(b) convert (the entirety or any part of) the Credit Facilities from one currency to another currency for the purpose of provision or granting of the Credit Facilities and/or other purposes relating or incidental to the Credit Facilities.

*****

SECTION III - TERMS AND CONDITIONS FOR SECURITIES MARGIN TRADING

These Terms are additional and supplemental to the terms and conditions in Section I headed "Terms and Conditions for Securities Cash Trading" ("**Section I**"). All transactions, purchase, investment, sale, trading, exchange, acquisition, holding, deposit, transfer, disposal, clearing, settlement or dealing in, of and with all kinds of Securities effected, conducted, carried on and entered into by the Client with and through BS Securities and/or BS Trading Agent for or on the Margin Account, and the Margin Account opened and maintained by the Client with BS Securities shall be subject to and upon the Agreement. Where any conflict or inconsistency arises between any provision of these Terms and any provision of Section I and/or the Loan Agreement, the provisions of these Terms shall prevail.

1. **Definitions**

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

1.2 In these Terms, the following expressions, unless the context requires otherwise, shall have the following meanings: -

"**Agreement**" means the agreement made between the Client and BS Securities and constituted by the Account Opening Form, these Terms, the Acknowledgment by Client, the terms and conditions in Section I, and such other documents referred to therein or added thereto (including any amendment or supplement made thereto from time to time);

"**Charged Properties**" shall have the meaning as ascribed to and defined in the Loan Agreement;

"**Collateral**" means the Charged Properties, Margin Account Fund and/or such other moneys or assets of the Client charged to the Lender upon the terms and conditions contained in the Loan Agreement;

"**Event of Default**" has the meaning ascribed thereto in Clause 4.1;

"**Lender**" shall have the meaning as ascribed to and defined in the Loan Agreement;

"**Margin Account**" means any account now or in future opened and maintained in the name of the Client with BS Securities for conducting Transactions by utilising the Credit Facilities in accordance with the Agreement, and/or all other account(s) of whatsoever nature now or in future opened and maintained in the name of the Client with BS Securities in accordance with the Agreement or other agreement or document;

"**Margin Account Fund**" means (i) all and any moneys or funds standing to the credit of the Margin Account from time to time; (ii) all funds held by BS Securities and/or any of the BS Group Companies for or on account of the Client from time to time; and (iii) all interest (if any) accruing on such funds; and

"**these Terms**" means all the terms and conditions in this Section III headed "Terms and Conditions for Securities Margin Trading" as from time to time amended and supplemented.

1.3 In these Terms: -

(a) "include(s)" and "including" mean respectively "include(s) but not limited to" and "including but not limited to";

(b) "subsidiary" shall bear the meaning given by the Companies Ordinance (Cap. 622 of the Laws of Hong Kong) and "associated company" means, in respect of any person, any company (not being a subsidiary of that person) of which that person shall beneficially own twenty per cent (20%) or more of the issued share capital or in respect of which that person is entitled to appoint one or more directors or, in relation to any company, any company which is a subsidiary of a holding company of that first mentioned company;

(c) reference to a Clause is to a clause of these Terms and reference to the Account Opening Form is to the Account Opening Form as completed by or on behalf of the Client and where such information has been amended by subsequent notice to BS Securities means the Account Opening Form as amended by such notice;

(d) reference to an Ordinance is to an Ordinance or law of Hong Kong and any subsidiary legislation related thereto as from time to time amended, consolidated, extended, codified or re-enacted and for the time being in force;

(e) words importing the singular include the plural and vice versa; words importing person include bodies corporate or unincorporated or other entity; words importing gender include every gender and the neuter gender;

(f) the headings to the Clauses are for convenience only and do not affect their interpretation or construction; and

(g) where it is necessary for the true construction or interpretation of any provision herein so that the indebtedness, liability or obligation of any of the Parties shall continue after the termination of the Agreement, such provision shall survive the termination of the Agreement.

1.4 Where it is necessary for the true construction or interpretation of any provision of the Agreement, all

references to (i) “Securities Account” in Section I shall be construed as references to Margin Account; (ii) “Agreement” in Section I shall be construed as references to Agreement as defined in these Terms; and (iii) “Retained Properties” in Section I shall be construed to include Collateral.

2. **Credit Facilities**

2.1 Where the Lender grants any Credit Facilities to the Client, the Credit Facilities shall be revolving and shall be secured by the Collateral up to such extent (subject to the restrictions under any applicable laws and regulations) as may be determined by the Lender (in its absolute and subjective discretion) from time to time provided that the Lender shall have the right to review such extent with reference to the financial position of the Client and such other relevant factors.

2.2 The Client further acknowledges and agrees to abide by the terms and conditions of the Loan Agreement and the provisions of any other agreement made with the Lender and/or any of the BS Group Companies from time to time in relation to the granting and maintenance of such Credit Facilities.

2.3 The Lender shall have the absolute discretion to determine the value of the Collateral required to be provided by the Client, and/or to determine, amend or alter the principal amount and other terms of the Credit Facilities from time to time and/or to refuse to make any advance under the Credit Facilities (whether or not the existing facility limit has been exceeded) and/or to terminate and require immediate repayment of the Credit Facilities at any time. At all times, the amount outstanding under the Credit Facilities shall not exceed such extent as prescribed by the Lender pursuant to Clause 2.1.

2.4 Notwithstanding any of the terms and conditions in the Agreement or the Loan Agreement, (i) the Credit Facilities are repayable on demand and may be varied or terminated in the absolute discretion of the Lender; and (ii)the Lender will not at any time be obliged to make any advances to the Client.

2.5 Without prejudice to the above, the Lender shall be under no obligation to make any advances to the Client under the Credit Facilities, if any of the following circumstances apply: -

(a) if the Client is in default of any of the provisions of the Agreement, the Loan Agreement, or any other letter, agreement or document entered into between the Client and BS Securities and/or any of the BS Group Companies;
(b) if in the opinion of BS Securities, there is or has been a material adverse change in the Client’s financial condition or in the financial condition of any person which might adversely affect the Client’s ability to discharge the Liabilities or perform its obligations under the Agreement, the Loan Agreement, or any other letter, agreement or document entered into between the Client and BS Securities and/or any of the BS Group Companies;
(c) if making an advance to the Client would cause the applicable extent as prescribed by the Lender pursuant to Clause 2.1 to be exceeded; or
(d) if BS Securities in its absolute discretion considers it prudent or desirable for the protection of BS Securities and/or any of the BS Group Companies.

2.6 BS Securities is instructed and authorized by the Client to draw on the Credit Facilities to settle any Liabilities, whether in respect of any Transaction, margin maintenance obligations for any positions as required by BS Securities and/or any of the BS Group Companies, or payment of any commission or other costs and expenses owing to BS Securities and/or any of the BS Group Companies.

2.7 For so long as any Liabilities remain outstanding, BS Securities shall be entitled at any time and from time to time to refuse any withdrawal of any or all of the Collateral or any other moneys and/or the Securities held by any of the BS Group Companies for the account of the Client.

2.8 The Credit Facilities will be terminated upon the occurrence of any one or more of the following events:

(a) the revocation of the Client’s standing authority as contained in or provided under Section X headed “Standing Authority”; or
(b) the non-renewal of such standing authority upon its expiry or when called upon to do so; or
(c) any termination in accordance with Section I, and any notice of termination for that purpose shall be deemed to be a notice of termination of the Credit Facilities.

Upon termination of the Credit Facilities, any outstanding Liabilities shall forthwith be repaid.

3. **Margin & Fund**

3.1 The Client agrees to provide and maintain such margin in the Margin Account (the "**Margin Requirement**") in cash, Securities and/or other assets 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 BS Trading Agent 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 make payment to and/or deposit with BS Securities such additional margin forthwith upon demand. All funds provided by the Client as margin shall be cleared funds and all Securities provided by the Client as margin shall be Securities to which the Client has valid and unencumbered title. No previous Margin Requirement shall establish any precedent. Change on Margin Requirement shall apply to existing positions as well as to new positions after the date of such change.

3.2 All margin (additional or otherwise) provided and maintained by the Client pursuant to Clause 3.1, and all monies and Securities of the Client which are now or which shall at any time hereafter be deposited with, transferred or caused to be transferred to or held by BS Securities or any of the BS Group Companies shall form part of the Collateral as a continuing security in favour of BS Securities and the Lender for the payment and satisfaction of all Liabilities (whether under the Credit Facilities or otherwise).

3.3 Without prejudice to Clauses 3.5 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 Transactions effected in relation to the Margin Account and/or pay or settle any outstanding amount under the Margin Account.

3.4 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.

3.5 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 reject any Instruction or order of the Client if the Client does not have a sufficient account balance to meet the 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.

3.6 BS Securities has no obligation to notify the Client of any failure to meet the Margin Requirement 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 17 of Section I in order to satisfy Margin Requirement without prior notice to the Client.

3.7 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 17 of Section I 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).

3.8 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 17 of Section I. 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.

3.9 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 and/or the Loan 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 and/or the Loan 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 17 of Section I if deduction of

commissions, fees or other charges causes the Margin Account to have an insufficient balance to satisfy the Margin Requirement.

3.10 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.

3.11 BS Securities shall also have the right to exercise any of its rights under clause 17 of Section I 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 the Liabilities; (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.

4. **Default**

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

(a) an event under clause 17 of Section I;
(b) any failure by the Client to comply with Clause 3; and
(c) the Client has not provided any margin (initial, maintenance or additional) or adjustments (variation or otherwise) when the same become due or payable under the Agreement, or has failed or refused to comply with any request, call or demand made by BS Securities pursuant to the Agreement.

5. **Separate Accounts**

5.1 The Transactions and assets booked under the Margin Account shall not be co-mingled with those booked under the Securities Account except as expressly provided for in the Agreement.

6. **Application Financing**

6.1 These Terms shall be incorporated into Section II headed "Terms and Conditions for IPO and Placing" ("**Section II**") and shall apply mutatis mutandis to the Credit Facilities and Allotted Securities as defined in Section II provided that in the application of these Terms as incorporated into such Section II, the definition of **"Collateral"** in Clause 1.2 shall be construed to include the following:

"all Allotted Securities and all monies in relation to the Application which are now or which shall at any time hereafter be deposited with, transferred or caused to be transferred to or held by BS Securities or any of the BS Group Companies or nominees, including those monies and Securities that shall come into the possession, custody or control of BS Securities or any of the BS Group Companies from time to time in relation to the Application (which shall include any additional or substituted Securities and all dividends, distributions or interest paid or payable, rights, interests, monies, entitlements, other payments or property accruing or offered at any time by way of redemption, bonus, preference, options or otherwise in respect of any such Securities or additional or substituted Securities)"

*****

SECTION IV - TERMS AND CONDITIONS FOR STOCK OPTIONS TRADING

These Terms are additional and supplemental to the terms and conditions in Section I headed "Terms and Conditions for Securities Cash Trading" ("**Section I**"). All Transactions effected, conducted, carried on and entered into by the Client with and through BS Securities and/or BS Trading Agent for or on the Stock Options Account, the Stock Options Account opened and maintained by the Client with BS Securities, and the Exchange Traded Options Business to be provided by BS Securities to the Client shall be subject to and upon the Agreement. Where any conflict or inconsistency arises between any provision of these Terms and any provision of Section I, the provisions of these Terms shall prevail.

1. **Definitions**

1.1 In these Terms, unless redefined herein or the context requires otherwise, all expressions defined in (a) the SEHK Rules (including the Options Trading Rules, the Operational Trading Procedures and the Operational Clearing Procedures); and (b) Section I shall, where applicable, have the same meanings when used herein.

1.2 In these Terms, the following expressions, unless the context requires otherwise, shall have the following meanings: -

"**Agreement**" means the agreement made between the Client and BS Securities and constituted by the Account Opening Form, these Terms, the Acknowledgment by Client, the terms and conditions in Section I, and such other documents referred to therein or added thereto (including any amendment or supplement made thereto from time to time);

"**Client Money Rules**" means the Securities and Futures (Client Money) Rules (Cap. 571I of the Laws of Hong Kong);

"**Client Securities Rules**" means the Securities and Futures (Client Securities) Rules (Cap. 571H of the Laws of Hong Kong);

"DCASS" means the Derivatives Clearing and Settlement System operated by SEOCH and HKFE Clearing Corporation Limited;

"**Operational Clearing Procedures**" means the Operational Clearing Procedures for Options Trading Exchange Participants of SEOCH as from time to time in force;

"**Operational Trading Procedures**" means the Operational Trading Procedures for Options Trading Exchange Participants of SEHK as from time to time in force;

"**Options Trading Rules**" means the Options Trading Rules of SEHK as from time to time in force;

"**SEOCH**" means The SEHK Options Clearing House Limited including, where the context so requires, its agents, nominees, representatives, officers and employees;

"**Stock Options Account**" means any account now or in future opened and maintained in the name of the Client with BS Securities for conducting Transactions in accordance with the Agreement, and/or all other account(s) of whatsoever nature now or in future opened and maintained in the name of the Client with BS Securities in accordance with the Agreement or other agreement or document;

"**Stock Options Trading**" means the purchase, trading, dealing, closing, exercise, settlement and discharge of long stock options transactions, and the writing of stock options through the Stock Options Account or otherwise creating any short open position; and

"**these Terms**" means all the terms and conditions in this Section IV headed "Terms and Conditions for Stock Options Trading" as from time to time amended and supplemented.

1.3 In these Terms: -

(a) "include(s)" and "including" mean respectively "include(s) but not limited to" and "including but not limited to";

(b) "subsidiary" shall bear the meaning given by the Companies Ordinance (Cap. 622 of the Laws of Hong Kong) and "associated company" means, in respect of any person, any company (not being a subsidiary of that person) of which that person shall beneficially own twenty per cent (20%) or more of the issued share capital or in respect of which that person is entitled to appoint one or more directors or, in relation to any company, any company which is a subsidiary of a holding company of that first mentioned company;

(c) reference to a Clause is to a clause of these Terms and reference to the Account Opening Form is to the Account Opening Form as completed by or on behalf of the Client and where such information has been amended by subsequent notice to BS Securities means the Account Opening Form as amended by such notice;

(d) reference to an Ordinance is to an Ordinance or law of Hong Kong and any subsidiary legislation related thereto as from time to time amended, consolidated, extended, codified or re-enacted and for the time being in force;

(e) words importing the singular include the plural and vice versa; words importing person include

bodies corporate or unincorporated or other entity; words importing gender include every gender and the neuter gender;

(f) the headings to the Clauses are for convenience only and do not affect their interpretation or construction; and

(g) where it is necessary for the true construction or interpretation of any provision herein so that the indebtedness, liability or obligation of any of the Parties shall continue after the termination of the Agreement, such provision shall survive the termination of the Agreement.

1.4 Where it is necessary for the true construction or interpretation of any provision of the Agreement, all references to (i) "Securities Account" in Section I shall be construed as references to Stock Options Account; (ii) "Agreement" in Section I shall be construed as references to Agreement as defined in these Terms; (iii) "Transaction" in Section I and these Terms shall be construed to include Stock Options Trading; and (iv) "Securities" in Section I shall be construed to include Contracts; and (v) "**Clearing Rules**" in Section I and these Terms shall be construed to include the clearing rules of SEOCH as from time to time in force.

2. **Law and Rules**

2.1 All Exchange Traded Options Business shall be effected in accordance with all laws, rules and regulatory directions (the "**Laws and Rules**") applying to BS Securities. This includes the SEHK Rules, the Options Trading Rules, the Operational Trading Procedures, the Operational Clearing Procedures, the Clearing Rules and the rules of HKSCC. In particular, SEOCH has authority under the Laws and Rules to make adjustments to the terms of Contracts, and BS Securities shall notify the Client of any such adjustments which affect Client Contracts to which the Client is a party. The Client agrees that all actions taken by BS Securities, by SEHK, by SEOCH or by HKSCC in accordance with the Laws and Rules shall be binding on the Client.

2.2 The Client agrees that the terms of the Standard Contract for the relevant options series shall apply to each Client Contract between BS Securities and the Client, and that all Client Contracts shall be created, exercised, settled and discharged in accordance with the Laws and Rules.

3. **Instructions and Dealing Practice**

3.1 BS Securities is hereby authorized to act upon the Instructions to create, exercise, settle and/or discharge Options Contracts for the Stock Options Account(s) and otherwise deal with any margin, collateral, Securities, Premium, Options Contracts, receivables or monies held in or for the Stock Option Account(s) subject to the Client Money Rules and Client Securities Rules.

3.2 The Client acknowledges and consents that BS Securities shall, at its absolute discretion, be entitled to claim margin offset for the Client's positions through the Client Offset Claim Account in DCASS.

4. **Contracts**

4.1 In respect of all Contracts effected on the Instructions, the Client shall pay BS Securities, within the time period notified by BS Securities, Premium, BS Securities' commission and any other charges, and applicable levies imposed by SEHK, as have been notified to the Client. If no time period is specified by BS Securities, then the Client is required to comply with such demand before expiry of two hours from the time of making the demand (or more quickly if BS Securities requires the Client to do so). BS Securities may require the Client to make arrangements for payment of Premium, BS Securities' commission and any other charges, and/or applicable levies imposed by SEHK in advance of accepting Instructions or may impose other requirements from time to time for the payment of the above items as BS Securities in its absolute discretion thinks fit. BS Securities may deduct such Premium, commissions, charges and levies from the Stock Options Account or any Account.

4.2 BS Securities may from time to time place limits on the open positions or delivery obligations that the Client may have without notice to the Client.

4.3 The Client acknowledges that:

(a) BS Securities may be required to close out or give-up Client Contracts to comply with position limits imposed by SEHK;

(b) if BS Securities goes into default, the default procedures of SEHK may result in Client Contracts being closed out or given-up, or replaced by Client Contracts between the Client and another Options Exchange Participant; and

(c) where there is a change in the capital structure or composition of the issuer of the underlying Securities of an option class or in any other exceptional circumstances, SEOCH may make adjustments to the terms and conditions of that option class as are, in its opinion, necessary and desirable to ensure that all parties to Contracts comprised in open positions in that option class are treated fairly. The Client hereby acknowledges and agrees that all such adjustments shall be binding on the Client.

4.4 On exercise of a Client Contract by or against the Client, the Client shall perform the Client's delivery obligations under the relevant contract, in accordance with the Standard Contract and as notified by BS Securities. The Client may on or before 4:15 p.m. on the date of maturity of the Client Contract, notify BS Securities to exercise his rights under the Client Contract. Because the maturity date for different products is different, the Client should decide on his own when and whether he should exercise the Client Contract or not, BS Securities has no responsibility to inform the Client what to do on or before the maturity date, and

the Client should bear his own loss and consequences.

4.5 The Client acknowledges that on the expiry day but only on the expiry day, the Options System will automatically generate exercise instructions in respect of all open long positions which are in-the-money by or above the percentage prescribed by SEOCH from time to time. The Client may instruct BS Securities to override such an "automatically generated exercise instruction" before the System Closure on the expiry day in accordance with the Operational Clearing Procedures.

4.6 The Client acknowledges that BS Securities may, at the Client's request, agree to the Client Contracts between BS Securities and the Client being replaced, in accordance with the Laws and Rules, by Client Contracts between the Client and another Options Exchange Participant.

4.7 The Client acknowledges that, although all Options Contracts are to be executed on SEHK, the Client and BS Securities shall contract as principals under Client Contracts.

4.8 In respect of the Client's short positions, in cases where the Client Contract is validly exercised (including cases pursuant to Clause 4.9), the Client shall fulfill his obligations under the relevant Client Contract by 3:15 p.m. on the Business Day following the day of exercise. In default thereof, without prejudice to other rights or remedies that BS Securities may have against the Client, BS Securities may without demand or notice cover any liability of the Client under any short positions or deal with the same in the manner deemed most appropriate by BS Securities. The Client agrees that the Client will be responsible for all the expenses of BS Securities in connection with the above and that BS Securities will not be liable for any loss that may thereby be incurred.

4.9 The Client understands and agrees that in accordance with the Options Trading Rules and Clearing Rules, SEOCH may randomly select any Options Trading Exchange Participant to exercise a Client Contract in a short open position in which case, that Options Trading Exchange Participant shall randomly select a Client Contract from among all Client Contracts comprised in short open positions of clients in the same option series as that Client Contract. The Client Contract so selected shall, by operation of the Agreement and the Options Trading Rules and Clearing Rules, for all purposes be treated as having been validly exercised at the time of such selection. BS Securities shall notify the Client of the details of such exercise as soon as possible.

4.10 Delivery obligation shall arise when a Client Contract is validly exercised. On exercise of a Client Contract by or against the Client, the Client will perform its delivery obligations under the relevant Contract in accordance with the Standard Contract and as the Client has been notified by BS Securities.

4.11 The Client hereby acknowledges that the Client shall be responsible to BS Securities for any losses, costs, fees and expenses (including legal costs) incurred by BS Securities (on an indemnity basis) in connection with the Client's failure to meet his obligations by the due date as described in this Clause.

5. **Margin**

5.1 The Client agrees to provide and maintain such margin in the Stock Options Account (the "**Margin**") in cash, Securities and/or other assets in such form and amount and on such terms as BS Securities may in its absolute discretion require from time to time as security for the Client's obligations under the Agreement. The amounts required by way of Margin should not be less than, but may exceed the amounts as may be required by the Laws and Rules in respect of the Client's open positions and delivery obligations. BS Securities may change any Margin 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 make payment to and/or deposit with BS Securities such additional Margin forthwith upon demand. All funds provided by the Client as Margin shall be cleared funds and all Securities provided by the Client as Margin shall be Securities to which the Client has valid and unencumbered title. No previous Margin shall establish any precedent. Change on Margin shall apply to existing positions as well as to new positions after the date of such change.

5.2 If BS Securities accepts Securities by way of Margin, the Client shall on request provide BS Securities with such authority as BS Securities may require under the Laws and Rules to authorize BS Securities to deliver such Securities, directly or through an Options Exchange Participant, to SEOCH as SEOCH Collateral in respect of Exchange Traded Options Business resulting from the Instructions; and BS Securities does not have any further authority from the Client to borrow or lend the Client's Securities or otherwise part with possession (except to the Client or on the Instructions) of any of the Client's Securities for any other purpose.

5.3 Without prejudice to Clauses 5.5 to 5.12, calls or demands for Margin 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 Transactions effected in relation to the Stock Options Account. The Client shall on demand reimburse BS Securities for all costs and expenses incurred by it in connection with the Transactions effected in relation to the Stock Options Account and/or pay or settle any outstanding amount under the Stock Options Account.

5.4 BS Securities is not liable to pay interest on the moneys or funds paid to or received by BS Securities in respect of the Stock Options 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.

5.5 The Client shall monitor the Stock Options Account so that at all times the Stock Options Account shall contain a sufficient account balance to meet the Margin. BS Securities may reject any Instruction or order of the Client if the Client does not have a sufficient account balance to meet the Margin and may delay the processing of any Instruction or order while determining the correct margin status of the Stock Options 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. The Client must at all times satisfy whatever Margin calculated by BS Securities.

5.6 BS Securities has no obligation to notify the Client of any failure to meet the Margin 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 the Margin, that BS Securities generally will not credit the Stock Options Account to meet any deficiency on the Margin, and that BS Securities is authorized to exercise any of its rights under (a) clause 17 of Section I and/or (b) Clause 8 in order to satisfy the Margin without prior notice to the Client.

5.7 In the event that the balance of the Stock Options Account has zero equity or is in deficit at any time, or the Stock Options Account does not have a sufficient account balance to meet the Margin, BS Securities shall have the right, in its sole discretion, but not the obligation, to exercise any of its rights under (a) clause 17 of Section I and/or (b) Clause 8 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 Stock Options 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).

5.8 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 (a) clause 17 of Section I and/or (b) Clause 8. 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.

5.9 The Client irrevocably and unconditionally authorizes BS Securities to transfer, debit or deduct any money in the Stock Options 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 Stock Options Account to be applied against the Margin. BS Securities may exercise any of its rights under (a) clause 17 of Section I and/or (b) Clause 8 if deduction of commissions, fees or other charges causes the Stock Options Account to have an insufficient balance to satisfy the Margin.

5.10 If BS Securities issues a call or demand for Margin to the Client, the Client must satisfy such call or demand immediately. The Client agrees to satisfy any call or demand for Margin issued by BS Securities by immediately depositing cleared funds in the Stock Options Account to pay, in full, the under-margined open position.

5.11 BS Securities shall also have the right to exercise any of its rights under (a) clause 17 of Section I and/or (b) Clause 8 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 the Liabilities; (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.

5.12 Any failure by the Client to comply with this Clause 5 shall constitute an Event of Default under clause 17 of Section I.

6. **Foreign Currency Transactions**

6.1 If the Client gives Instructions to BS Securities to enter into any Contract requiring a conversion from one currency to another, then: -

(a) the costs thereof and any profit or loss arising as a result of fluctuations in the exchange rate of the relevant currency will be entirely for the account and risk of the Client;
(b) all initial and subsequent deposits for Margin shall be made in such currency and in such amounts as BS Securities may require in its discretion; and
(c) when such Contract is closed out, BS Securities shall debit or credit the Stock Options Account in such currency (as BS Securities may determine in its discretion) at such exchange rate as determined by BS Securities in its discretion.

7. **Default**

7.1 If the Client fails to comply with any of the Client's obligations and/or to meet the Liabilities under the Agreement, including failure to provide Margin, or on the occurrence of any Event of Default (in the sole and subjective judgment of BS Securities), BS Securities or any of the BS Group Companies, in addition to their rights and powers under clause 17 of Section I, shall be entitled at their absolute discretions, without further notice or demand and in addition to and without prejudice to any other rights or powers conferred under the Agreement and/or the Loan Agreement, to forthwith: -

(a) decline to accept further Instructions in respect of Exchange Traded Options Business;
(b) close out some or all of the Client's Client Contracts with BS Securities;
(c) enter into Contracts, or into any transactions in Securities, Commodities (as defined in Section VII headed "Terms and Conditions for Futures Trading" ("**Section VII**")), Exchange Contracts (as defined in Section VII), F/O Contracts (as defined in Section VII), in order to settle obligations arising or to hedge the risks to which BS Securities is exposed in relation to the Client's failure;
(d) sell, realize or otherwise dispose of the Margin (whole or any part thereof) in such manner and for such consideration as BS Securities may in its absolute discretion think fit, and BS Securities does not have the responsibility to explain to the Client how it exercise its discretion, and apply the proceeds thereof to discharge all or part of the Liabilities; or
(e) if the amount of the Margin is not sufficient, the Client must immediately increase the amount of the Margin at the request of BS Securities, otherwise, BS Securities has the right to claim all the loss and damages against the Client.

8. **Closure of Positions**

8.1 Without prejudice to BS Securities' rights under Clause 7, BS Securities may, without the Client's consent, close all or any of the Client's positions if BS Securities is of the opinion that there has been a change or development involving a prospective change:

(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 BS Securities likely to result in a material or adverse fluctuation in the stock market or stock options market in Hong Kong and/or overseas; or
(b) which is or may be of a material adverse nature affecting the condition or operations of the Client.

*****

SECTION V – TERMS AND CONDITIONS FOR ELECTRONIC TRADING FACILITIES

These Terms are additional and supplemental to the terms and conditions governing the relevant Account. The ETF to be provided by BS Group Companies shall be subject to and upon the Agreement. Where any conflict or inconsistency arises between any provision of these Terms and any provision of the terms and conditions governing the relevant Account, BS Group Companies have absolute discretion to determine which terms and conditions shall prevail.

1. **Definitions**

1.1 In these Terms, unless redefined herein or the context requires otherwise, all expressions defined in Section I headed "Terms and Conditions for Securities Cash Trading", Section IV headed "Terms and Conditions for Stock Options Trading", Section VII headed "Terms and Conditions for Futures Trading", Section XIII headed "Terms and Conditions for Bullion Trading" and Section XIV headed "Terms and Conditions for Leveraged Foreign Exchange Trading" shall, where applicable, have the same meanings when used herein.

1.2 In these Terms, the following expressions, unless the context requires otherwise, shall have the following meanings: -

"**Account Opening Form**" means the Account Opening Form for the relevant Account including the declaration, information, notes and statements thereto to be completed and signed by the Client and, as the context requires, any amendments made thereto from time to time;

"**Acknowledgment by Client**" means the Acknowledgment by Client including the information for trading, procedure for funds deposit and withdrawal, procedure for transferring funds between any Account and the relevant Account and other information in respect of the relevant Account as from time to time amended and supplemented;

"**Agreement**" means the agreement made between the Client and BS Group Companies and constituted by the Account Opening Form, these Terms, the Acknowledgment by Client, the terms and conditions governing the relevant Account and such other documents referred to therein or added thereto (including any amendment or supplement made thereto from time to time);

"**Authorized Person**" means the persons or any of them appointed by the Client as agent of the Client to (including but not limited to) issue Instructions on behalf of the Client in relation to the relevant Account and/or Transactions and initially the persons specified as such in the Account Opening Form and such other person as appointed by the Client in substitution therefor or in addition thereto from time to time (the Client shall in writing notify BS Group Companies of such appointment, which shall only be effective after the actual receipt of such notification and approved by BS Group Companies);

"**Biometric Authentication**" means biometric authentication method such as using finger print, facial recognition, or any other biometric authentication log-on method supported and provided by your Device from time to time, used in conjunction with the User ID to gain access to ETF and/or other services provided by any of the BS Group Companies.

"**BS Futures Trading Agent**" means "BS Trading Agent" as defined in Section VII;

"**BS Futures Trading Agent Agreement**" means "BS Trading Agent Agreement" as defined in Section VII;

"**BSFL Trading Agent**" means "BSFL Trading Agent" as defined in Section XIV;

"**BSFL Trading Agent Agreement**" means "BSFL Trading Agent Agreement" as defined in Section XIV;

"**BSGB Trading Agent**" means "BSGB Trading Agent" as defined in Section XIII;

"**BSGB Trading Agent Agreement**" means "BSGB Trading Agent Agreement" as defined in Section XIII;

"**BS Securities Trading Agent**" means "BS Trading Agent" as defined in Section I;

"**BS Securities Trading Agent Agreement**" means "BS Trading Agent Agreement" as defined in Section I;

"**Bullion Transaction**" means "Transaction" as defined in Section XIII;

"**Client**" means the person or persons who have signed and/or specified as such in the Account Opening Form, and where the relevant Account is opened by more than one person means all of such persons collectively and any legal or personal representative, executor, successor in title or permitted assign thereof, and shall include the Authorized Person where the context permits;

"**Client's System**" means all hardware and software system used by the Client in gaining access to ETF (including, without limitation, any computer, modem, mobile phone and any program installed therein);

"**Device**" means any device (including but not limited to any digital or electronic certificate or encrypted software), equipment, phone, machine or computer provided, whether mobile, fixed, portable or otherwise (whether by any of the BS Group Companies or not) to or otherwise employed by the Client for giving Instruction;

"**ETF**" means, as the case may be, (a) the internet trading service and facilities, including but not limited to the Website, provided or operated by (i) any of the BS Group Companies; and/or (ii) BS Futures Trading Agent for the purposes of Section VII; and/or (iii) BS Securities Trading Agent for the purposes of Section I and/or Section IV; and/or (iv) BSGB Trading Agent for the purpose of Section XIII; and/or (v) BSFL Trading Agent for the purposes of Section XIV; and/or (b) trading service and facilities provided by any of the BS Group Companies through the telecommunications and/or wireless transmission systems and facilities, including but not limited to the Mobile Site or otherwise;

"**Exchange**" means "Exchange" as defined in Section I and/or Section VII, as the case may be;

"**Futures Transaction**" means "Transaction" as defined in Section VII;

"**Agent Website**" means any and all websites provided or operated by BS Futures Trading Agent, BSFL Trading Agent, BSGB Trading Agent and/or BS Securities Trading Agent, as the case may be;

"**FX Transaction**" means "Transaction" as defined in Section XIV;

"**information**" means all kinds of information including but not limited to messages, news, quotes, report, computer programs, software, images, illustrations, presentation, opinion, configuration, text and other materials;

"**Instruction**" means any instruction or order communicated by the Client or the Authorized Person to any of the BS Group Companies through ETF (a) for Transactions; and/or (b) to check the portfolio and fund position in the relevant Account(s);

"**Market**" means "Market" as defined in Section I, Section VII, Section XIII and/or Section XIV, as the case may be;

"**Mobile Site**" means the website provided or operated by any of the BS Group Companies which shall be accessed by phone, whether mobile, portable or otherwise;

"**Parties**" means BS Group Companies and the Client, and each of them is referred to as "**Party**";

"**Password**" means the personal password of the Client used in conjunction with the User ID to gain access to ETF and/or other services provided by any of the BS Group Companies;

"**relevant Account**" means the Account in relation to which any of the BS Group Companies has agreed to provide ETF;

"**Section I**" means Section I headed "Terms and Conditions for Securities Cash Trading";

"**Section IV**" means Section IV headed "Terms and Conditions for Stock Options Trading";

"**Section VII**" means Section VII headed "Terms and Conditions for Futures Trading";

"**Section XIII**" means Section XIII headed "Terms and Conditions for Bullion Trading";

"**Section XIV**" means Section XIV headed "Terms and Conditions for Leveraged Foreign Exchange Trading";

"**Securities Transaction**" means "Transaction" as defined in Section I; and/or (b) Stock Options Trading as defined in Section IV;

"**these Terms**" means all the terms and conditions in this Section V headed "Terms and Conditions for Electronic Trading Facilities" as from time to time amended or supplemented;

"**Transaction**" means (a) Futures Transaction; (b) Securities Transaction; (c) Bullion Transaction; and/or (d) FX Transaction;

"**User ID**" means the personal identification of the Client used in conjunction with the Password and/or the Biometric Authentication to gain access to ETF and/or other services provided by any of the BS Group Companies; and

"**Website**" means (a) BS Website; and/or (b) Agent Website.

1.3 In these Terms: -

(a) "include(s)" and "including" mean respectively "include(s) but not limited to" and "including but not limited to";

(b) "subsidiary" shall bear the meaning given by the Companies Ordinance (Cap. 622 of the Laws of Hong Kong) and "associated company" means, in respect of any person, any company (not being

a subsidiary of that person) of which that person shall beneficially own twenty per cent (20%) or more of the issued share capital or in respect of which that person is entitled to appoint one or more directors or, in relation to any company, any company which is a subsidiary of a holding company of that first mentioned company;

(c) reference to a Clause is to a clause of these Terms and reference to the Account Opening Form is to the Account Opening Form as completed by or on behalf of the Client and where such information has been amended by subsequent notice to BS Group Companies means the Account Opening Form as amended by such notice;

(d) reference to an Ordinance is to an Ordinance or law of Hong Kong and any subsidiary legislation related thereto as from time to time amended, consolidated, extended, codified or re-enacted and for the time being in force;

(e) words importing the singular include the plural and vice versa; words importing person include bodies corporate or unincorporated or other entity; words importing gender include every gender and the neuter gender;

(f) the headings to the Clauses are for convenience only and do not affect their interpretation or construction; and

(g) where it is necessary for the true construction or interpretation of any provision herein so that the indebtedness, liability or obligation of any of the Parties shall continue after the termination of the Agreement, such provision shall survive the termination of the Agreement.

2. **Applicable Rules and Regulations**

2.1 All Instructions and Futures Transactions made or entered into (i) by any of the BS Group Companies with the Client; and (ii) by any of the BS Group Companies and/or BS Futures Trading Agent on behalf of the Client through ETF shall be subject to, and in respect of the above, both BS Group Companies and the Client shall be bound by: -

(a) the Agreement;

(b) BS Group Companies' rules, regulations, procedures and policies from time to time in force; and

(c) BS Futures Trading Agent Agreement, and the rules, regulations, procedures and policies of BS Futures Trading Agent relating and applicable to the Instructions and Futures Transactions from time to time in force.

If there shall be any conflict or inconsistency between any of the provisions of the Agreement and anything contained in paragraphs (b) and (c) of Clause 2.1, BS Group Companies may, in their absolute discretion, take or refuse to take any action, or demand the Client to take or refrain from taking any action to ensure compliance with the same.

2.2 All Instructions and Securities Transactions made or entered into (i) by any of the BS Group Companies with the Client; and (ii) by any of the BS Group Companies and/or BS Securities Trading Agent on behalf of the Client through ETF shall be subject to, and in respect of the above, both BS Group Companies and the Client shall be bound by: -

(a) the Agreement;

(b) BS Group Companies' rules, regulations, procedures and policies from time to time in force; and

(c) BS Securities Trading Agent Agreement, and the rules, regulations, procedures and policies of BS Securities Trading Agent relating and applicable to the Instructions and Securities Transactions from time to time in force.

If there shall be any conflict or inconsistency between any of the provisions of the Agreement and anything contained in paragraphs (b) and (c) of Clause 2.2, BS Group Companies may, in their absolute discretion, take or refuse to take any action, or demand the Client to take or refrain from taking any action to ensure compliance with the same.

2.3 All Instructions and Bullion Transactions made or entered into (i) by any of the BS Group Companies with the Client; and (ii) by any of the BS Group Companies and/or BSGB Trading Agent on behalf of the Client through ETF shall be subject to, and in respect of the above, both BS Group Companies and the Client shall be bound by: -

(a) the Agreement;

(b) BS Group Companies' rules, regulations, procedures and policies from time to time in force; and

(c) BSGB Trading Agent Agreement, and the rules, regulations, procedures and policies of BSGB Trading Agent relating and applicable to the Instructions and Bullion Transactions from time to time in force.

If there shall be any conflict or inconsistency between any of the provisions of the Agreement and anything contained in paragraphs (b) and (c) of Clause 2.3, BS Group Companies may, in their absolute discretion, take or refuse to take any action, or demand the Client to take or refrain from taking any action to ensure compliance with the same.

2.4 All Instructions and FX Transactions made or entered into (i) by any of the BS Group Companies with the Client; and (ii) by any of the BS Group Companies and/or BSFL Trading Agent on behalf of the Client through ETF shall be subject to, and in respect of the above, both BS Group Companies and the Client shall be bound by: -

(a) the Agreement;

(b) BS Group Companies' rules, regulations, procedures and policies from time to time in force; and

(c) BSFL Trading Agent Agreement, and the rules, regulations, procedures and policies of BSFL Trading Agent relating and applicable to the Instructions and FX Transactions from time to time in force.

If there shall be any conflict or inconsistency between any of the provisions of the Agreement and anything contained in paragraphs (b) and (c) of Clause 2.4, BS Group Companies may, in their absolute discretion, take or refuse to take any action, or demand the Client to take or refrain from taking any action to ensure compliance with the same.

3. **Client's System**

3.1 The Client shall be solely responsible for making available at the Client's own costs and risks the Client's System to gain access to, and support the Client's use of, ETF by using the Device.

3.2 The Client declares that the Client is the owner of or is otherwise authorized to use the Client's System for gaining access to ETF.

3.3 The Client shall at the Client's own costs and expenses ensure that the Client's System and Device are compatible with and properly connected to the system of BS Group Companies at all times and shall at the like costs and expenses maintain the Client's System in good operating conditions.

3.4 BS Group Companies shall not be responsible for any matter caused by the fault, failure or malfunctioning of the Client's System.

3.5 The Client shall only use the Client's System in Hong Kong or other jurisdiction where ETF may lawfully be provided by BS Group Companies, BS Futures Trading Agent, BS Securities Trading Agent, BSGB Trading Agent and/or BSFL Trading Agent and used by the Client.

4. **Scope of ETF**

4.1 The Client consents to use ETF as a medium of communication with BS Group Companies and to transmit or receive information, data and documents between BS Group Companies and the Client. All Instructions/orders communicated to BS Group Companies through ETF shall be deemed to be sent by the Client. The Instructions shall be carried out by BS Group Companies and/or BS Futures Trading Agent and/or BS Securities Trading Agent and/or BSGB Trading Agent and/or BSFL Trading Agent on the terms and conditions governing the relevant Account(s).

4.2 ETF are offered for the sole and exclusive use of the Client and only in such jurisdictions and to such extent where and when they may be lawfully offered and processed under the applicable laws and regulations.

4.3 BS Group Companies have the sole discretion to determine and vary the scope and manner of availability of ETF to be provided from time to time, and to prescribe and change the normal service hours for ETF and any daily cut-off time for any type of Transactions. Since ETF may be accessed worldwide, the daily cut-off time in Hong Kong shall prevail.

4.4 Any Instruction received by BS Group Companies after the prescribed daily cut-off time shall not be executed until the next processing day for Instruction of that kind.

4.5 BS Group Companies shall not be deemed to have received or have executed the Instructions unless so stated in BS Group Companies regular statements of the relevant Account and/or confirmation of execution given by BS Group Companies online and/or other means of advice. The Client agrees and acknowledges that it is the Client's sole responsibility to keep records of such statement, confirmation and/or advice given by BS Group Companies, and save for manifest error or unless proved to the contrary by the Client to BS Group Companies' satisfaction, BS Group Companies' record shall be deemed as conclusive and binding.

4.6 Without prejudice to any provision of these Terms or other terms and conditions governing the relevant Account, the Client agrees that the Client is under a duty to promptly check and verify the contents of each of BS Group Companies' regular statements of the relevant Account and/or confirmation of execution given by BS Group Companies online and/or other means of advice, and report to BS Group Companies any discrepancies in writing within four (4) days from the date such statements, confirmation and/or advice was sent. If the Client fails to do so, the Client shall not be entitled to dispute any discrepancies in such statements, confirmation and/or advice and accepts such statements, confirmation and/or advice as final and conclusive and the same shall be binding on the Client for all purposes.

4.7 Without prejudice to any provision of these Terms or other terms and conditions governing the relevant Account, such confirmation of execution given by BS Group Companies online and/or other means of advice shall be deemed received by the Client after transmission by BS Group Companies. For the avoidance of doubt, the Client agrees that it is the Client's duty to notify BS Group Companies immediately if the Client does not receive BS Group Companies' regular statements of the relevant Account or such online confirmation and/or other means of advice given by BS Group Companies in respect of any Transactions within the time usually required for receipt of similar statements, confirmation and/or advice.

4.8 Without prejudice to any provision of the terms and conditions governing the relevant Account which relate to communication or notice by or from BS Group Companies and the right of BS Group Companies to use any way or method of communication, for the purposes of ETF, each notice and communication from BS

Group Companies to the Client sent by post to the last known address of the Client on BS Group Companies' record shall be deemed to have been duly delivered to the Client twenty-four (24) hours after it has been posted and if sent by electronic mail ("**E-mail**") or facsimile to the E-mail address or facsimile number provided by the Client respectively, upon it being sent unless it is otherwise shown to the contrary in BS Group Companies' internal records. For the avoidance of doubt any notice given by BS Group Companies to the Client shall be deemed to have been duly delivered by the posting of such notice on the Website or Mobile Site.

4.9 Notwithstanding any provision in these Terms, BS Group Companies shall have the right exercisable at their sole discretion at any time, without notice to the Client, without limitation and without any liability to the Client, to limit, vary, suspend or terminate the Client's access to ETF or any function thereunder or to any information or data from any information or service provider or any part of it, or to set limit on any Instruction that can be given and any Transaction that can be entered pursuant thereto, for any reason whatsoever, including any unauthorized use of any of the service, information, data, or any user identification or account number.

4.10 The Client understands and acknowledges that ETF is provided as an additional service in relation to Transactions effected, conducted, carried on and entered into by the Client with and through BS Group Companies, and shall not be considered as a substitute for other method(s) of giving instructions for such Transactions. In the event that ETF is not available for any reason whatsoever (whether or not within the control of BS Group Companies), the Client shall have no claim whatsoever against BS Group Companies for inability to use ETF and shall use other available means to give instructions for such Transactions.

4.11 Without prejudice to the generality of the foregoing, BS Group Companies shall be entitled to terminate ETF provided to the Client if: -

(a) the Client commits any material breach of the Agreement, any other terms and conditions governing the relevant Account, the Loan Agreement, BS Futures Trading Agent Agreement, BS Securities Trading Agent Agreement, BSGB Trading Agent Agreement and/or BSFL Trading Agent Agreement;

(b) the provision and/or maintenance of ETF to the Client shall be illegal or otherwise prohibited by law; or

(c) BS Group Companies' records show that the relevant Account has become dormant for such period prescribed by BS Group Companies.

4.12 The Client may request BS Group Companies in writing or via ETF to change the Password and/or re-register the Biometric Authentication from time to time. The issuance or assignment of a new Password and/or re-registration of Biometric Authentication shall not be regarded as the commencement or creation of a new agreement between the Client and the BS Group Companies in respect of ETF.

5. Limitation on ETF

5.1 The Website, Mobile Site and/or ETF are intended to be offered in jurisdictions where and when they may be lawfully offered.

5.2 The Client may reside in any of those jurisdictions in which use of the Website, Mobile Site and/or ETF is unlawful, prohibited or in any way restricted. The Client acknowledges and agrees to check and observe all relevant restrictions which may apply to it.

6. Website and Mobile Site

6.1 The Client acknowledges that BS Group Companies may operate the Website and Mobile Site to facilitate the provision of ETF to the Client. The Website and Mobile Site are made available to the Client in BS Group Companies' discretion and the use of the Website and/or Mobile Site by the Client is subject to such terms and conditions as imposed and from time to time amended by BS Group Companies. BS Group Companies will notify the Client such terms and conditions and the amendments thereto, which shall be deemed duly notified to the Client by posting the same on the Website and/or Mobile Site and/or mailing or sending the same to the Client, as determined at BS Group Companies' sole discretion.

6.2 The Client acknowledges that all information and data posted on the Website and/or Mobile Site or otherwise made available on or through ETF, the Website and/or Mobile Site are provided on an "AS IS" and "AS AVAILABLE" basis. BS Group Companies expressly disclaims all warranties of any kind, whether express or by implication, including but not limited to the implied warranties of merchantability, fitness for a particular purpose and non-infringement of any third party right. Such information and data (whether supplied by BS Group Companies or any third party including without limitation, HKEx Information Services Limited) are for reference only and shall not in any circumstances be binding or intended for any Transaction, or regarded or used by the Client as professional or investment advice or a basis for making any Transaction decision, or any other purposes. The Client shall seek independent professional advice where necessary. The Client further acknowledges that HKEx Information Services Limited, its holding companies and/or any subsidiaries of such holding companies will endeavour to ensure the accuracy and reliability of the information provided but do not guarantee its accuracy or reliability and accept no liability (whether in tort or contract or otherwise) for any loss or damage arising from any inaccuracies or omissions.

6.3 The Client acknowledges and agrees that any material, data and/or software downloaded or otherwise obtained from or through the use of the Website and/or Mobile Site is done at the Client's own discretion and risk. The Client undertakes to take all necessary precautions, including but not limited to data backup and software testing, before using such software. BS Group Companies shall not be liable in any way to any damage to the Client's System or loss of data that may result from the download and/or use of such material, data or software (in particular, in respect of loss and damage due to computer virus or software malfunction).

6.4 Any hyperlinks from the Website and/or Mobile Site to other websites are for information purpose and convenience only. BS Group Companies accepts no liability for any loss or damage arising directly or indirectly (including incidental, consequential and special loss) from the accuracy, sequence, truth, reliability, adequacy, timeliness, completeness or otherwise of the information or loss arising directly or indirectly from defects within such websites. The inclusion of hyperlinks does not imply any endorsement by BS Group Companies of any materials on such websites.

6.5 The Client acknowledges and agrees that, in addition to these Terms, BS Group Companies have absolute discretion to impose from time to time other terms and conditions in respect of the use of ETF which terms will not be contained herein but may at BS Group Companies' discretion be posted on the Website and/or Mobile Site and/or mailed or sent to the Client, as the case may be, and which shall be binding on the Client. BS Group Companies have absolute discretion at any time to amend or vary such terms and conditions and/or these Terms which amendment or variation shall be deemed duly notified to the Client by posting the same on the Website and/or Mobile Site and/or mailing or sending the same to the Client, as determined at BS Group Companies' discretion. If the Client does not accept any amendment to such terms and conditions and/or these Terms proposed by BS Group Companies, the Client shall (a) cease using ETF; and (b) terminate ETF by giving not less than fourteen (14) Business Days written notice to BS Group Companies (which shall only be effective after the actual receipt of such written notice by BS Group Companies) provided that all rights and obligations accrued to the Parties prior to such termination shall not be affected. The Client shall be deemed to have accepted the terms and conditions as amended or varied once the Client uses or continues to use ETF after the relevant terms and conditions become effective.

6.6 The Client acknowledges and agrees that the internet is, due to unpredictable traffic congestion or any other reasons, an inherently unreliable medium of communication and that such unreliability is beyond the control of BS Group Companies and BS Group Companies do not make any warranty as to the results that may be obtained from the use of the Website and/or Mobile Site or as to the accuracy or reliability of any information obtained through the Website and/or Mobile Site or that defects in the software available on the Website and/or Mobile Site will be corrected.

7. User Identification

7.1 The Client acknowledges that only the Client will be the authorized user of ETF in relation to the relevant Account and the Client may be required to use various identification and access codes, including Password, Biometric Authentication, User ID and/or other identification to access the service (together referred to below as "**user identification**").

7.2 BS Group Companies is authorized (but not obligated) in their absolute discretion to act on any Instruction received in relation to the relevant Account without any duty or liability to verify the identity or authority of the person giving the Instruction or the validity and/or authenticity of such Instruction once the correct user identification of the Client has been inputted. The Client acknowledges and agrees that the Client shall be solely responsible for all Instructions entered through the ETF using the user identification and all Transactions entered pursuant thereto (whether or not such Instructions were actually given by the Client) and neither BS Group Companies nor its directors, officers, employees or agents shall have any liability to the Client, or to any other person whose claim may arise through the Client for any claims with respect to the handling or loss of any Instruction.

7.3 If the Client chooses to access the relevant Account through Website or the Mobile Site using Biometric Authentication, the Client must not allow anyone else's (other than the Client's own) biometric data to be registered on the Client's Device. If the Client allows anyone else's biometric data to be registered on his Device, those person(s) may have access to the relevant Account and the Client will be responsible for any Instruction given from the relevant Account when such person access the Account by way of using Biometric Authentication. In particular, the Client is not advised to use facial recognition as a form of Biometric Authentication if it may not be a secure or reliable way to authenticate his identity (e.g. if the Client has an identical twin sibling).

7.4 The Client shall be solely responsible for all costs and losses, whether directly or indirectly, arising out of or in connection with any unauthorized use of the Client's user identification. The Client shall also have duty to notify BS Group Companies immediately of the Client's becoming aware of any loss, theft or unauthorized use of the Client's user identification.

8. Client's Responsibilities

8.1 The Client undertakes that: -

(a) the Client shall be responsible for the confidentiality, application and proper use at all times of the Client's user identification, and shall take such action or do such act, matter or thing as is necessary including without limitation the following: -

(i) not to disclose the user identification to any other person or permit any other person to

gain access to ETF;

(ii) not to send the user identification via E-mail;

(iii) not to disclose the user identification to anyone who claims to represent BS Group Companies or holds out as BS Group Companies' employee or authorized representative in any circumstance (it is not necessary for BS Group Companies' employee to know the user identification);

(iv) to destroy the original printed copy of the Password (if any);

(v) to change the initial Password when the Client first uses ETF and to change the Password periodically;

(vi) not to allow anyone else's (other than the Client's own) biometric data to be registered on the Client's Device;

(vii) to promptly log out from ETF once the Client has finished using ETF; and

(viii) not to leave the Client's System unattended while using ETF.

(b) the Client shall not use or attempt to use ETF for any purpose other than it was permitted by BS Group Companies;

(c) the Client shall as soon as practicable report to BS Group Companies any loss or unauthorized disclosure of the user identification by phone and confirm in writing thereafter within twenty-four (24) hours or such other period as BS Group Companies may prescribe from time to time;

(d) the Client agrees and acknowledges that it shall be fully responsible for any accidental or unauthorized disclosure of the user identification to any other person;

(e) the Client shall not, and shall not attempt to tamper with, modify, decompile, disassemble, reverse-engineer, damage, alter or gain unauthorized access to any part of ETF, the Website, Mobile Site and/or any software comprised in them; and

(f) the Client undertakes to notify BS Group Companies immediately if the Client becomes aware of any of the actions described in Clause 8.1(e) is being perpetrated by any other person.

9. **Third Party Information**

9.1 The Client acknowledges that any information and data provided through ETF relating to Securities and/or Commodities and/or Exchange Contracts and/or F/O Contracts and/or Bullion and/or Contract and/or FX and/or Foreign Exchange Contract and/or Markets has been obtained from Exchanges and Markets and from other third party information or service providers appointed by BS Group Companies from time to time and that such information and data are or may be protected by copyright and other intellectual property laws, and are provided for the Client's personal non-commercial use only, and the Client shall not: -

(a) download, reproduce, duplicate, provide, transmit, retransmit, disseminate, sell, transfer, disclose, assign, convey, lease, sub-license, share, loan, distribute, publish, broadcast, cablecast, circulate or commercially exploit any such information or data in any way without the consent of BS Group Companies or such information or service providers;

(b) remove, obliterate, erase, relocate or modify in any way any such information or data including, without limitation, any trademark or copyright notice; or

(c) incorporate or combine any such information or data with any other programs.

9.2 The Client acknowledges that the real-time quote service and the message alert service (to receive message alert when the prices of such Securities and/or Commodities and/or Exchange Contracts and/or F/O Contracts and/or Bullion and/or Contract and/or FX and/or Foreign Exchange Contract as specified by the Client reach a preset target price) that may be available through the ETF is provided by a third party appointed by BS Group Companies from time to time. The Client agrees that BS Group Companies shall not be responsible for any losses the Client or any other person may suffer for the failure of sending out the message alert and/or as a result of relying on any real time quote on prices of Securities and/or Commodities and/or Exchange Contracts and/or F/O Contracts and/or Bullion and/or Contract and/or FX and/or Foreign Exchange Contract, and/or any information which may be available to the Client through the ETF.

9.3 Neither BS Group Companies nor any information or service provider or any third party (including without limitation, HKEx Information Services Limited) warrants, represents or guarantees the accuracy, reliability, adequacy, timeliness and completeness of any information or data provided through ETF and/or the Website and/or Mobile Site or whether any such information or data is fit for any purpose. BS Group Companies and all such information or service providers expressly disclaim all liabilities whatsoever arising from or in connection with any reliance on any such information or data. The Client further acknowledges that HKEx Information Services Limited, its holding companies and/or any subsidiaries of such holding companies will endeavour to ensure the accuracy and reliability of the information provided but do not guarantee its accuracy or reliability and accept no liability (whether in tort or contract or otherwise) for any loss or damage arising from any inaccuracies or omissions.

10. **Intellectual Property**

10.1 All proprietary and copyright and other intellectual property rights in or subsisting in ETF, the Website and the Mobile Site, are the exclusive property of BS Group Companies or the relevant information or service providers. No right, title or interest other than the right to access ETF and/or the Website and/or Mobile Site subject to the Agreement is conveyed or transferred to the Client. The Client shall not make any representation or do any act which may be taken to indicate that the Client has any such right, title or interest.

11. **Limitation of Liabilities**

11.1 Unless due to the wilful default of BS Group Companies, its directors, officers, employees and agents and

only to the extent of direct and reasonably foreseeable loss and damage (if any) arising directly and solely therefrom or the amount of the relevant Transaction (whichever is less), BS Group Companies shall not assume any liability or responsibility whatsoever to the Client or any other person for the consequences arising from or in connection with: (a) use of ETF and/or access to any information or data through ETF and/or the Website and/or the Mobile Site as a result of such use by the Client or any other person whether or not authorized; (b) any interruption, interception, suspension, delay, loss, unavailability, mutilation or other failure in providing ETF, in transmitting Instructions or information or data relating to ETF or in connecting with the Website and/or the Mobile Site (whether or not within the control of BS Group Companies) including, without limitation, failure of any communication network or computer downtime, act or omission of any third party information or service providers, housekeeping, computer virus, unauthorized access by any person (including hacker), upgrade or preventive or remedial maintenance activities, mechanical failure, power failure, malfunction, breakdown, or inadequacy of equipment, installation or facilities, or any law, rules, regulations, codes, directions, regulatory guidelines or government order (whether or not having the force of law); (c) transmission, posting and/or storage of any information and/or data relating to the Client, ETF and/or Transactions conducted by the Client in relation or pursuant to ETF through or in any system, equipment or instrument of any communication network provider; and (d) Act of God, government act, government restrictions, the imposition of emergency procedures, civil commotion, strike, acts or threatened acts of terrorism, war, natural disasters, fire, flood, explosion or other circumstances beyond third party's control.

11.2 BS Group Companies shall not in any circumstance and in any way be liable to the Client for any loss of use, revenue, profits, savings or opportunity or any other incidental, consequential, special or indirect loss or damages arising from the ETF irrespective of how such loss may be caused.

12. **Indemnity**

12.1 Without prejudice to any other provision hereof and unless due to the wilful default of BS Group Companies, the Client shall fully indemnify and keep indemnified BS Group Companies and its subsidiaries, associated company, officers, employees and agents against all liabilities, claims, demand, losses, damages, costs, charges and expenses of any kind (including without limitation legal costs) on a full indemnity basis which may be incurred and all actions or proceedings which may be brought by or against BS Group Companies in connection with the provision of ETF and/or the Website and/or the Mobile Site and/or access to the information or data thereon and/or the exercise or preservation of the BS Group Companies' powers and rights BS Group Companies may have.

12.2 In any event, BS Group Companies shall not be liable for the Client's failure in observing the above obligations and the Client shall fully indemnify BS Group Companies in respect of any direct or indirect loss or cost of whatsoever nature that BS Group Companies may suffer or incur as a result thereof. For the avoidance of doubt, it is the responsibility of the Client to take its own initiative to contact BS Group Companies to check the status of any Instructions given through ETF.

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

12.4 The Client further undertakes to indemnify BS Group Companies, on a full indemnity basis, on demand, for any loss or damage BS Group Companies may suffer (including legal costs) as a result of the use of ETF.

13. **Charges and Expenses**

13.1 The Client shall pay all subscription, service and use fees, if any, that BS Group Companies may charge from time to time for the use of ETF. If the Client fails to pay any sum due and payable by the Client to BS Group Companies arising out of the use of ETF, the Client shall be liable to indemnify BS Group Companies, on a full indemnity basis, for all costs and expenses (including legal costs) incurred by BS Group Companies in recovering such sum. BS Group Companies is entitled at any time and without giving notice or obtaining consent from the Client, to set-off or transfer any credit balance in any Accounts towards satisfaction of any indebtedness or Liabilities by the Client to BS Group Companies arising out of the use of ETF.

13.2 The Client irrevocably authorizes BS Group Companies to (but BS Group Companies are not obliged to) withdraw or otherwise deduct such sums of money, including any related costs and expenses, from any Account (regardless of there being a debit balances, credit balances or otherwise in the said Account) as shall be necessary to complete any Transactions.

14. **No Warranty**

14.1 BS Group Companies do not in any way warrant that (a) any services provided in connection with or any of the Client's use of the ETF and/or the Website and/or the Mobile Site will be free of errors, interception or interruption; or that (b) the information, data, or other materials provided, used or accessible in connection with the ETF and/or the Website and/or the Mobile Site will be free of viruses, disabling devices or other contaminants. The Client acknowledges that BS Group Companies' internal records of the relevant Account, related Transactions and information shall be conclusive save for obvious error or unless the contrary is established by the Client to the BS Group Companies' satisfaction. For the avoidance of doubt, BS Group

Companies may use such updated information as may be available at the time of executing any Instructions for any Transactions, and such Transactions shall be binding on the Client notwithstanding different information may have been quoted by BS Group Companies via the ETF and/or the Website and/or the Mobile Site.

15. **Authorized Person and Authorized Signatories**

15.1 The Client, the Authorized Person and its authorized signatories who have signed and executed the Account Opening Form on behalf of the Client agree to assume all liabilities and obligations of the Client under the Agreement on a joint and several basis and all Transactions effected by BS Group Companies pursuant to the Agreement shall be binding on the Client, the Authorized Person and such authorized signatories in all aspects.

16. **Joint Account**

16.1 Where the Client is a joint account holder of the relevant Account, all joint account holders of the relevant Account agree to assume all liabilities and obligations of the Client under the Agreement on a joint and several basis and all Transactions effected by BS Group Companies pursuant to the Agreement shall be binding on all joint account holders in all aspects.

17. **Disclosure**

17.1 Immediately upon request by BS Group Companies, the Client shall inform BS Group Companies, or other regulators as directed by BS Group Companies, of the identity, address, occupation and contact details of the person for whom the Transaction was effected by the Client and of the person with the ultimate beneficial interest in the Transaction. The Client shall also inform BS Group Companies, or the regulators as directed by BS Group Companies, of the identity, address, occupation and contact details of any third party who originated the Transaction.

18. **Third Party Service**

18.1 The Client agrees that BS Group Companies may accept from any other third party engaged in any Transaction or providing any services in respect of the ETF and/or the Website and/or the Mobile Site any rebate or allowance of any fee, brokerage or commission or the likes payable in respect thereof and BS Group Companies shall be entitled to retain any profit or other benefit arising by way of fees, brokerage, commissions, rebate, perquisites, or otherwise obtained or received by them in connection with or arising whether directly or indirectly from the ETF and/or the Website and/or the Mobile Site.

18.2 The Client agrees to the disclosing, transferring or otherwise making available of all personal data and other information relating to the Client and the Account(s) to any other third party engaged in any Transaction or providing any service in respect of ETF and/or the Website and/or the Mobile Site and the Client's Transactions and dealings with the aforesaid among any one or more of the aforesaid and their subsidiaries, group members and agents thereof whether in or outside Hong Kong relating to or for the purpose of providing ETF and all related service.

*****

SECTION VI – TERMS AND CONDITIONS FOR E-STATEMENT SERVICE

These Terms are additional and supplemental to the terms and conditions governing the relevant Account. The E-Statement Service to be provided by BS Group Companies, under which the Client shall receive statements of the relevant Account via the Client's electronic mail ("**E-mail**") at the E-mail address provided by the Client, shall be subject to and upon the Agreement. Where any conflict or inconsistency arises between any provision of these Terms and any provision of the terms and conditions governing the relevant Account, BS Group Companies have absolute discretion to determine which terms and conditions shall prevail.

1. **Definitions**

1.1 In these Terms, unless redefined herein or the context requires otherwise, all expressions defined in Section I headed "Terms and Conditions for Securities Cash Trading", Section IV headed "Terms and Conditions for Stock Options Trading", Section VII headed "Terms and Conditions for Futures Trading", Section XIII headed "Terms and Conditions for Bullion Trading" and Section XIV headed "Terms and Conditions for Leveraged Foreign Exchange Trading" shall, where applicable, have the same meanings when used herein.

1.2 In these Terms, the following expressions, unless the context requires otherwise, shall have the following meanings: -

"**Account Opening Form**" means the Account Opening Form for the relevant Account including the declaration, information, notes and statements thereto to be completed and signed by the Client and, as the context requires, any amendments made thereto from time to time;

"**Acknowledgment by Client**" means the Acknowledgment by Client including the information for trading, procedure for funds deposit and withdrawal, procedure for transferring funds between any Account and the relevant Account and other information in respect of the relevant Account as from time to time amended and supplemented;

"**Agreement**" means the agreement made between the Client and BS Group Companies and constituted by the Account Opening Form, these Terms, the Acknowledgment by Client, the terms and conditions governing the relevant Account and such other documents referred to therein or added thereto (including any amendment or supplement made thereto from time to time);

"**Client**" means the person or persons who have signed and/or specified as such in the Account Opening Form, and where the relevant Account is opened by more than one person means all of such persons collectively and any legal or personal representative, executor, successor in title or permitted assign thereof;

"**Client's System**" means all hardware and software system used by the Client in connection with the use of the E-Statement Service (including, without limitation, any computer, modem, mobile phone and any program installed therein);

"**Parties**" means BS Group Companies and the Client, and each of them is referred to as "**Party**";

"**relevant Account**" means the Account in relation to which any of the BS Group Companies has agreed to provide E-Statement Service; and

"**these Terms**" means all the terms and conditions in this Section VI headed "Terms and Conditions for E-Statement Service" as from time to time amended and supplemented.

1.3 In these Terms: -

(a) "include(s)" and "including" mean respectively "include(s) but not limited to" and "including but not limited to";
(b) reference to a Clause is to a clause of these Terms and reference to the Account Opening Form is to the Account Opening Form as completed by or on behalf of the Client and where such information has been amended by subsequent notice to BS Group Companies means the Account Opening Form as amended by such notice;
(c) reference to an Ordinance is to an Ordinance or law of Hong Kong and any subsidiary legislation related thereto as from time to time amended, consolidated, extended, codified or re-enacted and for the time being in force;
(d) words importing the singular include the plural and vice versa; words importing person include bodies corporate or unincorporated or other entity; words importing gender include every gender and the neuter gender;
(e) the headings to the Clauses are for convenience only and do not affect their interpretation or construction; and
(f) where it is necessary for the true construction or interpretation of any provision herein so that the indebtedness, liability or obligation of any of the Parties shall continue after the termination of the Agreement, such provision shall survive the termination of the Agreement.

2. **Client's System**

2.1. The Client shall be solely responsible for making available at the Client's own costs and risks the Client's System to receive the E-Statement, and to support the Client's use of, the E-Statement Service.

2.2. The Client declares that the Client is the owner of or is otherwise authorized to use the Client's System for the purposes stated in Clause 2.1.

2.3. The Client shall at the Client's own costs and expenses ensure that the Client's System is compatible with and properly connected to the system of BS Group Companies at all times and shall at the like costs and expenses maintain the Client's System in good operating conditions.

2.4. BS Group Companies shall not be responsible for any matter caused by the fault, failure or malfunctioning of the Client's System.

2.5. The Client shall only use the Client's System in Hong Kong or other jurisdiction where the E-Statement Service may lawfully be provided by BS Group Companies and used by the Client.

3. **E-Statement Service**

3.1. The Client shall abide by any and all laws, rules, regulations and official issuances applicable to the E-Statement Service, now existing or which may hereafter be enacted, issued or enforced, as well as such other terms and conditions governing the use of other facilities, benefits or services which BS Group Companies may from time to time make available to the Client in connection with the E-Statement Service.

3.2. The Client consents to use the E-Statement Service, and understands that the E-Statement Service means that BS Group Companies will send to the Client statements of the relevant Account through the medium of the E-mail address accessed via the Client's computer terminal in a file attached to the electronic message ("**E-Statement**") and the Client shall no longer receive hard copies of the statements of the relevant Account by post.

3.3. The E-Statement Service is offered for the sole and exclusive use of the Client and only in such jurisdictions and to such extent where and when the E-Statement Service may be lawfully offered and processed under the applicable laws and regulations.

3.4. The Client understands that the E-Statement Service shall only be available to clients with telecommunication equipment/computer terminal acceptable to BS Group Companies.

3.5. BS Group Companies reserve the right to restrict the number of E-mail address(es) which may be provided by the Client to BS Group Companies for receiving the E-Statement from time to time and different restrictions may apply to different types of clients.

3.6. The Client understands that the E-Statement Service may without notice to the Client be suspended for any reason including, without limitation, any breakdown, maintenance, modification, expansion and/or enhancement work initiated by BS Group Companies' system or by the internet service provider(s) concerned in relation to their network. The Client agrees that BS Group Companies will not assume any liability or responsibility for any such suspensions.

3.7. BS Group Companies shall use reasonable effort to ensure that the E-Statement Service is secure and cannot be accessed by unauthorized third parties. However, the Client acknowledges that BS Group Companies do not warrant the security, secrecy or confidentiality of any information transmitted through any applicable telecommunication channel, internet service provider, network system or such other equivalent system in any jurisdiction.

3.8. The Client understands that BS Group Companies are unable to know whether someone other than the Client has access to the E-Statement using the user name and/or password of the Client's E-mail address. The Client shall not permit or allow any other person to have access to the Client's E-mail address for any purpose. The Client shall be responsible for the confidentiality and use of user name and password of the Client's E-mail address.

3.9. The Client agrees to notify BS Group Companies in writing (or in such manner as BS Group Companies may from time to time prescribe) of any change in the particulars provided to BS Group Companies including, without limitation, the Client's E-mail address(es) and the Client shall notify BS Group Companies forthwith upon the disconnection or suspension of any of the Client's E-mail address(es) provided to BS Group Companies.

3.10. BS Group Companies and/or any of BS Group Companies' relevant service provider(s) will not assume any liability or responsibility for any failure or delay in transmitting information to the Client or for any error or inaccuracy in such information unless it results from any wilful default on the part of BS Group Companies or such service provider. In particular, BS Group Companies and/or any such service provider shall not assume any liability or responsibility for consequences arising from any cause or in connection with: (a) use of E-Statement Service and/or access to any information or data through E-Statement Service as a result of such use by the Client or any other person whether or not authorized; (b) any interruption, interception, suspension, delay, loss, unavailability, mutilation or other failure in providing E-Statement Service, in transmitting information or data relating to E-Statement Service (whether or not within the control of BS

Group Companies) including, without limitation, failure of any communication network or computer downtime, act or omission of any third party information or service providers, housekeeping, computer virus, unauthorized access by any person (including hacker), upgrade or preventive or remedial maintenance activities, mechanical failure, power failure, malfunction, breakdown, or inadequacy of equipment, installation or facilities, or any law, rules, regulations, codes, directions, regulatory guidelines or government order (whether or not having the force of law); and (c) transmission, posting and/or storage of any information and/or data relating to the Client and/or E-Statement Service through or in any system, equipment or instrument of any communication network provider; and (d) Act of God, government act, government restrictions, the imposition of emergency procedures, civil commotion, strike, acts or threatened acts of terrorism, war, natural disasters, fire, flood, explosion or other circumstances beyond third party's control.

4. **Cancellation**

4.1. The Client understands that the cancellation of use of the E-Statement Service may be effected by BS Group Companies or the Client in accordance with Clauses 4.2 and 4.3.

4.2. BS Group Companies reserve the right to cancel the Client's enrollment to the E-Statement Service. BS Group Companies shall, prior to canceling the Client's enrollment in to the E-Statements Service, give reasonable notice to the Client of such cancellation through electronic or paper document.

4.3. The Client may cancel its enrollment to the E-Statement Service by giving BS Group Companies at least fourteen (14) Business Days' prior written notice. The aforesaid prior written notice shall be a valid and effective prior written notice only and only if such notice shall be actually received by BS Group Companies and the effective date for cancellation of the E-Statement Service stated therein shall be at least seven (7) Business Days after the date of receipt of such notice by BS Group Companies.

4.4. BS Group Companies reserve the right to suspend or terminate the E-Statement Service at any time without giving any prior notice and reason.

*****

SECTION VII - TERMS AND CONDITIONS FOR FUTURES TRADING

All transactions, purchase, investment, sale, trading, entering, exchange, acquisition, holding, transfer, making, clearing, settlement, disposal or dealing in, of and with all kinds of Commodities and/or Exchange Contracts and/or F/O Contracts effected, conducted, carried on and entered into by the Client with and through BS Futures and/or BS Trading Agent, and the Futures Account opened and maintained by the Client with BS Futures shall be subject to and upon the Agreement.

1. **Definitions**

1.1 In these Terms, the following expressions, unless the context requires otherwise, shall have the following meanings: -

"**Account**" means any account of whatsoever nature now or in future opened and maintained in the name of the Client with any of the BS Group Companies in accordance with the Agreement or other agreement or document;

"**Account Opening Form**" means the Account Opening Form for the Futures Account including the declaration, information, notes and statements thereto to be completed and signed by the Client and, as the context requires, any amendments made thereto from time to time;

"**Acknowledgment by Client**" means the Acknowledgment by Client including the information for trading, procedure for funds deposit and withdrawal, procedure for transferring funds between any Account and the Futures Account and other information in respect of the Futures Account, as from time to time amended or supplemented;

"**Agreement**" means the agreement made between the Client and BS Futures and constituted by the Account Opening Form, these Terms, the Acknowledgement by Client and such other documents referred to therein or added thereto (including any amendment or supplement made thereto from time to time);

"**approved debt securities**" means the approved debt securities as defined in HKFE Rules;

"**Authorized Person**" means the persons or any of them appointed by the Client as agent of the Client to (including but not limited to) issue Instructions on behalf of the Client in relation to the Futures Account and/or Transactions, and initially the persons specified as such in the Account Opening Form and such other person as appointed by the Client in substitution therefor or in addition thereto from time to time (the Client shall in writing notify BS Futures of such appointment, which shall only be effective after the actual receipt of such notification and approved by BS Futures);

"**Bill Payment Number**" means the designated depositing money reference number issued by BS Futures and the Client may rely on such designated depositing money reference number to transfer moneys or funds from Bank of China (Hong Kong) Limited, Hang Seng Bank Limited, The Hongkong and Shanghai Banking Corporation Limited or such other bank as determined by BS Futures from time to time to BS Futures in accordance with these Terms;

"**BS Futures**" means Bright Smart Futures & Commodities Company Limited, a company incorporated under the laws of Hong Kong (SFC-CE Number: ADH427) and its successors and assigns;

"**BSFL**" means Bright Smart Forex Limited, a company incorporated under the laws of Hong Kong (SFC-CE Number: AZK567) and its successors and assigns;

"**BS Group Companies**" means BS Securities, BS Futures, BSFL, BSGB and such other company as BS Futures may from time to time add and notify the Client;

"**BSGB**" means Bright Smart Global Bullion Limited, a company incorporated under the laws of Hong Kong (Company Number: 1810415) and its successors and assigns;

"**BS Securities**" means Bright Smart Securities International (H.K.) Limited, a company incorporated under the laws of Hong Kong (SFC-CE Number: AEZ575) and its successors and assigns;

"**BS Trading Agent**" means any agent appointed, engaged and instructed by BS Futures for executing, effecting, trading, implementing, clearing and settling the Instructions and Transactions on behalf of the Client;

"**BS Trading Agent Agreement**" means the agreements and the terms and conditions made between BS Futures and BS Trading Agent for the purposes of these Terms and the Transactions (including any amendment or supplement made thereto from time to time);

"**BS Website**" means any and all websites provided or operated by BS Group Companies;

"**Business Day**" means (a) in respect of notices made or given under the Agreement, a day (other than Saturday and Sunday and a day on which a black rainstorm warning or a number 8 or higher typhoon signal

is hoisted before 2:00 p.m. in Hong Kong) on which banks are open for business in Hong Kong; (b) in respect of Transactions on HKFE, a day on which HKFE is open for the business of dealing in F/O Contracts; and (c) in respect of Transactions on a Foreign Futures Exchange, a day on which such Foreign Futures Exchange is open for the business of dealing in F/O Contracts ;

"**Clearing House**" means, as the case may be, (a) in relation to HKFE, HKCC; and/or (b) in relation to a Foreign Futures Exchange, the relevant Foreign Clearing House providing similar services of HKCC to such Foreign Futures Exchange in that Foreign Jurisdiction;

"**Clearing Rules**" means, as the case may be, (a) the general rules, operational procedures and other applicable rules, procedures and regulations of HK-DCASS from time to time in force; and/or (b) the rules, procedures and regulations of the relevant Foreign Clearing System, from time to time in force;

"**Clearing System**" means, as the case may be, (a) HK-DCASS; and/or (b) the relevant Foreign Clearing System;

"**Client**" means the person or persons who has/have signed and/or specified as such in the Account Opening Form, and where the Futures Account is opened by more than one person means all of such persons collectively and any legal or personal representative, executor, successor in title or permitted assign thereof, and shall include the Authorized Person where the context permits;

"**Client Group Company**" means any company which is controlled by the Client; a person is in "control" of a company if: (a) it is in accordance with such person's instructions the directors of the company or of another company of which it is a subsidiary are accustomed to act; or (b) such person, either alone or with any of its associate, is entitled to exercise or control the exercise of more than 30% of the voting power at general meeting of the company or of another company of which it is a subsidiary;

"**Code**" means the Code of Conduct for Persons Licensed by or Registered with the SFC issued by the SFC, as amended and substituted from time to time;

"**Confirmation**" means a written notice sent from time to time by BS Futures to the Client in relation to Transactions between the Parties, Transactions entered into on behalf of the Client and/or other adjustments by BS Futures to the Futures Account;

"**closed out contract**" means either: -

(a) a closed out contract as defined in HKFE Rules or, if applicable, as defined in the relevant Foreign FE Rules;

(b) any F/O Contract in respect of which the Client, BS Futures, BS Trading Agent or the relevant person or authority (in each case, either voluntarily or compulsorily under the rules of the relevant Exchange or Clearing House, or the relevant laws, rules, regulations or procedures, or in pursuance of the Agreement) enters into a second F/O Contract on identical terms to the first-mentioned F/O Contract, except: -

  (i) that the price may not be the same as the price specified in the first-mentioned F/O Contract; and

  (ii) that the Client, BS Futures, BS Trading Agent or the said relevant person or authority takes the opposite side to the side he or it holds under the first-mentioned F/O Contract; for the express purpose of crystallizing the profit or loss on that first-mentioned F/O Contract or for the purpose of offsetting or ending that first-mentioned F/O Contract; or

(c) an F/O Contract deemed to be a closed out contract pursuant to the rules, regulations or bylaws of the relevant Foreign Futures Exchange or the relevant Foreign Clearing House;

and "**close out**", "**closing out**" or "**closed out**" shall be construed accordingly;

"**Commodity**" means (a) a property as defined in SFO, and/or (b) a commodity as defined in HKFE Rules, and/or (c) any items, interests, rights and properties, agricultural products, assets, goods, things, commodities, oil, lands, securities, metals, currencies, shares, interest rates, indices (whether stock market or otherwise), products, ratings, references, derivatives, or other financial contracts, energy, physical assets, right or authority, and/or (d) any other items or descriptions as announced by BS Futures as commodity for the purpose of the Agreement from time to time, and shall where the case requires include a F/O Contract in respect of any of the above and in each case whether or not any of the above is capable of being delivered, and "**Commodities**" shall be construed accordingly;

"**Credit Facilities**" means all or any of the loan or credit facilities made available, provided or granted by or agreed to be made available, provided or granted by any of the BS Group Companies under and pursuant to the Loan Agreement from time to time;

"**Deficit**" means the negative balance in the Account whatsoever and howsoever arising;

"**Device**" means any device (including but not limited to any digital or electronic certificate or encrypted software), equipment, phone, machine or computer provided, whether mobile, fixed, portable or otherwise (whether by BS Futures or not) to or otherwise employed by the Client for giving Instruction;

"**Dissolution**" of a person also includes the winding-up, liquidation or bankruptcy of that person, and any equivalent or analogous procedure under the law of any jurisdiction in which that person is incorporated,

domiciled, resident, carries on business or has assets and "**dissolved**" shall be construed accordingly;

"**Encumbrance**" means any mortgage, charge, pledge, lien, assignment by way of security, financial lease, deferred purchase, sale-and-repurchase or sale-and-leaseback arrangement, hypothecation, retention of title by a vendor or other security interest given or arising in respect of any assets, and any arrangement the effect of which is to prefer any creditor or any agreement for any of the same;

"**ETF**" means "ETF" as defined in Section V headed "Terms and Conditions for Electronic Trading Facilities";

"**Event of Default**" has the meaning ascribed thereto in Clause 17;

"**Exchange**" means, as the case may be, (a) HKFE; and/or (b) the relevant Foreign Futures Exchange;

"**Exchange Contract**" means, as the case may be, (a) an Exchange Contract as defined in HKFE Rules, and/or (b) a contract for a Commodity approved by the relevant Foreign Futures Exchange for trading on a Market and which may result in a F/O Contract;

"**F.O. Business**" means F.O. Business as defined in HKFE Rules;

"**F/O Contract**" means, as the case may be, (a) a Futures/Options Contract or F/O Contract as defined in HKFE Rules, and/or (b) a Futures Contract and/or an Option Contract;

"**Foreign Clearing House**" means the clearing or settlement house, corporation, organization or body (being appointed, authorized or engaged by or established and operated by a Foreign Futures Exchange to provide clearing and settlement services to that Foreign Futures Exchange in respect of Commodities and/or Exchange Contracts and/or F/O Contracts) including, where the context so requires, its agents, nominees, representatives, officers and employees;

"**Foreign Clearing System**" means the clearing and settlement system operated by the relevant Foreign Clearing House from time to time;

"**Foreign Futures Exchange**" means a commodity, futures or options contracts exchange which is permitted to operate in a Foreign Jurisdiction by the law of that Foreign Jurisdiction including, where the context so requires, its agents, nominees, representatives, officers and employees;

"**Foreign Futures Laws**" means the relevant laws, legislations, rules and regulations of the relevant Foreign Jurisdiction relating to the Transactions;

"**Foreign FE Rules**" means the rules, regulations, bylaws and procedures of or made by the Foreign Futures Exchange, and any amendments, supplements, variations or modifications thereto from time to time in force;

"**Foreign Jurisdiction**" means a country, territory or jurisdiction outside Hong Kong;

"**Foreign Regulators**" means any regulatory or supervisory corporation, organization or body in a Foreign Jurisdiction having jurisdiction or regulatory or supervisory power or authority over the Transactions;

"**Futures Account**" means any account now or in future opened and maintained in the name of the Client with BS Futures for conducting Transactions in accordance with the Agreement, and/or all other account(s) of whatsoever nature now or in future opened and maintained in the name of the Client with BS Futures in accordance with the Agreement or other agreement or document;

"**Futures Contract**" means (a) a futures contract as defined in SFO, and/or (b) a Futures Contract or future as defined in HKFE Rules, and/or (c) a futures contract as defined in or deemed or ascribed as such in the relevant Foreign Futures Laws and/or the relevant Foreign FE Rules and/or relevant Clearing Rules, and/or (d) a contract executed on any Exchange, the effect of which is that: (i) one party agrees to deliver to the other party at an agreed future time an agreed Commodity or quantity of a Commodity at an agreed price; or (ii) the parties will make an adjustment between them at an agreed future time according to whether the agreed Commodity is worth more or less or, as the case may be, stands higher or lower at that time than a level agreed at the time of making of the contract, the difference being determined in accordance with the rules of the Exchange in which the contract is made;

"**HKCC**" means HKFE Clearing Corporation Limited (being the body appointed by or established and operated by HKFE to provide clearing and settlement services to members of HKFE in respect of Exchange Contracts and/or F/O Contracts) including, where the context so requires, its agents, nominees, representatives, officers and employees;

"**HK-DCASS**" means the Derivatives Clearing and Settlement System operated by HKCC and The SEHK Options Clearing House Limited from time to time;

"**HKFE**" means Hong Kong Futures Exchange Limited including, where the context so requires, its agents, nominees, representatives, officers and employees;

"**HKFE Rules**" means the rules, regulations and procedures of or made by HKFE, and any amendments, supplements, variations or modifications thereto from time to time in force;

"**Hong Kong**" means the Hong Kong Special Administrative Region of the People's Republic of China;

"**Hong Kong Regulators**" means HKFE, SFC, the Hong Kong Monetary Authority and/or any other regulatory or supervisory corporation, organization or body in Hong Kong having jurisdiction or regulatory or supervisory power or authority over the Transactions;

"**Instruction**" means any instruction or order communicated by the Client or the Authorized Person in whatever means (including but not limited to oral, phone, fax, email, internet or any electronic means or any written form) to BS Futures in accordance with these Terms;

"**Loan Agreement**" means (a) the "Loan Agreement" as defined in Section XI headed "Terms and Conditions for Loan and Security", or (b) any other loan or credit facility agreement (as the case may be) made or to be made between any of the BS Group Companies and the Client, as amended or supplemented from time to time, whereby, subject to the terms and conditions thereof, BS Securities and/or BS Futures and/or any of the BS Group Companies have agreed to make available, provide or grant Credit Facilities to the Client for the purposes stated therein;

"**Liabilities**" means all monies, liabilities and obligations, whether actual or contingent, present or future, due, owing or incurred from or by the Client to any of the BS Group Companies, their respective nominee, subsidiary or other associated company in connection with the Account and/or the Agreement or for which the Client may otherwise be or become liable to any of the BS Group Companies on any account or in any manner or currency whatsoever (whether alone or jointly with any other person and in whatever name, style or firm), together with interest from the date of demand to the date of payment, legal costs and all other costs, charges and expenses incurred by any of the BS Group Companies, their respective nominee, subsidiary or other associated company in connection with the recovery or attempted recovery of such monies, liabilities and obligations;

"**Market**" means any commodity, futures or options contracts exchange (including HKFE), market, over-the-counter market, responsible association of dealers or corporation, whether within or outside Hong Kong, so dealing in Commodities and/or Exchange Contracts and/or F/O Contracts as to provide a market for Commodities and/or Exchange Contracts and/or F/O Contracts;

"**Market Rules**" means the constitution, rules, regulations, by-laws, customs, usages, rulings and procedures of or made by the Market, and any amendments, supplements, variations or modifications thereto from time to time;

"**open contract**" or "**open position**" means, as the case may be, (a) an open contract or open position as defined in HKFE Rules, and/or (b) an Exchange Contract or a F/O Contract other than a closed out contract;

"**Option Contract**" means, as the case may be, (a) an option contract or option as defined in HKFE Rules, and/or (b) an option contract as defined in or deemed or ascribed as such in the relevant Foreign Futures Laws and/or the relevant Foreign FE Rules and/or relevant Clearing Rules, and/or (c) a contract executed between one party (the "**first party**") and another party (the "**second party**") on any Exchange under which: -

(i) the first party grants the second party the right, but not the obligation, to buy an agreed Commodity, or quantity of a Commodity, from the first party at an agreed price on or before an agreed future date or on an agreed future date as the case may be and, in the event that the second party exercises his right to buy: -

(1) the first party is obliged to deliver the Commodity at the agreed price; or
(2) the second party receives a payment referable to the amount (if any) by which the Commodity is worth more than the agreed price, such payment being determined in accordance with the rules of the Exchange in which the contract is made; or

(ii) the first party grants to the second party the right, but not the obligation, to sell an agreed Commodity, or quantity of a Commodity, to the first party at an agreed price on or before an agreed future date or on an agreed future date as the case may be and, in the event that the second party exercises his right to sell: -

(1) the first party is obliged to take delivery of the Commodity at the agreed price; or
(2) the second party receives a payment referable to the amount (if any) by which the agreed price is worth more than the Commodity, such payment being determined in accordance with the rules of the Exchange in which the contract is made;

"**Parties**" means BS Futures and the Client, and each of them is referred to as "**Party**";

"**Risk Disclosure Statements**" means the risk disclosure statements provided by the BS Group Companies to the Client, as may be prescribed, amended or supplemented by the BS Group Companies from time to time, the current version being set out in Section IX headed "Risk Disclosure Statements";

"**Settlement Account**" means the bank account of the Client for the purpose of Clause 9 of these Terms, the particulars of which are specified in the Account Opening Form;

"**SFC**" means the Securities and Futures Commission of Hong Kong;

"**SFO**" means the Securities and Futures Ordinance (Cap.571 of the Laws of Hong Kong) and any subsidiary legislation made thereunder;

"**Sub-account Number**" means the designated account number issued by designated banks as selected by BS Futures from time to time and the Client may rely on such designated bank account number to transfer moneys or funds to BS Futures in accordance with these Terms;

"**these Terms**" means all the terms and conditions in this Section VII headed "Terms and Conditions for Futures Trading" as from time to time amended or supplemented;

"**Transaction**" means any transaction, purchase, investment, sale, trading, entering, exchange, acquisition, holding, transfer, making, clearing, settlement, disposal or dealing in, of and with any Commodities and/or Exchange Contracts and/or F/O Contracts and generally dealing in any and all kinds of Commodities and/or Exchange Contracts and/or F/O Contracts (irrespective of whether it falls under the definition of "dealing in futures contracts" as defined under Schedule 5 of the SFO); and

"**U.S. person**" includes any natural person who is a citizen of or resident in the United States; a corporation, partnership or other business organization organized or incorporated under the laws of the United States or any political subdivision thereof, any estate or trust which is administered by an executor or trustee who is a U.S. person or the income of which is subject to U.S. federal income taxation regardless of its source; any account (other than any estate or trust) held by a dealer or fiduciary for the benefit of a U.S. person and any partnership or corporation organized and incorporated under the laws of any foreign jurisdiction which was formed by a U.S. person principally for the purpose of investing in securities not registered under the United States Securities Act of 1933. "U.S. person" shall not include any branch or agency of a United States bank or insurance company that is operating outside the United States for valid business reasons as a locally regulated branch or agency engaged in the banking or insurance business and not formed primarily for the purpose of investing in securities not registered under the United States Securities Act of 1933. For the purposes of this definition, the "**United States**" includes the United States of America, its states, territories and possessions and the District of Columbia.

1.2 In these Terms: -

(a) "include(s)" and "including" mean respectively "include(s) but not limited to" and "including but not limited to";
(b) "subsidiary" shall bear the meaning given by the Companies Ordinance (Cap. 622 of the Laws of Hong Kong) and "associated company" means, in respect of any person, any company (not being a subsidiary of that person) of which that person shall beneficially own twenty per cent (20%) or more of the issued share capital or in respect of which that person is entitled to appoint one or more directors or, in relation to any company, any company which is a subsidiary of a holding company of that first mentioned company;
(c) reference to a Clause is to a clause of these Terms and reference to the Account Opening Form is to the Account Opening Form as completed by or on behalf of the Client and where such information has been amended by subsequent notice to BS Futures means the Account Opening Form as amended by such notice;
(d) reference to an Ordinance is to an Ordinance or law of Hong Kong and any subsidiary legislation related thereto as from time to time amended, consolidated, extended, codified or re-enacted and for the time being in force;
(e) words importing the singular include the plural and vice versa; words importing person include bodies corporate or unincorporated or other entity; words importing gender include every gender and the neuter gender;
(f) the headings to the Clauses are for convenience only and do not affect their interpretation or construction; and
(g) where it is necessary for the true construction or interpretation of any provision herein so that the indebtedness, liability or obligation of any of the Parties shall continue after the termination of the Agreement, such provision shall survive the termination of the Agreement.

2. Applicable Rules and Regulations

2.1 All Instructions and Transactions made or entered into (i) by BS Futures with the Client; and (ii) by BS Futures and/or BS Trading Agent on behalf of the Client shall be subject to, and in respect of the above, both BS Futures and the Client shall be bound by: -

(a) the Agreement;
(b) BS Futures' rules, regulations, procedures and policies from time to time in force;
(c) the memorandum and articles of association of HKFE, HKFE Rules, Regulations (as defined in the HKFE Rules), Procedures (as defined in the HKFE Rules), Clearing Rules in Hong Kong and the customs, usages, rulings and procedures of HKFE;
(d) the SFO and all applicable laws, rules and regulations of Hong Kong;
(e) BS Trading Agent Agreement, and the rules, regulations, procedures and policies of BS Trading Agent relating and applicable to the Transactions from time to time in force;
(f) the constitution of the relevant Foreign Futures Exchange, the relevant Foreign FE Rules, the Clearing Rules in the relevant Foreign Jurisdiction and the Market (and their respective Clearing House, if any) and the customs, usages, rulings and procedures of the relevant Foreign Futures Exchange, where the Instructions and Transactions are executed, performed, cleared or settled;
(g) the relevant Foreign Futures Laws of the Foreign Jurisdiction where the Instructions and

Transactions are executed, performed, cleared or settled;

(h) any agreement made between, inter alia, (1) any of the BS Group Companies; and (2) any market data feed service providers (including but not limited to an Exchange and/or its associated companies); and

(i) any agreement made between, inter alia, (1) any of the BS Group Companies; and (2) any other service providers/agents providing services relating or applicable to the Instructions and/or Transactions.

2.2 If there shall be any conflict or inconsistency between any of the provisions of the Agreement and anything contained in paragraphs (b), (c), (d), (e), (f), (g) and (h) of Clause 2.1, BS Futures may, in its absolute discretion, take or refuse to take any action, or demand the Client to take or refrain from taking any action to ensure compliance with the same.

3. **Appointment and Scope of Agency**

3.1 BS Futures may (at its sole discretion and election) enter into Transaction with the Client on a principal-to-principal basis or act as the Client's agent to effect Transactions on the Client's behalf. For the avoidance of doubt, the Client is not entitled to request BS Futures to effect a Transaction as principal or the Client's agent specifically nor to claim against BS Futures for any compensation due to any loss, damages, expenses or loss of profit whatsoever suffered and/or incurred by the Client arising out (directly or indirectly) of or in connection with BS Futures' decision or election to act as principal or the Client's agent in any Transaction (whether such decision is against the Client's instruction or wish or otherwise). In any event, nothing herein contained shall constitute BS Futures as trustee for the Client or a partnership between BS Futures and the Client. The Client shall make its own judgments and decisions independently without reliance on BS Futures or any of the BS Group Companies in its decision in relation to dealing in F/O Contracts or any Transactions.

3.2 The Client shall, unless otherwise agreed in writing, enter into Transactions as principal. If, as between the Client and a third party, the Client acts as an agent, regardless of whether or not the Client identifies that principal to BS Futures, then unless BS Futures expressly accepts in writing the Client's status as agent, the Client shall, as between the Client and BS Futures be regarded as the sole principal to BS Futures and BS Futures shall have no privity of contract relationship or responsibilities to the third party.

3.3 Notwithstanding Clauses 3.1 and 3.2, BS Futures may, in its absolute discretion, (a) decline to accept, carry out, execute, enter into or effect any Instructions and/or any Transactions; or (b) decline to act on or stop carrying out, executing, entering into or effecting any accepted Instructions and/or any Transactions without giving any reason therefor. BS Futures shall not, in any circumstances, be liable (including liability for negligence) in any way to the Client for any loss, damages, expenses or loss of profit whatsoever suffered and/or incurred by the Client arising out (directly or indirectly) of or in connection with its not accepting, carrying out, executing, entering into, effecting or acting on such Instructions and/or Transactions or omitting to give notice therefor.

3.4 The Client acknowledges and accepts that it may not be possible to cancel, vary or amend an Instruction. Any attempt to cancel, vary or amend an Instruction is simply a request to cancel or modify. BS Futures shall not be obliged to act on any Instruction for cancellation, variation or amendment of any Instruction already given to BS Futures. BS Futures is not responsible for or liable to the Client for any loss or expense suffered or incurred by the Client if the original Instruction has already been completed, or in the opinion of BS Futures, BS Futures has insufficient time or is unable to act on such Instructions to cancel, vary or amend the original Instruction. The Client further acknowledges and accepts that attempts to cancel, vary or amend an Instruction can result in an over-execution of the Instruction, or the execution of duplicate or repeated Instructions, and the Client shall be responsible for all such executions.

3.5 The Client is an independent third party not connected with, an associate of, or acting in concert with any director, chief executive, substantial shareholder of BS Futures and/or any of their respective subsidiaries. The Client does not hold any interest in BS Futures.

3.6 Without prejudice to other provisions in these Terms, the Client agrees and authorizes BS Futures to appoint, engage and instruct BS Trading Agents as BS Futures may in its absolute discretion deem fit to execute, effect, trade, implement, clear and settle any Instructions and/or Transactions.

3.7 Notwithstanding that BS Futures has accepted or agreed to carry out, execute, enter into or effect any Instructions and/or any Transactions, if BS Trading Agent, in its absolute discretion, (a) decline to accept, carry out, execute, enter into or effect any Instructions and/or any Transactions; or (b) decline to act on or stop carrying out, executing, entering into or effecting any accepted Instructions and/or any Transactions, BS Futures may, in its absolute discretion, (a) stop or discontinue to accept, carry out, execute, enter into or effect any such accepted or agreed Instructions and/or Transactions; or (b) decline to act on or stop carrying out, executing, entering into or effecting any such accepted Instructions and/or Transactions without giving any reason therefor. BS Futures shall not, in any circumstances, be liable (including liability for negligence) in any way to the Client for any loss, damages, expenses or loss of profit whatsoever suffered and/or incurred by the Client arising out (directly or indirectly) of or in connection with its not accepting, carrying out, executing, entering into, effecting or acting on such Instructions and/or Transactions or omitting to give notice therefor.

4. **Authorized Person**

4.1 The Client authorizes the Authorized Person to represent the Client in all matters in relation to all Instructions and Transactions, in particular, to give Instructions and execute all agreements and documents in relation to the Agreement and the Futures Account and its operation. All such Instructions, Transactions, agreements and documents shall be absolutely and conclusively binding on the Client. The Client agrees that BS Futures is entitled to act on such Instructions until the Client notifies BS Futures in writing that the authority of the Authorized Person has been revoked or varied.

4.2 The Client undertakes with BS Futures from time to time and at all times to ratify and confirm any Instructions whatsoever given or purported to be given by the Authorized Person including but not limited to any Instructions which may be given or purported to be given between the revocation of the authority of the Authorized Person and the actual receipt of notice of such revocation by BS Futures. The Client agrees that any Instructions given or purported to be given by the Authorized Person after revocation of the Authorized Person's authority (but before the actual receipt of notice of such revocation by BS Futures) shall be absolutely and conclusively binding on the Client, and shall be valid and effectual in favour of BS Futures.

4.3 Notwithstanding anything herein contained, the Client acknowledges and confirms that the Authorized Person is neither an employee nor agent of BS Futures and there is no partnership or employment relationship between the Authorized Person and BS Futures. The Authorized Person is appointed by the Client as agent and shall have full authority to act on behalf of the Client under the Agreement as if he were the Client himself, and shall have the authority to give good and valid receipt to any payment, monies, funds, Commodities, securities, properties or assets comprised in the Futures Account made or given to the Authorized Person. All Instructions given by the Authorized Person shall be and be deemed to be the Instructions given by the Client and all acts, omissions, default or breach by the Authorized Person (whether with or without the instructions or consent of the Client) shall be and be deemed to be the acts, omissions, default or breach by the Client. BS Futures shall not be in any way liable to the Client or any other parties for the acts, omissions, default or breach by the Authorized Person (whether with or without the instructions or consent of the Client). In the Agreement, the expression "Client" shall, where the context permits, include the Authorized Person.

5. **Form of Instructions**

5.1 Subject as provided herein, all Instructions in relation to Transactions shall be given by the Client or the Authorized Person direct to BS Futures (whether oral (in person or by telephone), via internet or any electronic means, by ETF, or other means of communication accepted by BS Futures from time to time) in such manner as may be prescribed by BS Futures from time to time. If Instructions are given by telephone, internet, electronic means or ETF, BS Futures is entitled to rely upon and act in accordance with such Instructions without inquiry or verification by BS Futures of the authority or identity of the person making or giving or purporting to make or give such Instructions and regardless of the circumstances prevailing at the time of the giving of such Instructions or amount of money involved in the Instructions, and notwithstanding any error, misunderstanding, lack of clarity, fraud, forgery or lack of authority in relation thereto.

5.2 BS Futures shall be entitled to treat an Instruction given as provided in Clause 5.1 as fully authorized by and binding upon the Client. BS Futures shall be entitled (but not bound) to act on or take such steps in connection with or in reliance upon such Instruction as BS Futures may in good faith consider appropriate, notwithstanding any error or misunderstanding or lack of clarity in the terms of such Instruction.

5.3 When Instructions are given by the Client or the Authorized Person by telephone: -

(a) the Client or the Authorized Person must use the designated telephone number provided by BS Futures from time to time (the "**Designated Telephone**"). For the avoidance of doubt, any Instructions given by telephone without using the Designated Telephone, and any Instructions given by messages left at the voicemails of any telephone numbers of BS Futures or any personal mobile phone numbers of the employees or agents of BS Futures shall not be regarded as valid or effective Instructions to BS Futures. BS Futures shall not be liable to the Client for any loss whatsoever arising out of or in connection with the Client's or the Authorized Person's failure to comply with the terms of this Clause;

(b) Notwithstanding the designation of the Designated Telephone and the provisions in Clause 5.3(a) above, BS Futures (but not the Client) has the absolute discretion to accept, act on, carry out or effect any Instructions given by telephone other than using the Designated Telephone (the "**Non-Designated Telephone Instruction**"). If BS Futures accepts, acts on, carries out or effects any Non-Designated Telephone Instruction, such Non-Designated Telephone Instruction shall be treated and deemed as an Instruction within the meaning of these Terms in all respects and all BS Futures' rights, protections, powers and remedies shall be applicable to such Non-Designated Telephone Instruction; and

(c) BS Futures has no responsibility for any delay, failure, error, interruption or suspension in the transmission or communication of Instructions or information on prices or the mistaken receipt of any Instructions by any other party. BS Futures is authorized to act upon any Instructions received by it (regardless of delay, failure, error, interruption or suspension as aforesaid) and BS Futures shall not be required to check the accuracy or authenticity of such Instructions with the Client, nor shall BS Futures be liable for any losses or costs suffered or incurred by the Client as a result of BS Futures acting upon the same. BS Futures shall be entitled to require the Client to enter into a further agreement if the Client wishes it to act on telephonic Instruction.

5.4 In the case of Instruction by ETF, the Client or the Authorized Person must give such Instruction: -

(a) only by such means and in such manner as BS Futures may from time to time designate for the relevant type of Transaction;
(b) by use of the suitable Device (if applicable) to obtain access to the designated computer or other systems of BS Futures for the relevant type of Transaction; and
(c) at the request of BS Futures (such request may be represented by electronic image or digitized voice or other electronic form, as the case may be), by inputting the designated number and/or the relevant password and any other information relating to the identity of the Client as may be required by BS Futures, as well as the information and details with respect to the Transaction.

5.5 The Client recognizes the risks in giving Instructions by telephone or ETF including, without limitation, the risk of any Instruction being unauthorized or given by an unauthorized person. The Client accepts the risks in full if the Client chooses to give Instructions by such means.

5.6 Once the Client has given an Instruction, it may not be cancelled, varied or amended without BS Futures' written consent.

5.7 BS Futures shall have no responsibility to procure compliance by the Client with any law or regulation governing the Client's conduct as a fiduciary (if applicable).

5.8 BS Futures and/or BS Trading Agent may aggregate the Client's order with its own orders or with those of persons connected with BS Futures or with those of other clients. Such aggregation may on some occasions operate to the Client's disadvantage and on other occasions to the Client's advantage. The Client agrees that in the event of there being insufficient Exchange Contracts and/or F/O Contracts available to satisfy the orders so aggregated, the Transactions shall be attributed to the relevant clients in the order in which such orders were received by BS Futures.

5.9 Where the Client is acting as agent for and on behalf of any other person when giving Instructions to BS Futures pursuant to the Agreement, BS Futures shall be entitled to treat the Client (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 BS Futures and no such person will be an "indirect client".

5.10 The Client understands that BS Futures is unable to know whether someone other than the Client has given or entered, or is giving or entering, instructions using the Client's name or the Client's user name or password. The Client shall not permit or allow any other person to have access to the Futures Account for any purpose. The Client shall be responsible for the confidentiality and use of, and any order given or entered with, the Client's name or the Client's user name and password. The Client shall remain responsible for all instructions using the Client's name or the Client's user name and password.

5.11 BS Futures may accept the digital signature of the Client or the Authorized Person which is supported by a digital certificate tendered to BS Futures. The Client agrees that BS Futures is entitled to treat such digital signature as the manual signature of the relevant person.

5.12 The Client acknowledges that it will be responsible to and will indemnify and keep indemnified BS Futures for any loss, costs, fees and expenses arising directly or indirectly out of or in connection with the Instructions and BS Futures acting thereon hereunder.

5.13 The Client acknowledges and consents that BS Futures shall, at its absolute discretion, be entitled to claim margin offset for the Client's positions through the Client Offset Claim Account in DCASS.

6. **Transactions**

6.1 BS Futures has the absolute discretion to select the Market on and through which to route, execute, perform or fulfill the Instructions.

6.2 The Client authorizes BS Futures to instruct such BS Trading Agent, executing brokers, agents, custodians, nominees, overseas brokers and dealers (including branches or associates of BS Futures) as BS Futures may in its absolute discretion deem fit to execute any Instructions and Transactions, such persons shall have the benefit of all of BS Futures' rights, powers and remedies hereunder. The Client acknowledges that the terms of business of such persons and the applicable rules of any relevant Exchange and/or Market and/or Clearing System on and through which such Instructions and Transactions are executed and settled shall apply to such Instructions and Transactions.

6.3 All Transactions shall be effected in accordance with all laws, rules and regulatory directions of government agencies and statutory bodies of competent jurisdiction applying to BS Futures. All actions taken by BS Futures in accordance with such laws, rules and directions shall be binding on the Client. In the absence of wilful misconduct or fraud of BS Futures, BS Futures shall not be liable to the Client as a result of any action or omission taken by BS Futures or any of the persons specified in Clause 6.2 to comply with such laws, rules and directions.

6.4 BS Futures may post the specification of Commodities, Exchange Contracts and/or F/O Contracts on the BS Website from time to time. The Client acknowledges that it will be responsible to read and fully understand such specification before giving Instructions and shall review such specification regularly to obtain timely notice of any amendment. The Client further acknowledges that such specification and amendment shall be

binding on the Client.

6.5 By reasons of the environment of or physical restraints on any Exchange, Clearing House or Market and the volatility of price or point movements, there may, on occasions and despite BS Futures', BS Trading Agent's, executing brokers', overseas brokers' or dealers' reasonable endeavours, be a delay in making prices, executing Instruction or dealing at any specific time. The Client accepts that BS Futures may not be able to trade or make deal at the price or point specified by the Client, and that BS Futures may not be able to trade or make deal at the price or point quoted at any specific time or "at best", "at the best quoted or posted" or "at market". The Client agrees in any event to accept and be bound by Transactions executed by BS Futures following Instructions, and agrees that BS Futures shall not be liable for any loss arising by reason of its failing, or being unable, to comply with any terms of an order of the Client.

6.6 Where BS Futures or the persons specified in Clause 6.2 are unable to perform any of the Instructions in full, BS Futures or such persons are entitled to effect partial performance only without prior reference to or confirmation from the Client. The Client shall be bound by such part of the Instructions so performed by BS Futures. BS Futures shall not have any obligation or liability whatsoever in respect of such part of the Instructions which has not been performed.

6.7 Unless the Client gives specific Instructions to BS Futures to the contrary, the Client acknowledges that all Instructions are good for the day only and that, to the extent unfulfilled, they will lapse at the end of the official trading day of the Exchange or Market in respect of which they are given.

6.8 Subject to applicable laws and regulations and Market requirements, BS Futures may in its absolute discretion determine the priority in the execution of its clients' orders, having due regard to the sequence in which such orders were received, and the Client shall not have any claim of priority to another client in relation to the execution of any order received by BS Futures.

6.9 The Client acknowledges that it will be responsible and will indemnify and keep indemnified BS Futures for any loss, costs, fees and expenses in connection with the Client's failure to meet its obligations by the settlement dates or to pay any other sum due to BS Futures hereunder.

6.10 The Client shall pay interest on all overdue balances on the Futures Account or any amount otherwise owing to BS Futures at any time (including interest arising after a judgment debt is obtained against the Client) at such rates and on such other terms as BS Futures 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 Futures from time to time. Interest shall be payable on the last day of each calendar month or forthwith upon demand by BS Futures.

6.11 The Client acknowledges that all telephone conversations between the Client and BS Futures may be taped without an automatic tone-warning device in order to enable BS Futures to verify the Instructions. The Client agrees to accept the recordings on relevant tapes as final and conclusive evidence of the contents of the Instructions in case of dispute. Such tapes will always remain the property of BS Futures.

6.12 The Client acknowledges that the books and records of BS Futures in respect of any Instruction or Transaction shall be conclusive evidence (except for manifest error) against the Client in all courts of law and for all purposes. In this connection, a certificate signed by an authorized officer of BS Futures as to any matter in respect of any Instruction or Transaction, save for manifest error, shall be conclusive and binding against the Client.

6.13 Where BS Futures knows of or suspects a breach of security or other suspicious circumstances in respect of or in connection with the operation of one or more of the Accounts or any service to the Client generally, BS Futures may, in its absolute discretion and without any liability, refuse to execute or delay the execution of any Instruction and in that event, BS Futures will, to the extent possible, inform the Client as soon as practicable.

6.14 In the event of death or liquidation of the Client or in the event of the Client being rendered incapable or disabled from managing and administering the Client's property or affairs, then prior to the actual receipt by all the BS Group Companies of written notice of death, liquidation or incapacity or disability of the Client, all the BS Group Companies may, but shall not be obliged to, continue to act upon the Instructions given by the Client or the Authorized Person as if the Client were still alive, existing or capable of managing and administering the Client's property or affairs.

6.15 If any relevant Exchange and/or Clearing House and/or agent on or through whom any Exchange Contract and/or F/O Contract has been entered into by BS Futures on behalf of the Client requires any alteration in any terms or conditions of such contract, BS Futures may take all such action as it shall in its absolute discretion consider necessary or desirable to comply therewith or to avoid or mitigate loss thereunder. All such actions shall be binding upon the Client.

6.16 BS Futures and/or BS Trading Agent may not have access to every Market at which a particular product, Commodity, Exchange Contract or F/O Contract may trade. Exchanges or Market makers may fail or refuse to honour their quoted or posted prices. Exchanges may re-route Client's orders out of automated execution systems for manual handling (in which case execution or representation of Client's order may be substantially delayed). Exchange or Market rules, policies, procedures or decisions or system delays or failures may prevent Client's order from being executed, may cause a delay in the execution or performance of the

Instruction or may cause the Instruction not to be executed at the best price. In no event shall BS Futures be liable to the Client for any action, inaction, decision or ruling of any Exchange, Market, Clearing House or regulatory authority.

6.17 If BS Futures cannot execute or carry out any Instruction, BS Futures may take any other action as BS Futures shall think fit. The Client understands that the Client will be responsible for all the consequences or expenses of BS Futures in connection with the above and that BS Futures will not be liable for any loss that may thereby be incurred.

6.18 Notwithstanding any provision contained herein to the contrary, Instructions are to be received and executed on the understanding that no taking or making of delivery of the Commodity will be made or required in respect of any Exchange Contract or F/O Contract entered into by BS Futures on behalf of the Client, and that only cash settlement or payment shall be made or required in respect of such contract. The Client will be required to make or receive payment of money unless the Client's initial position is closed out. Every Exchange Contract or F/O Contract entered into by BS Futures on behalf of the Client is made on the understanding that both BS Futures and the Client contemplate performance thereof by cash settlement or payment and, as between BS Futures and the Client, shall be deemed to contain obligations on the Client and BS Futures to make settlement of such contract by paying or receiving money or fund. In respect of open position maturing in current month, the Client shall, at least five (5) Business Days prior to the last trading day in the case of long position and at least five (5) Business Days prior to the last trading day in the case of short position, either give Instruction to BS Futures to close out the same or deliver to BS Futures all moneys, funds or documents deliverable by the Client under such contract in order to enable due settlement (by cash) of such contract by BS Futures in accordance with the rules and regulations of the relevant Exchange or Clearing House and the applicable laws of the relevant jurisdiction. If the Client fails to provide BS Futures with such Instruction, moneys, funds, or documents within the period as aforesaid, BS Futures may without notice either close out the relevant contract or pay or receive moneys or funds on behalf of the Client upon such terms and by such methods as BS Futures shall in its absolute discretion determine. If the Client fails to provide BS Futures with such Instruction to BS Futures and such failure renders or makes BS Futures becoming obliged to take or make delivery of the Commodity under the relevant Exchange Contract or F/O Contract, BS Futures will make all necessary arrangements and actions to terminate, cancel, discharge, released such obligation of BE Futures to the effect that no taking or making of delivery of the Commodity will be made or required at the risks, costs, and expenses of the Client. The Client shall keep BS Futures indemnified in respect of all costs, losses, claims, penalties, fines, taxes, damages and expenses incurred by BS Futures as a result of action taken by BS Futures pursuant to this Clause.

6.19 If BS Futures or its agent (as the case may be) shall for any reason whatsoever fail to receive payment of all or any amount of money or fund (whether from the relevant Exchange and/or Clearing House and/or any other person) due to be paid to the Client in respect of any Exchange Contract and/or F/O Contract entered into by BS Futures on behalf of the Client on the due date for payment in accordance with the rules and regulations of the relevant Exchange and/or Clearing House and/or the applicable laws of the relevant jurisdiction, BS Futures' obligations to make payment of any money or fund to the Client in respect of such Exchange Contract and/or F/O Contract shall thereupon and by virtue of such failure become obligations to make payment of such amount of money or fund equal to the amount of money or fund as is actually received by BS Futures in respect thereof.

6.20 BS Futures is not obliged to provide the Client with information with respect to any position of the Client and (except as directed by the Client) has no obligation but shall have the right at the discretion of BS Futures to close out any position in the Futures Account on behalf of the Client. Nothing herein contained shall place BS Futures under any duty to disclose to the Client any fact or thing which comes to its notice in the course of acting in any capacity for any other person or in its own capacity.

6.21 Upon the demand by BS Futures, the Client shall forthwith supply to BS Futures in relation to any Exchange Contract or F/O Contract entered into by BS Futures on the Client's behalf such information in relation to the settlement and/or (in the case of an Option Contract) exercise of any such contract which has not been closed out or, as the case may be, exercised, as BS Futures may request.

6.22 BS Futures may trade or execute trading on its own account or on the account of any associated company of BS Futures, even though BS Futures may simultaneously hold unexecuted Instructions for the same product, Commodity, Exchange Contract or F/O Contract which could be executed at the same price. Any directors, officers or employees of BS Futures, BS Securities and/or BS Group Companies may trade on his/their own accounts.

6.23 BS Futures may elect to confirm the execution or cancellation of any Instruction by transmitting a Confirmation in electric form to the Client via e-mail or through ETF, or for security purposes, by posting the Confirmation on the BS Website, with a notification sent to the Client to login and retrieve the Confirmation. The Client agrees to accept electronic form of Confirmations in lieu of printed form of Confirmations.

6.24 Confirmations may be subject to delays. The Client understands that Confirmations and reports of Instruction cancellations or Transactions may be erroneous for various reasons, including, but not limited to, cancellation, modification or adjustment by the relevant Market or Clearing House. Confirmations are also subject to change by BS Futures, in which case the Client shall be bound by the actual Transaction executed, so long as it is consistent with the Instruction. In the event that BS Futures confirms an execution or cancellation in error and the Client unreasonably delays in reporting such error, BS Futures reserves the right to require the Client to accept the Transaction, or remove the Transaction from the Futures Account.

6.25 The Client agrees to notify BS Futures immediately if: (a) the Client fails to receive an accurate Confirmation of an execution or cancellation; (b) the Client receives a Confirmation that is not consistent with the Instruction; (c) the Client receives Confirmation of execution or cancellation of an instruction that the Client did not place; or (d) the Client receives an account statement, Confirmation, or other information reflecting inaccurate Instructions, orders, trades, account balances or positions, funds, margin status, or Transaction history.

6.26 The Client understands and agrees that BS Futures may adjust the Futures Account to correct any error. The Client agrees to promptly return to BS Futures any assets distributed to the Client to which the Client was not entitled.

7. Margin & Fund

7.1 The Client agrees to provide and maintain such margin, variation adjustment and Interest Rate Cash Adjustments (as defined in HKFE Rules) (collectively the "**Margin Requirements**" and each of them "**Margin Requirement**") in the Futures Account and/or such collateral, guarantees and other security to the Futures Account in such form and amount and on such terms as BS Futures may in its absolute discretion require from time to time. Such Margin Requirement(s) demanded or required by BS Futures may exceed any margin requirement, variation adjustment or Interest Rate Cash Adjustments prescribed by any Exchange or Clearing House or BS Trading Agent or broker. BS Futures may change any Margin Requirement in its sole discretion and at any time without prior notice to the Client. If BS Futures determines that additional margin, variation adjustment or Interest Rate Cash Adjustments is required, the Client agrees to make payment to and/or deposit with BS Futures such additional margin, variation adjustment or Interest Rate Cash Adjustments forthwith upon demand. All funds provided by the Client as margin shall be cleared funds and all Securities provided by the Client as margin shall be Securities to which the Client has valid and unencumbered title. No previous Margin Requirement(s) shall establish any precedent. Change on Margin Requirement(s) shall apply to existing positions as well as to new positions after the date of such change.

7.2 Without prejudice to Clauses 7.8 to 7.14, calls or demands for Margin Requirement must be met or satisfied by the Client forthwith upon demand by BS Futures. BS Futures may close out the open position in respect of which any call or demand for Margin Requirement is not met or satisfied. The Client shall on demand put BS Futures in funds or moneys or arrange for BS Futures to be put in funds or moneys in time to enable BS Futures to discharge any liability incurred or to be incurred in connection with trading, dealing or Transactions effected in relation to the Futures Account. The Client shall on demand reimburse BS Futures for all costs and expenses incurred by it in connection with the trading, dealing or Transactions effected in relation to the Futures Account and/or pay or settle any outstanding amount under the Futures Account.

7.3 BS Futures may be required to report to HKFE and/or Foreign Futures Exchange particulars of all open positions in respect of which the Client has failed on two successive occasions to meet calls or demands for Margin Requirement or additional Margin Requirement as demanded by BS Futures within the period specified by BS Futures.

7.4 BS Futures is not liable to pay interest on the moneys or funds paid to or received by BS Futures in respect of the Futures Account whether on deposit or however described. BS Futures 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 Futures is entitled to charge and the Client agrees to pay interest to BS Futures in respect of any Deficit or any moneys or funds otherwise owing to BS Futures at any time at such rates and on such other terms as BS Futures 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 Futures from time to time. Interest shall be payable on the last day of each calendar month or forthwith upon demand by BS Futures.

7.5 All money, securities and other property received by BS Futures from the Client or from any other person (including a Clearing House) for the account of the Client shall be held by BS Futures as trustee and segregated from BS Futures' own assets. All these assets so held by BS Futures shall not form part of the assets of BS Futures 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 BS Futures' business or assets.

7.6 All monies, approved debt securities or approved securities received by BS Futures from the Client or from any other person, including HKCC, shall be held in the manner specified under paragraphs 7 to 12 of Schedule 4 to the Code. The Client hereby authorises BS Futures to apply any such monies, approved debt securities or approved securities in the manner specified under paragraphs 14 to 15 of Schedule 4 to the Code. In particular, BS Futures may apply such monies, approved debt securities or approved securities in or towards meeting BS Futures' obligations to any party insofar as such obligations arise in connection with or incidental to the F.O. Business transacted on the Client's behalf.

7.7 The Client acknowledges that in respect of any account of BS Futures maintained with HKCC, whether or not such account is maintained wholly or partly in respect of the F.O. Business transacted on behalf of the Client and whether or not monies, approved debt securities or approved securities paid or deposited by the Client has been paid to or deposited with HKCC, as between BS Futures and HKCC, BS Futures deals as principal and accordingly no such account is impressed with any trust or other equitable interest in favour of the Client and monies, approved debt securities or approved securities paid to or deposited with HKCC are thereby freed from the trust referred to in Clause 7.5.

7.8 The Client shall monitor the Futures Account so that at all times the Futures Account shall contain a sufficient account balance to meet the applicable Margin Requirements. BS Futures may reject any Instruction or order of the Client if the Client does not have a sufficient account balance to meet Margin Requirements and may delay the processing of any Instruction or order while determining the correct margin status of the Futures Account. The Client shall maintain, without notice or demand from BS Futures, a sufficient account balance at all times so as to continuously meet the Margin Requirements. The Client must at all times satisfy whatever Margin Requirement calculated by BS Futures.

7.9 BS Futures has no obligation to notify the Client of any failure to meet the Margin Requirement prior to BS Futures exercising its rights, powers, discretion and remedies under the Agreement. The Client understands that BS Futures generally will not issue call or demand on Margin Requirement, that BS Futures generally will not credit the Futures Account to meet any deficiency on Margin Requirement, and that BS Futures is authorized to close out, liquidate or settle open contracts or open positions in the Futures Account and/or exercise any of its rights under Clause 17 in order to satisfy Margin Requirements without prior notice to the Client.

7.10 In the event that the balance of the Futures Account has zero equity or is in deficit at any time, or the Futures Account does not have a sufficient account balance to meet Margin Requirements, BS Futures shall have the right, in its sole discretion, but not the obligation, to close out, liquidate or settle all or any part of the Client's positions in the Futures Account and/or exercise any of its rights under Clause 17 at any time and in such manner and in any Market as BS Futures deems necessary, without prior notice demand or call to the Client. The Client agrees to be responsible for, and promptly pay to BS Futures, any deficiency in the Futures Account that arises from such closing out, liquidation, settlement or exercise of rights or remains after such closing out, liquidation, settlement or exercise of rights. BS Futures shall not have any liability to the Client for any losses or damages sustained by the Client in connection with such closing out, liquidation, settlement or exercise of rights (or if BS Futures experiences a delay in effecting, or does not effect, such closing out, liquidation or settlement, or in exercising, or does not exercise such rights) even if the Client subsequently re-established its position at a less favorable price or point.

7.11 The Client expressly waives and relinquishes any rights to receive prior notice or demand from BS Futures and agrees that any prior demand, notice, announcement or advertisement shall not be deemed a waiver of BS Futures' right to close out, liquidate or settle any open position of the Client or exercise any of its rights under Clause 17. The Client understands that, in the event open position is closed out, liquidated or settled by BS Futures or BS Futures exercises such rights, the Client shall have no right or opportunity to determine the open position to be liquidated, the order or manner of closing out, liquidation or settlement or the manner of exercising such rights by BS Futures. BS Futures may, in its absolute and sole discretion, effect closing out, liquidation or settlement, or exercise such rights on any Exchange or Market, and BS Futures or its associated company may take the other side of such closing out, liquidating or settlement transaction. In the event that BS Futures closes out, liquidates or settles any or all open positions in the Futures Account or exercises such rights, such closing out, liquidation or settlement or exercise of rights shall establish the amount of the Client's gain or loss and indebtedness to BS Futures, if any. The Client shall reimburse and hold BS Futures harmless for all actions, omissions, costs, expenses, fees (including, but not limited to, legal fees), penalties, losses, claims or liabilities associated with any such Transaction undertaken by BS Futures or any exercise of such rights by BS Futures. The Client shall be liable to and responsible for all resulting losses on the Client's positions, notwithstanding BS Futures' delay in or failure to close out, liquidate or settle any such open positions or exercise such rights. If BS Futures executes an order for which the Client did not have sufficient funds, BS Futures 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.

7.12 The Client irrevocably and unconditionally authorizes BS Futures transfer, debit or deduct any money in the Futures Account and/or the Account so as to pay, discharge, satisfy the Client's indebtedness, obligations and Liabilities to BS Futures arising from, incurred under and relating to the Agreement and/or the Loan 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 and/or the Loan Agreement. The Client acknowledges and agrees that such deductions may affect the amount of money in the Futures Account to be applied against the Margin Requirements. The Client's open positions are subject to closing out, liquidation or settlement as described herein, and BS Futures may exercise any of its rights under Clause 17, if deduction of commissions, fees or other charges causes the Futures Account to have an insufficient balance to satisfy the Margin Requirements.

7.13 If BS Futures 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 Futures by immediately depositing cleared funds in the Futures Account to pay, in full, the under-margined open position. Notwithstanding such call or demand for Margin Requirement, the Client acknowledges that BS Futures, in its sole discretion, may close out, liquidate or settle the Client's open positions, or exercise any of its rights under Clause 17, at any time.

7.14 BS Futures shall also have the right to close out, liquidate or settle all or any part of the Client's open positions or exercise any of its rights under Clause 17 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 Client's failure to timely discharge its obligations to BS Futures; (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 Futures, in its absolute and sole discretion, deems necessary or advisable for the protection of BS Futures

and/or any of the BS Group Companies.

8. **Deposits of Money or Funds**

8.1 The Client shall pay moneys or funds (i) personally to BS Futures, (ii) deposit directly into the bank accounts designated by BS Futures, (iii) transfer by way of Faster Payment System ("**FPS**") into the accounts with the relevant FPS identifier ("**FPS ID**") as designated by BS Futures and stated in the FPS Payment Procedure (as defined below), or (iv) to BS Futures through the Electronic Real Time Direct Debit Authorisation Services ("**eDDA Services**"). BS Futures may, at its sole and absolute discretion, refuse to accept deposits of moneys or funds by any person other than the Client or the Authorized Person (the "**Third Party**"). If the Client uses FPS to pay moneys or funds, the Client shall follow the relevant FPS payment procedures and guidelines as amended, supplemented, modified and/or varied from time to time which is posted on the website of BS Securities or separately notified to the Client from time to time ("**FPS Payment Procedure**"). If the Client uses eDDA Services to pay moneys or funds, the Client shall follow the "Terms and Conditions for Electronic Real Time Direct Debit Authorisation Services" as amended, supplemented, modified and/or varied from time to time which is posted on the website of BS Securities or separately notified to Client from time to time. Notwithstanding the above, the Client understands that the use of FPS and/or eDDA Services are subject to the rules, guidelines and procedures imposed by Hong Kong Interbank Clearing Limited and/or other relevant regulatory authority(ies) from time to time and agrees to comply with all such applicable rules, guidelines and procedures in using FPS and/or eDDA services.

8.2 BS Futures does not accept deposits of moneys or funds by Third Party cheques. BS Futures may, at its absolute discretion, accept cleared funds transferred to its designated account by the Third Party on the Client's behalf as the Client's deposit of funds.

8.3 The Client or the Third Party (as the case may be) shall immediately notify BS Futures after payment of funds to BS Futures by delivering to BS Futures the pay-in slips and/or other documentary evidence of such payment accepted by BS Futures from time to time (the "**Payment Evidence**") with the Client's name, Futures Account number and signature thereon either by fax or in person within the business hours on the date of deposit for verification. The Client acknowledges and understands that payment of funds to BS Futures (whether by the Client or the Third Party) may not be credited to the Futures Account or reflected in any account statement until such notification is received by BS Futures.

8.4 The Client acknowledges that the Client or the Third Party (as the case may be) is under a duty for the safekeeping of the Payment Evidence before delivering the same to BS Futures. BS Futures shall not be liable to the Client for any loss whatsoever arising out of or in connection with the Client's or the Third Party's (as the case may be) failure to deliver the Payment Evidence to BS Futures in time or at all, or the use of the Payment Evidence by any person other than the Client or the Third Party (whether with or without the instructions or consent of the Client).

8.5 The Client shall retain the originals of Payment Evidence for at least one (1) month from the date of deposit. BS Futures will send a statement of account to the Client as soon as possible following the deposit for record and verification. If the Client does not receive the relevant statement of account after the deposit, the Client shall immediately inform BS Futures.

8.6 The Client recognizes, understands and accepts the (i) risks in transferring money or funds from its bank account to the designated bank account of BS Futures through internet for trading Commodities and/or Exchange Contracts and/or F/O Contracts or settlement of Transactions ("**Internet Depositing Money**"), (ii) the risks in using FPS to transfer moneys or funds to BS Futures ("**FPS Depositing Money**") and (iii) the risks in using eDDA Services to transfer moneys or funds to BS Futures ("**eDDA Depositing Money**"). The Client accepts the risks in full and agrees to bear all the risks and undertake all the responsibilities arising therefrom if the Client chooses to transfer moneys or funds by such means. Such risks, duties and responsibilities shall include but not limited to the following: -

(a) The Client shall be solely responsible for ensuring that all the relevant procedures, steps, information, Sub-account Number, Bill Payment Number, personal identification number, FPS ID, amount to be transferred and other relevant information for transferring moneys or funds to BS Futures had been checked and verified as true, accurate and correct prior giving any Instruction for Internet Depositing Money, FPS Depositing Money or eDDA Depositing Money (as the case may be). Once an Instruction for Internet Depositing Money, FPS Depositing Money or eDDA Depositing Money (as the case may be) has been sent in whatsoever manner, such Instruction may not be amended, revoked, rescinded or withdrawn without BS Futures' written consent and will be effectual and valid in favour of BS Futures, and shall be binding on the Client. The Client acknowledges that BS Futures shall not be liable for any loss, costs, damages, fees and expenses arising out of or in relation to Internet Depositing Money, FPS Depositing Money or eDDA Depositing Money (as the case may be) in any circumstances, notwithstanding any error or misunderstanding in giving such Instructions;

(b) BS Futures shall be entitled to treat Instructions for Internet Depositing Money, FPS Depositing Money or eDDA Depositing Money (as the case may be) as fully authorized by and binding upon the Client and shall be entitled to act on or take steps in connection with or in reliance upon such Instructions without inquiry or verification by BS Futures of the authority or identity of the person making or giving such Instructions, the relevant circumstances at the material time when such Instructions were given and notwithstanding any error, misunderstanding, fraud, forgery or lack of authority in relation thereto;

(c) The Client agrees and accepts that if BS Futures receives Instructions for Internet Depositing

Money, FPS Depositing Money or eDDA Depositing Money (as the case may be) after BS Futures' daily prescribed cut-off time, such Instructions shall be treated as received by BS Futures on the next Business Day. BS Futures shall not, in any circumstances, be liable (including liability for negligence) to the Client for any loss, damages, expenses or loss of profit whatsoever suffered and/or incurred by the Client arising out (directly or indirectly) of or in connection with the aforesaid arrangement; and

(d) The Client fully understands and agrees that there may be interruption, delay or lost of Instructions in respect of Internet Depositing Money, FPS Depositing Money or eDDA Depositing Money (as the case may be) caused by malfunction of communication network, system malfunction, interferences of the programs or the software, malfunction or error of the relevant third party service provider(s) or other circumstances. The Client agrees to bear such risk in full and shall be solely responsible for any loss, damages, expenses or loss of profit whatsoever suffered and/or incurred by the Client arising out (directly or indirectly) of or in connection with Internet Depositing Money, FPS Depositing Money or eDDA Depositing Money (as the case may be).

8.7 All deposits of moneys or funds shall have been cleared and actually received by BS Futures before such money or funds can be used or applied for the Futures Account.

8.8 In the event that the Client shall fail to comply with any part of this Clause, the Client shall be wholly responsible for all Liabilities and obligations whatsoever in connection with the deposit and shall fully indemnify BS Futures against all costs, claims, liabilities and expenses directly or indirectly arising out of or in connection therewith.

9. **Settlement Account**

9.1 BS Futures is authorized to transfer to the Settlement Account all moneys or funds payable to the Client pursuant to the Agreement. All transfers of moneys or funds payable as aforesaid to the Settlement Account or payment of such moneys or funds pursuant to the Instructions shall be and be deemed good and valid discharge of the obligation hereunder to make such payment to the Client.

10. **Tax**

10.1 The Client hereby authorize BS Futures or BS Trading Agent to take and do all necessary actions as may be required to comply with applicable rules, regulations, laws in Hong Kong and/or Foreign Jurisdictions (as the case may be) in respect of tax, duties, levy, charges arising out of or in connection with any Transaction and/or Commodities, Exchange Contracts or F/O Contracts purchased or held by the Client, including filing of returns, forms and/or other documents as may be required by the relevant authority or department in Hong Kong and/or Foreign Jurisdictions, and withholding and/or making payment of payable tax, duties, levies or charges. The Client acknowledges that BS Futures shall withhold and/or deduct such payment from any Account.

10.2 The Client shall at its own costs furnish all necessary documents and/or information to BS Futures and/or BS Trading Agent for facilitating BS Futures and/or BS Trading Agent to take or do all necessary actions as stipulated in Clause 10.1 and execute such returns, forms and/or other documents as may be required by the relevant authority or department in Hong Kong and/or Foreign Jurisdictions (as the case may be) upon the request of BS Futures.

10.3 The Client acknowledges and accepts that neither BS Futures nor BS Trading Agent shall be responsible for advising or reminding the Client the due date for payment of tax, duties, levy or charges and/or giving any advice on the tax, duties, levy or charges payable by the Client. The Client further agrees that neither BS Futures nor BS Trading Agent shall be in any way liable for any penalty or charges levied on the Client for late payment of tax, duties, levy or charges where such late payment is due to or in connection with the default or negligence of the Client. The Client shall fully indemnify and keep BS Futures and BS Trading Agent indemnified on a full indemnity basis against all reasonable costs and expenses which BS Futures and/or BS Trading Agent may reasonably incur in making the necessary arrangement for such late payment.

10.4 If at any time BS Futures considers that it may be required to make a deduction or withholding (the "**Authorized Withholding or Deduction**") for or on account of tax imposed under, pursuant or incidental to any foreign laws and regulation including but not limited to the Foreign Account Tax Compliance Act, US Internal Revenue Code of 1986, the United States Treasury Regulations or other guidance issued under the foregoing, any associated intergovernmental agreement, any similar or associated non-US Law or any agreement, undertaking or obligations, or any policies or directions (whether having the force of law or otherwise), that BS Futures enters into or have undertaken or is accustomed to comply with or in respect of any supranational, governmental, quasi-governmental, regulatory, administrative, law enforcement or supervisory body, entity, department, office, institution, agency, stock exchange, clearing house, banking commission, tax authority, or any other authority, body, entity, department, office or institution or court or tribunal of any competent jurisdiction, (each an "**Authority**") or pursuant to any or more of the foregoing (such foreign laws and regulations, agreements, undertakings, obligations, policies or directions are referred to as "**Applicable Laws**") as a result of the Client's status or otherwise under and/or arising by reason of US tax laws and regulations, BS Futures is entitled to and the Client hereby expressly authorizes BS Futures to make such Authorized Withholding or Deduction in respect of any sum payable by BS Futures to the Client, so that any payment to the Client will be made net of Authorized Withholding and Deduction, and to pay any such Authorized Withholding and Deduction as may be necessary to any Authority (including United States Internal Revenue Service ("**IRS**")), or any other person on behalf thereof. If the Client is required by any Applicable Laws to make the Authorized Withholding or Deduction, the Client shall promptly pay to BS

Futures such additional amount as will result in the net amount receivable by BS Futures being equal to the full amount which would have been receivable had there been no such Authorized Withholding and Deduction.

10.5 The Client agrees and expressly consents that BS Futures may gather, store, use, process, disclose, provide, divulge and report to the IRS, any Authority or any other person such information, document and record (including any information, document and record relating to any of the Account(s) and any transaction or dealing with the Client and the personal data of any person who is a direct or indirect beneficial owner, beneficiary or controlling person of the Account(s) or the Client) which BS Futures considers may be required, necessary or helpful for BS Futures to comply with or subject to under the Applicable Laws whether as a result of the Client's US tax status or the status of any beneficial owner of the Account(s) or the Client or otherwise.

10.6 The Client agrees to provide BS Futures as soon as possible, upon BS Futures' request, with:

(a) any documentation or information relating to the Client's identity and tax status and that of any person who is a direct or indirect beneficial owner, beneficiary or controlling person of the Client (including IRS Forms W-9, W-8BEN and W-8IMY or any other forms from time to time prescribed by the IRS or any Authority);

(b) any documentation or information relating to the direct or indirect ownership or holding of any of the Account(s) or any product, service, assistance or support whatsoever provided by BS Futures to the Client from time to time; and

(c) such written consents and waivers of applicable data protection legislation or other rules or regulations in a form provided or approved by BS Futures from the Client's direct and indirect beneficial owners for the purpose of permitting BS Futures to take the actions set forth in Clause 10.5.

10.7 The Client agrees to inform BS Futures as soon as possible, if any of the foregoing information (including information contained in the documentation and forms described above) changes or is inaccurate, and to provide BS Futures with updated documentation, forms and information.

10.8 If the Client fails to provide BS Futures with the information, documentation, forms, consents or waivers as described in Clause 10.6 and 10.7 above in a timely and accurate fashion, BS Futures shall be entitled to reach whatever conclusions it considers to be appropriate as to the status of any Account(s) or product, service, assistance or support whatsoever provided by BS Futures to the Client from time to time and the conclusion so reached shall be final and binding on the Client.

10.9 BS Futures may at any time terminate any of the Account(s) without notice or assigning any reason if BS Futures determines that it is illegal, unlawful or prohibited by the Applicable Laws or is restricted by any economic trade sanctions imposed by any Authority to maintain such Account(s). In such event, BS Futures shall be entitled to hold any credit balance (less any Authorized Withholding or Deduction) in such Account(s) in a non-interest bearing suspense account pending withdrawal by the Client.

10.10 The Client hereby unconditionally and absolutely relinquishes and exonerates BS Futures from any liability, claims and demands as a result of or arising from the bona fide exercise of any of the rights or the taking of any steps by BS Futures under this Clause. Without prejudice to any other indemnity provided by the Client to BS Futures under the Agreement or any other agreement with BS Futures, the Client further agrees to indemnify BS Futures against any liabilities, claims, demands, losses, costs, charges and expenses of any kind which BS Futures may suffer or incur as a result of the Client providing misleading information, document or records for the purpose of BS Futures' compliance with the Applicable Laws.

11. **Charges and Expense**

11.1 The Client shall pay BS Futures', its nominee's or BS Trading Agent's commissions, charges, brokerage or other remuneration as determined by BS Futures in its absolute discretion on all Transactions from time to time and upon all payments to the Client, as well as all applicable levies imposed by any relevant Clearing System or Market and all applicable stamp duties. All such commissions, charges, levies and duties may be deducted by BS Futures from the Futures Account and any Account.

11.2 Without prejudice to BS Futures' right to terminate the Futures Account in accordance with Clause 30, BS Futures may charge a monthly maintenance fee to be notified by BS Futures to the Client on any dormant Account if the Client has no trading activity for six months or more. Payment of such fees (if any) will be automatically deducted from the Futures Account or any Account.

11.3 The Client shall be liable on a full indemnity basis for all fees and expenses of any brokers, agents and nominees including BS Futures' nominee engaged in respect of the Futures Account, all applicable levies and/or fees imposed by any relevant Clearing System or Market and other handling costs or expenses incurred in respect of or connected with Transactions, the Futures Account or any receivables or monies held in or for the account of the Futures Account, services rendered to the Client or otherwise.

11.4 BS Futures may, at its option, withdraw cash from any Account to pay any amounts due to BS Futures under the Agreement.

11.5 The Client agrees and authorizes BS Futures to accept from any brokers and dealers engaged in Transactions for the account of the Client any rebate or reallowance or soft commission as may be authorized from time to time by the Hong Kong Association of Brokers and/or the rules of any applicable Markets and Clearing Systems on and through which such Transactions are executed and settled provided always that: -

(a) BS Futures and/or its nominee may enter into soft commission arrangements with brokers through which Transactions are executed for the Client. BS Futures and/or its nominee will enter into such an arrangement only where the goods or services are of demonstrable benefit to the clients of BS Futures and/or its nominee as applicable. In allocating business to the broker concerned BS Futures and/or its nominee is under an obligation to ensure that the quality of Transaction execution is consistent with best execution standards and that brokerage rates are not in excess of customary full-service rates. For this purpose, such goods and services may include: research and advisory services; economic and political analysis; portfolio analysis, including valuation and performance measurement; market analysis, data and quotation services; computer hardware and software incidental to the above goods and services; clearing and custodian services and investment-related publications; and

(b) BS Futures and/or its nominee may receive cash or money rebates on Transactions executed for the Client's account. Such rebates will be retained by BS Futures and/or its nominee for their own account absolutely without prior disclosure to Client. If BS Futures and/or its nominee retains such rebates it is under an obligation to ensure that brokerage rates are not in excess of customary full service rates.

12. **Foreign Currency Transactions**

12.1 If the Client gives Instructions to BS Futures to enter into any Transaction requiring a conversion from one currency to another, then: -

(a) the costs thereof and any profit or loss arising as a result of fluctuations in the exchange rate of the relevant currency will be entirely for the account and risk of the Client;

(b) all initial and subsequent deposits for margin or variation requirement shall be made in such currency and in such amounts as BS Futures may require in its discretion; and

(c) when an open contract is closed out, BS Futures shall debit or credit the Futures Account in such currency (as BS Futures may determine in its discretion) at such exchange rate as determined by BS Futures in its discretion.

12.2 The Client authorizes BS Futures to convert monies, at any time at such exchange rate and for such amount as BS Futures deems fit, into and from any currency at such rate of exchange as BS Futures shall in its sole discretion determine as being the then prevailing market rate of exchange. Such conversion may be made for the purpose of any Transaction or for the calculation of any debit balance due from the Client or credit balance owed to the Client.

12.3 The Client authorizes BS Futures to debit any Account for any expenses incurred in effecting any currency conversion.

12.4 All payments to be made by the Client to BS Futures in a foreign currency shall be in freely transferable and immediately available funds clear of any taxes, charges or payments of any nature when received by BS Futures.

12.5 BS Futures reserves the right at any time to refuse to accept any Instructions in relation to any currency conversion.

13. **Client's Money**

13.1 BS Futures shall be entitled to deposit all moneys or funds held in the Futures Account and all moneys received for or on account of the Client with one or more accounts at one or more licensed banks. Unless otherwise agreed between the Client and BS Futures, any interest accrued on such moneys or funds shall belong to BS Futures absolutely. The Client hereby expressly waives any or all rights, claims and entitlements whatsoever to such interest.

13.2 For Transactions executed in a Foreign Jurisdiction, the Client hereby authorizes and directs BS Futures to pay into any trust account maintained by BS Futures with any financial institution, which may or may not be a licenced bank, all amounts (less all brokerage and other proper charges accruing thereon) from time to time received by BS Futures for and on behalf of the Client from such Transactions, notwithstanding that any such amounts may be reinvested for or on behalf of the Client.

14. **Disclosure**

14.1 The Client shall immediately on demand supply to BS Futures such financial or other information relating to the Client as BS Futures may, in its absolute discretion and without giving any reason therefrom, require.

14.2 The Client acknowledges that HKFE Rules contain provisions requiring BS Futures upon the request of HKFE or SFC or in certain circumstances to disclose the name, Beneficial Identity of a Client (as defined in HKFE Rules) and such other information concerning the Client as HKFE or SFC may require. The Client shall immediately on demand supply to BS Futures the name, the Beneficial Identity of a Client and such information concerning the Client as BS Futures may require in order for BS Futures to comply with HKFE

Rules, the Regulations (as defined in HKFE Rules), the Procedures (as defined in HKFE Rules) and the Ordinance (as defined in HKFE Rules). The Client agrees that in the event BS Futures fails to comply with the disclosure requirement under Rule 606(a) or 613(a) of HKFE Rules, the Chief Executive (as defined in HKFE Rules) 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.

14.3 The Client acknowledges that the Foreign FE Rules may contain provisions requiring BS Futures upon the request of such Foreign Futures Exchange or in certain circumstances to disclose the name, beneficial identity of the Client and such other information concerning the Client as such Foreign Futures Exchange may require. The Client shall immediately on demand supply to BS Futures the name, the beneficial identity of the Client and such information concerning the Client as BS Futures may require in order for BS Futures to comply with the rules and regulations of such Foreign Futures Exchange. The Client agrees that in the event BS Futures fails to comply with such disclosure requirement, the relevant authority 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.

14.4 BS Futures and the Client hereby agree that this Clause shall continue in effect notwithstanding the termination of this Agreement.

15. **Lien**

15.1 Without prejudice and in addition to any general lien, right of set-off or other similar right to which BS Futures may be entitled by laws, the Client agrees, accepts and declares that: -

(a) all Commodities, Exchange Contracts and F/O Contracts (and all the Client's interest, title, rights, powers, benefits thereto, thereof and therein) which are now or will in future be made, entered or acquired by BS Futures on behalf of the Client for any purpose whatsoever, or be held in, deposited with or transferred into the Futures Account and any other Account(s) by, for or attributable to the Client for any purpose, and/or which will be held by, deposited with or transferred to BS Futures by, for or attributable to the Client for any purpose whatsoever all respectively together with all proceeds, moneys or funds received in connection with the settlement, clearing, performance, purchase, sale, acquisition, entering, transfer, disposal, exchange, closing out, trading or dealing with, of or in such Commodities, Exchange Contracts or F/O Contracts; and

(b) all the Client's properties, assets, moneys, funds, receivables, sums, title, interests, powers, options, benefits and rights of, to and in the Futures Account and any other Account(s);

((a) and (b) above are collectively referred to as the "**Retained Properties**") are subject to a lien in favour of all the BS Group Companies as continuing security (the "**Lien**") for : (i) the due and punctual performance and fulfillment of all obligations or Liabilities of the Client under the Agreement, and (ii) the payment, repayment, satisfaction and/or discharge on demand of the moneys, funds, indebtedness, obligations and Liabilities (whether past, present or future, or whether absolute or contingent) which are now or at any time hereafter shall be due, owing or incurred from or by the Client or the Client Group Company to or in favour of BS Futures and/or any of the BS Group Companies under or pursuant to the Agreement, the Loan Agreement, other agreement with any of the BS Group Companies or any other agreement or document, or on any account or in any manner whatsoever (whether alone or jointly with any other person and in whatever name, style or firm) together with interest thereon and legal costs and expenses of BS Futures and/or any of the BS Group Companies.

15.2 The Client shall not, without BS Futures' prior written consent, assign, transfer, mortgage, pledge, charge, or create or permit to arise or exist any lien, security or other form of Encumbrances of any nature on or over his right, title, interest and claim in or to any investment products held by BS Futures for the account of the Client.

15.3 At any time as BS Futures shall determine appropriate and/or upon the occurrence (in the sole and subjective judgment of BS Futures) of any Event of Default, the Lien shall be immediately enforceable and BS Futures, without prejudice to any of the rights or powers of BS Futures under the Agreement, the Loan Agreement or other documents, shall have the right, without notice to the Client, to: (a) appropriate, pay, deduct, transfer or set-off the whole or any part of any funds or moneys comprised in the Retained Properties at any time and from time to time in or towards payment, satisfaction or discharge of any money, fund, indebtedness, obligation or liability secured by the Lien, and/or (b) sell, dispose of, liquidate, transfer, trade, deal with or close out (and BS Futures is authorized to do all such things necessary in connection with such sale, disposal, liquidation, transfer, trading, dealing or closing out) the Retained Properties or any part thereof (to be selected by BS Futures in its absolute discretion) at any time and from time to time either together or in parcels and either by dealings at any broker's board through any Market or by public or private means or in such other manner and for such consideration (whether payable or deliverable immediately or by installments and whether for cash or other valuable consideration or both) and on such terms and conditions as BS Futures shall think fit in its absolute discretion without being in any way liable to the Client for any loss occasioned thereby however arising. Without limiting the generality of the foregoing, BS Futures is hereby specifically authorized to dispose of, liquidate, transfer, trade, deal with and/or close out the Futures Account, all Commodities and/or Exchange Contracts and/or F/O Contracts comprised in the Retained Properties or held in the Futures Account, and all positions in the Futures Account without notice to the Client.

15.4 In any sale, disposal, liquidation, transfer, trading, dealing or closing out pursuant to this Clause or the Agreement, if less than all the Retained Properties are to be sold, disposed of, liquidated, transferred or closed out, BS Futures shall in its absolute discretion select which part of the Retained Properties are to be sold, disposed of, liquidated, transferred, traded, dealt with or closed out at any time and from time to time.

15.5 The Client agrees that BS Futures shall have the full and absolute right and discretion to determine at what time and day to exercise or enforce its right and power to carry out or execute the sale, disposal, appropriation, liquidation, transfer, trading, dealing or closing out pursuant to this Clause or the Agreement. The Client shall not have any right to claim against BS Futures in respect of any loss arising out of any sale, disposal, appropriation, liquidation, transfer, trading, dealing or closing out pursuant to the Agreement, howsoever such loss may have been caused, and whether or not a better price or position could or might have been obtained on the sale, disposal, appropriation, liquidation, transfer, trading, dealing or closing out of any of the Retained Properties by either deferring or advancing the time or date of such sale, disposal, appropriation, liquidation, transfer, trading, dealing or closing out or otherwise howsoever.

16 **Client's Representations, Undertakings and Warranties**

16.1 The Client represents and warrants that he is not an officer or employee of HKFE, SFC, any Clearing House, Market, Exchange, board of trade, 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 BS Futures) employed by a member of any Exchange or by a firm registered on any Exchange.

16.2 The Client represents and warrants that for so long as the Client maintains the Futures Account and on the giving of each Instruction : -

(a) the Client will be the ultimate originator of all Transactions and is dealing on its own account as beneficial owner of the relevant Commodities and/or Exchange Contract and/or F/O Contract and the Futures Account and that no one other than the Client has any interest in the relevant Commodities and/or Exchange Contract and/or F/O Contract in or held for the Futures Account;

(b) the information provided in the Account Opening Form is true, complete and correct;

(c) the Client has or will have good and unencumbered title as beneficial owner to all assets which the Client instructs BS Futures to sell or otherwise dispose of for the Futures Account in accordance with the Agreement and undertakes to deliver such assets in time for BS Futures to comply with the rules of the relevant Exchange applicable thereto;

(d) all necessary consents, approvals or authorisations which may be required for the execution of the Agreement and for the carrying out of any Transaction on any Market have been obtained and are in full force and effect;

(e) the Client has the authority and power and legal capacity to open the Futures Account and to perform its obligations under the Agreement and the Agreement constitute valid and legally binding obligations of the Client;

(f) the Client in entering into this Agreement does not and will not violate or exceed any borrowing or similar limit or other power or restriction granted or imposed by any law to the Client;

(g) the Agreement, when signed / executed by the Client, will constitute legal, valid and binding obligations of the Client in accordance with the terms therein;

(h) all written or oral answers to any questionnaire completed by the Client or any other person or other information provided to BS Futures or any of the BS Group Companies are true, accurate and complete, and all the BS Group Companies are entitled to rely on such information;

(i) the Client will forthwith notify BS Futures in writing of any change (material or not) in any of the aforesaid information and such change shall only take effect after receipt of such notice by BS Futures;

(j) the Client has determined that trading in Commodities and/or Exchange Contracts and/or F/O Contracts is appropriate for the Client, is prudent in all respects, and does not and will not violate any statue, rule, regulation, judgment, or decree, agreement or undertaking to which the Client is subject or bound;

(k) the Client is not carrying on any money laundering or terrorist activities. The Transactions are not relating to or in connection with any money laundering or terrorist activities. The moneys, investment or Commodities, Exchange Contracts, F/O Contracts, property and assets in the Futures Account does not arise out of, relating to or in connection with money laundering or terrorists activities; and

(l) the Client is not a U.S. person and will not acquire or hold Commodities and/or Exchange Contracts and/or F/O Contracts beneficially owned by or for a U.S. person or in violation of any applicable law.

16.3 The Client represents and warrants that the information provided in any completed Account Opening Form is complete, true and accurate and that BS Futures may rely on information provided in the Account Opening Form until BS Futures has received written notice from the Client of any changes therein. The Client shall promptly notify BS Futures in writing of any material changes in the information provided pursuant to the Agreement or any agreement entered into pursuant to the Agreement or relating to the Futures Account.

16.4 The Client undertakes to BS Futures to do or execute any act, deed, document or thing which BS Futures requires the Client to do being in the reasonable opinion of BS Futures necessary or desirable in connection with the implementation and enforcement of the Agreement including the execution by the Client of an irrevocable power of attorney appointing BS Futures as the lawful attorney of the Client to do and execute all such acts, deeds, documents or things on behalf of the Client as BS Futures considers necessary or desirable in connection with such implementation and enforcement.

16.5 The Client agrees to do such acts and things and to execute such documents as are necessary or are in the reasonable opinion of BS Futures desirable to ratify or confirm anything done by BS Futures, its nominee, subsidiary or associated company, or any other entity instructed by any of them in the proper exercise of any

right or power conferred by the Agreement or any agreement entered into pursuant to the Agreement or relating to the Futures Account.

16.6 If the Client is a corporation, the Client represents, warrants and undertakes with BS Futures that: -

(a) the Client is duly incorporated, validly existing and in good standing under the laws of its place of incorporation and has full power and authority to conduct the business and operations which it now conducts or proposes to conduct, and the business under the Agreement, and to own, acquire, enter into or hold Commodities, Exchange Contracts, F/O Contracts, property and assets;

(b) the Client has full power and authority to enter into, sign and execute the Agreement, to perform and fulfill its duties and obligations under the Agreement, and to carry out any Transaction on any Market under the terms of the constitutional document(s) by which the Client is established or constituted;

(c) the specimen signature(s) on the Account Opening Form is/are the genuine signature(s) of the authorized signatory(ies) whom is/are duly authorized by the board of directors of the Client, and that BS Futures shall dispense with making enquiries, verification or investigation in relation to the authorization of such signature(s);

(d) all necessary corporate and other action have been taken, and all necessary shareholder and other consent have been given to authorize the entering, signing, execution, performance and fulfillment of the Agreement. The Agreement when signed or executed by the Client will constitute valid and legally binding obligations of the Client;

(e) the Client is not carrying on any money laundering or terrorist activities. The Transactions are not relating to or in connection with any money laundering or terrorist activities. The moneys, investment, Commodities, Exchange Contracts, F/O Contracts, property and assets in the Futures Account does not arise out of, relating to or in connection with money laundering or terrorists activities;

(f) the financial statement and accounts of the Client supplied to BS Futures have been prepared in accordance with accounting policies consistently applied, and present a true, fair and accurate view on the operation of the Client for the relevant accounting period and the financial position of the Client at the end of such accounting period;

(g) the certified copy resolutions provided by the Client to BS Futures with the Agreement were duly passed at a meeting of its directors duly convened and held on or prior to the date hereof in accordance with its constitutional documents and were entered in its minutes book and are in full force and effect; and

(h) The Client shall absolve and exonerate BS Futures from all blames and liabilities and shall indemnify BS Futures against all losses, damages, liabilities, claims, demands and costs arising out or in respect or as a result of BS Futures agreeing to accept and act on the said resolutions as effectively and duly passed and the said signature(s) as genuine and to dispense with making enquiries in relation thereto.

16.7 Where the Client effects Transactions for the account of its clients, whether on a discretionary or non-discretionary basis, and whether as agent or by entering into matching Transactions as principal with its clients, the Client hereby agrees that where BS Futures has received an enquiry from the Hong Kong Regulators, the following provisions shall apply: -

(a) subject as provided below, the Client shall, immediately upon request from BS Futures (which request shall include the relevant contact details of the Hong Kong Regulators), inform the Hong Kong Regulators (i) the information on the identity, address, occupation, contact and other details of its client for whose account the Transaction was effected; (ii) the person or entity (legal or otherwise) ultimately responsible for originating the Instruction to effect the relevant Transaction; and (iii) the person or entity (legal or otherwise) that stands to gain the commercial or economic benefit of the relevant Transaction and/or bear its commercial or economic risk;

(b) if the Client effects the Transaction for a collective investment scheme, discretionary account or discretionary trust, the Client shall immediately upon request from BS Futures (which request shall include the relevant contact details of the Hong Kong Regulators), inform the Hong Kong Regulators of the name of the relevant scheme, account or trust and, if applicable, the identity, address, occupation, contact and other details of the person who, on behalf of the scheme, account or trust, ultimately originates the Instruction to effect the relevant Transaction;

(c) if the Client is acting as an investment manager for any collective investment schemes, discretionary accounts or trusts, the Client shall immediately inform BS Futures when any Transactions in which the Client's investment discretion to invest on behalf of the scheme, account or trust is overridden. In the case where the Client's investment discretion is overridden, the Client shall immediately upon request by BS Futures (which request shall include the relevant contact details of the Hong Kong Regulators) inform the Hong Kong Regulators of the identity, address, occupation and contact details of the person(s) who has or have ultimately originated the Instruction to effect the 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, address, occupation and contact details of the underlying clients for whom the Transaction was effected, the Client confirms that: -

(i) it has arrangements in place with its client which entitle the Client to obtain the information set out in paragraphs (a), (b) and/or (c) above from its client immediately upon request or procure that it be so obtained; and

(ii) it will, on request from BS Futures in relation to a Transaction, promptly request the information set out in paragraphs (a), (b) and/or (c) above from its client on whose

instructions the Transaction was effected, and provide the information to the Hong Kong Regulators as soon as it received from its client or procure that it be so provided;

(e) the Client confirms that, where necessary, it has obtained all relevant consents or waivers from its clients, collective investment schemes, discretionary accounts or discretionary trusts for whose account Transactions may be effected and (where appropriate) complied with the requirements of the Personal Data (Privacy) Ordinance (Cap. 486 of the Laws of Hong Kong) such that it is able to release information to the Hong Kong Regulators of the identity and contact details of such clients, collective investment schemes, discretionary accounts or discretionary trusts, and of the person(s) with the ultimate beneficial interest in any such Transaction, and (if different from the Client/ultimate beneficiary) of the person(s) who originated the Transaction;

(f) the Client agrees and undertakes to provide the client identity information set out in paragraphs (a), (b) and/or (c) above direct to the Hong Kong Regulators within two Business Days of written request from BS Futures (which request shall include the relevant contact details of the Hong Kong Regulators);

(g) for any intermediary in a jurisdiction with client secrecy laws, the Client confirms that agreements have been entered into by the Client's ultimate clients that waive the benefit of the secrecy laws in respect of providing the client identity information to the Hong Kong Regulators; and such agreements are binding under the relevant law; and

(h) BS Futures and the Client hereby agree that the provisions of this Clause shall continue in effect notwithstanding the termination of the Agreement.

16.8 Where the Client effects Transactions for the account of its clients, whether on a discretionary or non-discretionary basis, and whether as agent or by entering into matching Transactions as principal with its clients, the Client hereby agrees that where BS Futures has received an enquiry from the Foreign Regulators, the following provisions shall apply: -

(a) subject as provided below, the Client shall, immediately upon request from BS Futures (which request shall include the relevant contact details of the Foreign Regulators), inform the Foreign Regulators (i) the information on the identity, address, occupation, contact and other details of its client for whose account the Transaction was effected; (ii) the person or entity (legal or otherwise) ultimately responsible for originating the Instruction to effect the relevant Transaction; and (iii) the person or entity (legal or otherwise) that stands to gain the commercial or economic benefit of the relevant Transaction and/or bear its commercial or economic risk;

(b) if the Client effects the Transaction for a collective investment scheme, discretionary account or discretionary trust, the Client shall immediately upon request from BS Futures (which request shall include the relevant contact details of the Foreign Regulators), inform the Foreign Regulators of the name of the relevant scheme, account or trust and, if applicable, the identity, address, occupation, contact and other details of the person who, on behalf of the scheme, account or trust, ultimately originates the Instruction to effect the relevant Transaction;

(c) if the Client is acting as an investment manager for any collective investment schemes, discretionary accounts or trusts, the Client shall immediately inform BS Futures when any Transactions in which the Client's investment discretion to invest on behalf of the scheme, account or trust is overridden. In the case where the Client's investment discretion is overridden, the Client shall immediately upon request by BS Futures (which request shall include the relevant contact details of the Foreign Regulators) inform the Foreign Regulators of the identity, address, occupation and contact details of the person(s) who has or have ultimately originated the Instruction to effect the 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, address, occupation and contact details of the underlying clients for whom the Transaction was effected, the Client confirms that: -

(i) it has arrangements in place with its client which entitle the Client to obtain the information set out in paragraphs (a), (b) and/or (c) above from its client immediately upon request or procure that it be so obtained; and

(ii) it will, on request from BS Futures in relation to a Transaction, promptly request the information set out in paragraphs (a), (b) and/or (c) above from its client on whose instructions the Transaction was effected, and provide the information to the Foreign Regulators as soon as it received from its client or procure that it be so provided;

(e) the Client confirms that, where necessary, it has obtained all relevant consents or waivers from its clients, collective investment schemes, discretionary accounts or discretionary trusts for whose account Transactions may be effected and (where appropriate) complied with the requirements or regulations for protecting the privacy of personal data such that it is able to release information to the Foreign Regulators of the identity and contact details of such clients, collective investment schemes, discretionary accounts or discretionary trusts, and of the person(s) with the ultimate beneficial interest in any such Transaction, and (if different from the Client/ultimate beneficiary) of the person(s) who originated the Transaction;

(f) the Client agrees and undertakes to provide the client identity information set out in paragraphs (a), (b) and/or (c) above direct to the Foreign Regulators within two (2) Business Days of written request from BS Futures (which request shall include the relevant contact details of the Foreign Regulators);

(g) for any intermediary in a jurisdiction with client secrecy laws, the Client confirms that agreements have been entered into by the Client's ultimate clients that waive the benefit of the secrecy laws in

respect of providing the client identity information to the Foreign Regulators; and such agreements are binding under the relevant law; and

(h) BS Futures and the Client hereby agree that the provisions of this Clause shall continue in effect notwithstanding the termination of the Agreement.

16.9 The Client agrees and undertakes to report any loss or theft of the Client's user name and/or password, or any unauthorized access to the Futures Account immediately.

17. Default

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

(a) at any time when BS Futures shall, in its sole discretion, consider it necessary for the protection of BS Futures or any of the BS Group Companies;

(b) the Client fails or refuses to pay or settle any outstanding amount, money, fund, purchase price or other payment becoming due or payable under the Agreement or any other agreement with any of the BS Group Companies;

(c) the Client fails or refuses to settle or pay any outstanding amount, money or Deficit on any of the Account(s);

(d) the Client violates or fails to perform on a timely basis any term, undertaking, agreement, covenant or condition on its part to be performed under the Agreement (including by not limited to any failure by the Client to comply with Clause 7);

(e) the Client fails to submit to BS Futures any documents or deliver any Commodity, Exchange Contract and/or F/O Contract to BS Futures, when called upon to do so or on the due date;

(f) the Client fails to observe any by-laws, rules and regulations of the appropriate Market or Clearing House;

(g) the Client fails or refuses to discharge, pay, satisfy or perform any of the Client's obligation, indebtedness or Liabilities under the Agreement or any other agreement with any of the BS Group Companies;

(h) the Client has not provided any margin (initial, maintenance or additional) or adjustments (variation or otherwise) when the same become due or payable under the Agreement, or has failed or refused to comply with any request, call or demand made by BS Futures pursuant to the Agreement;

(i) breach, refusal, failure or default of or by the Client in complying with, fulfilling, performing or observing any terms or conditions of the Agreement or any other agreement with any of the BS Group Companies;

(j) any representation or warranty made in the Agreement or in any document delivered to BS Futures or any of the BS Group Companies being or becoming incomplete, untrue or incorrect;

(k) any consent or authorization required by the Client to enter into the Agreement being wholly or partly revoked, suspended, terminated or ceasing to remain in full force and effect;

(l) the filing or commencement of a petition or application in bankruptcy, liquidation or winding up, petition or application for the appointment of a receiver, or the commencement of other similar proceedings against the Client;

(m) the Lien or any security created or any part thereof respectively in relation to the Client's obligations, indebtedness or Liabilities under the Agreement and/or the Loan Agreement being avoided or discontinued;

(n) any deterioration or impairment (in BS Futures' opinion) or any decline or depreciation (in BS Futures' opinion) in the value or market price (whether actual or reasonably anticipated) of the Retained Properties or any security or any part thereof respectively;

(o) the levying of attachment or charge against the Futures Account or any Account;

(p) any third party asserts a claim, right or interest in respect of any moneys or funds in the Futures Account or any Account;

(q) the Client takes advantage of any bankruptcy, liquidation, reorganization, moratorium, insolvency or similar law or makes or proposes to make any arrangements or compositions for the benefit of any of the Client's creditors, or is the subject of any order, judgment or decree entered by any court providing for the winding up, reorganization, liquidation or appointment of a liquidator, trustee in bankruptcy or receiver of the Client or a substantial part of the Client's business or assets;

(r) the Client becomes insolvent or dissolved for any reason whatsoever, merges or becomes consolidated with any non-affiliated party, or sells all or a substantial portion of the Client's business or assets;

(s) the death, liquidation or judicial declaration of incompetence of the Client;

(t) any action or proceeding is commenced or any claim or demand is made by any person against the Client in connection with any matter herein contained or the Retained Properties or any part thereof or against BS Futures in connection with any matter herein contained or the Retained Properties or any part thereof;

(u) any adverse change (in the sole and subjective opinion of BS Futures) in the corporate structure, business, assets, financial condition, and general condition or prospects of the Client;

(v) at any time when BS Futures and/or BS Trading Agent and/or any of the BS Group Companies is or becomes under any obligation imposed by any relevant Exchange and/or Market and/or Clearing House and/or broker or any applicable laws, rules and regulations to do any of the acts mentioned in this Clause; and

(w) the occurrence of any event which, in the sole and subjective opinion of BS Futures, may or shall jeopardize, prejudice or affect any of the rights, interests or benefits of BS Futures or any of the BS Group Companies.

17.2 If an Event of Default (in the sole and subjective judgment of BS Futures) occurs, then all amounts owing by

the Client to BS Futures shall become immediately payable on demand, and interest will accrue, at the rate specified in Clause 6.10, on the amounts outstanding from time to time, the further performance by BS Futures of any of its outstanding obligations to the Client under the Agreement (whether for payment of money or otherwise) shall be conditional upon the Client having fully discharged all its obligations to BS Futures under the Agreement, and BS Futures or any of the BS Group Companies shall be entitled at their absolute discretions, without further notice or demand and in addition to and without prejudice to any other rights or powers conferred under the Agreement and/or the Loan Agreement, to forthwith: -

(a) satisfy any obligations the Client may have to BS Futures (either directly or by way of guarantee or other security) by selling, realizing or otherwise dealing with, in such manner as BS Futures in its absolute discretion may determine, all or part of any property or assets held by any of the BS Group Companies for any purpose in any of the Accounts, and to apply the proceeds in reduction of all or part of any Liabilities;
(b) take such action or do such act, matter or thing as it shall consider necessary or desirable to comply with or to perform, cancel or satisfy any obligations of BS Futures to the Client or any obligations of the Client and/or BS Futures and/or BS Trading Agent to the relevant Exchange and/or Market and/or Clearing House and/or broker, as the case may be, in respect of any outstanding Transaction or in respect of any open contract (such action includes but not limited to closing out and/or performing such open contract);
(c) set-off, combine or consolidate any of the Accounts or any obligations of BS Futures to the Client under the Agreement against any obligations of the Client to BS Futures under the Agreement;
(d) suspend BS Futures' obligations to perform pursuant to the Agreement;
(e) revise, change, withdraw, stop or cancel the facilities, advances, credits or loans made or granted to the Client, or any part thereof respectively;
(f) enforce the Lien and/or the security constituted or created under and pursuant to the Loan Agreement;
(g) liquidate the Futures Account or any Account;
(h) close out or perform any or all open contracts in the Futures Account;
(i) sell, purchase, transfer in, transfer out, trade, dispose of, deal with, settle, clear all or any Commodities, Exchange Contracts and/or F/O Contracts;
(j) call upon or enforce any security which may have been issued, made or created in favour of BS Futures or any of the BS Group Companies as security for the Client's obligations, indebtedness or Liabilities under the Agreement;
(k) exercise any or all the rights and powers of BS Futures under the Agreement;
(l) cancel any or all outstanding instructions, orders or any other commitments made on behalf of the Client;
(m) take any actions, or do any acts, matters or things as authorized, instructed, directed, appointed or empowered under the Agreement;
(n) take such actions, or do such acts, matters or things as BS Futures shall think fit in relation to the Retained Properties; and/or
(o) take or not to take any actions, or do or not to do any acts, matters or things as BS Futures shall think fit.

17.3 Any sale, purchase, transfer, trading, disposal, dealing, settlement, clearing and/or closing out of any Commodities and/or Exchange Contracts and/or F/O Contracts and/or open contract and/or property and/or assets shall be made according to the judgment of and at the discretion of BS Futures. In all cases, a prior demand or call, or prior notice of the time or place of sale, purchase, transfer, trading, disposal, dealing, settlement, clearing and/or closing out shall not be considered as waiver of the right of BS Futures herein provided.

17.4 BS Futures may at its absolute discretion apply the net proceeds (after deduction of all fees, costs and expenses incurred in connection with the exercise of the powers conferred on BS Futures by this Clause) actually received by BS Futures pursuant to the exercise of powers under this Clause in reduction of the Liabilities in such order or manner as BS Futures considers fit.

17.5 BS Futures shall have absolute discretion in all matters relating to the exercise of its rights under this Clause, and may sell any securities, Commodities, Exchange Contracts or F/O Contracts on a single or collective basis. The Client hereby waives all claims and demands (if any) against BS Futures in respect of any loss, involuntary or otherwise, directly arising from the exercise by BS Futures of the powers conferred by this Clause, howsoever such loss may have been caused (other than through wilful default of BS Futures, or the reckless disregard of the obligations of BS Futures under this Clause), whether in relation to the timing or manner of the exercise of such powers or otherwise.

17.6 If an Event of Default (in the sole and subjective judgment of BS Futures) occurs, then the Agreement may be terminated by BS Futures forthwith without notice to the Client. Any such termination shall be without prejudice to the accrued rights and obligations of the Parties contained in any provision hereof which shall remain in full force and effect and shall be enforceable notwithstanding such termination.

17.7 The Client shall be liable for any Deficit that may exist after BS Futures has exercised any or any combination of rights in this Clause, and any cost or expense (including legal costs) incurred by BS Futures, on a full indemnity basis, related to such exercise.

17.8 On the exercise of the rights of BS Futures under this Clause, BS Futures shall not be obliged to deliver to the Client any Commodities, Exchange Contracts, F/O Contracts, property or assets, or any money or fund due to the Client until the Client's obligations, indebtedness and Liabilities under the Agreement have been

fully paid, satisfied or discharged.

17.9 BS Futures shall be entitled at all times to employ debt collecting agent(s) to collect any sum due but unpaid by the Client hereunder and for doing so, BS Futures may and is hereby authorized to disclose to such agent(s) any or all information available in relation to the Client and BS Futures shall not be liable or responsible (whether in contract or tort) for such disclosure or for any default negligence act conduct misconduct and/or deeds of such agent(s). The Client is hereby warned that the Client shall indemnify and keep BS Futures indemnified on a full indemnity basis against all reasonable costs and expenses which BS Futures may reasonably incur in employing debt collecting agent(s).

18. Client's Responsibility for Disclosure of Interests

18.1 The Client's attention is drawn to the provisions of the SFO and the obligations therein to disclose certain interests including corporate and family interests. Other disclosure obligations may arise under legislation of other jurisdictions or the rules and regulations of a Market.

18.2 BS Futures acts as a licensed corporation and is not responsible for advising the Client of any such obligations generally or any obligation that may arise from any Instruction or which has arisen as a result of any Transaction or from any holding or otherwise. Such obligations of disclosure are personal obligations of the Client. BS Futures shall not be obliged to give notice of holdings of the Client in any form or by any time limit for such purpose save any notice or statement to be issued as expressly set out in the Agreement. BS Futures shall not be liable for any loss, cost or expense of the Client from any failure or delay by the Client or any other person to disclose in accordance with any such obligation nor any delay or default in notification to the Client as to the carrying into effect of any Instructions and the Client shall indemnify BS Futures for any loss, cost or expense arising from any such failure, delay or default.

19. **Trading Recommendation**

19.1 The Client acknowledges and agrees that: (a) the Client assumes full responsibility for all trading decisions in the Futures Account and unless BS Futures has expressly agreed otherwise, all trading, dealing or Transactions in the Futures Account, and BS Futures and/or BS Trading Agent is responsible only for the execution, clearing, and carrying out of the Instructions; (b) BS Futures has no responsibility or obligation regarding any conduct, action, representation or statement of any introducing firm, trading advisor or other third party in connection with the Futures Account or any trading, dealing or Transaction therein; and (c) any advice or information by BS Futures, its directors, employees or agents, whether or not solicited, is provided to the Client for the Client's information and reference only and shall not constitute an offer to enter into any Transaction or be taken by the Client or any person as soliciting the sale of or recommending any financial product to the Client and BS Futures shall be under no liability whatsoever in respect of such advice or information. "**Financial product**" in this Clause has the same meaning as ascribed to it under Clause 25.4.

20. **Disclaimer**

20.1 Neither BS Futures nor any of the BS Group Companies nor any of its directors, employees or agents shall have any liability whatsoever (whether in negligence or otherwise) for any direct, indirect or consequential loss, expense or damages suffered by the Client as a result of: -

(a) BS Futures and/or BS Trading Agent acting or relying on any Instruction whether or not such Instruction was given following any recommendation, advice or opinion given by BS Futures, BS Trading Agent and/or any of their respective directors, employees or agents; or

(b) BS Futures' and/or BS Trading Agent's delay or failure to perform or execute the Instruction or their respective obligations hereunder by the following reasons: (i) any disruption, breakdown, malfunction or failure of transmission, communication or computer facilities, (ii) any postal or other strikes or similar industrial action, (iii) any disruption, closure, breakdown or failure of any relevant Exchange and/or Market and/or Clearing House and/or Clearing System and/or broker and/or any other person or firm or company whatsoever, (iv) any prevailing Market conditions, or (v) any action of government, governmental agency, any relevant Exchange, Market and/or Clearing House; or

(c) any default negligence act omission conduct misconduct breach and/or deeds of/by (i) BS Trading Agent; and (ii) executing brokers, agents, custodians, nominees, overseas brokers and dealers that are not branches or associates of BS Futures; or

(d) any relevant Exchange and/or Market and/or Clearing House and/or broker ceasing for any reason to recognize the existence of any Exchange Contracts and/or F/O Contracts entered into by BS Futures on behalf of the Client, or failing to perform or close out any such contracts provided that such cessation or failure shall not affect the Client's obligations hereunder in respect of any such contracts or other obligations or liabilities of the Client arising therefrom.

20.2 Without limiting the generality of Clause 20.1, neither BS Futures, any of the BS Group Companies nor any of their respective directors, employees or agents shall have any liability whatsoever for any direct, indirect or consequential loss, expense or damages suffered by the Client (including losses and liabilities resulting from Transactions executed by any brokers or dealers) unless due to fraud or wilful default on the part of BS Futures or any of the BS Group Companies.

20.3 HSI Services Limited ("**HSI**") currently publishes, compiles and computes a number of stock indices and may publish, compile and compute such additional stock indices at the request of Hang Seng Data Services Limited ("**HSDS**") from time to time (collectively, the "**Hang Seng Indices**"). The marks, names and

processes of compilation and computation of the respective Hang Seng Indices are the exclusive property of and proprietary to HSDS. HSI has granted to the Exchange by way of licence the use of the Hang Seng Index and the four Sub-indices of the Hang Seng Index, the Hang Seng China-Affiliated Corporations Index and the Hang Seng China Enterprises Index solely for the purposes of and in connection with the creation, marketing and trading of Futures Contracts based on such indices respectively and may from time to time grant to the Exchange corresponding use of any other Hang Seng Indices for the purposes of and in connection with Futures Contracts based on such other Hang Seng Indices (collectively, "**HSI Futures Contracts**"). The process and basis of compilation and computation of any of the Hang Seng Indices and any of the related formula or formulae, constituent stocks and factors may at any time be changed or altered by HSI without notice and the Exchange may at any time require that trading in and settlement of such of the HSI Futures Contracts as the Exchange may designate be conducted by reference to an alternative index or alternative indices to be calculated. Neither the Exchange nor HSDS nor HSI warrants or represents or guarantees to any participant of the Exchange or any third party the accuracy or completeness of the Hang Seng Indices or any of them and the compilation and computation thereof or any information related thereto and no such warranty or representation or guarantee of any kind whatsoever relating to the Hang Seng Indices of any of them is given or may be implied. Further, no responsibility or liability whatsoever is accepted by the Exchange, HSDS or HSI in respect of the use of the Hang Seng Indices or any of them for the purposes of and in connection with the HSI Futures Contracts or any of them and/or dealings therein, or for any inaccuracies, omissions, mistakes, errors, delays, interruptions, suspension, changes or failures (including but not limited to those resulting from negligence) of HSI in the compilation and computation of the Hang Seng Indices or any of them or for any economic or other losses which may be directly or indirectly sustained as a result thereof by any participant of the Exchange or any third party dealing with the HSI Futures Contracts or any of them. No claims, actions or legal proceedings may be brought by any participant of the Exchange or any third party against the Exchange and/or HSDS and/or HSI in connection with or arising out of matters referred to in this disclaimer. Any participant of the Exchange or any third party deals in the HSI Futures Contracts or any or them in full knowledge of this disclaimer and can place no reliance whatsoever on the Exchange, HSDS and/or HSI.

20.4 HSI Services Limited ("**HSI**") currently publishes, compiles and computes a number of stock indices and may publish, compile and compute such additional stock indices at the request of Hang Seng Data Services Limited ("**HSDS**") from time to time (collectively, the "**Hang Seng Indices**"). The marks, names and processes of compilation and computation of the respective Hang Seng Indices are the exclusive property of and proprietary to HSDS, HSI has granted to the Exchange by way of license the use of the Hang Seng Index and the four Sub-indices of the Hang Seng Index, the Hang Seng China-Affiliated Corporations Index and the Hang Seng China Enterprises Index solely for the purposes of and in connection with the creation, marketing and trading of option contracts based on such indices respectively and may from time to time grant to the Exchange corresponding use of any other Hang Seng Indices for the purposes of and in connection with option contracts based on such other Hang Seng Indices (collectively, "**HSI Option Contracts**"). The process and basis of compilation and computation of any of the Hang Seng Indices and any of the related formula or formulae, constituent stocks and factors may at any time be changed or altered by HSI without notice and the Exchange may at any time require that trading in and settlement of such of the HSI Option Contracts as the Exchange may designate be conducted by reference to an alternative index or alternative indices to be calculated. Neither the Exchange nor HSDS nor HSI warrants or represents or guarantees to any participant of the Exchange or any third party the accuracy or completeness of the Hang Seng Indices or any of them and the compilation and computation thereof or any information related thereto and no such warranty or representation or guarantee of any kind whatsoever relating to the Hang Seng Indices or any of them is given information related thereto and no such warranty or representation or guarantee of any kind whatsoever relating to the Hang Seng Indices or any of them is given or may be implied. Further, no responsibility or liability whatsoever is accepted by the Exchange, HSDS or HSI in respect of the use of the Hang Seng Indices or any of them for the purposes of and in connection with the HSI Option Contracts or any of them and/or dealings therein, or for any inaccuracies, omissions, mistakes, errors, delays, interruptions, suspension, changes of failures (including but not limited to those resulting from negligence) of HSI in the compilation and computation of the Hang Seng Indices or any of them or for any economic or other losses which may be directly or indirectly sustained as a result thereof by any participant the Exchange or any third party dealing with the HSI Option Contracts or any of them. No claims, actions or legal proceedings may be brought by any participant of the Exchange or any third party against the Exchange and/or HSDS and/or HSI in connection with or arising out of matters referred to in this disclaimer. Any participant of the Exchange or any third party deals in the HSI Option Contracts or any of them in full knowledge of this disclaimer and can place no reliance whatsoever on the Exchange, HSDS and/or HSI.

20.5 Stock indices and other proprietary products upon which contracts traded on the Exchange may be based may from time to time be developed by the Exchange. The HKFE Taiwan Index is the first of such stock indices developed by the Exchange. The HKFE Taiwan Index and such other indices or proprietary products as may from time to time be developed by the Exchange (the "**HK Exchange Indices**") are the property of the Exchange. The process of compilation and computation of each of the HK Exchange Indices is and will be the exclusive property of and proprietary to the Exchange. The process and basis of compilation and computation of the HK Exchange Indices may at any time be changed or altered by the Exchange without notice and the Exchange may at any time require that trading in and settlement of such futures or options contracts based on any of the HK Exchange Indices as the Exchange may designate be conducted by reference to an alternative index to be calculated. The Exchange does not warrant or represent or guarantee to any Exchange Participant or any third party the accuracy or completeness of any of the HK Exchange Indices or their compilation and computation or any information related thereto and no such warranty or representation or guarantee of any kind whatsoever relating to any of the HK Exchange Indices is given or may be implied. Further, no responsibility or liability whatsoever is accepted by the Exchange in respect of the use of any of the HK Exchange Indices or for any inaccuracies, omissions, mistakes, errors, delays, interruption,

suspensions, changes or failures (including but not limited to those resulting from negligence) of the Exchange or any other person or persons appointed by the Exchange to compile and compute any of the HK Exchange Indices in the compilation and computation of any of the HK Exchange Indices or for any economic or other losses which may be directly or indirectly sustained as a result thereof by any Exchange Participant or any third party dealing with futures and options contracts based on any of the HK Exchange Indices. No claims, actions or legal proceedings may be brought by any Exchange Participant or any third party against the Exchange in connection with or arising out of matters referred to in this disclaimer. Any Exchange Participant or any third party engages in transactions in futures and options contracts based on any of the HK Exchange Indices in full knowledge of this disclaimer and can place no reliance on the Exchange in respect of such transactions.

21. Client Information

21.1 The Client shall provide such information as BS Futures may from time to time request, such information shall include without limitation financial data concerning the Client. Failure to supply such information may result in BS Futures being unable to open or continue the Futures Account or establish, continue or provide services in relation to Transactions.

21.2 The Client authorizes BS Futures to disclose, provide or transmit to BS Trading Agent all or any part of the information provided by the Client to BS Futures for the purpose of effecting the relevant Transaction as instructed by the Client.

21.3 The Client agrees promptly (a) to furnish appropriate financial statements to BS Futures; (b) to disclose to BS Futures any material change in the financial position of the Client; (c) to furnish such other information concerning the Client as BS Futures may reasonably request; (d) to notify BS Futures in writing if any of the representations contained in the Agreement cease to be true, accurate and correct in any respects and (e) to notify BS Futures of the occurrence of any Event of Default upon its occurrence.

22. Use of Client Information

22.1 The Client acknowledges that the laws of the relevant jurisdictions, the applicable rules and regulations of any Market on which BS Futures or any of the BS Group Companies enters into Transactions with or for and on behalf of the Client may require the disclosure of information relating to the Client and/or the Accounts. The Client hereby irrevocably authorizes BS Futures and BS Group Companies, without notice or consent from the Client, to disclose to and provide the relevant authorities with all such information and documents of the Clients as may be required for such purpose, including without limitation, the name and identity of the Client or the ultimate beneficial owner of the Futures Accounts, and the financial position of the Client as may be known to BS Futures or BS Group Companies. The Client shall not hold BS Futures or BS Group Companies liable for any consequences arising from such disclosure, and the Client shall reimburse BS Futures and BS Group Companies on demand for all costs and expenses (including legal costs) incurred by BS Futures and BS Group Companies in complying with requests for such disclosure.

22.2 BS Futures will keep information relating to the Client and the Futures Account confidential, but is authorized to use such information for the following purposes including but not limited to: (a) the daily operation of the Futures Account and the services provided to the Client; (b) conducting credit enquiries on the Client; (c) ensuring ongoing credit worthiness of the Client; (d) designing and marketing services or related products; (e) collection of amounts outstanding from the Client and those providing security for the Client's obligations; (f) make disclosure under the requirements of any laws binding on BS Futures; and (g) purposes relating thereto. BS Futures may provide any such information to the following persons including but not limited to (i) its auditors, legal advisers, brokers or dealers instructed by BS Futures on behalf of the Client, (ii) the HKFE or any regulatory bodies, (iii) any Market in which Commodities and/or Exchange Contracts and/or F/O Contracts are traded for the Futures Account, (iv) any regulatory authority (including the Hong Kong Regulators and the Foreign Regulators) to comply with their requirements or requests for information, (v) any employee, agent, contractor, sub-contractor or third party service provider who provides administrative, telecommunications, computer, payment, clearing or other services to BS Futures in connection with the operation of its business; and (vi) any other person under a duty of confidentiality to BS Futures including but not limited to all the BS Group Companies which have undertaken to keep such information confidential. BS Futures shall not be liable in any way to the Client for any disclosure made pursuant to this Clause.

22.3 Where the Client is an individual, the Client agrees to be bound by BS Futures' "Notice to Clients relating to the Personal Data (Privacy) Ordinance", and to the use of his/her personal data in the manner specified in the said Notice.

22.4 Under and in accordance with the Personal Data (Privacy) Ordinance (Cap. 486 of the Laws of Hong Kong) any individual: (a) has the right to check whether BS Futures holds data about him and the right of access to such data; (b) has the right to require BS Futures to correct any data relating to him which is inaccurate; and (c) has the right to ascertain BS Futures' policies and practices in relation to data and to be informed of the kind of personal data held by BS Futures.

22.5 BS Futures may, whether during the continuance or after the termination of the Agreement, without notice to the Client, disclose to any of the BS Group Companies or any agent, or to any actual or proposed assignee or participant or sub-participant or transferee of any of BS Futures' rights or obligations under the Agreement, any information relating to the Client.

22.6 BS Futures or BS Group Companies intends to use and/or transfer the Client's data to BS Futures or any of

the BS Group Companies for direct marketing purpose and BS Group Companies require the consent (including an indication of no objection) of the Client. For the aforesaid purpose, consent is hereby given by the Client on such use and transfer. The Client's name, contact details, financial background and statistical data held by BS Futures and BS Group Companies from time to time may be used by BS Futures or BS Group Companies in direct marketing of: (i) financial services and investment products; (ii) related promotional schemes; (iii) financial and investment advices; or (iv) promotional and marketing events of BS Group Companies for the aforesaid services or products until BS Futures or BS Group Companies receive Clients objection or requirement to cease such use or transfer through the prescribed channel.

23. **Liability and Indemnity**

23.1 The Client shall indemnify and keep indemnified BS Futures, all the BS Group Companies and their respective directors, officers, delegates, agents, employees, nominees, correspondents or representatives from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, legal expenses and other expenses or disbursements of any kind or nature whatsoever (other than those resulting from fraud or wilful default on the part of BS Futures) which may be imposed on, incurred by or asserted against BS Futures or any of the BS Group Companies (or any of their respective directors, officers, delegates, agents, employees, nominees, correspondents or representatives) directly or indirectly arising out of or in connection with:-

(a) the performance or exercise of their duties or discretion under the Agreement or arising out of or in connection with the default or breach by the Client of any provision of the Agreement or any of the Client's obligations to BS Futures or any of the BS Group Companies, or any representation or warranty by the Client becoming untrue or inaccurate, including but not limited to any costs incurred by any of them in the collection of debts owed by the Client to any of them;
(b) anything done or omitted pursuant to any Instruction, anything lawfully done or omitted by BS Futures, any Transaction entered into by BS Futures on behalf of the Client, or any action by BS Futures in accordance with the Agreement;
(c) any act of omission of the Authorized Person; or
(d) a purchaser or any other person by reason of any defect in the title of the Client to the Commodities, Exchange Contracts and/or F/O Contracts.

23.2 The Client also agrees to pay promptly to BS Futures and all the BS Group Companies all damages, costs and expenses (including legal costs and expenses on a full indemnity basis) incurred by BS Futures or any of the BS Group Companies in the enforcement of any of the provisions of the Agreement.

24. BS Futures' Interests

24.1 BS Futures may, subject to the provisions of the SFO and any applicable law, take the opposite position to the Client's order in relation to any Exchange Contract and/or F/O Contract, whether on BS Futures' own account or for the account of any of the BS Group Companies or other clients of BS Futures, provided that such trade is executed competitively on or through the facilities of HKFE in accordance with the HKFE Rules or the facilities of any other Exchange in accordance with the rules and regulations of such other Exchange.

24.2 The Client acknowledges and agrees that, when BS Futures executes an Instruction on behalf of the Client to purchase or sell Commodities and/or Exchange Contracts and/or F/O Contracts, BS Futures, its directors, officers, employees and agents may execute such Instruction for an account in which any such person has a direct or indirect interest, subject to the limitations and conditions, if any, contained in the constitution, rules, regulations, customs, usages, rulings, and interpretations then in force of the relevant Exchanges or Markets upon which such Instruction is executed, and subject to the limitations and conditions, if any, contained in any applicable regulations lawfully promulgated by such Exchanges or Markets.

24.3 In the absence of fraud or wilful misconduct on the part of BS Futures, BS Futures shall not be liable to the Client for any claims against BS Futures, any of its nominees, subsidiaries or associated companies, or any of the BS Group Companies in relation to any Transaction referred to in Clauses 24.1 and 24.2 including any claims to the effect that BS Futures, any of its nominees, subsidiaries or associated companies, or any of the BS Group Companies shall account to the Client for any emoluments, commissions, profits or any other benefits whatsoever earned or received by BS Futures, any of its nominees, subsidiaries or associated companies, or any of the BS Group Companies in relation to any such Transactions.

25. Suitability

25.1 Unless BS Futures expressly agrees in writing to the contrary, no representation or warranty, express or implied, is given by BS Futures as to the value or suitability for the Client of any Transaction entered into by the Client.

25.2 The Client hereby acknowledges that any information communicated to the Client by BS Futures, although obtained from sources believed by BS Futures to be reliable, has not been independently verified by BS Futures and may be incomplete, inaccurate or changed without notice to the Client. The Client acknowledges that any such information is provided by BS Futures to the Client for its information and reference only and is not intended as investment advice or for trading or other purposes. BS Futures makes no representation, warranty or guarantee with respect to the sequence, accuracy, truth, reliability, adequacy, timeliness, completeness or correctness of such information. BS Futures and/or BS Group Companies shall have no responsibility or liability whatsoever in respect of any information given, or views expressed by them or any

of their directors, officers, employees or agents to the Client, whether or not such information or views are expressed at the request of the Client.

25.3 The Client shall make its own judgment and independent decision with respect to any Transaction which he enters. BS Futures is not obliged to give any investment advice or recommendation to the Client, and any comment, information, communication or explanation which may be provided by any representatives of BS Futures shall not be treated or relied upon by the Client as investment advice or recommendation to enter into any Transaction, unless BS Futures has expressly agreed otherwise. The Client understands that BS Futures, or one or more of the BS Group Companies, may purchase or sell, have a position in the Commodities or Exchange Contracts or F/O Contracts or financial instruments which are the subject of information furnished to the Client, and that the positions or Transactions of BS Futures or any of the BS Group Companies may or may not be consistent with the information furnished to the Client by BS Futures. Any information communication or explanation from BS Futures to the Client in respect of any Instruction or Transaction under the Agreement shall not be regarded as investment advice or recommendation to enter into any Transaction under the Agreement.

25.4 If BS Futures solicits the sale of or recommends 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 in these Terms or any other document BS Futures may ask the Client to sign and no statement BS Futures may ask the Client to make derogates from this Clause. For the purpose of this Clause, "**financial product**" means any securities, futures contracts or leveraged foreign exchange contracts as defined under the SFO. Regarding "**leveraged foreign exchange contracts**", it is only applicable to those traded by persons licensed for Type 3 regulated activity.

26. Investor Compensation Fund

26.1 In the event that BS Futures commits a default as defined in Part XII of the SFO and the Client thereby suffers a pecuniary loss, the Client understands that the right to claim under the Investor Compensation Fund established under Part XII of the SFO will be restricted to the extent provided for therein.

26.2 Notwithstanding the aforesaid, the Client fully understands that the right to claim under the Investor Compensation Fund as mentioned in Clause 26.1 will not be applicable to any Instructions or Transactions in Foreign Jurisdiction.

27. Relevant Provisions

27.1 Without prejudice and in addition to any other provisions of the Agreement, all Transactions entered into on HKFE shall be subject to the following provisions: -

(a) Every Exchange Contract shall be subject to the charge of a Investor Compensation Fund (as defined in HKFE Rules) levy and a levy pursuant to SFO, the cost of both of which shall be borne by the Client;

(b) If the Client suffers pecuniary loss by reason of BS Futures' default, the liability of the Investor Compensation Fund (as defined in HKFE Rules) will be restricted to valid claims as provided for in SFO and will be subject to the monetary limits specified in the Securities and Futures (Investor Compensation – Compensation Limits) Rules and accordingly there can be no assurance that any pecuniary loss sustained by the Client by reason of such a default will necessarily be recouped from the Investor Compensation Fund (as defined in HKFE Rules) in full, in part or at all;

(c) In respect of Transactions related to the business of dealing in Exchange Contracts and/or F/O Contracts which are entered into on Markets other than those operated by HKFE, such Transactions will be subject to the rules and regulations of those Markets and not those of HKFE, with the result that the Client 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 HKFE Rules, the Regulations (as defined in HKFE Rules) and the Procedures (as defined in HKFE Rules);

(d) The Client acknowledges that subject to the provisions of SFO and any applicable law, BS Futures may take the opposite position to the Client's order in relation to any Exchange Contract and/or F/O Contract, whether on BS Futures' own account or for the account of its associated company, any of the BS Group Companies or other clients of BS Futures, provided that such trade is executed competitively on or through the facilities of HKFE in accordance with HKFE Rules, Regulations (as defined in HKFE Rules) and the Procedures (as defined in HKFE Rules) or the facilities of any other Exchange in accordance with the rules of such other Exchange;

(e) The Client agrees and acknowledges that HKCC may do all things necessary to transfer any open positions held by BS Futures on behalf of the Client and any money and security standing to the credit of the Account to another exchange participant of HKFE in the event of the rights of BS Futures as an exchange participant of HKFE are suspended or revoked;

(f) The Client acknowledges that BS Futures is bound by HKFE Rules which permit HKFE to take steps to limit the positions or require the closing out of contracts of the Client who in the opinion of HKFE are accumulating positions which are or may be detrimental to any particular Market (as defined in HKFE Rules) or Markets or which are or may be capable of adversely affecting the fair and orderly operation of any Market or Markets as the case may be;

(g) BS Futures shall provide to the Client Contract Specifications (as defined in HKFE Rules), a full explanation of margin procedures and the circumstances under which a Client's position may be closed without the Client consent; and

(h) The Client acknowledges and accepts that if BS Futures exceeds any trading limits or position limits imposed pursuant to HKFE Rules, the Chief Executive (as defined in HKFE Rules) shall be

entitled to require BS Futures to close out or to effect the transfer in accordance with the Clearing House Rules (as defined in HKFE Rules) to another member of such number of open positions (which may include all or part of the open positions of the Client) as will in the opinion the Chief Executive (as defined in HKFE Rules) result in BS Futures complying with the position limits.

27.2 Without prejudice and in addition to any other provisions of the Agreement, all Transactions entered into Markets other than those operated by HKFE shall be subject to the following provisions: -

(a) The Client acknowledges and agrees that such Transactions will be subject to the Foreign FE Rules, with the result that the Client 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 HKFE Rules, the Regulations (as defined in HKFE Rules) and the Procedures (as defined in HKFE Rules);

(b) The Client acknowledges that subject to any applicable law, BS Futures may take the opposite position to the Client's order in relation to any Exchange Contract and/or F/O Contract, whether on BS Futures' own account or for the account of its associated company, any of the BS Group Companies or other clients of BS Futures, provided that such trade is executed competitively on or through the facilities of Foreign Futures Exchange in accordance with the Foreign FE Rules;

(c) The Client agrees and acknowledges that the Clearing House other than HKCC may do all things necessary to transfer any open positions held by BS Futures on behalf of the Client and any money and security standing to the credit of the Account to another member of the relevant Foreign Futures Exchange in the event of the membership rights of BS Futures are suspended or revoked by those Foreign Futures Exchange;

(d) The Client authorizes BS Futures to apply any moneys, approved debt securities or approved securities which the Client may pay to BS Futures in the manner specified in the relevant Foreign FE Rules and, in particular, BS Futures may apply such moneys, approved debt securities or approved securities in or towards meeting BS Futures' obligations to any party insofar as such obligations arise in connection with or incidental to the business of dealing in Exchange Contracts and/or F/O Contracts transacted on the Client's behalf;

(e) The Client acknowledges that BS Futures is bound by the relevant Foreign FE Rules which may permit such Foreign Futures Exchange to take steps to limit the positions or require the closing out of contracts of the Client who in the opinion of such Foreign Futures Exchange are accumulating positions which are or may be detrimental to any particular Market or Markets or which are or may be capable of adversely affecting the fair and orderly operation of any Market or Markets as the case may be;

(f) The Client acknowledges and agrees that the contract specifications, product specifications, prospectus, risk disclosure statements, disclaimers, full explanation of margin procedures and the circumstances under which a Client's position may be closed without the Client's consent may be posted on the BS Website from time to time which shall be binding on the Client; and

(g) The Client acknowledges and accepts that if BS Futures exceeds any trading limits or position limits imposed pursuant to the Foreign FE Rules, the relevant authority shall be entitled to require BS Futures to close out or to effect the transfer in accordance with the Clearing Rules to another member of such number of open positions (which may include all or part of the open positions of the Client) as will in the opinion such Foreign Futures Exchange result in BS Futures complying with the position limits.

28. Joint and Several Liability/Successors

28.1 Where the Client consists of more than one person (whether a partnership or otherwise): -

(a) the expression "Client" shall include each such person (a "**Joint Client**") and the liability of Joint Clients under the Agreement shall be joint and several;

(b) any demand for payment on any one or more of the Joint Clients shall be treated as a valid demand on all Joint Clients;

(c) BS Futures and any of the BS Group Companies shall be entitled to deal separately with any of the Joint Clients on any matter including the release or discharge of any one or more of the Joint Clients from liability under the Agreement or compound with, accept compositions from, or make any other arrangement with, any of such persons without, in consequence, releasing or discharging or otherwise prejudicing or affecting its rights and remedies against any other Joint Clients;

(d) each of the Joint Clients shall, in favour of all the BS Group Companies, waive the right of proof in competition with any one or more of the BS Group Companies in the bankruptcy or insolvency of any of the Joint Clients and none of the Joint Clients shall take from any other Joint Client(s) any counter-security without prior written consent from all the BS Group Companies;

(e) the discharge, satisfaction or performance of any liability, obligation or indebtedness under the Agreement by any of the BS Group Companies in favour of or for the benefit of any of the Joint Clients shall be and be deemed to be full and sufficient discharge, satisfaction or performance of such liability, obligation or indebtedness in favour of or for the benefit of any or all of the Joint Clients. The payment of money or fund by any of the BS Group Companies towards or in favour of any of the Joint Clients shall be and be deemed to be full and sufficient discharge, satisfaction or performance of such payment of money or fund towards or in favour of any or all of the Joint Clients;

(f) the Agreement shall not be affected by the death, incapacity or Dissolution of any Joint Client;

(g) termination of the Agreement pursuant to Clause 30 by any one or more of the Joint Clients or his or their personal representatives shall not affect the continuing liability of the other Joint Clients;

(h) BS Futures shall have a lien on the property (including without limitation the Futures Account) of each Joint Client. BS Futures' lien shall be additional to the rights and remedies of BS Futures

pursuant to the Agreement;

(i) the Joint Clients have authorized BS Futures to accept instructions given by any one or more of the Joint Clients ("**Such Person**") to BS Futures (including but not limited to verbal instructions and written instructions). Such Person will have the authority to handle the operation of the Futures Account and exercise all rights, powers and discretion pursuant to the Agreement on behalf of any of the Joint Clients. BS Futures may follow the instructions given by Such Person and will not be required to give notice to, or obtain authorization from, any one or more of the Joint Clients in respect of such instructions. BS Futures will have an absolute discretion to determine whether or not to accept the relevant instructions and BS Futures will not be liable as such for any loss whatsoever incurred as a result of accepting or not accepting the instructions. Any act, conduct, instructions, directions, decisions and/or authorizations of any of the Joint Clients shall be jointly and severally binding on the other Joint Clients;

(j) BS Futures shall be under no duties whatsoever (including without limitation any duty to inquire into or see to) in respect of the application of any monies or properties between the Joint Clients;

(k) any of the Joint Clients is not entitled to claim or assert interest, benefit, ownership or title to any particular or specific Commodities, Exchange Contracts F/O Contracts, property and/or assets in the Futures Account separately or independently with any other Joint Clients;

(l) the Joint Clients have entered into the Agreement with a right of survivorship;

(m) in the event of death of any Joint Client, the estate of the deceased Joint Client or the surviving Joint Client(s) shall immediately notify BS Futures in writing of the relevant death and produce and deliver to BS Futures true copy of proof of such death and such other documents as BS Futures may in its absolute discretion require (but BS Futures is not required to verify the authenticity of such evidence so produced); and

(n) each of the Joint Clients shall be bound by the Agreement regardless of the arrangement or agreement among the Joint Clients and notwithstanding the Agreement may be invalid or unenforceable against any one or more of the Joint Clients (whether or not the deficiency is known to BS Futures).

29. Single and Continuous Agreement

29.1 The Agreement and all its amendments shall be continuous, and shall cover individually and collectively all Futures Accounts which the Client may from time to time open and maintain with BS Futures, each order executed by BS Futures shall be subject to the terms and conditions of the Agreement. The Client hereby acknowledges that all Transactions executed for the Client's account shall be executed by BS Futures in reliance upon such fact and as if the representations, undertakings and warranties given by the Client to BS Futures in Clause 16 were repeated before each such Transaction, and that the Parties would not otherwise enter into such Transaction.

30. Termination

30.1 The Client shall only terminate the Agreement by a valid and effective prior written notice to BS Futures. The aforesaid prior written notice shall be a valid and effective prior written notice only and only if such notice shall be actually received by BS Futures and the effective date for termination of the Agreement stated therein shall be at least 7 Business Days after the date of receipt of such notice by BS Futures. The Agreement shall be terminated by BS Futures at its discretion and at any time by notice given by BS Futures to the Client without the need to give reasons for such termination. The termination of the Agreement shall not affect or prejudice: -

(a) the Liabilities, obligations or indebtedness of the Client existing, arisen or incurred at the time under the Agreement, the Loan Agreement and/or any agreement made with any of the BS Group Companies on or before the termination of the Agreement, including but not limited to the Liabilities, obligations or indebtedness of the Client arising out of or in connection with any open positions or outstanding Transactions at the time of the termination of the Agreement;

(b) the Liabilities, obligations or indebtedness of the Client arising out of or in connection with any agreements, warranties, representations, undertakings and indemnities given by the Client under the Agreement, the Loan Agreement and/or any agreement made with any of the BS Group Companies;

(c) the rights and powers to close out, transfer or settle all the open positions or outstanding Transactions of the Client, and the rights and powers to take such action or do all such acts and things incidental or in relation to the closing out, transfer or settlement mentioned in this Clause; and

(d) the rights and powers to take such action or do all such acts and things incidental or in relation to the termination, conclusion, consolidation, clearing or settlement of all the Liabilities, the Client's obligations or indebtedness under the Agreement, or the rights and powers to take such action or do all such acts and things incidental or in relation to the termination of the Agreement.

30.2 Upon termination of the Agreement under Clause 30.1, all amounts due or owing by the Client to BS Futures under the Agreement shall become immediately due and payable. BS Futures shall cease to have any obligation to effect any Transaction on behalf of the Client in accordance with the provisions of the Agreement, notwithstanding any Instructions to the contrary.

30.3 As soon as practicable after termination of the Agreement, BS Futures shall have the power to sell, realise, redeem, liquidate or otherwise dispose of all or part of the Client's Commodities, Exchange Contracts or F/O Contracts for such consideration and in such manner as BS Futures shall in its absolute discretion consider necessary to satisfy first, all costs, charges, fees and expenses (including legal expenses) incurred by BS

Futures in such sale, realisation, redemption, dissolution or other disposal and all other monies and sums due or owing and other liabilities accrued or accruing due to BS Futures and outstanding (whether actual or contingent, present or future or otherwise) under the Agreement and second, all other Liabilities, at the Client's sole risk and cost and without incurring any liability on the part of BS Futures for any loss or damage incurred by the Client.

30.4 Any cash proceeds remaining after satisfaction of all sums specified in Clause 30.3 shall be credited to the Settlement Account.

30.5 If there is any Deficit after application of the sale proceeds pursuant to Clause 30.3, the Client shall immediately pay to BS Futures an amount equal to such Deficit together with BS Futures' cost of funding such Deficit and interest at the rate of 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 such other bank as determined by BS Futures from time to time up to the date of actual receipt of full payment by BS Futures (after as well as before any judgment).

31. Force Majeure

31.1 Neither of the Parties shall be liable for any loss sustained by the other, directly or indirectly, if either Party is prevented from acting as a direct or indirect result of government restrictions, the imposition of emergency procedures or suspension of trading by any relevant Exchange, Clearing House or Market, civil disorder, acts or threatened acts of terrorism, natural disasters, war, strikes or other circumstances beyond third party's control.

32. Combination and Set-Off

32.1 Notwithstanding anything contained in the Agreement, the Loan Agreement or any other agreement between any of the BS Group Companies and the Client, the Client irrevocably and unconditionally authorizes and directs BS Futures to, with or without notice, set-off and withhold from and apply the Retained Properties, securities, receivables, moneys or funds held in or for the Futures Account or any Account against and in whole or partial payment, discharge or satisfaction of any indebtedness, obligations or Liabilities of whatsoever nature (whether primary, collateral, several, joint or in other currencies and whether or not in connection with the Futures Account or any other previous closed Account) owed by the Client to BS Futures or any one of the BS Group Companies.

32.2 Without prejudice to the generality of Clause 32.1, if the Client has more than one Account, any of the BS Group Companies is hereby authorized by the Client to combine or consolidate at any time without notice to the Client all or any of such Accounts and set-off, apply or transfer any of the Retained Properties, moneys, funds, securities, Commodities, properties or assets in any one or more of such Accounts in or towards payment, discharge or satisfaction of any indebtedness, obligations or Liabilities of the Client of whatsoever nature, actual or contingent, primary or collateral, secured or unsecured, joint or several, to any of the BS Group Companies in respect of any other Accounts. Where any such combination, consolidation, set-off or transfer requires the conversion of one currency into another, such conversion shall be calculated at the spot rate of exchange prevailing in such foreign exchange market as any one of the BS Group Companies shall determine to be relevant on the date of the combination, consolidation, set-off or transfer.

32.3 Subject to the Agreement, all money or other property received by BS Futures from the Client or from any other person for the account of the Client shall be held by BS Futures and within a reasonable time from receipt of such money or other property by BS Futures shall be segregated from BS Futures' own assets and paid into a segregated company account.

32.4 The Client acknowledges that in respect of any account of BS Futures or any of the BS Group Companies maintained with any Clearing House, whether or not such account is maintained wholly or partly in respect of any Transaction on behalf of the Client and whether or not money paid by the Client has been paid to such Clearing House, as between BS Futures or any of the BS Group Companies and the relevant Clearing House, BS Futures (or any of the BS Group Companies as the case may be) deals as principal.

33. Authorization

33.1 The Client irrevocably and unconditionally directs, instructs and authorizes BS Futures that upon request, direction, instruction or demand of any of the BS Group Companies from time to time, BS Futures shall do the following acts and things: -

(a) to sell, purchase, enter into, make, dispose of, deal with, trade, transfer, liquidate, close out, clear or settle all or any Commodities and/or Exchange Contracts and/or F/O Contracts and/or positions in the Futures Account; and

(b) to sell, purchase, deal with, trade, dispose of, realize, transfer in or out all or any securities, properties or assets in the Futures Account.

33.2 The Client irrevocably and unconditionally directs, authorizes, instructs and agrees that upon request, direction, instruction or demand of any of the BS Group Companies from time to time, BS Futures shall deliver, transfer, debit, deduct or pay from the Futures Account or any Account such receivables, moneys or funds as any of the BS Group Companies shall direct or determine from time to time and/or in or towards the total or partial satisfaction, payment or discharge of any moneys, indebtedness, outstanding amounts, obligations or Liabilities incurred, owing, due or payable by or from the Client or the Client Group Company

to or in favour of any of the BS Group Companies from time to time.

33.3 The Client agrees and accepts that all the acts, things and matters done or made by BS Futures pursuant to this Clause shall be and be treated and deemed the acts, things, and matters done or made by the Client, and shall be absolutely binding on the Client in all respects and for all purposes.

34. Communications, Notice and Services

34.1 Unless otherwise specified in the Agreement, any notice to be made or given by the Client to BS Futures under the Agreement shall be in writing.

34.2 Without prejudice to other provisions of the Agreement relating to communication or notice by or from BS Futures and the right of BS Futures to use any way or method of communication, any report, confirmation, statements, notice and other communication from BS Futures to the Client under the Agreement may be delivered personally or sent by post or fax or electronic mail ("**E-mail**") addressed to the Client at the address or fax number or E-mail address set out in the Account Opening Form, at its registered office or at such other address or fax number or E-mail address as may have been notified in writing by the Client to BS Futures (such notification shall only take effect 24 hours after the actual receipt of the same by BS Futures). Any such report, confirmation, statements, notice and other communication shall be and be deemed to have been received by the Client (a) if hand delivered, when delivered, (b) if given by post, 24 hours after the same has been posted, or (c) if given by fax or E-mail, at the same time as it is dispatched. The contents of such report, confirmation, statement, notice or communication or statement of account issued by BS Futures shall be or be deemed correct, accurate and conclusive and no objection thereto shall be made by the Client unless written objection is actually received by BS Futures within four (4) days after delivery by hand, by fax or E-mail, or by post.

34.3 Without prejudice to the other provisions of the Agreement, any letter, notice, documents or other communication from the Client to BS Futures shall take effect only on actual receipt and actual notice of the same by BS Futures.

35. **Time of the Essence**

35.1 Time shall in every respect be of the essence in relation to all Liabilities and obligations of the Client under the Agreement.

36. **Automatic Postponement**

36.1 It is hereby agreed that if any day on which BS Futures has agreed or obliged to do, take or conduct any matter, action or Transaction (the "**Action Date**") shall fall on a day which is not a Business Day, the Action Date shall automatically be postponed to the next Business Day.

37. Severability

37.1 Any provision in the Agreement which is illegal, invalid or unenforceable for any reason in any jurisdiction shall be ineffective only to the extent of such illegality, invalidity or unenforceability and shall not affect the legality, validity or enforceability of the remaining provisions hereof or the legality, validity or enforceability of such provision in any other jurisdiction. Where, however, the provisions of any applicable law may be waived, they are waived by the Parties hereto to the full extent permitted by such law to the end that the Agreement shall be a valid and binding agreement enforceable in accordance with its terms and conditions.

38. Assignment

38.1 The Client shall not assign, transfer, alienate, charge, delegate or otherwise dispose of any of its rights, interest, benefits, Liabilities or obligations under the Agreement. BS Futures may assign or transfer any of its rights and obligations under the Agreement without the prior consent of the Client. Any assignee, transferee or successor of BS Futures shall have the same interest, rights, benefits, liabilities and remedies as if it were BS Futures. BS Futures may delegate and sub-contract the performance of its obligations hereunder as it thinks fit.

38.2 Upon BS Futures assigning and transferring all its rights and obligations under the Agreement to another intermediary (as defined under the SFO) (whether due to a restructuring or transfer of business or otherwise), the Client undertakes to give a written direction in favour of BS Futures or its associated entity, authorizing BS Securities or its associated entity to transfer all the Client's Commodities and/or Exchange Contracts and/or F/O Contracts held by BS Futures or its associated entity to the assignee intermediary, failing which BS Futures shall terminate the Futures Account in accordance with Clause 30.

39. **Successors and Assigns**

39.1 The Agreement shall ensure for the benefit of BS Futures, its successors and assigns and shall be binding upon the Client's heirs, executors, administrators, personal representatives, successors and assignees, as the case may be.

40. Miscellaneous Provisions

40.1 The Agreement supersedes all prior engagements, arrangements, agreements and contracts whether oral or

in writing whatsoever made by BS Futures. No warranties or representations express or implied are or have been made or given by BS Futures or by anybody on its behalf relating to the subject of the Agreement prior to the entering hereof. If any such warranty or representation express or implied has been made the same is withdrawn or deemed to have been withdrawn immediately before BS Futures entering into the Agreement. However, the Agreement does and will not supersede any prior engagements, arrangements, agreements and contracts whether oral or in writing whatsoever and whether past, present or future made by the Client with or in favour of BS Futures, and does and will not affect or prejudice any or all the Liabilities, obligations or indebtedness (whether oral or in writing whatsoever and whether past, present or future) of the Client to BS Futures.

40.2 BS Futures and the Client shall notify each other promptly in writing of any material changes in the information provided under the Agreement or any agreement entered into pursuant to the Agreement or relating to the Futures Account.

40.3 BS Futures shall have absolute rights to amend, delete or substitute any of the terms herein and add new terms to the Agreement (including but not limited to the Acknowledgment by Client). An amendment notice and the revised Agreement will be posted at the "**Important Terms**" column of BS Website at www.bsgroup.com.hk. The Client should visit the BS Website from time to time to obtain the latest Agreement and read the terms thereof. Such amendment, deletion, substitution or addition shall be deemed as effective and incorporated herein (and shall form part of the Agreement) on the date of publication of such amendment notice. The Client may raise written objection within fourteen (14) days after the publication of such amendment notice at the BS Website. Failing which, it shall be deemed an acceptance of such amendment, deletion, substitution and addition.

40.4 Any complaint about the performance of BS Futures under the Agreement shall be made in writing and addressed to the Complaints Officer c/o BS Futures, who will investigate the complaint. The Client agrees to provide the Complaints Officer with all such information as the Complaints Officer may reasonably request to enable the Complaints Officer to investigate the complaint.

40.5 The Client undertakes and acknowledges that the Client shall at all times notify BS Futures in writing, and sign (the signature shall conform to the specimen signature provided to BS Futures in the Account Opening Form), of any change of the Client's particulars (where the Client shall consist of any individual, the Client's personal particulars), address(es), telephone number(s), facsimile number(s) and/or email address(es).

40.6 Except as provided in the Agreement, the rights, powers, remedies and privileges in the Agreement are cumulative and not exclusive of any right, powers, remedies and privileges provided by law.

41. Submission to Rules and Regulations

41.1 In respect of Transactions on HKFE: -

(a) every Transaction executed on the HKFE will be subject to a transaction charge, the cost of which shall be borne by the Client;
(b) every Transaction executed on the HKFE will be subject to other levies the HKFE may impose from time to time; and
(c) BS Futures is authorized to collect the appropriate transaction charge or other levies in paragraphs (a) and (b) above in accordance with the HKFE Rules from time to time.

41.2 In respect of Transactions on a Foreign Futures Exchange: -

(a) every Transaction executed on a Foreign Futures Exchange will be subject to a transaction charge, the cost of which shall be borne by the Client;
(b) every Transaction executed on a Foreign Futures Exchange will be subject to other levies such Foreign Futures Exchange may impose from time to time; and
(c) BS Futures is authorized to collect the appropriate transaction charge or other levies in paragraphs (a) and (b) above in accordance with the Foreign FE Rules from time to time.

42. Confirmation

42.1 The Client confirms that it has read the Agreement (including the Account Opening Form, Acknowledgment by Client and these Terms) and the Risk Disclosure Statements, that it has already been invited and advised by BS Futures and/or any of the BS Group Companies to seek independent legal advice on the Agreement (including the Account Opening Form, Acknowledgment by Client and these Terms) and the Risk Disclosure Statements, that the contents of the Agreement (including the Account Opening Form, Acknowledgment by Client and these Terms) and the Risk Disclosure Statements have been fully explained to the Client in a language which the Client understands, and that the Client fully confirms, accepts, understands, and agrees to be bound by, the Agreement (including the Account Opening Form, Acknowledgment by Client and these Terms) and the Risk Disclosure Statements. The Client acknowledges that, in the event of any discrepancy between the English version and the Chinese version, the English version shall prevail.

43. Contracts (Rights of Third Parties) Ordinance

43.1 The Contracts (Rights of Third Parties) Ordinance (Chapter 623 of the Laws of Hong Kong) shall not apply to the Agreement and unless specifically herein provided no person other than the Parties shall have any

rights under it nor shall it be enforceable by any person other than the Parties.

44. Waiver

44.1 No failure or delay on BS Futures' part to exercise any power, right or remedy which BS Futures may have shall operate as a waiver thereof.

45. Governing Law and Jurisdiction

45.1 The Agreement and all rights, obligations and liabilities hereunder shall be governed by and construed in accordance with the laws of Hong Kong. The Client and BS Futures hereby irrevocably submit to exclusive jurisdiction of the courts of Hong Kong as regards any claim, matter or proceedings arising under this Agreement. The Client agrees that the rulings, orders, decisions and/or judgments of the courts of Hong Kong are final and conclusive.

45.2 The Client agrees that BS Futures is entitled to enforce and execute the judgment of the courts of Hong Kong in any jurisdiction as it thinks fit. The Client hereby further agrees not to oppose in any legal proceedings arising under this Agreement (including the legal proceedings in other jurisdictions for enforcement of judgment) and not to appeal the judgment of the courts of Hong Kong or other jurisdiction.

45.3 The Client agrees that any writ, summons, order, judgment or other document shall be and be deemed duly and sufficiently served on the Client if addressed to the Client and left at or sent by post to the Client's registered office or the address of the Client set out in the Account Opening Form or last known to BS Futures. The foregoing shall not limit BS Futures' right to serve process on the Client in any manner permitted by laws of the relevant jurisdiction.

*****

SECTION VIII - TERMS AND CONDITIONS FOR FUTURES (MARGIN FINANCING) TRADING

These Terms are additional and supplemental to the terms and conditions in Section VII headed "Terms and Conditions for Futures Trading" ("**Section VII**"). All transactions, purchase, investment, sale, trading, entering, exchange, acquisition, holding, transfer, making, clearing, settlement, disposal or dealing in, of and with all kinds of Commodities and/or Exchange Contracts and/or F/O Contracts effected, conducted, carried on and entered into by the Client with and through BS Futures and/or BS Trading Agent for or on the Futures MF Account, and the Futures MF Account opened and maintained by the Client with BS Futures shall be subject to and upon the Agreement. Where any conflict or inconsistency arises between any provision of these Terms and any provision of Section VII and/or the Loan Agreement, the provisions of these Terms shall prevail.

1. **Definitions**

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

1.2 In these Terms, the following expressions, unless the context requires otherwise, shall have the following meanings: -

"**Agreement**" means the agreement made between the Client and BS Futures and constituted by the Account Opening Form, these Terms, the Acknowledgment by Client, the terms and conditions in Section VII, and such other documents referred to therein or added thereto (including any amendment or supplement made thereto from time to time);

"**Charged Properties**" shall have the meaning as ascribed to and defined in the Loan Agreement;

"**Collateral**" means the Charged Properties, Futures MF Account Fund and/or such other moneys or assets of the Client charged to the Lender upon the terms and conditions contained in the Loan Agreement;

"**Event of Default**" has the meaning ascribed thereto in Clause [6.1];

"**Futures MF Account**" means any account now or in future opened and maintained in the name of the Client with BS Futures for conducting Transactions by utilising the Credit Facilities in accordance with the Agreement, and/or all other account(s) of whatsoever nature now or in future opened and maintained in the name of the Client with BS Futures in accordance with the Agreement or other agreement or document;

"**Futures MF Account Fund**" means (i) all and any moneys or funds standing to the credit of the Futures MF Account from time to time; (ii) all funds held by BS Futures and/or any of the BS Group Companies for or on account of the Client from time to time; and (iii) all interest (if any) accruing on such funds;

"**Lender**" shall have the meaning as ascribed to and defined in the Loan Agreement; and

"**these Terms**" means all the terms and conditions in this Section VIII headed "Terms and Conditions for Futures (Margin Financing) Trading" as from time to time amended and supplemented.

1.3 In these Terms: -

(a) "include(s)" and "including" mean respectively "include(s) but not limited to" and "including but not limited to";

(b) "subsidiary" shall bear the meaning given by the Companies Ordinance (Cap. 622 of the Laws of Hong Kong) and "associated company" means, in respect of any person, any company (not being a subsidiary of that person) of which that person shall beneficially own twenty per cent (20%) or more of the issued share capital or in respect of which that person is entitled to appoint one or more directors or, in relation to any company, any company which is a subsidiary of a holding company of that first mentioned company;

(c) reference to a Clause is to a clause of these Terms and reference to the Account Opening Form is to the Account Opening Form as completed by or on behalf of the Client and where such information has been amended by subsequent notice to BS Futures means the Account Opening Form as amended by such notice;

(d) reference to an Ordinance is to an Ordinance or law of Hong Kong and any subsidiary legislation related thereto as from time to time amended, consolidated, extended, codified or re-enacted and for the time being in force;

(e) words importing the singular include the plural and vice versa; words importing person include bodies corporate or unincorporated or other entity; words importing gender include every gender and the neuter gender;

(f) the headings to the Clauses are for convenience only and do not affect their interpretation or construction; and

(g) where it is necessary for the true construction or interpretation of any provision herein so that the indebtedness, liability or obligation of any of the Parties shall continue after the termination of the Agreement, such provision shall survive the termination of the Agreement.

1.4 Where it is necessary for the true construction or interpretation of any provision of the Agreement, all references to (i) "Futures Account" in Section VII shall be construed as references to Futures MF Account; (ii) "Agreement" in Section VII shall be construed as references to Agreement as defined in these Terms; and (iii) "Retained Properties" in Section VII shall be construed to include Collateral.

2. **Credit Facilities**

2.1 Where the Lender grants any Credit Facilities to the Client, the Credit Facilities shall be revolving and shall be secured by the Collateral up to such extent (subject to the restrictions under any applicable laws and regulations) as may be determined by the Lender (in its absolute and subjective discretion) from time to time provided that the Lender shall have the right to review such extent with reference to the financial position of the Client and such other relevant factors.

2.2 The Client further acknowledges and agrees to abide by the terms and conditions of the Loan Agreement and the provisions of any other agreement made with the Lender and/or any of the BS Group Companies from time to time in relation to the granting and maintenance of such Credit Facilities.

2.3 The Lender shall have the absolute discretion to determine the value of the Collateral required to be provided by the Client, and/or to determine, amend or alter the principal amount and other terms of the Credit Facilities from time to time and/or to refuse to make any advance under the Credit Facilities (whether or not the existing facility limit has been exceeded) and/or to terminate and require immediate repayment of the Credit Facilities at any time. At all times, the amount outstanding under the Credit Facilities shall not exceed such extent as prescribed by the Lender pursuant to Clause 2.1.

2.4 Notwithstanding any of the terms and conditions in the Agreement or the Loan Agreement, (i) the Credit Facilities are repayable on demand and may be varied or terminated in the absolute discretion of the Lender; and (ii) the Lender will not at any time be obliged to make any advances to the Client.

2.5 Without prejudice to the above, the Lender shall be under no obligation to make any advances to the Client under the Credit Facilities, if any of the following circumstances apply: -

(a) if the Client is in default of any of the provisions of the Agreement, the Loan Agreement, or any other letter, agreement or document entered into between the Client and BS Futures and/or any of the BS Group Companies;
(b) if in the opinion of BS Futures, there is or has been a material adverse change in the Client's financial condition or in the financial condition of any person which might adversely affect the Client's ability to discharge the Liabilities or perform its obligations under the Agreement, the Loan Agreement, or any other letter, agreement or document entered into between the Client and BS Futures and/or any of the BS Group Companies;
(c) if making an advance to the Client would cause the applicable extent as prescribed by the Lender pursuant to Clause 2.1 to be exceeded; or
(d) if BS Futures in its absolute discretion considers it prudent or desirable for the protection of BS Futures and/or any of the BS Group Companies.

2.6 BS Futures is instructed and authorized by the Client to draw on the Credit Facilities to settle any Liabilities, whether in respect of any Transaction, margin maintenance obligations for any positions as required by BS Futures and/or any of the BS Group Companies, or payment of any commission or other costs and expenses owing to BS Futures and/or any of the BS Group Companies.

2.7 For so long as any Liabilities remain outstanding, BS Futures shall be entitled at any time and from time to time to refuse any withdrawal of any or all of the Collateral or any other moneys and/or the Commodities and/or Exchange Contracts and/or F/O Contracts held by any of the BS Group Companies for the account of the Client.

2.8 The Credit Facilities will be terminated upon the occurrence of any one or more of the following events:

(a) the revocation of the Client's standing authority as contained in or provided under Section X headed "Standing Authority"; or
(b) the non-renewal of such standing authority upon its expiry or when called upon to do so; or
(c) any termination in accordance with Section VII, and any notice of termination for that purpose shall be deemed to be a notice of termination of the Credit Facilities.

Upon termination of the Credit Facilities, any outstanding Liabilities shall forthwith be repaid.

3. **Financing of Margin Requirement**

3.1 The purpose of the Credit Facilities is for financing the Margin Requirements of the Client from time to time.

3.2 BS Futures shall have the absolute discretion to determine the amount, extent or percentage of financing of the Margin Requirements. The remaining amount of the Margin Requirements that exceeds the amount of the Margin Requirements financed by BS Futures shall be referred to as the "**Remaining Margin Requirements**" and each of them the "**Remaining Margin Requirement**".

4. **Remaining Margin Requirements & Fund**

4.1 The Client agrees to provide and maintain the Remaining Margin Requirements in the Futures MF Account and/or such collateral, guarantees and other security to the Futures MF Account in such form and amount and on such terms as BS Futures may in its absolute discretion require from time to time. Such Remaining Margin Requirement(s) demanded or required by BS Futures may exceed any margin requirement, variation adjustment or Interest Rate Cash Adjustments (as defined in HKFE Rules) prescribed by any Exchange or Clearing House or BS Trading Agent or broker. BS Futures may change any Remaining Margin Requirement in its sole discretion and at any time without prior notice to the Client. If BS Futures determines that additional margin, variation adjustment or Interest Rate Cash Adjustments is required, the Client agrees to make payment to and/or deposit with BS Futures such additional margin, variation adjustment or Interest Rate Cash Adjustments forthwith upon demand. All funds provided by the Client as margin shall be cleared funds and all Securities provided by the Client as margin shall be Securities to which the Client has valid and unencumbered title. No previous Remaining Margin Requirement(s) shall establish any precedent. Change on Remaining Margin Requirement(s) shall apply to existing positions as well as to new positions after the date of such change.

4.2 All margin (additional or otherwise) provided and maintained by the Client pursuant to Clause 4.1, and all monies and Securities of the Client which are now or which shall at any time hereafter be deposited with, transferred or caused to be transferred to or held by BS Futures or any of the BS Group Companies shall form part of the Collateral as a continuing security in favour of BS Futures and the Lender for the payment and satisfaction of all Liabilities (whether under the Credit Facilities or otherwise).

4.3 Without prejudice to Clauses 4.4 to 4.11, calls or demands for Remaining Margin Requirement must be met or satisfied by the Client forthwith upon demand by BS Futures. BS Futures may close out the open position in respect of which any call or demand for Remaining Margin Requirement is not met or satisfied. The Client shall on demand put BS Futures in funds or moneys or arrange for BS Futures to be put in funds or moneys in time to enable BS Futures to discharge any liability incurred or to be incurred in connection with trading, dealing or Transaction effected in relation to the Futures MF Account. The Client shall on demand reimburse BS Futures for all costs and expenses incurred by it in connection with the trading, dealing or Transaction effected in relation to the Futures MF Account and/or pay or settle any outstanding amount under the Futures MF Account.

4.4 The Client shall monitor the Futures MF Account so that at all times the Futures MF Account shall contain a sufficient account balance to meet the applicable Remaining Margin Requirements. BS Futures may reject any Instruction or order of the Client if the Client does not have a sufficient account balance to meet the Remaining Margin Requirements and may delay the processing of any Instruction or order while determining the correct margin status of the Futures MF Account. The Client shall maintain, without notice or demand from BS Futures, a sufficient account balance at all times so as to continuously meet the Remaining Margin Requirements. The Client must at all times satisfy whatever Remaining Margin Requirement calculated by BS Futures.

4.5 BS Futures has no obligation to notify the Client of any failure to meet the Remaining Margin Requirements prior to BS Futures exercising its rights, powers, discretion and remedies under the Agreement. The Client understands that BS Futures generally will not issue or make call or demand on Remaining Margin Requirement, that BS Futures generally will not credit the Futures MF Account to meet any deficiency on Remaining Margin Requirement, and that BS Futures is authorized to close out, liquidate or settle open contracts or open positions in the Futures MF Account and/or exercise any of its rights under clause 17 of Section VII in order to satisfy Remaining Margin Requirements without prior notice to the Client.

4.6 In the event that the balance of the Futures MF Account has zero equity or is in deficit at any time, or the Futures MF Account does not have a sufficient account balance to meet Remaining Margin Requirements, BS Futures shall have the right, in its sole discretion, but not the obligation, to close out, liquidate or settle all or any part of the Client's positions in the Futures MF Account and/or exercise any of its rights under clause 17 of Section VII at any time and in such manner and in any Market as BS Futures deems necessary, without prior notice demand or call to the Client. The Client agrees to be responsible for, and promptly pay to BS Futures, any deficiency in the Futures MF Account that arises from such closing out, liquidation, settlement or exercise of rights or remains after such closing out, liquidation, settlement or exercise of rights. BS Futures shall not have any liability to the Client for any losses or damages sustained by the Client in connection with such closing out, liquidation, settlement or exercise of rights (or if the BS Futures experiences a delay in effecting, or does not effect, such closing out, liquidation or settlement, or in exercising, or does not exercise such rights) even if the Client subsequently re-established its position at a less favorable price or point.

4.7 The Client expressly waives and relinquishes any rights to receive prior notice or demand from BS Futures and agrees that any prior demand, notice, announcement or advertisement shall not be deemed a waiver of BS Futures' right to close out, liquidate or settle any open position of the Client or exercise any of its rights under clause 17 of Section VII. The Client understands that, in the event open position is closed out, liquidated or settled by BS Futures or BS Futures exercises such rights, the Client shall have no right or opportunity to determine the open position to be liquidated, the order or manner of closing out, liquidation or settlement or the manner of exercising such rights by BS Futures. BS Futures may, in its absolute and sole discretion, effect closing out, liquidation or settlement, or exercise such rights on any Exchange or Market, and BS Futures or its associated company may take the other side of such closing out, liquidating or settlement transaction. In the event that BS Futures closes out, liquidates or settles any or all open positions in the Futures MF Account or exercise such rights, such closing out, liquidation or settlement or exercise of rights shall establish the

amount of the Client's gain or loss and indebtedness to BS Futures, if any. The Client shall reimburse and hold BS Futures harmless for all actions, omissions, costs, expenses, fees (including, but not limited to, legal fees), penalties, losses, claims or liabilities associated with any such Transaction undertaken by BS Futures or any exercise of such rights by BS Futures.. The Client shall be liable to and responsible for all resulting losses on the Client's positions, notwithstanding BS Futures' delay in or failure to close out, liquidate or settle any such open positions or exercise such rights. If BS Futures executes an order for which the Client did not have sufficient funds, BS Futures 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.

4.8 The Client irrevocably and unconditionally authorizes BS Futures transfer, debit or deduct any money in the Futures MF Account and/or the Account so as to pay, discharge, satisfy the Client's indebtedness, obligations and Liabilities to BS Futures arising from, incurred under and relating to the Agreement and/or the Loan 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 and/or the Loan Agreement. The Client acknowledges and agrees that such deductions may affect the amount of money in the Futures MF Account to be applied against the Remaining Margin Requirements. The Client's open positions are subject to closing out, liquidation or settlement as described herein, and BS Futures may exercise any of its rights under clause 17 of Section VII, if deduction of commissions, fees or other charges causes the Futures MF Account to have an insufficient balance to satisfy the Remaining Margin Requirements.

4.9 If BS Futures issues a call or demand for Remaining Margin Requirement to the Client, the Client must satisfy such call or demand immediately. The Client agrees to satisfy any call or demand for Remaining Margin Requirement issued by BS Futures by immediately depositing cleared funds in the Futures MF Account to pay, in full, the under-margined open position. Notwithstanding such call or demand for Remaining Margin Requirement, the Client acknowledges that BS Futures, in its sole discretion, may close out, liquidate or settle the Client's open positions, or exercise any of its rights under clause 17 of Section VII, at any time.

4.10 BS Futures also shall have the right to close out, liquidate or settle all or any part of the Client's open positions or exercise any of its rights under clause 17 of Section VII 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 Client's failure to timely discharge its obligations to BS Futures; (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 Futures, in its absolute and sole discretion, deems necessary or advisable for the protection of BS Futures and/or any of the BS Group Companies.

4.11 These Terms, in particular this Clause, shall not affect or substitute the Client's obligations, responsibilities and Liabilities under and in accordance with Clause 7 of Section VII.

5. **Transactions**

5.1 It is a condition for the granting and continuation of the Credit Facilities that all Transactions effected, conducted, carried on and entered into by the Client for or on the Futures MF Account, and the Futures MF Account shall be subject to and upon the following :-

(a) The Client shall close out, liquidate and settle all the Excess Open Contracts at or before the Cut-Off Time to the extent that the Client is only entitled to roll over or carry forward the Acceptable Open Contracts into the next Trading Session;

(b) BS Futures shall have the absolute and full rights, authority and power to close out, liquidate and settle any open contract or open position of the Excess Open Contracts of the Client not having been closed out, liquidated and settled by the Client immediately after the Cut-Off Time (the "**Remaining EOC**") as if an Event of Default occurs. All the rights, powers and discretion of BS Futures upon and after occurrence of an Event of Default under the Agreement shall be applicable to the Remaining EOC and become exercisable by BS Futures in respect of the Remaining EOC in all respects;

(c) in addition and without prejudice to the rights, powers and discretion of BS Futures under Clause 5.1(b), in closing out, liquidating and settling the Remaining EOC pursuant to Clause 5.1(b), BS Futures is entitled and is authorized by the Client to :-

(i) close out, liquidate or settle the Remaining EOC at any price or point (which may not be the best quoted or posted price or point or the market price or point) to be determined by BS Futures (in its absolute and subjective discretion) from time to time. Such closing out, liquidation or settlement price or point may deviate from the best quoted or posted price or point or the market price or point; and

(ii) close out, liquidate or settle the Remaining EOC of the Client together with other open contracts of other clients of BS Securities, BS Futures and their respective associated company.

5.2 If the Client fails or refuses to fulfill or perform its obligations under Clause 5.1 and/or BS Futures does not exercise its rights and powers under Clause 5.1 :-

(a) the Remaining EOC remains to be the open contract or open position of the Client. The Client shall be liable to and responsible for such Remaining EOC; and

(b) the Client is not entitled to roll over or carry forward the Remaining EOC into the next Trading Session.

5.3 In this Clause 5 :-

"**Acceptable Open Contracts**" or "**AOC**" means the number of open contracts that can be maintained or kept by the Client rounding down to the next integral figure (a) to be determined by BS Futures (in its absolute and subjective discretion) from time to time, or (b) to be determined and calculated as follows :-

$$AOC = \frac{FMFAF + TFE}{MMR}$$

where :-

"**TFE**" means the total amount of the floating excess of all the Acceptable Open Contracts;

"**FMFAF**" means Futures MF Account Fund; and

"**MMR**" means the Minimum Margin Requirement.

For the avoidance of doubt, in determining and calculating AOC, the amount of loan or financing granted by the Lender under the Credit Facilities pursuant to the Agreement and the Loan Agreement shall be disregarded, excluded or ignored.

"**Cut-Off Time**" means 10 minutes before the closing time of a Trading Session, or such other time to be determined by BS Futures (in its absolute and subjective discretion) from time to time;

"**Excess Open Contracts**" means the net number of open contracts by deducting the number of Acceptable Open Contracts from the number of all open contracts as at the Cut-Off Time;

"**Minimum Margin Requirement**" the minimum margin requirement for opening and maintaining one open contract (a) during a Trading Session; or (b) for rolling over or carrying forward to the next Trading Session, to be collected by BS Futures from Client as stipulated or required by HKFE or the relevant Exchange or Market (as the case may be) under and pursuant to HKFE Rules or Foreign FE Rules (as the case may be) from time to time;

"**Trading Day**" means a trading day of HKFE or the relevant Exchange or Market (as the case may be) for the relevant Commodities and/or Exchange Contract and/or F/O Contract; and

"**Trading Session**" means the morning or afternoon trading session of a Trading Day, as the case may be.

6. **Default**

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

(a) the Client has not provided any Remaining Margin Requirement(s) when the same become due or payable under the Agreement, or has failed or refused to comply with any request, call or demand issued or made by BS Futures pursuant to the Agreement;
(b) any failure by the Client to comply with any provision of Clause 4;
(c) any failure by the Client to comply with any provision of Clause 5; and
(d) an event under clause 17 of Section VII.

7. **Risk of Financing of Margin Requirement**

7.1 The Client acknowledges understands and accepts that trading on financing of Margin Requirement under and pursuant to the Agreement involves a very high degree of risk and may result in a loss of money greater than the amount the Client has deposited in the Futures MF Account. The Client may have very substantial and great loss of money in involving trading on margin financing under and pursuant to this Clause and the Agreement. The Client represents that the Client has read and understands the "Risks of Futures (Margin Financing) Trading" provided in the Risk Disclosure Statements.

*****

RISK INVOLVED IN IPO AND PLACING

If it is required to convert the funds of IPO and/or placing from one currency into another currency, investors are exposed to exchange rate risk and may suffer loss as a result of the fluctuations in exchange rate.

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.

FOREIGN EXCHANGE RISK INVOLVED IN IPO AND PLACING

If the Offer Securities (as defined in Section II) are denominated in Foreign Currency (as defined in Section II) or in both Hong Kong Dollar and Foreign Currency, investors are exposed to exchange rate risk and may suffer loss as a result of the fluctuations in exchange rate.

RISK OF TRADING FUTURES AND OPTIONS

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

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

You should ask the licensed or registered person about the terms and conditions of the specific futures or options which you are trading and associated obligations (e.g. the circumstances under which you may become obliged to make or take delivery of the underlying interest of a futures contract and, in respect of options, expiration dates and restrictions on the time for exercise). Under certain circumstances the specifications of outstanding contracts (including the exercise price of an option) may be modified by the exchange or clearing house to reflect changes in the underlying interest.

Market conditions (e.g. illiquidity) and/or the operation of the rules of certain markets (e.g. the suspension of trading in any contract or contract month because of price limits or "circuit breakers") may increase the risk of loss by making it difficult or impossible to effect transactions or liquidate/offset positions. If you have sold options, this may increase the risk of loss.

Normal pricing relationships between the underlying interest and the futures, and the underlying interest and the option may not exist. This can occur when, for example, the futures contract underlying the option is subject to price limits while the option is not. The absence of an underlying reference price may make it difficult to judge "fair value".

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.

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 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 licensed or registered person 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.

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.

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 the licensed or registered person. Such limits may vary: you should ask the licensed or registered person's deal for details in this respect.

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.

In some jurisdictions, and only then in restricted circumstances, the licensed or registered person is permitted to effect off-exchange transactions. The licensed or registered person 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 familarise with applicable rules and attendant risks.

In relation to Futures:-

(a) Effect of "Leverage" or "Gearing"

(i) Transactions in futures carry a high degree of risk. The amount of initial futures margin is small relative to the value of the futures contract so that transactions are "leveraged" or "geared". A relatively small market movement will have a proportionately larger impact on the funds you have deposited or will have to deposit: this may work against you as well as for you. You may sustain a total loss of initial futures margin funds and any additional funds deposited with the licensed or registered person to maintain your position. If the market moves against your position or margin levels are increased, you may be called upon to pay substantial additional funds on short notice to maintain your position. If you fail to comply with a request for additional funds within the time prescribed, your position may be liquidated at a loss and you will be liable for any resulting deficit.

(b) Risk-reducing orders or strategies

(i) The placing of certain orders (e.g. "stop-loss" orders, or "stop-limit" orders) which are intended to limit losses to certain amounts may not be effective because market conditions may make it impossible to execute such orders. Strategies using combinations of positions, such as "spread" and "straddle" positions may be as risky as taking simple "long" or "short" positions.

In relation to Options: -

(a) Variable degree of risk

(i) Transactions in options carry a high degree of risk. Purchasers and sellers of options should familiarise themselves with the type of option (i.e. put or call) which they contemplate trading and the associated risks. You should calculate the extent to which the value of the options must increase for your position to become profitable, taking into account the premium and all transaction costs.

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

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

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

RISK OF TRADING IN LEVERAGED FOREIGN EXCHANGE CONTRACTS

The risk of loss in leveraged foreign exchange trading can be substantial. You may sustain losses in excess of your initial margin funds. Placing contingent orders, such as "stop-loss" or "stop-limit" orders, will not necessarily limit losses to the intended amounts. Market conditions may make it impossible to execute such orders. You may be called upon at short notice to deposit additional margin funds. If the required funds are not provided within the prescribed time, your position may be liquidated. You will remain liable for any resulting deficit in your account. You should therefore carefully consider whether such trading is suitable in light of your own financial position and investment objectives.

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")

(a) 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.

(b) 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.

(c) 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.

(d) 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.

(e) 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.

(f) Funding costs

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

(g) 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.

(h) 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 derivate warrants:

(a) 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.

(b) 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.

(c) 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.

(d) 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.

(e) 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.

(f) 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.

RISKS INVOLVED IN TRADING EXCHANGE TRADED FUNDS ("ETFs")

(a) 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.

(b) 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 which are discussed in more detail below.)

(c) 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.

(d) 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.

(e) 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.

Counterparty risk involved in ETFs with different replication strategies:

(a) Full replication and representative sampling strategies

An ETF using a full replication strategy generally aims to invest in all constituent stocks/assets in the same weightings as its benchmark. ETFs adopting a representative sampling strategy will invest in some, but not all of the relevant constituent stocks/assets. For ETFs that invest directly in the underlying assets rather than through synthetic instruments issued by third parties, counterparty risk tends to be less of concern.

(b) Synthetic replication strategies

ETFs utilising a synthetic replication strategy use swaps or other derivative instruments to gain exposure to a benchmark. Currently, synthetic replication ETFs can be further categorized into two forms:

(i) Swap-based ETFs

Total return swaps allow ETF managers to replicate the benchmark performance of ETFs without purchasing the underlying assets.

(total return swaps)

Swap-based ETFs are exposed to counterparty risk of the swap dealers and may suffer losses if such dealers default or fail to honor their contractual commitments.

(ii) Derivative embedded ETFs

ETF managers may also use other derivative instruments to synthetically replicate the economic benefit of the relevant benchmark. The derivative instruments may be issued by one or multiple issuers.

Derivative embedded ETFs are subject to counterparty risk of the derivative instruments' issuers and may suffer losses if such issuers default or fail to honour their contractual commitments.

Even where collateral is obtained by an ETF, it is subject to the collateral provider fulfilling its obligations. There is a further risk that when the right against the collateral is exercised, the market value of the collateral could be substantially less than the amount secured resulting in significant loss to the ETF.

It is important that investors understand and critically assess the implications arising due to different ETF structures and characteristics.

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 of the Laws of Hong Kong) 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 twelve (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 fourteen (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.

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.

RISK OF FUTURES (MARGIN FINANCING) TRADING

The risk of loss in trading futures contracts or options with financing on margin is extremely substantial and significant. You may sustain material and substantial losses in excess of your cash and any other assets deposited as collateral with the licensed or registered person. Placing contingent orders, such as "stop-loss" or "stop-limit" orders, will not necessarily avoid loss. Market conditions may make it impossible to execute contingent orders, such as "stop-loss" or "stop-limit" orders.
The terms and extent of the credit facilities for margin financing may be varied, changed or terminated at any time

without any prior notice or your consent. The credit facility is repayable on demand.

It is your obligation and responsibility to monitor and maintain sufficient moneys in the trading account to meet all margin requirement, interest payment and other payments at all times.

If the required margin deposits or interest or other payments are not maintained or made by you at any time, your positions will be liquidated and your collateral may be liquidated without any prior notice or your consent. Moreover, you will remain liable for any resulting deficit in your account and interest charged on your account. You should therefore seriously and carefully consider whether such a financing arrangement is suitable in light of your own financial position and investment objectives.

You are required to close out and liquidate some or all of your positions before the closing time of a trading session of a trading day. The compliance of such requirement may cause substantial and significant losses. If you fail or refuse to close out and liquidate such of your positions before the prescribed time, such positions will be closed out and liquidated at what ever price or point which may not be the best quoted or posted price or point or the market price or point. You may suffer substantial and significant losses.

RISK OF INTERNET FACILITIES

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.

You acknowledge and bear the risk that messages sending over the internet may be delayed due to internet traffic jam or other reasons. The licensed or registered person shall not be responsible for any consequences of these delays, including without limitation delays in the transmission of instructions/orders to the place of execution or the transmission of reports of execution to you due to any failure of communication facilities, or any other delays beyond the reasonable control of the licensed or registered person.

Communications over the internet may be subject to transmission blackout, interruption, interception, or incorrect data transmission due to the public nature of the internet or other reasons that are beyond the licensed or registered person's control. Messages sent over the internet cannot be guaranteed to be completely secure. You shall be aware of and bear the risk of any delay, loss, diversion, alteration, corruption or virus infection of any messages/instructions either sent to or received from the licensed or registered person's systems. The licensed or registered person shall not be responsible for any losses or damages incurred or suffered as a result thereof.

RISK OF E-STATEMENT SERVICE

Access to the internet or other electronic medium may be limited or unavailable during periods of peak demand, market volatility, systems upgrades or maintenance or for other reasons. Any communication through the internet or other electronic medium may be subject to interruption, transmission blackout, and delayed transmission due to unpredictable traffic congestion and other reasons beyond the licensed or registered person's control. Internet is, due to technical limitation, an inherently unreliable medium of communication. As a result of such unreliability, there may be delays in the transmission and receipt of information. The statements may not be sent to the designed email address at all. Moreover, communications and personal data may be accessed by unauthorized third parties, and there are risks of misunderstanding or error in any communication and that such risks shall be absolutely borne by you.

RISK OF STOCK OPTIONS TRADING

You acknowledge that due to the volatile nature of securities markets, the purchase of options over securities involves a high degree of risk.

Warning to Option Holders

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

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

Warning to Option Writers

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

Additionally, writers of American-style call (Put) options may be required at any time before expiry to deliver (pay for) the underlying securities to the full value of the strike price multiplied by the number of underlying securities. You

recognize that this obligation may be wholly disproportionate to the value of premium received at the time the options were written and may be required at short notice.

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

You should ask the licensed or registered person about the terms and conditions of the options which you are trading and associated obligations (e.g. expiration dates and restrictions on the time for exercise). Under certain circumstances the specifications of outstanding contracts (including the exercise price of an option) may be modified by the exchange or clearing house to reflect changes in the underlying interest.

Market conditions (e.g. illiquidity) and/or the operation of the rules of certain markets (e.g. the suspension of trading in any contract or contract month because of price limits or "circuit breakers") may increase the risk of loss by making it difficult or impossible to effect transactions or liquidate/offset positions. If you have sold options, this may increase the risk of loss.

Normal pricing relationships between the underlying interest and the option may not exist. The absence of an underlying reference price may make it difficult to judge "fair value".

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.

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 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 licensed or registered person for details about the types of redress available in both your home jurisdiction and other relevant jurisdictions before you start to trade.

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 the licensed or registered person. Such limits may vary: you should ask the licensed or registered person’s deal for details in this respect.

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.

In some jurisdictions, and only then in restricted circumstances, the licensed or registered person is permitted to effect off-exchange transactions. The licensed or registered person with which your 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 familarise with applicable rules and attendant risks.

Transactions in options carry a high degree of risk. Purchasers and sellers of options should familiarise themselves with the type of option (i.e. put or call) which they contemplate trading and the associated risks. You should calculate the extent to which the value of the options must increase for your position to become profitable, taking into account the premium and all transaction costs.

The purchaser of options may offset or exercise the options or allow the options to expire. The exercise of an option results either in a cash settlement or in the purchaser acquiring or delivering the underlying interest. If the purchased options expire worthless, you will suffer a total loss of your investment which will consist of the option premium plus transaction costs. If you are contemplating purchasing deep-out-of-the-money options, you should be aware that the chance of such options becoming profitable ordinarily is remote.

Selling ("**writing**" or "**granting**") an option generally entails considerably greater risk than purchasing options. Although the premium received by the seller is fixed, the seller may sustain a loss well in excess of that amount. The seller will be liable for additional margin to maintain the position if the market moves unfavourably. The seller will also be exposed to the risk of the purchaser exercising the option and the seller will be obligated to either settle the

option in cash or to acquire or deliver the underlying interest. If the option is "covered" by the seller holding a corresponding position in the underlying interest or a futures contract or another option, the risk may be reduced. If the option is not covered, the risk of loss can be unlimited.

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

RISK OF BULLION TRADING

(a) Risk of Margin Trading in Bullion
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 BSGB. 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.

(b) Gearing Effect of Margin Trading
The amount of initial margin may be small relative to the value of Bullion transactions so that transactions are “leveraged” or “geared”. A relatively small market movement may result in a large impact on the funds you have deposited or will have to deposit. This may lead to a total loss of initial margin funds and additional funds deposited with your Bullion account for maintaining your position. If the market moves against your position or margin levels are increased and you fail to comply with a request for additional funds within the time prescribed, any or all of your positions in your Bullion account may be liquidated at a loss.

(c) Speculative Trading may not be Suitable for All Investors
Bullion transactions on margin are risky, and may not be suitable for all investors. The margin requirement for any Bullion transaction may require that your Bullion account has sufficient balance to cover open positions at all times. Because of the low margin normally required in Bullion trading, price changes in Bullion may result in significant losses that may substantially exceed your margin deposit. You should warrant that you are willing and able, financially and otherwise, to assume the risk of Bullion trading. Moreover, the margin requirement, margin call ratio/ procedure, rollover interest rates and policy governing your Bullion account will be subject to changes and variations from time to time without prior notice.

(d) Risk of Bullion Trading
You acknowledge that trading in Bullion carries a high degree of risk. Prices of Bullion fluctuate, sometimes dramatically. Price movements of Bullion are influenced by a variety of factors of global origin and dimension many of which are unpredictable. Violent movements in the prices of Bullion may result in adverse trading conditions. Bullion trading can be very speculative and the resulting losses or profits may fluctuate rapidly and violently. Furthermore, a Bullion account does not represent a deposit of money and provides no yield or interest income.

(e) The risk of loss in trading Over the Counter Bullion (“OTC Bullion”) transactions can be substantial. You may sustain losses in excess of your initial margin. Placing contingent orders such as “stop-loss” or “stop-limit” orders will not necessarily limit losses to your intended amounts. Also, market conditions may make it impossible to execute any of such orders. You may be called upon at short notice to deposit additional margin funds. If the required funds are not provided within the prescribed time, you position may be liquidated. You will remain liable for any resulting deficit in your account and interest charged on your account. You should therefore carefully consider whether such trading is suitable in light of your own financial position and investment objectives.

(f) The governing policy for the practice of hedging or “locked position” for Bullion transaction will be subject to changes and variations from time to time without prior notice, and the practice may not necessarily limit losses to your intended amounts. Market conditions may make it impossible to execute part or all of such orders. Moreover, the resulting interest cost and spread cost will increase.

(e) Additional Trading Risks

(i) Terms and conditions of contracts
You should ask the firm with which you deal about the terms and conditions of the specific OTC Bullion transactions which you are trading.

(ii) Suspension or restriction of trading and pricing relationships
Market conditions (e.g. illiquidity) and/or the operation of the rules of certain markets may increase the risk of loss by making it difficult or impossible to effect transactions or liquidate/offset positions. This may increase the risk of loss.

(iii) Deposited cash and property
You should familiarize 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.

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

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

(vi) Currency risks
The profit or loss in transactions in foreign currency-denominated contracts (whether they are traded in your own jurisdiction or another jurisdiction) will be affected by fluctuations in currency rates, where there is a need to convert from the currency denomination of the contracts to another currency.

(vii) 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 Exchange Participant firms. Such limits may vary: you should ask the firm with which you deal for details in this respect.

(viii) 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.

You acknowledge and bear the risk that messages sending over the internet may be delayed due to internet traffic jam or other reasons. BSGB shall not be responsible for any consequences of these delays, including without limitation delays in the transmission of instructions/orders to the place of execution or the transmission of reports of execution to you due to any failure of communication facilities, or any other delays beyond the reasonable control of BSGB.

Communications over the internet may be subject to transmission blackout, interruption, interception, or incorrect data transmission due to the public nature of the internet or other reasons that are beyond BSGB's control. Messages sent over the internet cannot be guaranteed to be completely secure. You shall be aware of and bear the risk of any delay, loss, diversion, alteration, corruption or virus infection of any messages/instructions either sent to or received from BSGB's systems. BSGB shall not be responsible for any losses or damages incurred or suffered as a result thereof.

You are responsible for the confidentiality and use of the personal identification number ("PIN") or password or biometric authentication data or Account Number for all trading instructions entered through any electronic or internet trading system. BSGB shall not be responsible for any losses or damages incurred or suffered from the use of the PIN or password or biometric authentication data or Account Number.

(ix) Risk of trade orders execution
The execution of your trade orders may experience widened spreads and slippage under certain market conditions. Stop loss and stop entry orders are executed at the prices available at the time and may sometimes involve circumstances under which the full order gets executed, and other circumstances under which only part, or perhaps even none, of the order gets executed. Upon execution, each stop loss and stop entry order will be filled, though it may be filled at multiple prices due to market illiquidity or other factors. Limit orders (stop gain) orders and limit entry orders may be executed at the prices specified by you, or may be filled at multiple prices due to market illiquidity or other factors. Limit orders (stop gain) and limit entry orders may be partially filled or not filled at all due to market illiquidity or other factors. If only part of a limit order is filled, the remainder of the order will remain as an order to be filled. Additionally, all orders are subject to BSGB's final approval and may be rejected at any time. BSGB shall not be responsible for any losses or damages incurred or suffered as a result thereof.

(x) Risk of E-statements service
Access to the internet or other electronic medium may be limited or unavailable during periods of peak demand, market volatility, systems upgrades or maintenance or for other reasons. Any communication through the internet or other electronic medium may be subject to interruption, transmission blackout, and delayed transmission due to unpredictable traffic congestion and other reasons beyond BSGB's control. Internet is, due to technical limitation, an inherently unreliable medium of communication. As a result of such unreliability, there may be delays in the transmission and receipt of information. The statements may not be sent to the designed email address at all. Moreover, communications and personal data may be accessed by unauthorized third parties, and there are risks of misunderstanding or error in any

communication and that such risks shall be absolutely borne by you.

(xi) Non-regulated Over the Counter Bullion trading
OTC Bullion transactions are not regulated by the SFC and therefore no rules or regulations promulgated by the SFC govern the trading of Bullion. You should undertake your own research and study on the trading of Bullion and familiarize yourself with and pay special attention to the particular nature of the Bullion product before commencing any trading activities.

(xii) 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.

RISK OF SHANGHAI-HONG KONG STOCK CONNECT AND SHENZHEN-HONG KONG STOCK CONNECT

(a) Not protected by Investor Compensation Fund
You should note that any Northbound or Southbound trading under Shanghai-Hong Kong Stock Connect/ 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. Hong Kong's Investor Compensation Fund is established to pay compensation to investors of any nationality who suffer pecuniary losses as a result of default of a licensed intermediary or authorised financial institution in relation to exchange-traded products in Hong Kong. Examples of default are insolvency, in bankruptcy or winding up, breach of trust, defalcation, fraud, or misfeasance.

As far as Southbound trading is concerned, since Mainland securities brokers are neither licensees nor registered institutions with the SFC in Hong Kong and they are not regulated by the SFC, the Investor Compensation Fund will not cover Southbound trading via Shanghai-Hong Kong Stock Connect/ Shenzhen-Hong Kong Stock Connect.

For further information on Hong Kong's Investor Compensation Fund, please refer to the website of Investor Compensation Company Limited. For information on licensees and registered institutions under the SFC, please consult the Public Register of Licensed Persons & Registered Institutions in the SFC website.

On the other hand, according to the Measures for the Administration of Securities Investor Protection Fund 《證券投資者保護基金管理辦法》, the functions of China Securities Investor Protection Fund (CSIPF, 中國投資者保護基金) include "indemnifying creditors as required by China's relevant policies in case a securities company is subjected to compulsory regulatory measures including dissolution, closure, bankruptcy and administrative takeover by China Securities Regulatory Commission (CSRC) and custodian operation" or "other functions approved by the State Council".

(b) Short selling
In investing in A-share via the Northbound trading, Hong Kong and overseas investors are prohibited from naked short selling in A-shares. In selling A-shares via the Northbound trading, Hong Kong and overseas investors are not allowed to participate in any securities lending on the Mainland.

(c) 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 aggregate quota balance situation, buying services will be resumed on the following trading day.

(d) Difference in trading day and trading hours
You should note that, due to differences in public holiday between Hong Kong and Mainland China or other reasons such as bad weather conditions, there may be difference in trading days and trading hours in the two markets. Shanghai-Hong Kong Stock Connect/ 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. So it is possible that there are occasions when it is a normal trading day for the Mainland market but Hong Kong investors cannot carry out any A-share trading. You should take note of the days and the hours which Shanghai-Hong Kong Stock Connect/ Shenzhen-Hong Kong Stock Connect is open for business and decide according to their 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 Stock Connect/ Shenzhen-Hong Kong Stock Connect is not trading.

(e) Restrictions on selling imposed by front-end monitoring
For Clients who keeps their A-shares outside of their brokers, if they want to sell certain A-shares they hold,

they must transfer those A-shares to the respective accounts of their brokers before the market opens on the day of selling (T day). If they fail to meet this deadline, they will not be able to sell those A-shares on T day.

(f) The recalling of eligible stocks and trading restrictions

A stock may be recalled from the scope of eligible stocks for trading via Shanghai-Hong Kong Stock Connect/ Shenzhen-Hong Kong Stock Connect for various reasons, and in such event the stock can only be sold but restricted from being bought. This may affect your investment portfolio or strategies. You should therefore pay close attention to the list of eligible stocks as provided and renewed from time to time by SSE / SZSE and SEHK.

Under Shanghai-Hong Kong Stock Connect, you will only be allowed to sell A-share but restricted from further buying if: (i) the A-share subsequently ceases to be a constituent stock of the relevant indices; (ii) the A-share is subsequently under "risk alert"; and/or (iii) the corresponding H share of the A-share subsequently ceases to be traded on SEHK. You should also note that price fluctuation limit would be applicable to A-shares.

Under Shenzhen-Hong Kong Stock Connect, you will only be allowed to sell A-share but restricted from further buying if: (i) the A-share subsequently ceases to be a constituent stock of the relevant indices; (ii) the A-share is, based on any subsequent periodic review, determined to have a market capitalisation of less than RMB 6 billion; (iii) the A-share is subsequently under "risk alert"; and/or (iv) the corresponding H share of the A-share subsequently ceases to be traded on SEHK. You should also note that price fluctuation limit would be applicable to A-shares.

(g) Trading costs

In addition to paying trading fees and stamp duties in connection with A-share trading, you when carrying out Northbound trading via Shanghai-Hong Kong Stock Connect/ 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 would be determined by the relevant authorities.

(h) Local market rules, foreign shareholding restrictions and disclosure obligations

Under Shanghai-Hong Kong Stock Connect/ Shenzhen-Hong Kong Stock Connect, A-shares listed companies and trading of A-share are subject to market rules and disclosure requirements of the A-share market. Any changes in laws, regulations and policies of the A-share market or rules in relation to Shanghai-Hong Kong Stock Connect/ Shenzhen-Hong Kong Stock Connect may affect share prices. You should also take note of the foreign shareholding restrictions and disclosure obligations applicable to A-shares. You will be subject to restrictions on trading (including restriction on retention of proceeds) in A-shares as a result of its interest in the A-shares. You are solely responsible for compliance with all notifications, reports and relevant requirements in connection with your interests in A-shares.

(i) Currency risks

Northbound investments in A-shares will be traded and settled in Renminbi. If you hold a local currency other than RMB, you will be exposed to currency risk if you invest in a RMB product due to the need for the conversion of the local currency into RMB. During the conversion, you will also incur currency conversion costs. Even if the price of the RMB asset remains the same when you purchase it and when you redeem / sell it, you will still incur a loss when you convert the redemption / sale proceeds into local currency if RMB has depreciated.

BS Group Companies shall have absolute rights to amend, delete or substitute any of the terms herein or add new terms to this Section IX headed "Risk Disclosure Statements" as from time to time amended and supplemented. An amendment notice and the revised terms will be posted at the "**Important Terms**" column of BS Website at www.bsgroup.com.hk. The Client should visit the BS Website from time to time for obtaining the latest version and read the terms thereof. Such amendment, deletion, substitution or addition shall be deemed as effective and incorporated herein on the date of publication of such amendment notice.

*****

SECTION X – STANDING AUTHORITY

Part A – Standing Authority (Client Money)

1. In this Part A, all expressions defined in the Terms and Conditions for Trading Account shall, where applicable, have the same meanings when used herein.

2. Pursuant to the Securities and Futures (Client Money) Rules (Cap. 571I of the Laws of Hong Kong) ("**Client Money Rules**"), the Client authorizes and/or instructs any of the BS Group Companies to deal, from time to time, with money held or received by any of the BS Group Companies in Hong Kong (including any interest derived from the holding of the money which does not belong to any of the BS Group Companies) in one or more segregated account(s) on the Client's behalf ("**Monies**"), in the following manner: -

   (a) combine or consolidate any or all segregated accounts, of any nature whatsoever and either individually or jointly with others, maintained by any of the BS Group Companies and any of the BS Group Companies may transfer any sum of Monies to and between such segregated account(s) to satisfy the Client's obligations or liabilities to any of the BS Group Companies, 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 interchangeably between any of the segregated accounts maintained at any time with any of the BS Group Companies.

3. The Standing Authority given by the Client under this Part A shall remain valid for twelve (12) months commencing from the date of the said Standing Authority unless revoked by BS Group Companies giving not less than two (2) Business Days' prior notice in writing to Client, and/or Client giving not less than seven (7) Business Days' prior notice in writing to BS Group Companies. The Standing Authority shall be deemed to have been renewed for further periods of twelve (12) months upon expiry of each period of twelve (12) months on the same terms and conditions as specified in this Part A if BS Group Companies give the Client a written notice at least fourteen (14) days prior to the expiry date, unless such renewal of standing authority is objected by the Client in accordance with the Client Money Rules.

4. The Client undertakes to indemnify all the BS Group Companies against all costs, expenses, liabilities, losses or damages arising out of or suffered by any of the BS Group Companies as a result of their acting in accordance with the Standing Authority given by the Client under this Part A.

Part B – Standing Authority (Client Securities)

1. In this Part B, all expressions defined in the Terms and Conditions for Trading Account shall, where applicable, have the same meanings when used herein. All references to securities collateral in this Part B shall include (a) Collateral (as defined in Section III headed "Terms and Conditions for Securities Margin Trading" and Section VIII headed "Terms and Conditions for Futures (Margin Financing) Trading"; and (b) Margin (as defined in Section IV headed "Terms and Conditions for Stock Options Trading", Section XIII headed "Terms and Conditions for Bullion Trading" and Section XIV headed **– "**Terms and Conditions for Leveraged Foreign Exchange Trading".

2. Pursuant to the Securities and Futures (Client Securities) Rules (Cap. 571H of the Laws of Hong Kong) ("**Client Securities Rules**"), the Client authorizes and/or instructs BS Securities to deal, from time to time, with the Securities and/or securities collateral (as defined in SFO) received or held on his/her/its behalf in one or more of the following ways: -

   (a) To apply any of the Securities or securities collateral pursuant to a securities borrowing and lending agreement between BS Securities and a third party, subject to compliance with the Client Securities Rules;
   (b) subject to the Client Securities Rules regarding repledging limits, to deposit any of the securities collateral with an authorized financial institution as collateral for financial accommodation provided to BS Securities;
   (c) To deposit any of the securities collateral with any clearing house recognized by the SFC or another intermediary licensed or registered for dealing in securities as collateral for the discharge and satisfaction of BS Securities' settlement obligations and liabilities; and
   (d) To apply or deposit any of the securities collateral in accordance with (a), (b) and/or (c) above if BS Securities provides financial accommodation to the Client in the course of dealing in securities and also provides financial accommodation to the Client in the course of any other regulated activity for which BS Securities is licensed or registered.

3. Pursuant to the Client Securities Rules, the Client authorizes and/or instructs BS Futures to deal, from time to time, with the securities collateral received or held on his/her/its behalf in the following way: -

   (e) To deposit any of the securities collateral with any clearing house recognized by the SFC or another intermediary licensed or registered for dealing in futures contracts as collateral for the discharge and satisfaction of BS Futures' settlement obligations and liabilities.

4. The Client acknowledges, and confirms having been informed by BS Securities, that BS Securities has the practice of repledging the Client's Securities and securities collateral. The Client understands and acknowledges the risks to the Client associated with giving the Standing Authority given by the Client under this Part B, including the risks set out under the Risk Disclosure Statements.

5. The Client also acknowledges that:

   (h) the Client has been informed of the repledging practice of BS Securities and the Client has provided BS Securities with a standing authority to repledge the Client's Securities or securities collateral.

   (i) the Standing Authority given by the Client under this Part B shall not affect BS Securities' right to dispose or initiate a disposal by BS Securities' associated entity of the Client's Securities or securities collateral in settlement of any liability owed by or on behalf of the Client to BS Securities, the associated entity or a third person.

6. The Client understands that a third party may have rights to the Client's Securities, which BS Securities must satisfy before the Client's Securities can be returned to the Client.

7. The Standing Authority given by the Client under this Part B shall remain valid for twelve (12) months commencing from the date of the said Standing Authority unless revoked by BS Securities and/or BS Futures giving not less than two (2) Business Days' prior notice in writing to Client, and/or Client giving not less than seven (7) Business Days' prior notice in writing to BS Securities and/or BS Futures (as the case may be). The Standing Authority shall be deemed to have been renewed for further periods of twelve (12) months upon expiry of each period of twelve (12) months on the same terms and conditions as specified in this Part B if BS Securities and/or BS Futures gives the Client a written notice at least fourteen (14) days prior to the expiry date, unless such renewal of standing authority is objected by the Client in accordance with the Client Securities Rules.

8. The Client undertakes to indemnify BS Securities and/or BS Futures against all costs, expenses, liabilities, losses or damages arising out of or suffered by BS Securities, BS Futures and/or any of the BS Group Companies as a result of their acting in accordance with the Standing Authority given by the Client under this Part B.

BS Group Companies shall have absolute rights to amend, delete or substitute any of the terms herein or add new terms to this Section X headed "Standing Authority" as from time to time amended and supplemented. An amendment notice and the revised terms will be posted at the "**Important Terms**" column of BS Website at www.bsgroup.com.hk. In addition, BS Group Companies will notify the Client on such revision. The Client should visit the BS Website from time to time for obtaining the latest version and read the terms thereof. Such amendment, deletion, substitution or addition shall be deemed as effective and incorporated herein on the date of publication of such amendment notice. The Client may raise written objection within fourteen (14) days after the publication of such amendment notice at the BS Website. Failing which, it shall be deemed an acceptance of such amendment, deletion, substitution or addition.

*****

SECTION XI - TERMS AND CONDITIONS FOR LOAN AND SECURITY

The provision or grant of Credit Facilities by the Lender to the Client for conducting Transactions by utilizing the Credit Facilities in accordance with the Transaction Agreement shall be subject to and upon the Loan Agreement.

1. **Definitions**

1.1 In these Terms, unless redefined herein or the context requires otherwise, all expressions defined in Section I, Section II, Section III, Section VII, Section VIII, Section XIII and Section XIV shall, where applicable, have the same meanings when used herein.

1.2 In these Terms, the following expressions, unless the context requires otherwise, shall have the following meanings respectively :-

"**Account**" means (a) Securities Account, Margin Account, Futures Account, Futures MF Account, Bullion Account and/or FX Account; and/or (b) any account for transaction, purchase, investment, sale, exchange, acquisition, disposal, holding, deposit, transfer, making, entering, clearing, settlement, trading or dealing of, with or in all kinds of Securities and/or Commodities and/or Exchange Contracts and/or F/O Contracts and/or Bullion and/or Contract and/or FX and/or Foreign Exchange Contract; and/or (c) any other account of whatsoever nature now or in future opened and maintained in the name of the Client with BS Securities, BS Futures, BSFL, BSGB and/or any of the BS Group Companies;

"**Account Opening Form**" means the Account Opening Form for the Account including the declaration, information, notes and statements thereto to be completed and signed by the Client and, as the context requires, any amendments made thereto from time to time;

"**Transaction Agreement**" means “Agreement” as defined in Section I, Section II, Section III, Section VII, Section VIII, Section XIII and/or Section XIV, as the case may be;

"**BS Financed Commodities**" means (a) Commodities purchased, invested, sold, exchanged, acquired, disposed, held, transferred, made, entered, cleared, settled, traded or dealt with, of or in by BS Futures and/or BS Futures Trading Agent on behalf of the Client, and (b) the moneys or funds for the margins (initial, maintenance or additional) or adjustments (variation or otherwise) of, or for the entire or partial payment of the transaction, purchase, investment, sale, exchange, acquisition, disposal, holding, transfer, making, entering, clearing, settlement, trading or dealing in, of or with such Commodities, which (i.e. such moneys or funds) are partially or entirely financed or supported by the Lender directly or indirectly;

"**BS Financed Exchange Contracts**" means (a) Exchange Contracts purchased, invested, sold, exchanged, acquired, disposed, held, transferred, made, entered, cleared, settled, traded or dealt with, of or in by BS Futures and/or BS Futures Trading Agent on behalf of the Client, and (b) the moneys or funds for the margins (initial, maintenance or additional) or adjustments (variation or otherwise) of, or for the entire or partial payment of the transaction, purchase, investment, sale, exchange, acquisition, disposal, holding, transfer, making, entering, clearing, settlement, trading or dealing in, of or with such Exchange Contracts, which (i.e. such moneys or funds) are partially or entirely financed or supported by the Lender directly or indirectly;

"**BS Financed F/O Contracts**" means (a) F/O Contracts purchased, invested, sold, exchanged, acquired, disposed, held, transferred, made, entered, cleared, settled, traded or dealt with, of or in by BS Futures and/or BS Futures Trading Agent on behalf of the Client, and (b) the moneys or funds for the margins (initial, maintenance or additional) or adjustments (variation or otherwise) of, or for the entire or partial payment of the transaction, purchase, investment, sale, exchange, acquisition, disposal, holding, transfer, making, entering, clearing, settlement, trading or dealing in, of or with such F/O Contracts, which (i.e. such moneys or funds) are partially or entirely financed or supported by the Lender directly or indirectly;

"**BS Financed Securities**" means (a) Securities purchased, invested, sold, exchanged, acquired, disposed, held, transferred, made, entered, cleared, settled, traded or dealt with, of or in by BS Securities and/or BS Securities Trading Agent on behalf of the Client, and (b) the moneys or funds for the margins (initial, maintenance or additional) or adjustments (variation or otherwise) of, or for the entire or partial payment of the transaction, purchase, investment, sale, exchange, acquisition, disposal, deposit, holding, transfer, making, entering, clearing, settlement, trading or dealing in, of or with such Securities, which (i.e. such moneys or funds) are partially or entirely financed or supported by the Lender directly or indirectly;

"**BS Futures Trading Agent**" means “BS Trading Agent” as defined in Section VII;

"**BSFL Trading Agent**" means "BSFL Trading Agent" as defined in Section XIV;

"**BSGB Trading Agent**" means "BSGB Trading Agent" as defined in Section XIII;

"**BS Securities Trading Agent**" means "BS Trading Agent" as defined in Section I;

"**Charge**" shall have the meaning as ascribed to and defined in Clause 6.1;

"**Charged Properties**" shall have the meaning as ascribed to and defined in Clause 6.1;

"**Clearing House**" means “Clearing House” as defined in Section I, Section VII, Section XIII and/or Section XIV, as the case may be;

"**Client**" means the Client as defined in Section I, Section VII, Section XIII and/or Section XIV, as the case may be;

"**Credit Facilities**" shall have the meaning as ascribed to and defined in Clause 2.1;

"**Event of Default**" shall have the meaning as ascribed to and defined in Clause 19.1;

"**Exchange**" means “Exchange” as defined in Section I and/or Section VII, as the case may be;

"**Indebtedness**" means all moneys, sums, funds, amounts, debts, obligations and liabilities whatsoever and interest thereon which are now or shall at any time hereafter be or become from time to time due, payable or outstanding to the Lender and/or any of the BS Group Companies from the Client under or pursuant to the Loan Agreement, including but not limited to all moneys, sums, funds, amounts, debts, obligations and liabilities whatsoever and interest thereon agreed and covenanted by the Client with the Lender and/or any of the BS Group Companies to pay, repay, discharge or satisfy under or pursuant to Clauses 2 and 3 and other provisions of the Loan Agreement, and/or secured by the Charge;

"**Lender**" means BS Securities, BS Futures, BSFL, BSGB, any of the BS Group Companies and/or such other company as BS Securities and/or BS Futures may from time to time add and notify the Client, as the case may be;

“**Loan Agreement**” means the agreement made between the Client and the Lender and constituted by the Account Opening Form, these Terms and such other documents referred to therein or added thereto (including any amendment or supplement made thereto from time to time);

"**Parties**" means the Lender and the Client, and each of them is referred to as "**Party**";

"**Section I**" means the terms and conditions in Section I headed “Terms and Conditions for Securities Cash Trading” of the Trading Account Terms, as from time to time amended and supplemented;

"**Section II**" means the terms and conditions in Section II headed “Terms and Conditions for IPO and Placing” of the Trading Account Terms, as from time to time amended and supplemented;

"**Section III**" means the terms and conditions in Section III headed “Terms and Conditions for Securities Margin Trading” of the Trading Account Terms, as from time to time amended and supplemented;

"**Section VII**" means the terms and conditions in Section VII headed “Terms and Conditions for Futures Trading” of the Trading Account Terms, as from time to time amended and supplemented;

"**Section VIII**" means the terms and conditions in Section VIII headed “Terms and Conditions for Futures (Margin Financing) Trading” of the Trading Account Terms, as from time to time amended and supplemented;

"**Section XIII**" means the terms and conditions in Section XIII headed "Terms and Conditions for Bullion Trading" of the Trading Account Terms, as from time to time amended and supplemented;

"**Section XIV**" means the terms and conditions in Section XIV headed "Terms and Conditions for Leveraged Foreign Exchange Trading" of the Trading Account Terms, as from time to time amended and supplemented;

"**these Terms**" means all the terms and conditions in this Section XI headed “Terms and Conditions for Loan and Security” as from time to time amended and supplemented;

"**Trading Account Terms**" means the Terms and Conditions for Trading Account of BS Group Companies as from time to time amended and supplemented; and

"**Transaction**" means “Transaction” as defined in Section I, Section VII, Section XIII and/or Section XIV, as the case may be.

1.3 In these Terms :-

(a) "include(s)" and "including" mean respectively "include(s) but not limited to" and "including but not limited to";

(b) reference to a Clause is to a clause of these Terms and reference to the Account Opening Form is to the Account Opening Form as completed by or on behalf of the Client and where such information has been amended by subsequent notice to BS Group Companies means the Account Opening Form as amended by such notice;

(c) reference to an Ordinance is to an Ordinance or law of Hong Kong and any subsidiary legislation related thereto as from time to time amended, consolidated, extended, codified or re-enacted and for the time being in force;

(d) words importing the singular include the plural and vice versa; words importing person include bodies corporate or unincorporated or other entity; words importing gender include every gender and the neuter gender;

(e) the headings to the Clauses are for convenience only and do not affect their interpretation or construction; and

(f) where it is necessary for the true construction or interpretation of any provision herein so that the indebtedness, liability or obligation of any of the Parties shall continue after the termination of the Loan Agreement, such provision shall survive the termination of the Loan Agreement.

2. **Credit Facilities**

2.1 Subject to Clause 2.2, the Lender (jointly and severally), relying on the agreements, covenants, representations, warranties and undertakings of the Client in the Loan Agreement, agrees to make available or continue to make available from time to time general credit facilities, advances and/or loans up to such extent to be determined by the Lender from time to time ("**Credit Facilities**") to the Client for the purpose of conducting Transactions, and for payments of any moneys, funds or indebtedness to or under any Account subject to and upon the terms and conditions of the Loan Agreement and/or other agreements made between the Client on the one part and any of the BS Group Companies on the other part.

2.2 Notwithstanding anything contained herein to the contrary (in particular Clause 2.1) and without prejudice to any other rights and powers of the Lender herein contained or otherwise conferred by the laws of Hong Kong, the Lender hereby reserves its absolute, unfettered and overriding right, exercisable (jointly or severally) at any time and from time to time and even in the absence of an Event of Default, to revise or change (whether increasing, reducing or otherwise) the Credit Facilities or any other facilities, loans, credits or advances, without notice to the Client, and/or to withdraw, stop, terminate or cancel any part or the whole of the Credit Facilities or any other facilities, loans, credits or advances without notice to the Client. In the event of the Lender exercising the aforesaid rights, then (a) the Credit Facilities or any other facilities, loans, credits or advances shall automatically be revised, changed, withdrawn, stopped, terminated or cancelled, and the Credit Facilities or any other facilities, loans, credits or advances shall thereafter only be available to the Client as revised or changed by the Lender or (as the case may be) shall not thereafter be available to the Client, and (b) the Client shall forthwith repay to the Lender such amount as demanded by the Lender or (as the case may be) the entire of the Indebtedness. For the avoidance of doubt, it is hereby agreed and declared that all the Client's rights and benefits under the Loan Agreement shall be subject always to the Lender's absolute, unfettered and overriding right (exercisable jointly and severally) of revision, change, withdrawal, stop, termination, cancellation and repayment as mentioned in this Clause.

3. **Covenant for Repayment & Repayable on Demand**

3.1 In consideration of the agreement by the Lender to make available or continue to make available from time to time the Credit Facilities or any other facilities, loans, credits or advances to the Client subject to and upon the terms and conditions of the Loan Agreement (in particular Clause 2.2) and notwithstanding anything contained herein or in any other representation, agreement or document made by the Lender or any of the BS Group Companies to the contrary, the Client hereby covenants and agrees with the Lender and all the BS Group Companies that the Client shall on demand by the Lender and/or any of the BS Group Companies (whether any such obligation or liability shall be the sole obligation or liability of the Client or shall be a joint obligation or liability of the Client with any other person, firm or corporation) pay, repay, discharge, satisfy, perform or fulfill in favour of the Lender and/or any of the BS Group Companies the following :-

(a) all past, present and future loans, advances, indebtedness, obligations and liabilities of the Client and/or the Client Group Company to the Lender under the Credit Facilities or any other facilities, loans, credits or advances made or granted by the Lender to or for the accommodation or use of the Client and/or the Client Group Company;

(b) all past, present and future loans, advances, indebtedness, obligations and liabilities of the Client and/or the Client Group Company to any of the BS Group Companies under any facilities, loans, credits or advances made or granted by any of the BS Group Companies to or for the accommodation or use of the Client and/or the Client Group Company;

(c) all other obligations, liabilities or indebtedness whatsoever or however arising of the Client and the Client Group Company to BS Futures Trading Agent, BS Securities Trading Agent, BSFL Trading Agent, BSGB Trading Agent and/or any of the BS Group Companies whether past, present or future, actual or contingent; and

(d) all costs, fees, charges and expenses owed to or incurred directly or indirectly by the Lender, BS Futures Trading Agent , BS Securities Trading Agent, BSFL Trading Agent, BSGB Trading Agent and/or any of the BS Group Companies in relation to the Loan Agreement or any security held by the Lender and/or any of the BS Group Companies in connection with the Credit Facilities or any other facilities, loans, credits or advances granted to or made available to the Client and/or the Client Group Company by the Lender and/or any of the BS Group Companies, or in relation to the enforcement of any such security or in relation to any such indebtedness, obligations or liabilities on a full and unlimited indemnity basis (and not on the footing of party and party or any other kind of taxation);

together with interest, commission, expenses and charges on all of the foregoing.

3.2 Notwithstanding anything contained in the Loan Agreement, the Indebtedness, Credit Facilities and/or all other facilities, loans, credits, advances, moneys, funds, accounts and acceptances owing or outstanding from the Client to the Lender and/or to any of the BS Group Companies shall be and becoming due and payable to

the Lender and/or any of the BS Group Companies on demand by the Lender and/or any of the BS Group Companies. For the avoidance of doubt, it is hereby agreed and declared that all the Client's rights and benefits under the Loan Agreement shall be subject always to the Lender's or any of the BS Group Companies' absolute, unfettered and overriding right of requesting or demanding payment or repayment on demand as mentioned in this Clause.

4. **Interest**

4.1 The Client agrees to pay interest to the Lender in respect of any amount, moneys, funds, indebtedness or liabilities owing to the Lender at such rate and calculated in such manner as shall be specified or determined by the Lender from time to time. Any variation of the rate of interest or manner of calculation shall be effected by the Lender without notice to the Client. The interest accrued shall be debited to any Account and thenceforward such accrued interest shall bear interest at such rate and calculated in such manner as shall be specified or determined by the Lender from time to time. All the interests charged by the Lender under this Clause shall become due and payable forthwith on demand by the Lender.

4.2 If default is made in the payment or discharge of any principal moneys, funds, interest, indebtedness or liabilities hereunder, the Lender is entitled to charge interest on such amount of any principal moneys, funds, indebtedness, liabilities and interest due to the Lender from the date of default until the date of payment or discharge (after as well as before judgment) at such rate and calculated in such manner as shall be specified or determined by the Lender from time to time.

5. **Authorization**

5.1 The Client irrevocably and unconditionally instructs, directs, authorizes and agrees to the following :-

(a) the Lender shall, and/or any of the BS Group Companies shall demand, direct, instruct and request the Lender to, pay, credit or transfer (upon and subject to the terms and conditions of the Loan Agreement) to any of the BS Group Companies from time to time or on the settlement day or due payment day the necessary moneys or funds to pay, settle or discharge any moneys or funds due or payable by the Client to any of the BS Group Companies in respect of : (i) demand or request by BS Securities for margins (initial, maintenance or additional), adjustments (variation or otherwise) or other payments, (ii) transaction, purchase, investment, sale, exchange, acquisition, disposal, holding, transfer, deposit, clearing, settlement, trading or dealing in, of or with Securities through BS Securities and/or BS Securities Trading Agent by, for or attributable to the Client, (iii) Applications by, for or attributable to the Client, or (iv) any other reasons or purposes, so that on such payment, credit or transfer of moneys or funds by the Lender, the Client shall be liable to pay or repay (in accordance with the terms and conditions of the Loan Agreement) the Lender such moneys or funds so paid, credited or transferred;

(b) any of the BS Group Companies shall, and/or the Lender shall demand, direct, request and instruct any of the BS Group Companies to, deposit, deliver or transfer to the Lender or into the Securities Account and/or Margin Account: (i) all BS Financed Securities, (ii) Securities which are now or shall in future be acquired or held by any of the BS Group Companies on behalf of the Client, or be deposited with or transferred to any of the BS Group Companies by, for or attributable to the Client for any purpose whatsoever, or (iii) receivables, moneys or funds in any Account, to the intent that the same shall upon and from such deposit, delivery or transfer become the subject security or the Charged Properties under the Charge and stand as a continuing security for the payment, discharge or satisfaction of the Indebtedness and the Client's indebtedness, obligations and liabilities to the Lender and/or any of the BS Group Companies;

(c) subject to any other rights or claims of any of the BS Group Companies and subject to the discretion of the Lender, any BS Financed Securities or Securities in the Securities Account and/or Margin Account or otherwise attributable to the Client shall be delivered or transferred back to the Client's account with BS Securities upon sale, transfer, disposal, trading, clearing or settlement of the same or upon any other purpose as determined by BS Securities. The Client instructs and authorizes the Lender to demand and request any of the BS Group Companies, and instructs and authorizes any of the BS Group Companies, to deliver, transfer, debit, deduct, use or pay the proceeds of sale, moneys or funds received in connection with such sale, transfer, disposal, trading, clearing or settlement of such BS Financed Securities or Securities or such other purpose, or moneys or funds in any Account to and with the Lender as the Lender shall direct from time to time and/or towards payment, discharge or satisfaction of the Indebtedness or the Client's indebtedness, obligations and liabilities to the Lender and/or any of the BS Group Companies; and

(d) the Lender shall (at any time as it thinks fit) instruct, direct, demand and request any of the BS Group Companies to, and any of the BS Group Companies shall (upon request, instruction, direction or demand of the Lender from time to time), perform, fulfill and comply with all instructions, directions, requests and demands made by the Lender in relation to : (i) any Account, (ii) BS Financed Securities, (iii) Securities which are now or shall in future be acquired or held by any of the BS Group Companies and/or BS Securities Trading Agent on behalf of the Client, or be deposited with or transferred to any of the BS Group Companies and/or BS Securities Trading Agent by, for or attributable to the Client for any purpose whatsoever, and (iv) receivables, moneys or funds in any Account.

5.2 The Client irrevocably and unconditionally instructs, directs, authorizes and agrees that the Lender and/or any of the BS Group Companies shall (at any time as it thinks fit) request, direct, demand and instruct any of the BS Group Companies to, and/or any of the BS Group Companies shall (upon request, direction, instruction or demand of the Lender and/or any of the BS Group Companies from time to time) deliver,

transfer, debit, deduct or pay from any Account to the Lender and/or any of the BS Group Companies such receivables, moneys or funds as the Lender and/or any of the BS Group Companies shall direct or determine from time to time and/or in or towards the total or partial satisfaction, payment or discharge of the Indebtedness or any moneys, indebtedness, outstanding amounts, obligations or liabilities incurred, owing, due or payable by or from the Client or the Client Group Company to or in favour of the Lender and/or any of the BS Group Companies from time to time.

5.3 The Client irrevocably and unconditionally instructs, directs, authorizes and agrees to the following :-

(a) the Lender shall, and/or any of the BS Group Companies shall demand, direct, instruct and request the Lender to, pay, credit, or transfer (upon and subject to the terms and conditions of the Loan Agreement) to any of the BS Group Companies from time to time or on the settlement day or due payment day the necessary moneys or funds to pay, settle or discharge any moneys or funds due or payable by the Client to any of the BS Group Companies in respect of : (i) demand or request by BS Futures for margins (initial, maintenance or additional), adjustments (variation or otherwise) or other payments, (ii) transaction, purchase, investment, sale, exchange, acquisition, disposal, holding, deposit, transfer, making, entering, clearing, settlement, closing out, trading or dealing in, of or with Commodities and/or Exchange Contracts and/or F/O Contracts through BS Futures and/or BS Futures Trading Agent by, for or attributable to the Client, or (iii) any other reasons or purposes, so that on such payment, credit or transfer of moneys or funds by the Lender, the Client shall be liable to pay or repay (in accordance with the terms and conditions of the Loan Agreement) the Lender such moneys or funds so paid, credited or transferred;

(b) any of the BS Group Companies shall, and/or the Lender shall demand, direct, request and instruct any of the BS Group Companies to, hold, deposit, transfer, trade or deal with (i) all BS Financed Commodities and/or BS Financed Exchange Contracts and/or BS Financed F/O Contracts; (ii) Commodities and/or Exchange Contracts and/or F/O Contracts which are now or shall in future be made, entered, acquired or held by any of the BS Group Companies on behalf of the Client, or be held by, deposited with or transferred to any of the BS Group Companies by, for or attributable to the Client for any purpose whatsoever, or (iii) receivables, moneys or funds in any Account, to the intent that the same shall be or become the subject security or the Charged Properties under the Charge and stand as a continuing security for the payment, discharge or satisfaction of the Indebtedness and the Client's indebtedness, obligations and liabilities to the Lender and/or any of the BS Group Companies;

(c) the Client instructs and authorizes the Lender to demand and request any of the BS Group Companies, and instructs and authorizes any of the BS Group Companies, to deliver, transfer, debit, deduct, pay or use the proceeds, moneys or funds received in connection with the settlement, clearing, performance, purchase, sale, acquisition, entering, transferring, disposing, exchanging, closing out, trading or dealing with, of or in BS Financed Commodities, BS Financed Exchange Contracts, BS Financed F/O Contracts, Commodities, Exchange Contracts or F/O Contracts or any other purpose, or moneys or funds in any Account to or with the Lender as the Lender shall direct from time to time and/or towards payment, discharge or satisfaction of the Indebtedness or the Client's indebtedness, obligations and liabilities to the Lender and/or any of the BS Group Companies; and

(d) the Lender shall (at any time as it thinks fit) instruct, direct, demand and request any of the BS Group Companies to, and any of the BS Group Companies shall (upon request, instruction, direction or demand of the Lender from time to time), perform, fulfill and comply with all instructions, directions, requests and demands made by the Lender in relation to : (i) any Account, (ii) BS Financed Commodities, BS Financed Exchange Contracts or BS Financed F/O Contracts, (iii) Commodities, Exchange Contracts or F/O Contracts which are now or shall in future be made, entered, acquired or held by any of the BS Group Companies and/or BS Futures Trading Agent on behalf of the Client, or be held by, deposited with or transferred to any of the BS Group Companies and/or BS Futures Trading Agent by, for or attributable to the Client for any purpose whatsoever, and (iv) receivables, moneys or funds in any Account.

5.4 The Client irrevocably or unconditionally directs, authorizes, instructs and agrees that the Lender and/or any of the BS Group Companies shall (at any time it thinks fit) request, direct, demand and instruct any of the BS Group Companies to, and/or any of BS Group Companies shall (upon request, direction, instruction or demand of the Lender and/or any of the BS Group Companies from time to time) deliver, transfer, debit, deduct or pay from any Account to the Lender and/or any of the BS Group Companies such receivables, moneys or funds as the Lender and/or any of the BS Group Companies shall direct or determine from time to time and/or in or towards the total or partial satisfaction, payment or discharge of the Indebtedness or any moneys, indebtedness, outstanding amounts, obligations or liabilities incurred, owing, due or payable by or from the Client or the Client Group Company to or in favour of the Lender and/or any of the BS Group Companies from time to time.

5.5 The Client agrees and accepts that all the acts, things and matters done or made by BS Securities, BS Futures, BSFL, BSGB and/or any of the BS Group Companies pursuant to this Clause shall be and be treated and deemed the acts, things, and matters done or made by the Client, and shall be absolutely binding on the Client in all respects and for all purposes. The Client also agrees and accepts that all the moneys, funds, loans, advances, acceptance and amounts made, advanced or granted by the Lender pursuant to this Clause shall be and be treated or deemed as moneys, funds, loans, advances, acceptance and amounts made, advanced or granted by the Lender to the Client upon and subject to the terms and conditions of the Loan Agreement, and shall be absolutely binding on the Client in all respects and for all purposes.

6. **Charge Over Properties in the Accounts**

6.1 In consideration of the Lender agreeing to make available or continue to make available to the Client the Credit Facilities or any other facilities, loans, credits or advances, the Client, as beneficial owner, hereby charges and agrees to charge to the Lender (in its own capacity or as agent of BS Securities, BS Futures, BSFL, BSGB and/or any of the BS Group Companies) by way of first legal charge, and hereby assigns, transfers and releases and agrees to assign, transfer and release to the Lender (in its own capacity or as agent of BS Securities, BS Futures, BSFL, BSGB and/or any of the BS Group Companies) the following :-

(a) all BS Financed Securities (and all the Client's interest, title, rights, powers, benefits thereto, thereof and therein) together with all further or other Securities in substitution therefor or in addition thereto, all accretions thereto, all interest, rights, moneys, dividends, distributions paid, payable, accrued thereon and derived therefrom, all proceeds of sale thereof, and all moneys or funds received in connection with transfer, disposal or trading thereof;

(b) all Securities (and all the Client's interest, title, rights, powers, benefits thereto, thereof and therein) which are now or will in future be deposited with, held in or transferred into the Securities Account, the Margin Account and/or any Account by, for or attributable to the Client for any purpose whatsoever together with all further or other Securities in substitution therefor or in addition thereto, all accretions thereto, all interest, rights, moneys, dividends, distributions paid, payable, accrued thereon and derived therefrom, all proceeds of sale thereof, and all moneys or funds received in connection with transfer, disposal or trading thereof;

(c) all Securities (and all the Client's interest, title, rights, powers, benefits thereto, thereof and therein) which are now or will in future be deposited with or transferred to BS Securities, BS Securities Trading Agent and/or any of the BS Group Companies by, for or attributable to the Client for any purpose whatsoever, or which have been or will in future be acquired or held by BS Securities, BS Securities Trading Agent and/or any of the BS Group Companies on behalf of the Client for any purpose whatsoever both together with all further or other Securities in substitution therefor or in addition thereto, all accretions thereto, all interest, rights, moneys, dividends, distributions paid, payable, accrued thereon and derived therefrom, all proceeds of sale thereof, and all moneys or funds received in connection with transfer, disposal or trading thereof;

(d) all BS Financed Commodities, BS Financed Exchange Contracts and BS Financed F/O Contracts (and all the Client's interest, title, rights, powers, benefits thereto, thereof and therein) together with all proceeds, moneys or funds received in connection with the settlement, clearing, performance, purchase, sale, acquisition, entering, transfer, disposal, exchange, closing out, trading or dealing in, of or with such BS Financed Commodities, BS Financed Exchange Contracts or BS Financed F/O Contracts;

(e) all Commodities, Exchange Contracts and F/O Contracts (and all the Client's interest, title, rights, powers, benefits thereto, thereof and therein) which are now or will in future be held in, deposited with or transferred into the Futures Account, the Futures MF Account and/or any Account by, for or attributable to the Client for any purpose whatsoever together with all proceeds, moneys or funds received in connection with the settlement, clearing, performance, purchase, sale, acquisition, entering, transfer, disposal, exchange, closing out, trading or dealing in, of or with such Commodities, Exchange Contracts or F/O Contracts;

(f) all Commodities, Exchange Contracts and F/O Contracts (and all the Client's interest, title, rights, powers, benefits thereto, thereof and therein) which are now or will in future be made, entered or acquired by BS Futures, BS Futures Trading Agent and/or any of the BS Group Companies on behalf of the Client for any purpose whatsoever, or be held by, deposited with or transferred to BS Futures, BS Futures Trading Agent and/or any of the BS Group Companies by, for or attributable to the Client for any purpose whatsoever together with all proceeds, moneys or funds received in connection with the settlement, clearing, performance, purchase, sale, acquisition, entering, transfer, disposal, exchange, closing out, trading or dealing in, of or with such Commodities, Exchange Contracts or F/O Contracts;

(g) all FX and Foreign Exchange Contracts (and all the Client's interest, title, rights, powers, benefits thereto, thereof and therein) which are now or will in future be held in, deposited with or transferred into the FX Account and/or any Account by, for or attributable to the Client for any purpose whatsoever together with all proceeds, moneys or funds received in connection with the settlement, clearing, performance, purchase, sale, acquisition, entering, transfer, disposal, exchange, closing out, trading or dealing with, of or in such FX or Foreign Exchange Contracts;

(h) all FX and Foreign Exchange Contracts (and all the Client's interest, title, rights, powers, benefits thereto, thereof and therein) which are now or will in future be made, entered or acquired by BSFL, BSFL Trading Agent and/or any of the BS Group Companies on behalf of the Client for any purpose whatsoever, or be held by, deposited with or transferred to BSFL, BSFL Trading Agent and/or any of the BS Group Companies by, for or attributable to the Client for any purpose whatsoever together with all proceeds, moneys or funds received in connection with the settlement, clearing, performance, purchase, sale, acquisition, entering, transfer, disposal, exchange, closing out, trading or dealing with, of or in such FX or Foreign Exchange Contracts;

(i) all Bullion and Contracts (and all the Client's interest, title, rights, powers, benefits thereto, thereof and therein) which are now or will in future be held in, deposited with or transferred into the Bullion Account and/or any Account by, for or attributable to the Client for any purpose whatsoever together with all proceeds, moneys or funds received in connection with the settlement, clearing, performance, purchase, sale, acquisition, entering, transfer, disposal, exchange, closing out, trading or dealing with, of or in such Bullion or Contracts;

(j) all Bullion and Contracts (and all the Client's interest, title, rights, powers, benefits thereto, thereof and therein) which are now or will in future be made, entered or acquired by BSGB, BSGB Trading Agent and/or any of the BS Group Companies on behalf of the Client for any purpose whatsoever, or be held by, deposited with or transferred to BSGB, BSGB Trading Agent and/or any of the BS

Group Companies by, for or attributable to the Client for any purpose whatsoever together with all proceeds, moneys or funds received in connection with the settlement, clearing, performance, purchase, sale, acquisition, entering, transfer, disposal, exchange, closing out, trading or dealing with, of or in such Bullion or Contracts;

(k) all the Client's moneys, funds, receivables, sums, title, interests, powers, options, benefits and rights of, to and in any Account; and

(l) all the moneys, funds, receivables, sums, properties, assets, things, goods, chattels, undertakings, negotiable instruments, financial instruments or documents, commercial instruments or documents, deeds, instruments, documents, matters, interests, powers and rights of the Client which are now or will in future be acquired by, deposited with, delivered to, transferred to, held by, possessed by, retained by or kept by any or all of the BS Group Companies;

((a), (b), (c), (d), (e), (f), (g), (h), (i), (j), (k) and (l) above are collectively referred to as the "**Charged Properties**") as continuing security (the "**Charge**") for: (i) the due and punctual performance and fulfilment of all obligations or liabilities of the Client under the Loan Agreement, the Transaction Agreement and other agreement with any of the BS Group Companies, (ii) the payment, repayment, satisfaction and/or discharge on demand of the Indebtedness, facilities, loans, advances, credits, moneys, funds, indebtedness, obligations and liabilities (whether past, present or future, or whether absolute or contingent) which are now or at any time hereafter shall be due, owing or incurred from or by the Client or the Client Group Company to or in favour of BS Securities, BS Futures, BSFL, BSGB and/or any of the BS Group Companies under or pursuant to the Loan Agreement, the Transaction Agreement, other agreement with any of the BS Group Companies or any other agreement or document, or on any account or in any manner whatsoever (whether alone or jointly with any other person and in whatever name, style or firm), and (iii) the payment, repayment, satisfaction and/or discharge on demand of the Indebtedness, facilities, loans, advances, credits, moneys, funds, indebtedness, obligations and liabilities (whether past, present or future, or whether absolute or contingent) which are now or at any time hereafter shall be due, owing or incurred from or by the Client or the Client Group Company under or in Securities Account, Margin Account, Futures Account, Futures MF Account, Bullion Account, FX Account and/or any Account (whether alone or jointly with any other person and in whatever name, style or firm) together with interest thereon and legal costs and expenses of BS Securities, BS Futures, BSFL, BSGB and/or any of the BS Group Companies (the "**Secured Liabilities**") .

6.2 The Client agrees that the Lender, pursuant to the provisions of the Loan Agreement, is entitled to transfer, or procure, demand or request to transfer the Charged Properties to BS Securities and/or BS Futures and/or BSFL and/or BSGB and/or their respective nominee through any clearing and settlement system or other manner. The Client agrees and covenants to deliver to the Lender such documents as the Lender shall require to effect such transfer of the Charged Properties to BS Securities and/or BS Futures and/or BSFL and/or BSGB and/or their respective nominee.

6.3 The Client agrees :-

(a) any dividend, interest, payment, money or fund forming or deriving from all or part of the Charged Properties which may be received by the Client shall be held by the Client on trust for the Lender and shall be paid over or delivered to the Lender on demand; and

(b) notwithstanding Clause 6.3(a), upon the occurrence of any of the Events of Default and/or the Charge becoming enforceable, the Lender and its nominee shall (and the Client as primary obligor and not merely as guarantor irrevocably instruct and authorize the Lender or its nominee to) collect and receive all dividend, interest, payment, money or fund on or with respect to the Charged Properties, and the Lender or its nominee shall be entitled to use and apply all the said dividend, interest, payment, money or fund so collected or received in payment, discharge or satisfaction of the Indebtedness.

7. Title to Charged Properties

The Client represents and warrants to the Lender that subject to any security interest of the Lender created pursuant to the Loan Agreement, the Charged Properties are legally and beneficially owned by the Client, that the Client has good right to charge, assign, transfer and release the same to the Lender, that the same are and will remain free from any lien, charge, equity, option, mortgage, third party right or encumbrance of any kind, and that any stocks, shares and other Securities comprised in the Charged Properties are and will be fully paid up.

8. Voting Right and Call

8.1 The Lender or its nominees is entitled to exercise at its discretion (in the Client's name or otherwise at any time and without any further consent or authority of the Client) in respect of the Charged Properties any voting rights and all powers and rights given to trustees by the Trustee Ordinance (Cap. 29 of the Laws of Hong Kong).

8.2 The Client during the continuance of the Charge shall pay all calls or other payments due in respect of any of the Charged Properties and in the event of default the Lender (if it thinks fit) shall make such payments on the Client's behalf. Any moneys or funds so paid by the Lender shall be repayable by the Client on demand.

9. Sufficient Securities

The Client agrees and undertakes to deposit at all times sufficient Securities, security, properties and moneys with the Lender. In the event that the Lender is in the opinion that the Charged Properties are insufficient or

unsatisfactory, the Client agrees and undertakes that upon demand by the Lender the Client shall forthwith pay to the Lender such sum in cash or at the option of the Lender to deliver to the Lender such additional Securities, security, properties or moneys as are acceptable to the Lender as security in addition to or in substitution for the Charged Properties, and to procure the registration thereof with any appropriate authorities.

10. **Enforcement of Charge**

10.1 At any time as the Lender or any of the BS Group Companies shall determine appropriate and/or upon the occurrence (in the sole and subjective judgment of the Lender) of any Event of Default, the Charge shall be immediately enforceable and the Lender, without prejudice to any of the rights or powers of the Lender under the Loan Agreement or other documents, shall have the right, without notice to the Client, to : (i) appropriate, pay, deduct, transfer or offset the whole or any part of any funds or moneys comprised in the Charged Properties at any time and from time to time in or towards payment, satisfaction or discharge of the Indebtedness or any money, fund, indebtedness, obligation or liability secured by the Charge, and/or (ii) sell, dispose of, liquidate, transfer, trade, deal with or close out (and the Lender is authorized to do all such things necessary in connection with such sale, disposal, liquidation, transfer, trading, dealing or closing out) the Charged Properties or any part thereof (to be selected by the Lender in its absolute discretion) at any time and from time to time either together or in parcels and either by dealings at any broker's board through SEHK, HKFE , Foreign Futures Exchange, Foreign Stock Exchange or other Exchange or by public or private means or in such other manner and for such consideration (whether payable or deliverable immediately or by instalments and whether for cash or other valuable consideration or both) and on such terms and conditions as the Lender shall think fit in its absolute discretion without being in any way responsible for any loss occasioned thereby however arising. Without limiting the generality of the foregoing, the Lender is hereby specifically authorized to give instructions or directions to BS Securities, BS Futures, BSFL and/or BSGB (as the case may be) to sell, dispose of, liquidate, transfer, trade, deal with and/or close out the Margin Account, Futures MF Account, FX Account and/or Bullion Account (as the case may be), all Securities, Commodities and/or Exchange Contracts and/or F/O Contracts, FX and/or Foreign Exchange Contracts, Bullion and/or Contracts comprised in the Charged Properties or held in the Margin Account, Futures MF Account, FX Account, Bullion Account and/or any Account (as the case may be), and all positions in the Margin Account, Futures MF Account, FX Account, Bullion Account and/or any Account (as the case may be) without notice to the Client.

10.2 Without prejudice to the generality of Clause 10.1, the Lender shall be entitled to appropriate, sell, dispose of, liquidate, transfer, trade, deal with or close out the Charged Properties or any part thereof at any time and from time to time at market price or market conditions thereof to, with or in favour of the Lender and/or any of the BS Group Companies without being in any way responsible for any loss occasioned thereby however arising and without being accountable for any profit made by the Lender and/or any of the BS Group Companies.

10.3 In any sale, disposal, liquidation, transfer, trading, dealing or closing out pursuant to this Clause or the Loan Agreement, if less than all the Charged Properties are to be sold, disposed of, liquidated, transferred or closed out, the Lender shall in its absolute discretion select which part of the Charged Properties are to be sold, disposed of, liquidated, transferred, traded, dealt with or closed out at any time and from time to time.

10.4 The Client agrees that the Lender and/or any of the BS Group Companies shall have the full and absolute right and discretion to determine at what time and day to exercise or enforce its right and power to carry out or execute the sale, disposal, appropriation, liquidation, transfer, trading, dealing or closing out pursuant to this Clause or the Loan Agreement. The Client shall not have any right to claim against the Lender and/or any of the BS Group Companies in respect of any loss arising out of any sale, disposal, appropriation, liquidation, transfer, trading, dealing or closing out pursuant to the Loan Agreement, howsoever such loss may have been caused, and whether or not a better price or position could or might have been obtained on the sale, disposal, appropriation, liquidation, transfer, trading, dealing or closing out of any of the Charged Properties by either deferring or advancing the time or date of such sale, disposal, appropriation, liquidation, transfer, trading, dealing or closing out or otherwise howsoever.

10.5 If the proceeds, moneys or funds realized or received by exercise or enforcement of the Charge shall be insufficient to pay, discharge or satisfy the Indebtedness and the indebtedness, obligations or liabilities of the Client or the Client Group Company to the Lender and/or any of the BS Group Companies, then nothing herein contained shall prejudice the rights or powers of the Lender and/or any of the BS Group Companies against the Client or the Client Group Company for recovery of such insufficiency or deficiency. The Client agrees and undertakes to make good and pay on demand to the Lender such insufficiency or deficiency.

10.6 No failure, delay or omission on the part of the Lender and/or any of the BS Group Companies in exercising or enforcing any right, power, privilege or remedy under or in respect of the Loan Agreement shall impair such right, power, privilege or remedy, or be construed or operated as a waiver of it. Any single or partial exercise or enforcement of any such right, power, privilege or remedy shall not preclude any further exercise of it or the exercise of any other right, power, privilege or remedy.

11. **Proceeds on Enforcement**

The proceeds, moneys or funds realized or received by the exercise or enforcement of the Charge pursuant to the Loan Agreement or any part thereof shall be held or retained by the Lender in such manner and for such period of time as shall be determined by the Lender in its absolute discretion and/or shall be applied or used (without limitation) in the following payments but in such order of priority and at such time as shall be determined by the Lender in its absolute discretion :-

(a) payment or discharge of all costs, charges, legal fees and expenses including but not limited to stamp duty, commission and brokerage incurred by the Lender in transferring, selling, disposing, liquidating, trading, dealing or closing out all or any of the Charged Properties or in perfecting title thereto;
(b) payment, discharge or satisfaction of the Secured Liabilities;
(c) payment, discharge or satisfaction of the Indebtedness, and all other moneys, funds, indebtedness, obligations and liabilities due, payable owing or incurred by the Client and/or the Client Group Company to the Lender and/or any of the BS Group Companies;
(d) payment or discharge of interest for the time being accruing due; and
(e) payment, discharge or satisfaction of such obligations, indebtedness, moneys and liabilities of the Client and/or the Client Group Company.

12. **Release of Charged Properties**

12.1 Subject to: (a) the payment of the whole of the Indebtedness and all interests as provided in the Loan Agreement, (b) the payment of all such moneys or funds due, payable or owing to the Lender and/or any of the BS Group Companies under the Loan Agreement, (c) the payment, discharge or satisfaction of all indebtedness, obligations or liabilities of the Client and/or the Client Group Company under the Loan Agreement, (d) the payment, discharge or satisfaction of all the Secured Liabilities, and (e) the due performance or fulfilment of all the obligations and liabilities of the Client under the Loan Agreement, the Lender shall, at any time after such payments, discharge, performance, fulfilment or satisfaction and upon written request of the Client and at the cost of the Client, release, discharge or return the Charged Properties or any part thereof to the Client and upon such release, discharge or return the Lender shall not be bound to release, discharge or return to the Client Securities, Commodities, Exchange Contracts, F/O Contracts, FX, Foreign Exchange Contracts, Bullion and/or Contracts identical with those acquired by, deposited with, held by or transferred to the Lender so long as the Charged Properties or any part thereof released, discharged or returned to the Client are of the same type, kind, class, denomination and nominal amount and rank pari passu with those originally acquired by, deposited with, held by or transferred to the Lender (subject always to any capital re-organization which may have occurred in the meantime).

12.2 The Client agrees that in the event that the Lender and/or any of the BS Group Companies shall have made a mistake or an error in the Client's favour in calculating the moneys or funds due to the Lender and/or any of the BS Group Companies or in respect of Securities, Commodities, Exchange Contracts, F/O Contracts, FX, Foreign Exchange Contracts, Bullion and/or Contracts released, discharged or returned then such release, discharge and return shall have no effect and the Charge shall remain in full force and effect.

13. **Additional & Continuing Security**

13.1 The Charge is in addition to and without prejudice to any collateral or security which the Lender shall now or hereafter hold from or on account of the Client. Such collateral or security to which the Lender shall be otherwise entitled (including any collateral or security created or made prior to the date of the Loan Agreement on the Charged Properties) or the liability of any person not being a party hereto for all or any part of the indebtedness, obligations and liabilities hereby secured shall not be in any way prejudiced or affected by the Charge. The Lender shall have full power at its discretion to deal with, exchange, release, modify or abstain from perfecting or enforcing any such collateral or security or rights which the Lender shall now or hereafter have from or against such person or to give time for payment or any indulgence to any such person without discharging or in any way affecting the Client's indebtedness, obligations and liabilities or the Charge or security created hereunder. All moneys or funds received by the Lender from the Client or any person liable to pay the same shall be applied by the Lender to any account or any transactions to which the same shall be applicable.

13.2 The Charge shall be a continuing security notwithstanding any intermediate payment or settlement of account or satisfaction of the whole or any part of the Indebtedness or any sum of money owing by the Client to the Lender and notwithstanding the closing of any Account, the reopening of a closed account with the Lender or any of the BS Group Companies or the opening of any account by the Client (either alone or jointly with others) with the Lender or any of the BS Group Companies, and shall extend to cover all or any indebtedness, moneys or funds due or payable from the Client to the Lender and/or any of the BS Group Companies on any account or otherwise as herein provided.

13.3 No change in the constitution of the Client nor of the persons, firms or companies or other entity for whose indebtedness, obligations and liabilities the Charge shall at any time stand as security shall affect the validity of or discharge the Charge. If the Client is a firm and in the event of dissolution of the firm the Charge shall apply to all the indebtedness, obligations and liabilities incurred by the firm or in the firm name until the actual receipt by the Lender of written notice of dissolution, provided always that such notice of dissolution shall not affect the indebtedness, obligations and liabilities incurred by the Client prior to actual receipt by the Lender of such notice. If, however, the dissolution is by reason only of the introduction of a partner into the firm the Charge shall continue and in addition to the indebtedness, obligations and liabilities of the old firm shall apply to all indebtedness, obligations and liabilities due, payable or incurred from or by the new firm thereby constituted as though there had been no change in the firm as previously constituted.

13.4 All rights and powers of the Lender hereunder and the Charge shall remain in full force and effect notwithstanding any neglect or delay in the enforcement thereof or any indulgence or forbearance given or continued to be given to the Client.

14. **Protection & Indemnity**

14.1 The Lender shall not be answerable or responsible for the loss of or damage to or diminution in value of any of the Charged Properties however arising whilst the same are in the possession, custody, retention or control of the Lender or its agents.

14.2 If any action or proceeding is commenced or any claim or demand is made by any person against the Client in connection with any matter herein contained or the Charged Properties or any part thereof or against the Lender in connection with any matter herein contained or the Charged Properties or any part thereof, the Client agrees to indemnify the Lender against any loss, costs or expenses including all legal or other professional fees which shall be incurred by the Lender in connection therewith. If any such action or proceeding is commenced or claim or demand is made, the Lender shall be entitled (but not obliged or bound) to take such reasonable steps as it shall deem advisable including the withholding of payment or delivery to the Client of any part or all of the money or fund or the Charged Properties and the cancellation or non-compliance with any orders or instructions which the Client may have given or may give to the Lender.

15. **Information of Client**

15.1 From time to time, it is necessary for the Client to supply the Lender with data in connection with the opening or continuation of the Accounts and the establishment, continuation of Credit Facilities or loans or provision of finance services. Failure to supply such data may result in the Lender and/or any of the BS Group Companies being unable to open or continue the Accounts or establish, continue Credit Facilities, loans, credits, advances or provide finance services. It is also the case that data are collected from the Client in the ordinary course of the continuation of the credit or finance relationship.

15.2 The purposes for which data relating to the Client may be used are (without limitation) as follows : (a) the daily operation of the Accounts and the services and Credit Facilities provided to the Client; (b) conducting credit checks; (c) ensuring ongoing credit worthiness of the Client; (d) designing and marketing services or related products; (e) determining the amount of indebtedness owed to or by the Client; (f) collection of amounts outstanding from the Client and those providing security for the Client's obligations; (g) meeting the requirements to make disclosure under the requirements of any law binding on the Lender; and (h) purposes relating thereto.

15.3 Data or information held by the Lender relating to the Client and/or the Accounts will be kept confidential but the Lender may provide such information to (without limitation) the following : (a) any employee, agent, contractor, sub-contractor or third party service provider who provides administrative, telecommunications, computer, payment, clearing or other services to the Lender in connection with the operation of its business; (b) any other person under a duty of confidentiality to the Lender including but not limited to any of the BS Group Companies which have undertaken to keep such information confidential; (c) any actual or proposed assignee of the Lender or participant or sub-participant or transferee of the Lender's rights in respect of the Client; and (d) the relevant regulatory bodies, if so requested by such regulatory bodies.

15.4 Under and in accordance with the terms of the Personal Data (Privacy) Ordinance any individual: (i) has the right to check whether the Lender holds data about him and the right of access to such data; (ii) has the right to require the Lender to correct any data relating to him which is inaccurate; and (iii) has the right to ascertain the Lender's policies and practices in relation to data and to be informed of the kind of personal data held by the Lender.

16. **Dealing, Mortgage and Custody of Charged Properties**

16.1 The Client irrevocably and unconditionally consents, agrees and authorizes the Lender and/or any of the BS Group Companies at any time and from time to time to :-

(a) deposit, mortgage, charge, pledge, create any security interest over, transfer, assign or release the Charged Properties or any part thereof (either separately or together with other Securities, Commodities, Exchange Contracts, F/O Contracts, FX, Foreign Exchange Contracts, Bullion, Contracts and/or properties or assets) by way of collateral or security or otherwise for facilities, credits, loans or advances (of any amount, for any period of time and upon any terms) made or continued to be made to the Lender and/or any of the BS Group Companies without notice to the Client;

(b) use, borrow or lend the Charged Properties or any part thereof (either separately or together with other Securities and/or properties or assets) for the purpose of performing or fulfilling settlement or clearing obligations of BS Securities between the members of SEHK or the relevant Clearing House without notice to the Client;

(c) use, borrow or lend the Charged Properties or any part thereof (either separately or together with other Securities and/or properties or assets) for the purpose of performing or fulfilling settlement or clearing obligations of BS Securities and/or BS Securities Trading Agent between the members of Foreign Stock Exchange or the relevant Clearing House without notice to the Client;

(d) use, borrow or lend the Charged Properties or any part thereof (either separately or together with other Commodities and/or Exchange Contracts and/or F/O Contracts and/or properties or assets) for the purpose of performing or fulfilling margins (initial, maintenance or additional) or adjustments (variation or otherwise) requirements on BS Futures, or settlement or clearing obligations of BS Futures between the members of HKFE or the relevant Exchange or Clearing House without notice to the Client;

(e) use, borrow or lend the Charged Properties or any part thereof (either separately or together with other Commodities and/or Exchange Contracts and/or F/O Contracts and/or properties or assets) for the purpose of performing or fulfilling margins (initial, maintenance or additional) or adjustments (variation or otherwise) requirements on BS Futures and/or BS Futures Trading Agent, or settlement or clearing obligations of BS Futures and/or BS Futures Trading Agent between the members of Foreign Futures Exchange or the relevant Clearing House without notice to the Client;

(f) use, borrow or lend the Charged Properties or any part thereof (either separately or together with other Bullion and/or Contracts and/or properties or assets) for the purpose of performing or fulfilling settlement or clearing obligations of BSGB between the members of the Market or the relevant Clearing House without notice to the Client;

(g) use, borrow or lend the Charged Properties or any part thereof (either separately or together with other Bullion and/or Contracts and/or properties or assets) for the purpose of performing or fulfilling margins (initial, maintenance or additional) or adjustments (variation or otherwise) requirements on BSGB and/or BSGB Trading Agent, or settlement or clearing obligations of BSGB and/or BSGB Trading Agent between the members of Market or the relevant Clearing House without notice to the Client;

(h) use, borrow or lend the Charged Properties or any part thereof (either separately or together with other FX and/or Foreign Exchange Contracts and/or properties or assets) for the purpose of performing or fulfilling settlement or clearing obligations of BSFL between the members of the Market or the relevant Clearing House without notice to the Client;

(i) use, borrow or lend the Charged Properties or any part thereof (either separately or together with other FX and/or Foreign Exchange Contracts and/or properties or assets) for the purpose of performing or fulfilling margins (initial, maintenance or additional) or adjustments (variation or otherwise) requirements on BSFL and/or BSFL Trading Agent, or settlement or clearing obligations of BSFL and/or BSFL Trading Agent between the members of Market or the relevant Clearing House without notice to the Client;

(j) deliver, transfer or deposit the Charged Properties or any part thereof (either separately or together with other Securities, Commodities, Exchange Contracts, F/O Contracts, FX, Foreign Exchange Contracts, Bullion, Contracts and/or properties or assets) with any agent or contractor for custodial purpose at the risk, cost, charge or expense of the Client without notice to the Client; and

(k) use, deal with, deposit, mortgage, charge, pledge, create any security interest over, transfer, assign, lend or release the Charged Properties or any part thereof (either separately or together with other Securities, Commodities, Exchange Contracts, F/O Contracts, FX, Foreign Exchange Contracts, Bullion, Contracts and/or properties or assets) for any purpose or reason whatsoever, in such manner or way, for such period of time, upon such terms, for such consideration, for such benefit or advantage as BS Securities and/or BS Futures and/or BSFL and/or BSGB and/or any of the BS Group Companies shall (in their respective absolute discretion) think fit without notice to the Client.

16.2 The Client agrees and acknowledges that all the risks of the Charged Properties are remaining with the Client and that neither the Lender nor any of the BS Group Companies nor their respective agent or contractor shall be under any obligation to insure any of them against any kind of risks, which obligation is remained with the Client.

16.3 The Client understands, accepts, agrees and acknowledges that all the risks, consequences, effects and results of the consents, agreements, authorizations and acknowledgments contained in this Clause, and in particular understands, accepts, agrees and acknowledges that the Charged Properties or any part thereof may be subject to mortgage, charge, pledge, lien, security interest or third party interest or right, and the release, discharge or return of the Charged Properties or any part thereof may be subject to the discharge, release or satisfaction of such mortgage, charge, pledge, lien, security interest or third party interest or right.

17. **Liquidation of Accounts**

17.1 At any time as the Lender and/or any of the BS Group Companies shall determine appropriate and/or upon the occurrence (in the sole and subjective judgment of the Lender) of any Event of Default, the Lender or any of the BS Group Companies shall have the right, without notice and in their respective absolute discretion, to :-

(a) take such action or do such act, matter or thing as it shall consider necessary or desirable to comply with or to perform, cancel or satisfy any obligations of the Lender and/or such BS Group Companies to the Client or any obligations of the Client, the Lender and/or such BS Group Companies to the relevant Exchange and/or Clearing House and/or Market and/or broker, as the case may be, in respect of any outstanding transaction of or dealing in the Securities, Commodities, Exchange Contracts, F/O Contracts, FX, Foreign Exchange Contracts, Bullion and/or Contract or in respect of any open contract (such action includes but not limited to closing out and/or performing such open contract);

(b) close out or perform any or all open contracts in the Accounts;

(c) sell, purchase, transfer in, transfer out, trade, dispose of, deal with, settle, clear all or any Securities, Commodities, Exchange Contracts, F/O Contracts, FX, Foreign Exchange Contracts, Bullion or Contract; and/or

(d) cancel any outstanding orders in order to close the Margin Account, Futures MF Account, Bullion Account, FX Account or any Account.

Any sale, purchase, disposal, trading, dealing, transfer and/or closing out of the Securities, Commodities, Exchange Contracts, F/O Contracts, FX, Foreign Exchange Contracts, Bullion or Contract or open contract shall be made according to the judgment of and at the discretion of the Lender or such BS Group Companies,

either by direct sale, purchase, disposal, trading, dealing, transfer or closing out at any time or in the same contract month or on any Exchange or market where such business is then usually transacted. In all cases, a prior demand or call, or prior notice of the time or place of sale, purchase, disposal, trading, dealing, transfer or closing out shall not be considered as waiver of the right of the Lender or such BS Group Companies herein provided.

17.2 On the exercise of the rights of the Lender and the BS Group Companies under Clause 17.1, all moneys or funds owing to the Lender and/or any of the BS Group Companies hereunder shall become immediately payable and the Lender or any of the BS Group Companies shall not be obliged to deliver to the Client any amount of the Securities or the underlying Commodities or any money or fund due to the Client in respect of any transaction, dealing, Exchange Contract, F/O Contract, FX, Foreign Exchange Contracts, Bullion or Contract until all indebtedness, obligations and liabilities of the Client to the Lender and/or any of the BS Group Companies under the Loan Agreement are paid, satisfied or discharged.

18. **Offset and Combination of Accounts**

18.1 Notwithstanding anything contained in the Loan Agreement or in any other document between any of the BS Group Companies and the Client, the Client irrevocably and unconditionally authorizes and directs the Lender to, with or without notice, offset and withhold from and apply the Charged Properties, receivables, moneys, funds, properties and/or assets held in or for the Margin Account, Futures MF Account, FX Account, Bullion Account and/or any Account against and in whole or partial payment, discharge or satisfaction of any indebtedness, obligations or liability (of whatsoever nature whether primary, collateral, several, joint or in other currencies and whether or not in connection with the Margin Account, Futures MF Account, FX Account, Bullion Account and/or any Account) owed by the Client to the Lender and/or any of the BS Group Companies.

18.2 Without prejudice to the generality of Clause 18.1, if the Client has more than one Account, any of the BS Group Companies is hereby authorized by the Client to at any time combine or consolidate all or any of the Margin Account, Futures MF Account, FX Account, Bullion Account and Accounts and offset or transfer any of the Charged Properties, receivables, moneys, funds, properties and/or assets in any one or more of the Margin Account, Futures MF Account, FX Account, Bullion Account and/or Accounts in or towards payment, discharge or satisfaction of any indebtedness, obligations or liabilities of whatsoever nature to any of the BS Group Companies in respect of any of the Margin Account, Futures MF Account, FX Account, Bullion Account, Accounts or other accounts. Where any such combination, consolidation, offset or transfer requires the conversion of one currency into another, such conversion shall be calculated at the spot rate of exchange (as conclusively determined by any of the BS Group Companies) prevailing in such foreign exchange market as any of the BS Group Companies shall determine to be relevant on the date of the combination, consolidation, offset or transfer.

19. **Default**

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

(a) at any time when the Lender shall, in its sole discretion, consider it necessary for the protection of the Lender and/or any of the BS Group Companies;

(b) the Client fails or refuses to pay or settle any outstanding amount, money, fund, purchase price or other payment becoming due or payable under the Loan Agreement, the Transaction Agreement or any other agreement with any of the BS Group Companies;

(c) the Client has failed or refused, on demand, to settle or pay any outstanding amount, money or debit balance on any of the Account(s);

(d) the Client violates or fails to perform on a timely basis any term, undertaking, agreement, covenant or condition on its part to be performed under the Loan Agreement and/or the Transaction Agreement;

(e) the Client fails or refuses to discharge, pay, satisfy or perform any of the Client's liability, obligation or indebtedness under the Loan Agreement, the Transaction Agreement or any other agreement with any of the BS Group Companies;

(f) the Client has not provided any margin (initial, maintenance or additional) or adjustments (variation or otherwise) when the same become due or payable under the Loan Agreement, the Transaction Agreement, or has failed or refused to comply with any request, call or demand made by any of the BS Group Companies pursuant to the Loan Agreement and/or the Transaction Agreement;

(g) breach, refusal, failure or default of or by the Client in complying with, fulfilling, performing or observing any term or condition of the Loan Agreement, the Transaction Agreement or any other document with any of the BS Group Companies;

(h) any representation or warranty made in the Loan Agreement, the Transaction Agreement or in any document delivered to any of the BS Group Companies being or becoming incomplete, untrue or incorrect;

(i) any consent or authorization required by the Client to enter into the Loan Agreement and/or the Transaction Agreement being wholly or partly revoked, suspended, terminated or ceasing to remain in full force and effect;

(j) the filing or commencement of a petition or application in bankruptcy, liquidation or winding up, petition or application for the appointment of a receiver, or the commencement of other similar proceedings against the Client;

(k) the Charge or any security created or any part thereof respectively in relation to the indebtedness, obligations or liabilities under the Loan Agreement being avoided or discontinued;

(l) any deterioration or impairment (in the Lender's opinion) or any decline or depreciation (in the Lender's opinion) in the value or market price (whether actual or reasonably anticipated) of the Charged Properties or any security or any part thereof respectively;

(m) the levying of attachment or charge against any Account(s);

(n) any third party asserts a claim, right or interest in respect of any moneys or funds in any Account(s);

(o) the Client takes advantage of any bankruptcy, liquidation, reorganization, moratorium, insolvency or similar law or makes or proposes to make any arrangements or compositions for the benefit of any of the Client's creditors, or is the subject of any order, judgment or decree entered by any court providing for the winding up, reorganization, liquidation or appointment of a liquidator, trustee in bankruptcy or receiver of the Client or a substantial part of the Client's business or assets;

(p) the Client becomes insolvent or dissolved for any reason whatsoever, merges or becomes consolidated with any non-affiliated party, or sells all or a substantial portion of its business or assets;

(q) the death, liquidation or judicial declaration of incompetence of the Client;

(r) any action or proceeding is commenced or any claim or demand is made by any person against the Client in connection with any matter herein contained or the Charged Properties or any part thereof or against the Lender in connection with any matter herein contained or the Charged Properties or any part thereof;

(s) the occurrence of an "Event of Default" as defined in the Transaction Agreement;

(t) any adverse change (in the opinion of the Lender) in the corporate structure, business, assets, financial condition, and general condition or prospects of the Client;

(u) at any time when any of the BS Group Companies, BS Securities Trading Agent, BS Futures Trading Agent, BSFL Trading Agent and/or BSGB Trading Agent is or becomes under any obligation imposed by any relevant Exchange and/or Clearing House and/or Market and/or broker or any applicable laws, rules and regulations to do any of the acts mentioned in Clauses 17 and 19; and

(v) the occurrence of any event which, in the opinion of the Lender, may or shall jeopardize, prejudice or affect any of the rights, interests or benefits of any of the BS Group Companies.

19.2 If an Event of Default (in the sole and subjective judgment of the Lender) occurs, then all amounts owing by the Client to the Lender and/or any of the BS Group Companies shall become immediately payable on demand, and interest will accrue, at the rate specified in Clause 4, on the amounts outstanding from time to time, the further performance by the Lender and/or any of the BS Group Companies of any of their outstanding obligations to the Client under the Loan Agreement and/or the Transaction Agreement (whether for payment of money or otherwise) shall be conditional upon the Client having fully discharged all its obligations to the Lender and/or any of the BS Group Companies under the Loan Agreement and/or the Transaction Agreement, and the Lender and/or any of the BS Group Companies shall be entitled at their absolute discretions, without further notice or demand and in addition to and without prejudice to any other rights or powers conferred under the Loan Agreement and/or the Transaction Agreement, to forthwith:-

(a) satisfy any obligations the Client may have to the Lender and/or any of the BS Group Companies (either directly or by way of guarantee or other security) by selling, realizing or otherwise dealing with, in such manner as the Lender and/or any of the BS Group Companies in their absolute discretion may determine, all or part of any property or assets held by any of the BS Group Companies for any purpose in any of the Accounts, and to apply the proceeds in reduction of all or part of any Indebtedness;

(b) take such action or do such act, matter or thing as it shall consider necessary or desirable to comply with or to perform, cancel or satisfy any obligations of the Lender and/or any of the BS Group Companies to the Client or any obligations of the Client, the Lender and/or such BS Group Companies to the relevant Exchange and/or Clearing House and/or Market and/or broker, as the case may be, in respect of any outstanding Transactions or in respect of any open contract (such action includes but not limited to closing out and/or performing such open contract)

(c) suspend the obligations of the Lender and/or any of the BS Group Companies to perform pursuant to the Loan Agreement and/or the Transaction Agreement;

(d) revise, change, withdraw, stop or cancel the Credit Facilities, facilities, advances, credits or loans made or granted to the Client, or any part thereof respectively;

(e) demand payment, repayment, discharge, satisfaction, performance or fulfillment of the Indebtedness and/or other amount, interest, sum, moneys or funds owing by the Client to the Lender and/or any of the BS Group Companies;

(f) enforce the Charge and/or the security constituted or created under and pursuant to the Loan Agreement and/or the Transaction Agreement;

(g) liquidate the Accounts or any Account;

(h) close out or perform any or all open contracts in the Accounts;

(i) sell, purchase, transfer in, transfer out, trade, dispose of, deal with, settle, clear all or any Securities, Commodities, Exchange Contracts, F/O Contracts, FX, Foreign Exchange Contracts, Bullion, Contracts, properties and/or assets in the Accounts;

(j) call upon or enforce any security which may have been issued, made or created in favour of the Lender and/or any of the BS Group Companies as security for the Indebtedness or the indebtedness, liabilities or obligations of the Client under the Loan Agreement and/or the Transaction Agreement;

(k) exercise the right of offset and combination in respect of any of the Accounts;

(l) exercise any options held by any of the BS Group Companies on behalf of the Client;

(m) immediately terminate the Loan Agreement and/or the Transaction Agreement and/or other agreement with any of the BS Group Companies;

(n) exercise any or all the rights and powers of the Lender and/or any of the BS Group Companies under the Loan Agreement and/or the Transaction Agreement;

(o) cancel any or all outstanding instructions, orders or any other commitments made on behalf of the Client;

(p) take any actions, or do any acts, matters or things as authorized, instructed, directed, appointed or empowered under the Loan Agreement and/or the Transaction Agreement;

(q) take such actions, or do such acts, matters or things as the Lender and/or any of the BS Group Companies shall think fit in relation to the Charged Properties; and/or

(r) take or not to take any actions, or do or not to do any acts, matters or things as the Lender and/or any of the BS Group Companies shall think fit.

20. **Representation, Undertaking and Warranty**

20.1 The Client represents, warrants and undertakes with the Lender and all the BS Group Companies that :-

(a) the Client is duly incorporated, validly existing and in good standing under the laws of the place of its incorporation. The Client has power and authority to carry on the Client's business which the Client now conducts or proposes to conduct and the business under the Loan Agreement and/or the Transaction Agreement, and to own, acquire, enter into or hold Securities, Commodities, Exchange Contracts, F/O Contracts, FX, Foreign Exchange Contracts, Bullion, Contract, property and assets;

(b) the Client has full power and authority to enter into, sign, execute, perform and fulfill the Client's duties and obligations under the Loan Agreement and the Transaction Agreement, and to purchase, invest, sell, trade, exchange, acquire, enter, make, hold, deposit, transfer, dispose, clear, settle or deal in, of and with all kinds of Securities, r Commodities, Exchange Contracts, F/O Contracts, FX, Foreign Exchange Contracts, Bullion and/or Contract in accordance with and subject to the terms and conditions of the Transaction Agreement, and to incur indebtedness and liabilities as a result;

(c) all necessary corporate and other action have been taken, and all necessary shareholder and other consent have been given to authorize the entering, signing, execution, performance and fulfilment of the Loan Agreement and the Transaction Agreement. The Loan Agreement and the Transaction Agreement when signed or executed by the Client will constitute valid and legally binding obligations of the Client in accordance with its terms and conditions;

(d) the financial statement and accounts of the Client supplied to the Lender have been prepared in accordance with accounting policies consistently applied, and present a true, fair and accurate view on the operation of the Client for the relevant accounting period and the financial position of the Client at the end of such accounting period;

(e) the meeting of the board of directors of the Client (certified extract minutes of which have been supplied to the Lender) resolving, inter alia, the approval, entering into, signing, execution, performance and fulfilment of the Loan Agreement and/or the Transaction Agreement was duly convened and held on or prior to the date of the Loan Agreement and/or the Transaction Agreement and such resolutions which were duly passed thereat in accordance with its constitutional documents have been entered in its minutes book and are in full force and effect;

(f) other than the Client, no one has interest in the Accounts;

(g) all information stated in the Loan Agreement and the Transaction Agreement or provided by the Client in connection with the opening of the Accounts are true, complete and correct;

(h) the specimen signature(s) on the Account Opening Form is/are the genuine signature(s) of the authorized signer(s) whom is duly authorized by the board of directors of the Client that BS Group Companies shall dispense with making enquiries, verification or investigation in relation to the authorization of signature(s);

(i) the Client undertakes to absolve and exonerate BS Group Companies from all blames and liabilities and to indemnify BS Group Companies against all losses, damages, liabilities, claims, demands and costs arising out or in respect or as a result of BS Group Companies agreeing to accept and act on the said resolution as effectively and duly passed and the said signature(s) as genuine and to dispense with making enquiries in relation thereto;

(j) the Client entering into the Loan Agreement and the Transaction Agreement does not and will not violate or exceed any borrowing or similar limit or other power or restriction granted or imposed by any law to the Client; and

(k) all necessary consents or authorization which may be required for the entering and execution of the Loan Agreement and the Transaction Agreement have been obtained and are and shall continue in full force and effect.

21. **Further Assurance**

21.1 The Client agrees and undertakes with the Lender that upon the request of the Lender, the Client shall or shall procure such person who is acceptable to the Lender at the Client's own costs and expenses forthwith and at any time hereafter, whether before or after the Charge shall have become enforceable, execute, do and pass, or cause or procure to be executed, done or passed such legal or other mortgages, charges, pledges, assignments, transfers, assurances, powers of attorney, deeds, documents, letters, resolutions, acts and things in favour or for the benefit of the Lender as the Lender shall require (a) in connection with the implementation, execution and enforcement of any of the term and any right in favour of the Lender under the Loan Agreement, and (b) over or in respect of the Charged Properties or any of them as further security for the Indebtedness or (as the Lender shall require) for perfecting the security hereby constituted or vesting the full benefits of the Charged Properties or any of them in the Lender, the Lender’s nominee(s) or (after the Charge has become enforceable) any purchaser thereof. Such mortgages, charges, pledges, assignments, transfers, assurances, powers of attorney, deeds, documents, letters, resolutions, acts and things shall be prepared by the Lender, at the cost and expense of the Client, and shall contain such provisions as the Lender shall require, for which purposes the Client appoints the Lender as the duly authorized representative of and on behalf of the Client.

22. **More than One Person**

22.1 Where the Client consists of more than one person (whether a partnership or otherwise):-

(a) each of them shall be bound though any other of such persons intended to be bound is not, for whatever reason, so bound. References to the Client shall be construed to any or each of them;

(b) each of them shall be jointly and severally liable to and responsible for the liabilities, obligations and indebtedness under the Loan Agreement;

(c) the rights, powers, claims, demands, instructions, directions, decisions and/or authorizations under the Loan Agreement shall be exercised, performed or made by any of them separately and independently with any other of such persons. The act, conduct, instructions, directions, decisions and/or authorizations of any of such persons shall be jointly and severally binding on any or all of such persons;

(d) the Lender and/or any of the BS Group Companies shall be entitled to deal separately with any of them on any matter including the discharge, satisfaction or performance of any liability, obligation or indebtedness to any extent without affecting the liability of any other of such persons;

(e) each one of them shall waive in favour of all the BS Group Companies the right of proof in competition with any one or more of the BS Group Companies in the bankruptcy or insolvency of the other(s) and none of them shall take from the other(s) any counter-security without prior written consent from all the BS Group Companies;

(f) the discharge, satisfaction or performance of any liability, obligation or indebtedness under the Loan Agreement by any of the BS Group Companies in favour of or for the benefit of any of such persons shall be and be deemed to be full and sufficient discharge, satisfaction or performance of such liability, obligation or indebtedness in favour of or for the benefit of any or all of such persons. The payment of money or fund by any of the BS Group Companies toward or in favour of any of such persons shall be and be deemed to be full and sufficient discharge, satisfaction or performance of such payment of money or fund toward or in favour of any or all of such persons; and

(g) subject to the consent or discretion of the Lender, any of such persons is entitled to deposit or transfer any Securities, Commodities, Exchange Contracts, F/O Contracts, FX, Foreign Exchange Contracts, Bullion and/or Contract to or out the Accounts. Any one of such persons is not entitled to claim or assert interest, benefit, ownership or title to any particular or specific Securities, Commodities, Exchange Contracts, F/O Contracts, FX, Foreign Exchange Contracts, Bullion and/or Contracts in the Accounts separately or independently with any other of such persons.

23. **Power of Attorney**

23.1 The Client willingly and irrevocably appoints and constitutes each and any of the BS Group Companies as its lawful attorney to do and execute all such acts, deeds, documents or things on behalf of the Client as it considers necessary or desirable in connection with the implementation, execution and enforcement of any of the terms, rights and powers conferred by the Loan Agreement and agrees to ratify or confirm all such acts, deeds, documents or things by any of the BS Group Companies, including (without limitation) the following: -

(a) to sign or execute any documents and do all acts and things which may be required or which the Lender thinks fit for carrying out any obligations of the Client under the Transaction Agreement, the Loan Agreement or otherwise or for realizing any security given to the Lender or for giving to the Lender and/or any of the BS Group Companies the full benefit of the Transaction Agreement and the Loan Agreement; and

(b) to make any claim or take any action which the Lender may consider necessary or desirable in connection with any transaction contemplated by, or related to, the Transaction Agreement, the Loan Agreement or in connection with any asset subject to lien or security in favour of the Lender, in each case on such terms as the Lender may in its sole discretion consider appropriate.

23.2 The Client also agrees that this power of attorney is in addition to and in no way limits or restricts any rights which any of the BS Group Companies may have under any other agreement between the Client and any of the BS Group Companies.

23.3 The Client declares that the powers conferred upon any of the BS Group Companies under the Loan Agreement shall be given the widest interpretation and may be exercised by any person authorized by any of the BS Group Companies for such purpose.

23.4 The Client hereby further declares that the authority herein contained shall remain in full force and effect until the termination of the Loan Agreement in accordance with the Loan Agreement.

24. **Termination**

24.1 The Client shall only terminate the Loan Agreement by a valid and effective prior written notice to the Lender. The aforesaid prior written notice shall be a valid and effective prior written notice only and only if such notice shall be actually received by the Lender and the effective date for termination of the Loan Agreement stated therein shall be at least 7 Business Days after the date of receipt of such notice by the Lender. The Loan Agreement shall be terminated by the Lender at its discretion and at any time by notice given by the Lender to the Client without the need to give reasons for such termination.

24.2 The termination of the Loan Agreement shall not affect or prejudice :-

(a) the liabilities, obligations or indebtedness of the Client existing, arisen or incurred at the time under the Loan Agreement or any agreement made with any of the BS Group Companies on or before the termination of the Loan Agreement, including but not limited to the indebtedness, liabilities or obligations of the Client arising out of or in connection with any open positions or outstanding transactions at the time of the termination of the Loan Agreement;

(b) the liabilities, obligations or indebtedness of the Client arising out of or in connection with any agreements, warranties, representations, undertakings and indemnities given by the Client under the Loan Agreement, the Transaction Agreement or any agreement made with any of the BS Group Companies;

(c) the rights and powers to close out, transfer or settle all the open positions or outstanding transactions of the Client, and the rights and powers to take such action or do all such acts and things incidental or in relation to the closing out, transfer or settlement mentioned in this Clause; and

(d) the rights and powers to take such action or do all such acts and things incidental or in relation to the termination, conclusion, consolidation, clearing or settlement of all the Client's liabilities, obligations or indebtedness under the Loan Agreement, or the rights and powers to take such action or do all such acts and things incidental or in relation to the termination of the Loan Agreement.

25. **Miscellaneous Provisions**

25.1 The provisions of the Loan Agreement shall be binding on and ensure to the benefit of the successor, assign and personal representative of each Party provided that the Client shall not assign, transfer, alienate, charge or otherwise dispose of any of the interest, rights, benefits, liabilities or obligations hereunder without the prior written consent of the Lender, and the Lender and/or any of the BS Group Companies may at any time assign, alienate or otherwise dispose of all or a part only of their respective interest, rights, benefits, liabilities and obligations under the Loan Agreement to any person without the prior consent or approval of the Client. Any assignee, transferee or successor of the Lender and/or any of the BS Group Companies shall have the same interest, rights, benefits, liabilities and remedies as if it were the Lender and/or such BS Group Company. The Lender and/or any of the BS Group Companies may delegate or sub-contract the performance of its obligations hereunder as it think fit.

25.2 Any provision of the Loan Agreement becoming prohibited by or unlawful or unenforceable under any applicable law actually applied by any court of competent jurisdiction shall, to the extent required by such law, be severed from the Loan Agreement and rendered ineffective so far as is possible without modifying the remaining provisions of the Loan Agreement. Where, however, the provisions of any such applicable law may be waived, they are waived by the Parties to the full extent permitted by such law to the end that the Loan Agreement shall be a valid and binding agreement enforceable in accordance with its terms and conditions.

25.3 Without prejudice to other provisions of the Loan Agreement relating to communication or notice by or from the Lender or any of the BS Group Companies and the right of the Lender or any of the BS Group Companies to use any way or method of communication, any report, confirmation, statements, notice and other communication from the Lender or any of the BS Group Companies to the Client under the Loan Agreement may be delivered personally or sent by post or fax or electronic mail ("**E-mail**") addressed to the Client at the address or fax number or E-mail address set out in the Account Opening Form, at its registered office or at such other address or fax number or E-mail address as may have been notified in writing by the Client to the Lender (such notification shall only take effect 24 hours after the actual receipt of the same by the Lender). Any such report, confirmation, statements, notice and other communication shall be deemed to have been received by the Client (a) if hand delivered, when delivered, (b) if given by post, 24 hours after the same has been posted, or (c) if given by fax or E-mail, at the same time when it is dispatched. The contents of such report, confirmation, statements, notice or communication or statement of account issued by the Lender or any of the BS Group Companies shall be or be deemed correct, accurate and conclusive and no objection thereto shall be made by the Client unless written objection is actually received by the Lender or such BS Group Company within 24 hours after hand delivery or transmission by fax or E-mail, or in case of posting 48 hours thereafter.

25.4 Any letter, notice, documents or other communication from the Client to the Lender or any of the BS Group Companies shall take effect only on actual receipt of the same by the Lender or such BS Group Companies (as the case may be).

25.5 The Loan Agreement supersede all prior engagements, arrangements, agreements and contracts whether oral or in writing whatsoever made by the Lender. No warranties or representations express or implied are or have been made or given by the Lender or by anybody on his behalf relating to the subject of the Loan Agreement prior to the signing hereof. If any such warranty or representation express or implied has been made the same is withdrawn or deemed to have been withdrawn immediately before the Lender entering into the Loan Agreement. However, the Loan Agreement do and will not supersede any prior engagements, arrangements, agreements and contracts whether oral or in writing whatsoever and whether past, present or future made by the Client with or in favour of the Lender and/or any of the BS Group Companies, and do and will not affect or prejudice any or all the liabilities, obligations or indebtedness whether oral or in writing whatsoever and whether past, present or future of the Client to the Lender and/or any of the BS Group Companies.

25.6 In the event or of death or liquidation of the Client or in the event of the Client being rendered incapable or disabled from managing and administering the Client's property or affairs then prior to the actual receipt by the Lender of written notice of death, liquidation or incapacity or disability of the Client, all the BS Group

Companies may, but not obliged to, continue to act upon the instructions of the Client as if the Client were still alive, existing or capable of managing and administering the Client's property or affairs.

25.7 The rights, remedies, powers and privileges of the Lender and the BS Group Companies under the Loan Agreement are cumulative and not exclusive of any rights or remedies provided by law. No time, indulgence or forbearance granted by the Lender and/or any of the BS Group Companies shall operate to waive any of its rights under the Loan Agreement nor shall any single or partial exercise thereof preclude any other or further exercise thereof.

25.8 The Lender shall have absolute rights to amend, delete or substitute any of the terms herein or add new terms to the Loan Agreement and/or the Transaction Agreement. An amendment notice and the revised Loan Agreement and/or Transaction Agreement will be posted at the "**Important Terms**" column of BS Website at www.bsgroup.com.hk. In addition, the Lender will notify the Client on such revision. The Client should visit the BS Website from time to time for obtaining the latest Loan Agreement and/or Transaction Agreement and read the terms thereof. Such amendment, deletion, substitution or addition shall be deemed as effective and incorporated herein (and shall form part of the Loan Agreement and/or Transaction Agreement) on the date of publication of such amendment notice. The Client may raise written objection within fourteen (14) days after the publication of such amendment notice at the BS Website. Failing which, it shall be deemed an acceptance of such amendment, deletion, substitution or addition.

25.9 Time shall in every respect be of the essence of the liabilities and obligations of the Client under the Loan Agreement.

25.10 The English version and the Chinese version of the Loan Agreement are of the same legal effect. However, in the event of any inconsistency between the English version and the Chinese version, the English version shall prevail.

26. **Governing Law and Jurisdiction**

26.1 The Loan Agreement shall be governed by and construed in accordance with the laws of Hong Kong. The Client and any of the BS Group Companies hereby irrevocably submit to the exclusive jurisdiction of the courts of Hong Kong as regards any claim, matter or proceedings arising under the Loan Agreement. The Client agrees that the rulings, orders, decisions and/or judgments of the courts of Hong Kong shall be final and conclusive.

26.2 The Client agrees that any BS Group Companies is/are entitled to enforce and execute the judgment of the courts of Hong Kong in any jurisdiction as it thinks fit. The Client hereby further agrees not to oppose in any legal proceedings arising under the Loan Agreement (including the legal proceedings in other jurisdiction for enforcement of judgment) and not to appeal the judgments of the courts of Hong Kong or other jurisdictions.

26.3 The Client agrees that any writ, summons, order, judgment or other document shall be and be deemed duly and sufficiently served on the Client if addressed to the Client and left at or sent by post to the address of the Client set out in the Account Opening Form or last known to the Lender. The foregoing shall not limit the Lender's right to serve process on the Client in any manner permitted by laws of the relevant jurisdiction.

*****

SECTION XII – TERMS AND CONDITIONS FOR PRE-LISTING TRADING

These Terms are additional and supplemental to the terms and conditions in Section I headed "Terms and Conditions for Securities Cash Trading" ("**Section I**"). All Pre-Listing Trading effected, conducted, carried on and entered into by the Client with and through BS Securities for or on the Securities Account, and the Automated Trading Services to be provided by BS Securities to the Client shall be subject to and upon the Agreement. Where any conflict or inconsistency arises between any provision of these Terms and any provision of Section I, the provisions of these Terms shall prevail.

1. **Definitions**

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

1.2 In these Terms, the following expressions, unless the context requires otherwise, shall have the following meanings: -

"**Agreement**" means the agreement made between the Client and BS Securities and constituted by the Account Opening Form, these Terms, the Acknowledgment by Client, the terms and conditions in Section I, and such other documents referred to therein or added thereto (including any amendment or supplement made thereto from time to time);

"**Allotted Securities**" means Securities that are allotted pursuant to an IPO;

"**Automated Trading Services**" has the meaning as defined in the SFO;

"**ETS**" means the Electronic Trading System via which BS Securities provides the Automated Trading Services for the purpose of Pre-Listing Trading;

"**Matched Orders**" has the meaning ascribed to it in Clause 3.3;

"**IPO**" means a public offer of Securities in respect of a new listing and/or issue of such Securities on SEHK;

"**Pre-Listing Trading**" means any transaction, trading or agreement to purchase, invest in, sell, acquire, clear, settle or otherwise dispose of any Allotted Securities and generally dealing in Allotted Securities prior to their official listing on SEHK;

"**Trading Day**" means, in respect of any Allotted Securities, the day immediately prior to their official listing on SEHK;

"**Pre-Listing Trading Session**" means the trading hours commencing at 4:15 p.m. and ending at 6:30 p.m. or such other trading hours as determined and announced by BS Securities from time to time; and

"**these Terms**" means all the terms and conditions in this Section XII headed "Terms and Conditions for Pre-Listing Trading " as from time to time amended and supplemented.

1.3 In these Terms: -

(a) "include(s)" and "including" mean respectively "include(s) but not limited to" and "including but not limited to";
(b) reference to a Clause is to a clause of these Terms and reference to the Account Opening Form is to the Account Opening Form as completed by or on behalf of the Client and where such information has been amended by subsequent notice to BS Securities means the Account Opening Form as amended by such notice;
(c) reference to an Ordinance is to an Ordinance or law of Hong Kong and any subsidiary legislation related thereto as from time to time amended, consolidated, extended, codified or re-enacted and for the time being in force;
(d) words importing the singular include the plural and vice versa; words importing person include bodies corporate or unincorporated or other entity; words importing gender include every gender and the neuter gender;
(e) the headings to the Clauses are for convenience only and do not affect their interpretation or construction; and
(f) where it is necessary for the true construction or interpretation of any provision herein so that the indebtedness, liability or obligation of any of the Parties shall continue after the termination of the Agreement, such provision shall survive the termination of the Agreement.

1.4 Where it is necessary for the true construction or interpretation of any provision of the Agreement, all references to (i) "Agreement" in Section I shall be construed as references to Agreement as defined in these Terms; (ii) "Transaction" in Section I shall be construed as references to include Pre-Listing Trading; and (iii) "Securities" in Section I shall be construed as references to include Allotted Securities.

2. **Applicable Rules and Regulations**

2.1 All Instructions for Pre-Listing Trading and Pre-Listing Trading made or entered into by BS Securities on behalf of the Client shall be subject to, and in respect of the above, both BS Securities and the Client shall be bound by: -

(a) the Agreement;
(b) BS Securities' rules, regulations, procedures and policies from time to time in force;
(c) the memorandum and articles of association of SEHK, SEHK Rules, Clearing Rules in Hong Kong and the customs, usages, rulings and procedures of SEHK; and
(d) the SFO and all applicable laws, rules and regulations of Hong Kong.

2.2 If there shall be any conflict or inconsistency between any of the provisions of the Agreement and anything contained in paragraphs (b), (c) and (d) of Clause 2.1, BS Securities may, in its absolute discretion, take or refuse to take any action, or demand the Client to take or refrain from taking any action to ensure compliance with the same.

3. **Pre-Listing Trading**

3.1 The Client may only conduct Pre-Listing Trading in the Pre-Listing Trading Session on the Trading Day.

3.2 Notwithstanding anything contained in these Terms, BS Securities shall have the sole and absolute right exercisable at its sole discretion at any time, without notice to the Client, without limitation and without any liability to the Client: -

(a) to vary the trading hours of the Pre-Listing Trading Session;
(b) limit or suspend Pre-Listing Trading on any Trading Day;
(c) limit, vary, suspend or terminate the Automatic Trading Services provided to the Client under the Agreement; and/or
(d) set any limit on any Instruction or order that can be given for Pre-Listing Trading,

for any reason whatsoever, including any unauthorized use of the Automatic Trading Services provided to the Client under the Agreement.

3.3 Subject to Clause 3.5 and Clause 6.2, all Instructions and orders for Pre-Listing Trading accepted by BS Securities and recorded in and matched by ETS ("**Matched Orders**") will be executed and effected by BS Securities notwithstanding any suspension, breakdown and disruption of ETS referred to in Clause 6.1.

3.4 At the end of the Pre-Listing Trading Session, all Instructions and orders for Pre-Listing Trading which remain wholly or partly unmatched shall be canceled.

3.5 Notwithstanding Clause 3.3, if, in respect of any Allotted Securities, there is any postponement or cancellation of their official listing on SEHK or alteration to the terms and conditions of the IPO of such Allotted Securities, all Instructions and orders for Pre-Listing Trading in such Allotted Securities (including Matched Orders) will be cancelled automatically and will not be executed or effected by BS Securities. BS Securities shall not, in any circumstances, be liable in any way to the Client for any loss, damages, expenses or loss of profit whatsoever suffered and/or incurred by the Client arising out of (directly or indirectly) or in connection with its not accepting, carrying out, executing or effecting such Instructions and orders or omitting to give notice therefor.

3.6 If a typhoon signal No.8 or above or black rainstorm warning is hoisted or issued in Hong Kong on any Trading Day:

(a) before 4:00 p.m., BS Securities may, in its sole and absolute discretion: (i) determine that the trading hours of the Pre-Listing Trading Session on such Trading Day will commence and end as usual; (ii) vary the trading hours of the Trading Session on such Trading Day; or (iii) limit or suspend Pre-Listing Trading on such Trading Day, as may be announced by BS Securities by posting on the BS Website; and
(b) on or after 4:00 p.m., the trading hours of the Trading Session on such Trading Day will commence and end as usual.

BS Securities shall not, in any circumstances, be liable in any way to the Client for any loss, damages, expenses or loss of profit whatsoever suffered and/or incurred by the Client arising out of (directly or indirectly) or in connection with its actions taken pursuant to Clause 3.6.

4. **Settlement**

4.1 The Client shall deliver to BS Securities Allotted Securities which are fully paid with valid and good title and in deliverable form for delivery against sales or pay BS Securities cleared funds for the payment of Allotted Securities purchased, by such time as BS Securities has notified the Client. Any failure by the Client to do so shall entitle BS Securities, without further notice or demand, to forthwith: -

(a) borrow and/or buy the Allotted Securities required for delivery at a price as BS Securities shall in its absolute discretion determine, charge any Account for the cost thereof, deliver the Allotted Securities to satisfy the Client's obligations, and credit any Account with the payment received for delivery; or
(b) accept delivery of the Allotted Securities, charge any Account for the payment to satisfy the Client's

obligations, transfer and/or sell the Allotted Securities at a price as BS Securities shall in its absolute discretion determine, and credit any Account for the proceeds thereof.

or, in addition or as an alternative to (a) or (b) above, to have recourse to its rights of combination and set-off as set out in Section I in order to settle the Pre-Listing Trading.

4.2 The Client shall be liable for any Deficit resulting from losses and any cost or expense (including legal costs) incurred by BS Securities, on a full indemnity basis, related to the purchase and sale of Allotted Securities pursuant to Clause 4.1.

4.3 The Client acknowledges and accepts all Pre-Listing Trading are over-the-counter Transactions, which are exposed to counterparty risk if the counterparty fails to meet its settlement obligations. As the Automatic Trading Services under the Agreement will only be provided to clients of BS Securities, BS Securities will use its reasonable endeavours to minimize settlement failures of Matched Orders by taking any action as BS Securities shall think fit (including but not limited to those actions referred to in Clause 4.1).

4.4 Notwithstanding Clause 4.3, BS Securities makes no representation, warranty or guarantee with respect to the settlement of any Matched Order. There may be circumstances where BS Securities consider inappropriate to take any action to avoid any settlement failure of Matched Orders, in which case: -

(a) where the Client is the purchaser of Allotted Securities, the Client should only be entitled to the refund of the cleared funds paid (in full but without interest) for such purchase;
(b) where the Client is the seller of Allotted Securities, the Client should only be entitled to the return of the Allotted Securities delivered for such sale;

and the Client shall bear all losses and expenses resulting from the counterparty's failure to meet its settlement obligations. BS Securities shall not, in any circumstances, be liable in any way to the Client for any loss, damages, expenses or loss of profit whatsoever suffered and/or incurred by the Client arising out of (directly or indirectly) or in connection with, any settlement failure of Matched Orders.

5. Client's Representations, Undertakings and Warranties

5.1 The Client acknowledges and accepts that Automatic Trading Services under these Terms will only be provided to clients of BS Securities. The Client represents and warrants that: -

(a) the Client will be the ultimate originator of all Pre-Listing Trading and is dealing on its own account;
(b) the Client will not be conducting any Pre-Listing Trading for the account of any other persons; and
(c) the Client has or will have good and unencumbered title as beneficial owner to all Allotted Securities which the Client instructs BS Securities to sell or otherwise dispose of in accordance with the Agreement and that no one other than the Client has any interest in the relevant Allotted Securities.

6. Limitation of Liabilities

6.1 Unless due to the wilful default of BS Group Companies, their directors, officers, employees and agents and only to the extent of direct and reasonably foreseeable loss and damage (if any) arising directly and solely therefrom or the amount of the relevant Pre-Listing Trading (whichever is less), BS Group Companies shall not assume any liability or responsibility whatsoever to the Client or any other person for the consequences arising from or in connection with: (a) any interruption, interception, suspension, delay, loss, unavailability, mutilation, breakdown, disruption or other failure of ETS (whether or not within the control of BS Group Companies) including, without limitation, failure of any communication network or computer downtime, act or omission of any third party information or service providers, housekeeping, computer virus, unauthorized access by any person (including hacker), upgrade or preventive or remedial maintenance activities, mechanical failure, power failure, malfunction, or inadequacy of equipment, installation or facilities, or any law, rules, regulations, codes, directions, regulatory guidelines or government order (whether or not having the force of law); (b) transmission, posting and/or storage of any information and/or data relating to the Client, ETS and/or Pre-Listing Trading conducted by the Client through or in any system, equipment or instrument of any communication network provider; and (c) Act of God, government act, government restrictions, the imposition of emergency procedures, civil commotion, strike, acts or threatened acts of terrorism, war, natural disasters, fire, flood, explosion or other circumstances beyond third party’s control.

6.2 In the event of any suspension, breakdown or disruption of ETS referred in Clause 6.1: -

(a) BS Securities will as soon as practicable notify the Client by posting announcements on the BS Website; and
(b) BS Securities shall have the sole and absolute right and discretion to (i) cancel any Instructions or orders for Pre-Listing Trading (including Matched Orders); and/or (ii) limit, vary, suspend or terminate the Automatic Trading Services provided to the Client under the Agreement,

and the Client shall have no claim whatsoever against BS Group Companies arising from any of the foregoing.

6.3 BS Group Companies shall not in any circumstances or in any way be liable to the Client for any loss of use, revenue, profits, savings or opportunity or any other incidental, consequential, special or indirect loss or damages arising from the foregoing irrespective of how such loss may be caused.

*****

SECTION XIII - TERMS AND CONDITIONS FOR BULLION TRADING

All transactions, purchase, investment, sale, trading, entering, exchange, acquisition, holding, transfer, making, clearing, settlement, disposal or dealing in, of and with all kinds of Bullion effected, conducted, carried on and entered into by the Client with and through BSGB and/or BSGB Trading Agent, and the Bullion Account opened and maintained by the Client with BSGB shall be subject to and upon the Agreement.

1. **Definitions**

1.1 In these Terms, the following expressions, unless the context requires otherwise, shall have the following meanings: -

"**Account**" means any account of whatsoever nature now or in future opened and maintained in the name of the Client with any of the BS Group Companies in accordance with the Agreement or other agreement or document;

"**Account Opening Form**" means the Account Opening Form for the Bullion Account including the declaration, information, notes and statements thereto to be completed and signed by the Client and, as the context requires, any amendments made thereto from time to time;

"**Acknowledgment by Client**" means the Acknowledgment by Client including the information for trading, procedure for funds deposit and withdrawal, procedure for transferring funds between any Account and the Bullion Account and other information in respect of the Bullion Account, as from time to time amended or supplemented;

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

"**Authorized Person**" means the persons or any of them appointed by the Client as agent of the Client to (including but not limited to) issue Instructions on behalf of the Client in relation to the Bullion Account and/or Transactions, and initially the persons specified as such in the Account Opening Form and such other person as appointed by the Client in substitution therefor or in addition thereto from time to time (the Client shall in writing notify BSGB of such appointment, which shall only be effective after the actual receipt of such notification and approved by BSGB);

"**Bill Payment Number**" means the designated depositing money reference number issued by BSGB and the Client may rely on such designated depositing money reference number to transfer moneys or funds from Bank of China (Hong Kong) Limited, Hang Seng Bank Limited, The Hongkong and Shanghai Banking Corporation Limited or such other bank as determined by BSGB from time to time to BSGB in accordance with these Terms;

"**BSFL**" means Bright Smart Forex Limited, a company incorporated under the laws of Hong Kong (SFC-CE Number: AZK567) and its successors and assigns;

"**BSGB**" means Bright Smart Global Bullion Limited, a company incorporated under the laws of Hong Kong (Company Number: 1810415) and its successors and assigns;

"**BSGB Trading Agent**" means any agent appointed, engaged and instructed by BSGB for executing, effecting, trading, implementing, clearing and settling the Instructions and Transactions on behalf of the Client;

"BSGB Trading Agent Agreement" means the agreements and the terms and conditions made between BSGB and BSGB Trading Agent for the purposes of these Terms and the Transactions (including any amendment or supplement made thereto from time to time);

"**BS Futures**" means Bright Smart Futures & Commodities Company Limited, a company incorporated under the laws of Hong Kong (SFC-CE Number: ADH427) and its successors and assigns;

"**BS Group Companies**" means BS Securities, BS Futures, BSFL, BSGB and such other company as BSGB may from time to time add and notify the Client;

"**BS Securities**" means Bright Smart Securities International (H.K.) Limited, a company incorporated under the laws of Hong Kong (SFC-CE Number: AEZ575) and its successors and assigns;

"**BS Website**" means any and all websites provided or operated by BS Group Companies;

"**Bullion**" means London Bullion and/or any kinds of precious metals in the mass as may be agreed by the Parties and stated in the relevant Confirmation;

"**Bullion Account**" means any account now or in future opened and maintained in the name of the Client with BSGB for conducting Transactions in accordance with the Agreement, and/or all other account(s) of

whatsoever nature now or in future opened and maintained in the name of the Client with BSGB in accordance with the Agreement or other agreement or document;

"**Business Day**" means (a) in respect of notices made or given under the Agreement, a day (other than Saturday and Sunday and a day on which a black rainstorm warning or a number 8 or higher typhoon signal is hoisted before 2:00 p.m. in Hong Kong) on which banks are open for business in Hong Kong; (b) in respect of delivery and payment of London Bullion, a day on which the relevant Market in London is open for trading; and (c) in respect of delivery and payment of Bullion other than London Bullion, a day on which the relevant Market in the relevant jurisdiction is open for trading;

"**Clearing House**" means, in respect of a Transaction, the clearing or settlement house, corporation, organization or body (whether in Hong Kong or a Foreign Jurisdiction) providing clearing and settlement services for such Transaction including, where the context so requires, its agents, nominees, representatives, officers and employees;

"**Clearing Rules**" means the rules, procedures and regulations of the Clearing System from time to time in force;

"**Clearing System**" means the clearing and settlement system operated by the Clearing House from time to time;

"**Client**" means the person or persons who has/have signed and/or specified as such in the Account Opening Form, and where the Bullion Account is opened by more than one person means all of such persons collectively and any legal or personal representative, executor, successor in title or permitted assign thereof, and shall include the Authorized Person where the context permits;

"**Client Group Company**" means any company which is controlled by the Client; a person is in "control" of a company if: (a) it is in accordance with such person's instructions the directors of the company or of another company of which it is a subsidiary are accustomed to act; or (b) such person, either alone or with any of its associate(s), is entitled to exercise or control the exercise of more than 30% of the voting power at general meeting of the company or of another company of which it is a subsidiary;

"**Confirmation**" means a written notice sent from time to time by BSGB to the Client in relation to Transactions between the Parties, Transactions entered into on behalf of the Client and/or other adjustments by BSGB to the Bullion Account;

"**Contract**" means a contract as may be agreed and entered into by the Parties or entered into on behalf of the Client from time to time in respect of Transactions pursuant to the terms and subject to the conditions of the Agreement;

"**Contract Price**" means the price per unit of Bullion multiplied by the total quantity of Bullion traded pursuant to the terms and subject to the conditions of the Agreement;

"**Credit Facilities**" means all or any of the loan or credit facilities made available, provided or granted by or agreed to be made available, provided or granted by any of the BS Group Companies under and pursuant to the Loan Agreement from time to time;

"**Custodian Fee**" means the custodian fee charged on Bullion overnight outstanding position;

"**Deficit**" means the negative balance in the Account whatsoever and howsoever arising;

"**Device**" means any device (including but not limited to any digital or electronic certificate or encrypted software), equipment, phone, machine or computer provided, whether mobile, fixed, portable or otherwise (whether by BSGB or not) to or otherwise employed by the Client for giving Instructions;

"**Dissolution**" of a person also includes the winding-up, liquidation or bankruptcy of that person, and any equivalent or analogous procedure under the law of any jurisdiction in which that person is incorporated, domiciled, resident, carries on business or has assets and "**dissolved**" shall be construed accordingly;

"**Encumbrance**" means any mortgage, charge, pledge, lien, assignment by way of security, financial lease, deferred purchase, sale-and-repurchase or sale-and-leaseback arrangement, hypothecation, retention of title by a vendor or other security interest given or arising in respect of any assets, and any arrangement the effect of which is to prefer any creditor or any agreement for any of the same;

"**ETF**" means "ETF" as defined in Section V headed "Terms and Conditions for Electronic Trading Facilities";

"**Event of Default**" has the meaning ascribed thereto in Clause 21;

"**Foreign Jurisdiction**" means a country, territory or jurisdiction outside Hong Kong;

"**Hong Kong**" means the Hong Kong Special Administrative Region of the People's Republic of China;

"**Instruction**" means any instruction or order communicated by the Client or the Authorized Person in whatever means (including but not limited to oral, phone, fax, email, internet, or any electronic means or any

written form) to BSGB in accordance with these Terms;

"**Liabilities**" means all monies, liabilities and obligations, whether actual or contingent, present or future, due, owing or incurred from or by the Client to any of the BS Group Companies, their respective nominee, subsidiary or other associated company in connection with the Account and/or the Agreement or for which the Client may otherwise be or become liable to any of the BS Group Companies on any account or in any manner or currency whatsoever (whether alone or jointly with any other person and in whatever name, style or firm), together with interest from the date of demand to the date of payment, legal costs and all other costs, charges and expenses incurred by any of the BS Group Companies, their respective nominee, subsidiary or other associated company in connection with the recovery or attempted recovery of such monies, liabilities and obligations;

"**Loan Agreement**" means (a) the "Loan Agreement" as defined in Section XI headed "Terms and Conditions for Loan and Security"; or (b) any other loan or credit facility agreement (as the case may be) made or to be made between any of the BS Group Companies and the Client, as amended or supplemented from time to time, whereby, subject to the terms and conditions thereof, BS Securities and/or BS Futures and/or BSGB and/or any of the BS Group Companies have agreed to make available, provide or grant Credit Facilities to the Client for the purposes stated therein;

"**London Bullion**" means gold having a fineness of at least 0.995 and/or silver having a fineness of at least 0.999, both of which shall be valued in USD per troy ounce and be suitable for delivery through LBMA, unless otherwise agreed by the Parties and stated in the relevant Confirmation;

"**LBMA**" means the London Bullion Market Association;

"**Margin**" means a deposit of money and/or Securities and/or other property as collateral required by BSGB to be placed with BSGB by the Client as a guarantee of performance by the Client;

"**Market**" means any exchange, market, over-the-counter market, responsible association of dealers or corporation, whether within or outside Hong Kong, so dealing in Bullion as to provide a market for Bullion (including LBMA);

"**Market Rules**" means the constitution, rules, regulations, by-laws, customs, usages, rulings and procedures of or made by the Market, and any amendments, supplements, variations or modifications thereto from time to time;

"**Netting**" means an agreement by the Parties to settle their respective delivery and/or payment obligations on a net basis after the complete or partial off-set of delivery and/or payment obligations to each other, on any given day, under the terms and subject to the conditions of the Agreement;

"**Netting Confirmation**" means a Confirmation of the results of a Netting transaction;

"**Parties**" means BSGB and the Client, and each of them is referred to as "**Party**";

"**Risk Disclosure Statements**" means the risk disclosure statements provided by the BS Group Companies to the Client, as may be prescribed, amended or supplemented by the BS Group Companies from time to time, the current version being set out in Section IX headed "Risk Disclosure Statements";

"**Securities**" means (a) securities as defined in SFO; and/or (b) any shares, stocks, debentures, loan stocks, money, bonds, notes, unit trusts, certificates of deposit or other commercial paper or securities or other similar instruments of any kind whatever or howsoever, of or issued by any body, whether incorporated or unincorporated, or any government authority for the time being traded in a market and acceptable to BSGB and may include, in the absolute discretion of BSGB, (i) rights, options or interests (whether described as units or otherwise) in or in respect of any of the foregoing; (ii) certificates of interest or participation in, or temporary or interim certificates for, receipts for or warrants to subscribe to or purchase, any of the foregoing; or (iii) any instruments commonly known as securities;

"**Settlement Account**" means the bank account of the Client for the purpose of Clause 9 of these Terms, the particulars of which are specified in the Account Opening Form;

"**Settlement Date**" means for spot delivery Contracts relating to Bullion, the second Business Day following the date on which the Transaction was entered into;

"**SFC**" means the Securities and Futures Commission of Hong Kong;

"**SFO**" means the Securities and Futures Ordinance (Cap.571 of the Laws of Hong Kong) and any subsidiary legislation made thereunder;

"**Sub-account Number**" means the designated account number issued by designated banks as determined by BSGB from time to time and the Client may rely on such designated bank account number to transfer moneys or funds to BSGB in accordance with these Terms;

"**these Terms**" means all the terms and conditions in this Section XIII headed "Terms and Conditions for Bullion Trading" as from time to time amended or supplemented;

"**Transaction**" means any transaction, purchase, investment, sale, trading, entering, exchange, acquisition, holding, transfer, making, clearing, settlement, disposal or dealing in, of and with any Bullion and/or Contract and generally dealing in any and all kinds of Bullion and/or Contract;

"**USD**" means the lawful currency of the United States at the relevant time; and

"**U.S. person**" includes any natural person who is a citizen of or resident in the United States; a corporation, partnership or other business organization organized or incorporated under the laws of the United States or any political subdivision thereof, any estate or trust which is administered by an executor or trustee who is a U.S. person or the income of which is subject to U.S. federal income taxation regardless of its source; any account (other than any estate or trust) held by a dealer or fiduciary for the benefit of a U.S. person and any partnership or corporation organized and incorporated under the laws of any foreign jurisdiction which was formed by a U.S. person principally for the purpose of investing in securities not registered under the United States Securities Act of 1933. "**U.S. person**" shall not include any branch or agency of a United States bank or insurance company that is operating outside the United States for valid business reasons as a locally regulated branch or agency engaged in the banking or insurance business and not formed primarily for the purpose of investing in securities not registered under the United States Securities Act of 1933. For the purposes of this definition, the "**United States**" includes the United States of America, its states, territories and possessions and the District of Columbia.

1.2 In these Terms: -

(a) "include(s)" and "including" mean respectively "include(s) but not limited to" and "including but not limited to";
(b) "subsidiary" shall bear the meaning given by the Companies Ordinance (Cap. 622 of the Laws of Hong Kong) and "associated company" means, in respect of any person, any company (not being a subsidiary of that person) of which that person shall beneficially own twenty per cent (20%) or more of the issued share capital or in respect of which that person is entitled to appoint one or more directors or, in relation to any company, any company which is a subsidiary of a holding company of that first mentioned company;
(c) reference to a Clause is to a clause of these Terms and reference to the Account Opening Form is to the Account Opening Form as completed by or on behalf of the Client and where such information has been amended by subsequent notice to BSGB means the Account Opening Form as amended by such notice;
(d) reference to an Ordinance is to an Ordinance or law of Hong Kong and any subsidiary legislation related thereto as from time to time amended, consolidated, extended, codified or re-enacted and for the time being in force;
(e) words importing the singular include the plural and vice versa; words importing person include bodies corporate or unincorporated or other entity; words importing gender include every gender and the neuter gender;
(f) the headings to the Clauses are for convenience only and do not affect their interpretation or construction; and
(g) where it is necessary for the true construction or interpretation of any provision herein so that the indebtedness, liability or obligation of any of the Parties shall continue after the termination of the Agreement, such provision shall survive the termination of the Agreement.

2. Applicable Rules and Regulations

2.1 All Instructions and Transactions made or entered into (i) by BSGB with the Client; and (ii) by BSGB and/or BSGB Trading Agent on behalf of the Client shall be subject to, and in respect of the above, both BSGB and the Client shall be bound by: -

(a) the Agreement;
(b) BSGB's rules, regulations, procedures and policies from time to time in force;
(c) BSGB Trading Agent Agreement, and the rules, regulations, procedures and policies of BSGB Trading Agent relating and applicable to the Transactions from time to time in force;
(d) all applicable laws, rules and regulations of the jurisdiction where the Instructions and Transactions are executed, performed, cleared or settled;
(e) the constitution, rules, regulations, by-laws, customs, usages, rulings and procedures of the relevant Market, the relevant Clearing House and/or the relevant Clearing System on and through which the Instructions and Transactions are executed, performed, cleared or settled;
(f) any agreement made between, inter alia, (1) any of the BS Group Companies; and (2) any market data feed service providers (including but not limited to a Market and/or its associated companies); and
(g) any agreement made between, inter alia, (1) any of the BS Group Companies; and (2) any other service providers/agents providing services relating or applicable to the Instructions and/or Transactions.

2.2 If there shall be any conflict or inconsistency between any of the provisions of the Agreement and anything contained in paragraphs (b), (c), (d), (e) and (f) of Clause 2.1, BSGB may, in its absolute discretion, take or refuse to take any action, or demand the Client to take or refrain from taking any action to ensure compliance with the same.

3. Appointment and Scope of Agency

3.1 BSGB may (at its sole discretion and election) enter into Transaction with the Client on a principal-to-principal basis or act as the Client's agent to effect Transactions on the Client's behalf. For the avoidance of doubt, the Client is not entitled to request BSGB to effect a Transaction as principal or the Client's agent specifically nor to claim against BSGB for any compensation due to any loss, damages, expenses or loss of profit whatsoever suffered and/or incurred by the Client arising out (directly or indirectly) of or in connection with BSGB's decision or election to act as principal or the Client's agent in any Transaction (whether such decision is against the Client's instruction or wish or otherwise). In any event, nothing herein contained shall constitute BSGB as trustee for the Client or a partnership between BSGB and the Client. The Client shall make its own judgments and decisions independently without reliance on BSGB or any of the BS Group Companies in its decision in relation to dealing Bullion or any Transactions.

3.2 The Client shall, unless otherwise agreed in writing, enter into Transactions as principal. If, as between the Client and a third party, the Client acts as an agent, regardless of whether or not the Client identifies that principal to BSGB, then unless BSGB expressly accepts in writing the Client's status as agent, the Client shall, as between the Client and BSGB be regarded as the sole principal to BSGB and BSGB shall have no privity of contract relationship or responsibilities to the third party.

3.3 Notwithstanding Clauses 3.1 and 3.2, BSGB may, in its absolute discretion, (a) decline to accept, carry out, execute, enter into or effect any Instructions and/or Transactions; or (b) decline to act on or stop carrying out, executing, entering into or effecting any accepted Instructions and/or Transactions without giving any reason therefor. BSGB shall not, in any circumstances, be liable (including liability for negligence) in any way to the Client for any loss, damages, expenses or loss of profit whatsoever suffered and/or incurred by the Client arising out (directly or indirectly) of or in connection with its not accepting, carrying out, executing, entering into, effecting or acting on such Instructions and/or Transactions or omitting to give notice therefor.

3.4 The Client acknowledges and accepts that it may not be possible to cancel, vary or amend an Instruction. Any attempt to cancel, vary or amend an Instruction is simply a request to cancel or modify. BSGB shall not be obliged to act on any Instruction for cancellation, variation or amendment of any Instruction already given to BSGB. BSGB is not responsible for or liable to the Client for any loss or expense suffered or incurred by the Client if the original Instruction has already been completed, or in the opinion of BSGB, BSGB has insufficient time or is unable or at its sole discretion decides not to act on such Instructions to cancel, vary or amend the original Instruction. The Client further acknowledges and accepts that attempts to cancel, vary or amend an Instruction can result in an over-execution of the Instruction, or the execution of duplicate or repeated Instructions, and the Client shall be responsible for all such executions.

3.5 The Client is an independent third party not connected with, an associate of, or acting in concert with, any director, chief executive, substantial shareholder of BSGB and/or any of their respective subsidiaries. The Client does not hold any interest in BSGB.

3.6 Without prejudice to any other provisions in these Terms, the Client agrees and authorizes BSGB to appoint, engage and instruct BSGB Trading Agent as BSGB may in its absolute discretion deem fit to execute, effect, trade, implement, clear and settle any Instructions and/or Transactions.

3.7 Notwithstanding that BSGB has accepted or agreed to carry out, execute, enter into or effect any Instructions and/or Transactions, if BSGB Trading Agent, in its absolute discretion, (a) declines to accept, carry out, execute, enter into or effect any Instructions and/or Transactions; or (b) declines to act on or stop carrying out, executing, entering into or effecting any accepted Instructions and/or Transactions, BSGB may, in its absolute discretion, (a) stop or discontinue to accept, carry out, execute, enter into or effect any such accepted or agreed Instructions and/or Transactions; or (b) decline to act on or stop carrying out, executing, entering into or effecting any such accepted Instructions and/or Transactions without giving any reason therefor. BSGB shall not in any circumstances, be liable (including liability for negligence) in any way to the Client for any loss, damages, expenses or loss of profit whatsoever suffered and/or incurred by the Client arising out (directly or indirectly) of or in connection with its not accepting, carrying out, executing, entering into, effecting or acting on such Instructions and/or Transactions or omitting to give notice therefor.

4. **Authorized Person**

4.1 The Client authorizes the Authorized Person to represent the Client in all matters in relation to all Instructions and Transactions, in particular, to give Instructions and execute all agreements and documents in relation to the Agreement and the Bullion Account and its operation. All such Instructions, Transactions, agreements and documents shall be absolutely and conclusively binding on the Client. The Client agrees that BSGB is entitled to act on such Instructions until the Client notifies BSGB in writing that the authority of the Authorized Person has been revoked or varied.

4.2 The Client undertakes with BSGB from time to time and at all times to ratify and confirm any Instructions whatsoever given or purported to be given by the Authorized Person including but not limited to any Instructions which may be given or purported to be given between the revocation of the authority of the Authorized Person and the actual receipt of notice of such revocation by BSGB. The Client agrees that any Instructions given or purported to be given by the Authorized Person after revocation of the Authorized Person's authority (but before the actual receipt of notice of such revocation by BSGB) shall be absolutely and conclusively binding on the Client, and shall be valid and effectual in favour of BSGB.

4.3 Notwithstanding anything herein contained, the Client acknowledges and confirms that the Authorized Person is neither an employee nor agent of BSGB and there is no partnership or employment relationship between the Authorized Person and BSGB. The Authorized Person is appointed by the Client as agent and

shall have full authority to act on behalf of the Client under the Agreement as if he were the Client himself, and shall have the authority to give good and valid receipt to any payment, monies, funds, Bullion, properties or assets comprised in the Bullion Account made or given to the Authorized Person. All Instructions given by the Authorized Person shall be and be deemed to be the Instructions given by the Client and all acts, omissions, default or breach by the Authorized Person (whether with or without the instructions or consent of the Client) shall be and be deemed to be the acts, omissions, default or breach by the Client. BSGB shall not be in any way liable to the Client or any other parties for the acts, omissions, default or breach by the Authorized Person (whether with or without the instructions or consent of the Client). In the Agreement, the expression "Client" shall, where the context permits, include the Authorized Person.

5. **Form of Instructions**

5.1 Subject as provided herein, all Instructions in relation to Transactions shall be given by the Client or the Authorized Person direct to BSGB (whether oral (in person or by telephone), via internet or any electronic means, by ETF, or other means of communication accepted by BSGB from time to time) in such manner as may be prescribed by BSGB from time to time. If Instructions are given by telephone, internet, electronic means or ETF, BSGB is entitled to rely upon and act in accordance with such Instructions without inquiry or verification by BSGB of the authority or identity of the person making or giving or purporting to make or give such Instructions and regardless of the circumstances prevailing at the time of the giving of such Instructions or the amount of money involved in the Instructions, and notwithstanding any error, misunderstanding, lack of clarity, fraud, forgery or lack of authority in relation thereto.

5.2 BSGB shall be entitled to treat an Instruction given as provided in Clause 5.1 as fully authorized by and binding upon the Client. BSGB shall be entitled (but not bound) to act on or take such steps in connection with or in reliance upon such Instruction as BSGB may in good faith consider appropriate, notwithstanding any error or misunderstanding or lack of clarity in the terms of such Instruction.

5.3 When Instructions are given by the Client or the Authorized Person by telephone: -

(a) the Client or the Authorized Person must use the designated telephone number provided by BSGB from time to time (the "**Designated Telephone**"). For the avoidance of doubt, any Instructions given by telephone without using the Designated Telephone, and any Instructions given by messages left at the voicemails of any telephone numbers of BSGB or any personal mobile phone numbers of the employees or agents of BSGB shall not be regarded as valid or effective Instructions to BSGB. BSGB shall not be liable to the Client for any loss whatsoever arising out of or in connection with the Client's or the Authorized Person's failure to comply with the terms of this Clause;

(b) Notwithstanding the designation of the Designated Telephone and the provisions in Clause 5.3(a) above, BSGB (but not the Client) has the absolute discretion to accept, act on, carry out or effect any Instructions given by telephone other than using the Designated Telephone (the "**Non-Designated Telephone Instruction**"). If BSGB accepts, acts on, carries out or effects any Non-Designated Telephone Instruction, such Non-Designated Telephone Instruction shall be treated and deemed as an Instruction within the meaning of these Terms in all respects and all BSGB's rights, protections, powers and remedies shall be applicable to such Non-Designated Telephone Instruction; and

(c) BSGB has no responsibility for any delay, failure, error, interruption or suspension in the transmission or communication of Instructions or information on prices or the mistaken receipt of any Instructions by any other party. BSGB is authorized to act upon any Instructions received by it (regardless of delay, failure, error, interruption or suspension as aforesaid) and BSGB shall not be required to check the accuracy or authenticity of such Instructions with the Client, nor shall BSGB be liable for any loss or costs suffered or incurred by the Client as a result of BSGB acting upon the same. BSGB shall be entitled to require the Client to enter into a further agreement if the Client wishes it to act on telephonic Instruction.

5.4 In the case of Instruction by ETF, the Client or the Authorized Person must give such Instruction: -

(a) only by such means and in such manner as BSGB may from time to time designate for the relevant type of Transaction;

(b) by use of the suitable Device (if applicable) to obtain access to the designated computer or other systems of BSGB for the relevant type of Transaction; and

(c) at the request of BSGB (such request may be represented by electronic image or digitized voice or other electronic form, as the case may be), by inputting the designated number and/or the relevant password and any other information relating to the identity of the Client as may be required by BSGB, as well as the information and details with respect to the Transaction.

5.5 The Client recognizes the risks in giving Instructions by telephone or ETF including, without limitation, the risk of any Instruction being unauthorized or given by an unauthorized person. The Client accepts the risks in full if the Client chooses to give Instructions by such means.

5.6 Once the Client has given an Instruction, it may not be cancelled, varied or amended without BSGB's written consent.

5.7 BSGB shall have no responsibility to procure compliance by the Client with any law or regulation governing the Client's conduct as a fiduciary (if applicable).

5.8 BSGB and/or BSGB Trading Agent may aggregate the Client's order with its own orders or with those of persons connected with BSGB or with those of other clients. Such aggregation may on some occasions operate to the Client's disadvantage and on other occasions to the Client's advantage. The Client agrees that in the event of there being insufficient Bullion available to satisfy the orders so aggregated, the Bullion shall be attributed to the relevant clients in the order in which such orders were received by BSGB.

5.9 Where the Client is acting as agent for and on behalf of any other person when giving Instructions to BSGB pursuant to the Agreement, BSGB shall be entitled to treat the Client (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 BSGB and no such person will be an "indirect client".

5.10 The Client understands that BSGB is unable to know whether someone other than the Client has given or entered, or is giving or entering, instructions using the Client's name or the Client's user name, password or biometric authentication data. The Client shall not permit or allow any other person to have access to the Bullion Account for any purpose. The Client shall be responsible for the confidentiality and use of, and any order given or entered with, the Client's name or the Client's user name, password and biometric authentication data. The Client shall remain responsible for all instructions using the Client's name or the Client's user name, password and biometric authentication data.

5.11 BSGB may accept the digital signature of the Client or the Authorized Person which is supported by a digital certificate tendered to BSGB. The Client agrees that BSGB is entitled to treat such digital signature as the manual signature of the relevant person.

5.12 The Client acknowledges that it will be responsible to and will indemnify and keep indemnified BSGB for any loss, costs, fees and expenses arising directly or indirectly out of or in connection with the Instructions and BSGB acting thereon hereunder.

6. **Transactions**

6.1 BSGB has the absolute discretion to select the Market on and through which to route, execute, perform or fulfill the Instructions.

6.2 The Client authorizes BSGB to instruct such BSGB Trading Agent, executing brokers, agents, custodians, nominees, overseas brokers and dealers (including branches or associates of BSGB) as BSGB may in its absolute discretion deem fit to execute any Instructions and Transactions, such persons shall have the benefit of all of BSGB's rights, powers and remedies hereunder. The Client acknowledges that the terms of business of such persons and the applicable rules of any relevant Market and/or Clearing System on and through which such Instructions and Transactions are executed and settled shall apply to such Instructions and Transactions.

6.3 All Transactions shall be effected in accordance with all laws, rules and regulatory directions of government agencies and statutory bodies of competent jurisdiction applying to BSGB. All actions taken by BSGB in accordance with such laws, rules and directions shall be binding on the Client. In the absence of wilful misconduct or fraud of BSGB, BSGB shall not be liable to the Client as a result of any action or omission taken by BSGB or any of the persons specified in Clause 6.2 to comply with such laws, rules and directions.

6.4 BSGB may post the specification of Bullion on the BS Website from time to time. The Client acknowledges that it will be responsible to read and fully understand such specification before giving Instructions and shall review such specification regularly to obtain timely notice of any amendment. The Client further acknowledges that such specification and amendment shall be binding on the Client.

6.5 By reasons of the environment of or physical restraints on any Market or Clearing House and the volatility of price movements, there may, on occasions and despite BSGB's, BSGB Trading Agent's, executing brokers', overseas brokers' or dealers' reasonable endeavours, be a delay in quoting prices, executing Instruction or dealing at any specific time. The Client accepts that BSGB may not be able to execute the Client's order at the price specified by the Client, and that BSGB may not be able to trade, deal or execute the Client's order at the price quoted at any specific time, and that BSGB may not be able to trade or deal at the price quoted "at best", "at the best quoted or posted" or "at market". The Client agrees in any event to accept and be bound by Transactions executed by BSGB following Instructions, and agrees that BSGB shall not be liable for any loss arising by reason of its failing, or being unable, to comply with any terms of an order of the Client.

6.6 Where BSGB or the persons specified in Clause 6.2 are unable to perform any of the Instructions in full, BSGB or such persons are entitled to effect partial performance only without prior reference to or confirmation from the Client. The Client shall be bound by such part of the Instructions so performed by BSGB. BSGB shall not have any obligation or liability whatsoever in respect of such part of the Instructions which has not been performed.

6.7 Unless the Client gives specific Instructions to BSGB to the contrary, the Client acknowledges that all Instructions are good for the day only and that, to the extent unfulfilled, they will lapse at the end of the official trading day of the Market in respect of which they are given.

6.8 Subject to applicable laws and regulations and Market requirements, BSGB may in its absolute discretion determine the priority in the execution of its clients' orders, having due regard to the sequence in which such orders were received, and the Client shall not have any claim of priority to another client in relation to the

execution of any order received by BSGB.

6.9 The Client acknowledges that it will be responsible and will indemnify and keep indemnified BSGB for any loss, costs, fees and expenses in connection with the Client's failure to meet its obligations by the Settlement Date in respect of any Transaction or to pay any other sum due to BSGB hereunder.

6.10 The Client shall pay interest on all overdue balances on the Bullion Account or any amount otherwise owing to BSGB at any time (including interest arising after a judgment debt is obtained against the Client) at such rates and on such other terms as BSGB 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 such other bank as determined by BSGB from time to time. Interest shall be payable on the last day of each calendar month or forthwith upon demand by BSGB.

6.11 The Client acknowledges that all telephone conversations between the Client and BSGB may be taped without an automatic tone-warning device in order to enable BSGB to verify the Instructions. The Client agrees to accept the recordings on relevant tapes as final and conclusive evidence of the contents of the Instructions in case of dispute. Such tapes will always remain the property of BSGB.

6.12 The Client acknowledges that the books and records of BSGB in respect of any Instruction or Transaction shall be conclusive evidence (except for manifest error) against the Client in all courts of law and for all purposes. In this connection, a certificate signed by an authorized officer of BSGB as to any matter in respect of any Instruction or Transaction, save for manifest error, shall be conclusive and binding against the Client.

6.13 Where BSGB knows of or suspects a breach of security or other suspicious circumstances in respect of or in connection with the operation of one or more of the Accounts or any service to the Client generally, BSGB may, in its absolute discretion and without any liability, refuse to execute or delay the execution of any Instruction and in that event, BSGB will, to the extent possible, inform the Client as soon as practicable.

6.14 In the event of death or liquidation of the Client or in the event of the Client being rendered incapable or disabled from managing and administering the Client’s property or affairs, then prior to the actual receipt by all the BS Group Companies of written notice of death, liquidation or incapacity or disability of the Client, all the BS Group Companies may, but shall not be obliged to, continue to act upon the Instructions given by the Client or the Authorized Person as if the Client were still alive, existing or capable of managing and administering the Client's property or affairs.

6.15 If any relevant Market and/or Clearing House and/or agent on or through which any Contract has been entered into by BSGB on behalf of the Client requires any alteration in any terms or conditions of such Contract, BSGB may take all such action as it shall in its absolute discretion consider necessary or desirable to comply therewith or to avoid or mitigate loss thereunder. All such actions shall be binding upon the Client.

6.16 BSGB and/or BSGB Trading Agent may not have access to every Market at which a particular product or Bullion may trade. Market makers may fail or refuse to honour their quoted or posted prices. Market rules, policies, procedures or decisions or system delays or failures may prevent the Client’s order from being executed, may cause a delay in the execution or performance of the Instruction or may cause the Instruction not to be executed at the best price. In no event shall BSGB be liable to the Client for any action, inaction, decision or ruling of any Market, Clearing House or regulatory authority.

6.17 If BSGB cannot execute or carry out any Instruction, BSGB may take any other action as BSGB shall think fit. The Client understands that the Client will be responsible for all the consequences or expenses of BSGB in connection with the above and that BSGB will not be liable for any loss that may thereby be incurred.

6.18 If BSGB or its agent (as the case may be) shall for any reason whatsoever fail to receive payment of all or any amount of money or fund (whether from the relevant Market and/or Clearing House and/or any other person) due to be paid to the Client in respect of any Contract on the due date for payment in accordance with the rules and regulations of the relevant Market and/or Clearing House and/or the applicable laws of the relevant jurisdiction, BSGB’s obligations to make payment of any money or fund to the Client in respect of such Contract shall thereupon and by virtue of such failure become obligations to make payment of such amount of money or fund actually received by BSGB in respect thereof.

6.19 BSGB is not obliged to provide the Client with information with respect to any position of the Client and (except as directed by the Client) has no obligation but shall have the right at the discretion of BSGB to close out any position in the Bullion Account on behalf of the Client. Nothing herein contained shall place BSGB under any duty to disclose to the Client any fact or thing which comes to its notice in the course of acting in any capacity for any other person or in its own capacity.

6.20 Upon demand by BSGB, the Client shall forthwith supply to BSGB in relation to any Contract such information in relation to the settlement of any such Contract which has not been closed out as BSGB may request.

6.21 BSGB may trade or execute trading on its own account or on the account of any associated company of BSGB, even though BSGB may simultaneously hold unexecuted Instructions for the same product or Bullion which could be executed at the same price. Any directors, officers or employees of BSGB, BS Futures, BS Securities and/or BS Group Companies may trade on his/their own accounts.

6.22 BSGB may elect to confirm the execution or cancellation of any Instruction by transmitting a Confirmation in electronic form to the Client via e-mail or through ETF, or for security purposes, by posting the Confirmation on the BS Website, with a notification sent to the Client to login and retrieve the Confirmation. The Client agrees to accept electronic form of Confirmations in lieu of printed form of Confirmations.

6.23 Confirmations may be subject to delays. The Client understands that Confirmations and reports of Instruction cancellations or Transactions may be erroneous for various reasons, including, but not limited to, cancellation, modification or adjustment by the relevant Market or Clearing House. Confirmations are also subject to change by BSGB, in which case the Client shall be bound by the actual Transaction executed, so long as it is consistent with the Instruction. In the event that BSGB confirms an execution or cancellation in error and the Client unreasonably delays in reporting such error, BSGB reserves the right to require the Client to accept the Transaction, or remove the Transaction from the Bullion Account.

6.24 The Client agrees to notify BSGB immediately if: (a) the Client fails to receive an accurate Confirmation of an execution or cancellation; (b) the Client receives a Confirmation that is not consistent with the Instruction; (c) the Client receives Confirmation of execution or cancellation of an instruction that the Client did not place; or (d) the Client receives an account statement, Confirmation, or other information reflecting inaccurate Instructions, orders, trades, account balances or Bullion positions, funds, margin status, or Transaction history.

6.25 The Client understands and agrees that BSGB may adjust the Bullion Account to correct any error. The Client agrees to promptly return to BSGB any assets distributed to the Client to which the Client was not entitled.

6.26 Each Contract shall be governed by the terms and conditions of the Agreement and the relevant Confirmation, unless otherwise agreed by the Parties. Each Confirmation shall supplement and form a part of the Agreement and shall be read and construed on the terms and subject to the conditions of the Agreement, so that the Agreement and all Confirmations, and their amendments, constitute a single agreement between the Client and BSGB.

6.27 BSGB may, but is not obligated to, enter into Contracts with the Client for the sale and purchase of Bullion, of such type and quantities, at Contract Prices and for Settlement Dates as may be agreed with the Client. Such Transactions shall be pursuant to the terms and subject to the conditions of the Agreement.

6.28 The Parties shall make or take delivery of Bullion as contracted for, pursuant to the terms and subject to the conditions of a Contract, unless their respective commitments are cancelled by a Netting transaction prior to the Settlement Date or the Parties agree otherwise pursuant to the Agreement.

7. **Margin & Fund**

7.1 The Client agrees to provide and maintain in the Bullion Account such money, Securities, property, collateral, guarantees and/or other security in such form and amount and on such terms as BSGB may in its absolute discretion require from time to time as Margin ("**Margin Requirement**"). BSGB may change any Margin Requirement in its sole discretion and at any time without prior notice to the Client. If BSGB determines that additional Margin is required, the Client agrees to make payment to and/or deposit with BSGB such additional Margin forthwith upon demand. All funds provided by the Client as Margin shall be cleared funds and all Securities provided by the Client as Margin shall be Securities to which the Client has valid and unencumbered title. No previous Margin Requirement shall establish any precedent. Change on Margin Requirement shall apply to existing positions as well as new positions after the date of such change. BSGB shall have the absolute discretion to determine the value of the Margin.

7.2 Without prejudice to Clauses 7.4 to 7.11, calls or demands for Margin Requirement must be met or satisfied by the Client forthwith upon demand by BSGB. BSGB may close out any open position in respect of which any call or demand for Margin Requirement is not met or satisfied. The Client shall on demand put BSGB in funds or moneys or arrange for BSGB to be put in funds or moneys in time to enable BSGB to discharge any liability incurred or to be incurred in connection with trading, dealing or Transactions effected in relation to the Bullion Account. The Client shall on demand reimburse BSGB for all costs and expenses incurred by it in connection with trading, dealing or Transactions effected in relation to the Bullion Account and/or pay or settle any outstanding amount under the Bullion Account.

7.3 BSGB is not liable to pay interest on the moneys or funds paid to or received by BSGB in respect of the Bullion Account whether on deposit or however described. BSGB 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. BSGB is entitled to charge and the Client agrees to pay interest to BSGB in respect of any Deficit or any moneys or funds otherwise owing to BSGB at any time at such rates and on such other terms as BSGB 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 BSGB from time to time. Interest shall be payable on the last day of each calendar month or forthwith upon demand by BSGB.

7.4 The Client shall monitor the Bullion Account so that at all times the Bullion Account shall contain a sufficient account balance to meet the applicable Margin Requirement. BSGB may reject any Instruction or order of the Client if the Client does not have a sufficient account balance to meet the Margin Requirement and may delay the processing of any Instruction or order while determining the correct margin status of the Bullion Account. The Client shall maintain, without notice or demand from BSGB, 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 BSGB.

7.5 BSGB has no obligation to notify the Client of any failure to meet the Margin Requirement prior to BSGB exercising its rights, powers, discretion and remedies under the Agreement. The Client understands that BSGB generally will not issue call or demand on Margin Requirement, that BSGB generally will not credit the Bullion Account to meet any deficiency on Margin Requirement, and that BSGB is authorized to close out, liquidate or settle all or any part of the Client's positions in the Bullion Account and/or exercise any of its rights under Clause 21 in order to satisfy the Margin Requirement without prior notice to the Client.

7.6 Without prejudice to any provision in this Clause, in the event that it is, in the sole opinion of BSGB, impracticable for BSGB to make demands for additional Margin, including but without limitation, if the impracticality is due to a change or development involving a prospective change:

(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 BSGB likely to result in a material or adverse fluctuation in the bullion market, stock market, currency market, commodities or futures market in Hong Kong and/or overseas; or

(b) which is or may be of a material adverse nature affecting the condition or operations of the Client,

BSGB shall be deemed to have made Margin calls for such form and/or amounts as BSGB may determine and such Margin shall become immediately due and payable by the Client.

7.7 In the event that the balance of the Bullion Account has zero equity or is in deficit at any time, or the Bullion Account does not have a sufficient account balance to meet the Margin Requirement, BSGB shall have the right, in its sole discretion, but not the obligation, to close out, liquidate or settle all or any part of the Client's positions in the Bullion Account and/or exercise any of its rights under Clause 21 at any time and in such manner and in any Market as BSGB deems necessary, without prior notice demand or call to the Client. The Client agrees to be responsible for, and promptly pay to BSGB, any deficiency in the Bullion Account that arises from such closing out, liquidation, settlement or exercise of rights or remains after such closing out, liquidation, settlement or exercise of rights. BSGB shall not have any liability to the Client for any loss or damages sustained by the Client in connection with such closing out, liquidation, settlement or exercise of rights (or if the BSGB experiences a delay in effecting, or does not effect, such closing out, liquidation or settlement, or in exercising, or does not exercise such rights) even if the Client subsequently re-established its position at a less favorable price.

7.8 The Client expressly waives and relinquishes any rights to receive prior notice or demand from BSGB and agrees that any prior demand, notice, announcement or advertisement shall not be deemed a waiver of BSGB's right to close out, liquidate or settle any open position of the Client or exercise any of its rights under Clause 21. The Client understands that, in the event any open position is closed out, liquidated or settled by BSGB or BSGB exercises such rights, the Client shall have no right or opportunity to determine the open position to be liquidated, the order or manner of closing out, liquidation or settlement or the manner of exercising such rights by BSGB. BSGB may, in its absolute and sole discretion, effect closing out, liquidation or settlement, or exercise such rights on any Market, and BSGB or its associated company may take the other side of such closing out, liquidating or settlement transaction. In the event that BSGB closes out, liquidates or settles any or all open positions in the Bullion Account or exercises such rights, such closing out, liquidation or settlement or exercise of rights shall establish the amount of the Client's gain or loss and indebtedness to BSGB, if any. The Client shall reimburse and hold BSGB harmless for all actions, omissions, costs, expenses, fees (including, but not limited to, legal fees), penalties, loss, claims or liabilities associated with any such Transaction undertaken by BSGB or any exercise of such rights by BSGB. The Client shall be liable to and responsible for all resulting loss on the Client's positions, notwithstanding BSGB's delay in or failure to close out, liquidate or settle any such open positions or exercise such rights. If BSGB executes an Instruction for which the Client did not have sufficient funds, BSGB 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.

7.9 The Client irrevocably and unconditionally authorizes BSGB to transfer, debit or deduct any money in the Bullion Account and/or the Account so as to pay, discharge, satisfy the Client's indebtedness, obligations and Liabilities to BSGB arising from, incurred under and relating to the Agreement and/or the Loan 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 and/or the Loan Agreement. The Client acknowledges and agrees that such deductions may affect the amount of money in the Bullion Account to be applied against the Margin Requirement. The Client's open positions are subject to closing out, liquidation or settlement as described herein, and BSGB may exercise any of its rights under Clause 21, if deduction of commissions, fees or other charges causes the Bullion Account to have an insufficient balance to satisfy the Margin Requirement.

7.10 If BSGB 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 BSGB by immediately depositing cleared funds in the Bullion Account to pay, in full, the under-margined open position. Notwithstanding such call or demand for Margin Requirement, the Client acknowledges that BSGB, in its sole discretion, may close out, liquidate or settle the Client's open positions, or exercise any of its rights under Clause 21, at any time.

7.11 BSGB shall also have the right to close out, liquidate or settle all or any part of the Client's open positions or exercise any of its rights under Clause 21 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 Client's failure

to timely discharge its obligations to BSGB; (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 BSGB, in its absolute and sole discretion, deems necessary or advisable for the protection of BSGB and/or any of the BS Group Companies.

8. **Deposits of Money or Funds**

8.1 The Client shall pay moneys or funds personally to BSGB or deposit directly into the bank accounts designated by BSGB. BSGB may, at its sole and absolute discretion, refuse to accept deposits of moneys or funds by any person other than the Client or the Authorized Person (the "**Third Party**").

8.2 BSGB does not accept deposits of moneys or funds by Third Party cheques. BSGB may, at its absolute discretion, accept cleared funds transferred to its designated account by the Third Party on the Client's behalf as the Client's deposit of funds.

8.3 The Client or the Third Party (as the case may be) shall immediately notify BSGB after payment of funds to BSGB by delivering to BSGB the pay-in slips and/or other documentary evidence of such payment accepted by BSGB from time to time (the "**Payment Evidence**") with the Client's name, Bullion Account number and signature thereon either by fax or in person within the business hours on the date of deposit for verification. The Client acknowledges and understands that payment of funds to BSGB (whether by the Client or the Third Party) may not be credited to the Bullion Account or reflected in any account statement until such notification is received by BSGB.

8.4 The Client acknowledges that the Client or the Third Party (as the case may be) is under a duty for the safekeeping of the Payment Evidence before delivering the same to BSGB. BSGB shall not be liable to the Client for any loss whatsoever arising out of or in connection with the Client's or the Third Party's (as the case may be) failure to deliver the Payment Evidence to BSGB in time or at all, or the use of the Payment Evidence by any person other than the Client or the Third Party (whether with or without the instructions or consent of the Client).

8.5 The Client shall retain the originals of Payment Evidence for at least one (1) month from the date of deposit. BSGB will send a statement of account to the Client as soon as possible following the deposit for record and verification. If the Client does not receive the relevant statement of account after the deposit, the Client shall immediately inform BSGB.

8.6 The Client recognizes, understands and accepts the risks in transferring money or funds from its bank account to the designated bank account of BSGB through internet for trading Bullion or settlement of Transactions ("**Internet Depositing Money**"). The Client accepts the risks in full and agrees to bear all the risks and undertake all the responsibilities arising therefrom if the Client chooses to transfer moneys or funds by such means. Such risks, duties and responsibilities shall include but not limited to the following: -

(a) The Client shall be solely responsible for ensuring that all the relevant procedures, steps, information, Sub-account Number, Bill Payment Number, personal identification number, amount to be transferred and other relevant information for transferring moneys or funds to BSGB had been checked and verified as true, accurate and correct prior to giving any Instruction for Internet Depositing Money. Once an Instruction for Internet Depositing Money has been sent in whatsoever manner, such Instruction may not be amended, revoked, rescinded or withdrawn without BSGB's written consent and will be effectual and valid in favour of BSGB, and shall be absolutely and conclusively binding on the Client. The Client acknowledges that BSGB shall not be liable for any loss, costs, damages, fees and expenses arising out of or in relation to Internet Depositing Money in any circumstances, notwithstanding any error or misunderstanding in giving such Instructions;

(b) BSGB shall be entitled to treat Instructions for Internet Depositing Money as fully authorized by and binding upon the Client and shall be entitled to act on or take steps in connection with or in reliance upon such Instructions without inquiry or verification by BSGB of the authority or identity of the person making or giving such Instructions, the relevant circumstances at the material time when such Instructions were given and notwithstanding any error, misunderstanding, fraud, forgery or lack of authority in relation thereto;

(c) The Client agrees and accepts that if BSGB receives Instructions for Internet Depositing Money after BSGB's daily prescribed cut-off time, such Instructions shall be treated as received by BSGB on the next Business Day. BSGB shall not, in any circumstances, be liable (including liability for negligence) to the Client for any loss, damages, expenses or loss of profit whatsoever suffered and/or incurred by the Client arising out (directly or indirectly) of or in connection with the aforesaid arrangement; and

(d) The Client fully understands and agrees that there may be interruption, delay or lost of Instructions in respect of Internet Depositing Money caused by malfunction of communication network, system malfunction, interferences of the programs or the software or other circumstances. The Client agrees to bear such risk in full and shall be solely responsible for any loss, damages, expenses or loss of profit whatsoever suffered and/or incurred by the Client arising out (directly or indirectly) of or in connection with Internet Depositing Money.

8.7 All deposits of moneys or funds shall have been cleared and actually received by BSGB before such money or funds can be used or applied for the Bullion Account.

8.8 In the event that the Client shall fail to comply with any part of this Clause, the Client shall be wholly

responsible for all Liabilities and obligations whatsoever in connection with the deposit and shall fully indemnify BSGB against all costs, claims, liabilities and expenses directly or indirectly arising out of or in connection therewith.

9. **Settlement Account**

9.1 BSGB is authorized to transfer to the Settlement Account all moneys or funds payable to the Client pursuant to the Agreement. All transfers of moneys or funds payable as aforesaid to the Settlement Account or payment of such moneys or funds pursuant to the Instructions shall be and be deemed good and valid discharge of the obligation hereunder to make such payment to the Client.

10. **Settlement and Netting of Transactions**

10.1 Whenever a Contract is entered into by the Parties which creates obligations for the delivery of and/or payment for Bullion, and such obligations are opposite to the obligations of an existing Contract for the same type of Bullion between the Parties with the same Settlement Date, then the Client may give Instructions to have such new and existing Contracts be netted, individually cancelled or simultaneously replaced through novation, on a running account basis, by a new Contract having delivery and/or payment obligations as follows :-

(a) with respect to each type of Bullion, the amount to be delivered by each Party under the cancelled Contracts shall be compared and the Party having the greater obligation with respect to such type of Bullion shall have a new obligation to deliver to the other Party on the Settlement Date an amount of such Bullion equal to the difference between the amounts originally required to be delivered by the Parties pursuant to such cancelled Contracts;

(b) with respect to each type of Bullion, the amount to be paid by each Party under the cancelled Contracts shall be compared and the Party having the greater obligation with respect to such type of Bullion shall have a new obligation to pay to the other Party on the Settlement Date an amount equal to the difference between the amounts originally required to be paid by the Parties pursuant to such cancelled Contracts; and

(c) Contracts created by this process shall be considered a Contract under the Agreement.

10.2 Unless otherwise agreed by BSGB and so stated in a Confirmation, the provisions of Clause 10.1 shall apply notwithstanding that BSGB may :-

(a) fail to send a Netting Confirmation; or

(b) on its books treat the Contracts otherwise as cancelled and simultaneously replaced through novation by a new Contract as provided herein; or

(c) send a Netting Confirmation that incorrectly states any terms of a Contract.

10.3 Notwithstanding anything herein contained, upon the Client's written request, BSGB may, in its absolute discretion, agree that there shall be no Netting in respect of any Contracts entered into by the Parties.

11. **Bullion Delivery and Payment**

11.1 Notwithstanding any provision contained herein to the contrary, Instructions are to be received and executed on the understanding that no taking or making of delivery of Bullion will be made or required in respect of Contracts, and that only cash settlement or payment shall be made or required in respect of Contracts. Every Contract is made on the understanding that both BSGB and the Client contemplate performance thereof by cash settlement or payment and, as between BSGB and the Client, shall be deemed to contain obligations on the Client and BSGB to make settlement of Contract by paying or receiving money or fund.

11.2 Unless otherwise agreed by BSGB and so stated in an original or amended Confirmation, all payments in settlement of Bullion deliveries shall be in USD, in immediately available funds. The obligations of the Client hereunder shall not be discharged by payment in another currency or at any place other than that specified by BSGB. In the event that any payment is made by the Client in another currency which, upon conversion to USD, does not result in payment of the amount due in USD, BSGB shall have a separate cause of action against the Client for the balance due and owing to BSGB.

12. **Credit Facilities**

12.1 In the event that BSGB has not approved Credit Facilities for the delivery of Bullion to the Client, or the delivery of Bullion under any Contract would exceed the limits of such Credit Facilities, the Parties shall enter into Contracts on the following terms: -

(a) each Contract shall be for settlement on the Settlement Date provided, however, that each Contract and any Netting Contract subsequently entered into in respect of the original Contract shall remain open beyond the original Settlement Date until BSGB agrees to make or take delivery and settle the Contract or Netting Contract; and

(b) while and for so long as any such Contract or Netting Contract remains open beyond the original Settlement Date, the Bullion Account may, in the absolute discretion of BSGB, be charged interest for the period at the annual rate to be determined conclusively by BSGB from time to time, in which case BSGB will from time to time and at least monthly debit the Bullion Account for such interest.

13. **Tax**

13.1 The Client hereby authorize BSGB or BSGB Trading Agent to take and do all necessary actions as may be required to comply with all applicable rules, regulations, laws in Hong Kong and/or Foreign Jurisdictions (as the case may be) in respect of tax, duties, levy, charges arising out of or in connection with any Transaction and/or Bullion purchased or held by the Client, including filing of returns, forms and/or other documents as may be required by the relevant authority or department in Hong Kong and/or Foreign Jurisdictions, and withholding and/or making payment of payable tax, duties, levies or charges. The Client acknowledges that BSGB shall withhold and/or deduct such payment from any Account.

13.2 The Client shall at its own costs furnish all necessary documents and/or information to BSGB and/or BSGB Trading Agent for facilitating BSGB and/or BSGB Trading Agent to take or do all necessary actions as stipulated in Clause 13.1 and execute such returns, forms and/or other documents as may be required by the relevant authority or department in Hong Kong and/or Foreign Jurisdictions (as the case may be) upon the request of BSGB.

13.3 The Client acknowledges and accepts that neither BSGB nor BSGB Trading Agent shall be responsible for advising or reminding the Client the due date for payment of tax, duties, levy or charges and/or giving any advice on the tax, duties, levy or charges payable by the Client. The Client further agrees that neither BSGB nor BSGB Trading Agent shall be in any way liable for any penalty or charges levied on the Client for late payment of tax, duties, levy or charges where such late payment is due to or in connection with the default or negligence of the Client. The Client shall fully indemnify and keep BSGB and BSGB Trading Agent indemnified on a full indemnity basis against all reasonable costs and expenses which BSGB and/or BSGB Trading Agent may reasonably incur in making the necessary arrangement for such late payment.

13.4 If at any time BSGB considers that it may be required to make a deduction or withholding (the "**Authorized Withholding or Deduction**") for or on account of tax imposed under, pursuant or incidental to any foreign laws and regulation including but not limited to the Foreign Account Tax Compliance Act, US Internal Revenue Code of 1986, the United States Treasury Regulations or other guidance issued under the foregoing, any associated intergovernmental agreement, any similar or associated non-US Law or any agreement, undertaking or obligations, or any policies or directions (whether having the force of law or otherwise) that BSGB enters into or have undertaken or is accustomed to comply with or in respect of any supranational, governmental, quasi-governmental, regulatory, administrative, law enforcement or supervisory body, entity, department, office, institution, agency, stock exchange, clearing house, banking commission, tax authority, or any other authority, body, entity, department, office or institution or court or tribunal of any competent jurisdiction, (each an "**Authority**") or pursuant to any or more of the foregoing (such foreign laws and regulations, agreements, undertakings, obligations, policies or directions are referred to as "**Applicable Laws**") as a result of the Client's status or otherwise under and/or arising by reason of US tax laws and regulations, BSGB is entitled to and the Client hereby expressly authorizes BSGB to make such Authorized Withholding or Deduction in respect of any sum payable by BSGB to the Client, so that any payment to the Client will be made net of Authorized Withholding and Deduction, and to pay any such Authorized Withholding and Deduction as may be necessary to any Authority (including United States Internal Revenue Service ("**IRS**")), or any other person on behalf thereof. If the Client is required by any Applicable Laws to make the Authorized Withholding or Deduction, the Client shall promptly pay to BSGB such additional amount as will result in the net amount receivable by BSGB being equal to the full amount which would have been receivable had there been no such Authorized Withholding and Deduction.

13.5 The Client agrees and expressly consents that BSGB may gather, store, use, process, disclose, provide, divulge and report to the IRS, any Authority or any other person such information, document and record (including any information, document and record relating to any of the Account(s) and any transaction or dealing with the Client and the personal data of any person who is a direct or indirect beneficial owner, beneficiary or controlling person of the Account(s) or the Client) which BSGB considers may be required, necessary or helpful for BSGB to comply with or subject to under the Applicable Laws whether as a result of the Client's US tax status or the status of any beneficial owner of the Account(s) or the Client or otherwise.

13.6 The Client agrees to provide BSGB as soon as possible, upon BSGB' request, with:

(a) any documentation or information relating to the Client's identity and tax status and that of any person who is a direct or indirect beneficial owner, beneficiary or controlling person of the Client (including IRS Forms W-9, W-8BEN and W-8IMY or any other forms from time to time prescribed by the IRS or any Authority);

(b) any documentation or information relating to the direct or indirect ownership or holding of any of the Account(s) or any product, service, assistance or support whatsoever provided by BSGB to the Client from time to time; and

(c) such written consents and waivers of applicable data protection legislation or other rules or regulations in a form provided or approved by BSGB from the Client's direct and indirect beneficial owners for the purpose of permitting BSGB to take the actions set forth in Clause 13.5.

13.7 The Client agrees to inform BSGB as soon as possible, if any of the foregoing information (including information contained in the documentation and forms described above) changes or is inaccurate, and to provide BSGB with updated documentation, forms and information.

13.8 If the Client fails to provide BSGB with the information, documentation, forms, consents or waivers as

described in Clause 13.6 and 13.7 above in a timely and accurate fashion, BSGB shall be entitled to reach whatever conclusions it considers to be appropriate as to the status of any Account(s) or product, service, assistance or support whatsoever provided by BSGB to the Client from time to time and the conclusion so reached shall be final and binding on the Client.

13.9 BSGB may at any time terminate any of the Account(s) without notice or assigning any reason if BSGB determines that it is illegal, unlawful or prohibited by the Applicable Laws or is restricted by any economic trade sanctions imposed by any Authority to maintain such Account(s). In such event, BSGB shall be entitled to hold any credit balance (less any Authorized Withholding or Deduction) in such Account(s) in a non-interest bearing suspense account pending withdrawal by the Client.

13.10 The Client hereby unconditionally and absolutely relinquishes and exonerates BSGB from any liability, claims and demands and as a result of or arising from the bona fide exercise of any of the rights or the taking of any steps by BSGB under this Clause. Without prejudice to any other indemnity provided by the Client to BSGB under the Agreement or any other agreement with BSGB, the Client further agrees to indemnify BSGB against any liabilities, claims, demands, losses, costs, charges and expenses of any kind which BSGB may suffer or incur as a result of the Client providing misleading information, document or records for the purpose of BSGB's compliance with the Applicable Laws.

14. **Charges and Expenses**

14.1 The Client shall pay BSGB's, its nominee's or BSGB Trading Agent's commissions, charges, brokerage or other remuneration as determined by BSGB in its absolute discretion on all Transactions from time to time and upon all payments to the Client, as well as all applicable levies imposed by any relevant Market or Clearing System and all applicable stamp duties and Custodian Fee. All such commissions, charges, levies and duties may be deducted by BSGB from the Bullion Account and any Account.

14.2 Without prejudice to BSGB's right to terminate the Bullion Account in accordance with Clause 31, BSGB may charge a monthly maintenance fee to be notified by BSGB to the Client on any dormant Account if the Client has no trading activity for six months or more. Payment of such fees (if any) will be automatically deducted from the Bullion Account or any Account.

14.3 The Client shall be liable on a full indemnity basis for all fees and expenses of any brokers, agents and nominees including BSGB's nominee engaged in respect of the Bullion Account, all applicable levies and/or fees imposed by any relevant Market or Clearing System and other handling costs or expenses incurred in respect of or in connection with Transactions, the Bullion Account or any receivables or monies held in or for the account of the Bullion Account, services rendered to the Client or otherwise.

14.4 BSGB may, at its option, withdraw cash from any Account to pay any amounts due to BSGB under the Agreement.

14.5 The Client agrees and authorizes BSGB to accept from any brokers and dealers engaged in the Transactions for the account of the Client any rebate or reallowance or soft commission as may be authorized from time to time by the rules of any applicable Markets and Clearing Systems on and through which such Transactions are executed and settled provided always that: -

(a) BSGB and/or its nominee may enter into soft commission arrangements with brokers through which Transactions are executed for the Client. BSGB and/or its nominee will enter into such an arrangement only where the goods or services are of demonstrable benefit to the clients of BSGB and/or its nominee as applicable. In allocating business to the broker concerned BSGB and/or its nominee is under an obligation to ensure that the quality of Transaction execution is consistent with best execution standards and that brokerage rates are not in excess of customary full-service rates. For this purpose, such goods and services may include: research and advisory services; economic and political analysis; portfolio analysis, including valuation and performance measurement; market analysis, data and quotation services; computer hardware and software incidental to the above goods and services; clearing and custodian services and investment-related publications; and

(b) BSGB and/or its nominee may receive cash or money rebates on Transactions executed for the Client's account. Such rebates will be retained by BSGB and/or its nominee for their own account absolutely without prior disclosure to Client. If BSGB and/or its nominee retains such rebates it is under an obligation to ensure that brokerage rates are not in excess of customary full service rates.

15. **Foreign Currency Transactions**

15.1 If the Client gives Instructions to BSGB to enter into any Transaction requiring a conversion from one currency to another, then: -

(a) the costs thereof and any profit or loss arising as a result of fluctuations in the exchange rate of the relevant currency will be entirely for the account and risk of the Client;

(b) all initial and subsequent deposits for Margin Requirement shall be made in such currency and in such amounts as BSGB may require in its discretion; and

(c) when an open Contract is closed out, BSGB shall debit or credit the Bullion Account in such currency (as BSGB may determine in its discretion) at such exchange rate as determined by BSGB in its discretion.

15.2 The Client authorizes BSGB to convert monies, at any time at such exchange rate and for such amount as

BSGB deems fit, into and from any currency at such rate of exchange as BSGB shall in its sole discretion determine as being the then prevailing market rate of exchange. Such conversion may be made for the purpose of any Transaction or for the calculation of any debit balance due from the Client or credit balance owed to the Client.

15.3 The Client authorizes BSGB to debit any Account for any expenses incurred in effecting any currency conversion.

15.4 All payments to be made by the Client to BSGB in a foreign currency shall be in freely transferable and immediately available funds clear of any taxes, charges or payments of any nature when received by BSGB.

15.5 BSGB reserves the right at any time to refuse to accept any Instructions in relation to any currency conversion.

16. **Client's Money**

16.1 BSGB shall be entitled to deposit all moneys or funds held in the Bullion Account and all moneys received for or on account of the Client with one or more accounts at one or more licensed banks. Unless otherwise agreed between the Client and BSGB, any interest accrued on such moneys or funds shall belong to BSGB absolutely. The Client hereby expressly waives any or all rights, claims and entitlements whatsoever to such interest.

16.2 For Transactions executed in a Foreign Jurisdiction, the Client hereby authorizes and directs BSGB to pay into any trust account maintained by BSGB with any financial institution, which may or may not be a licenced bank, all amounts (less all brokerage and other proper charges accruing thereon) from time to time received by BSGB for and on behalf of the Client from such Transactions, notwithstanding that any such amounts may be reinvested for or on behalf of the Client.

17. **Bullion and other properties in the Account**

17.1 Any Bullion and other property held by BSGB for the Client shall be at the sole risk of the Client and BSGB shall be under no obligations to insure the Client against any kind of risk, which obligation shall be the sole responsibility of the Client.

17.2 If in relation to any Securities or other property deposited with BSGB but which are not registered in the name of the Client, and loss is suffered by BSGB, the Account may be debited (or payment made by the Client as may be agreed) with the proportion of such loss equal to the proportion of the Securities or other property held on behalf of the Client out of the total number or amount of such Securities or other property.

18. **Disclosure**

18.1 The Client shall immediately on demand supply to BSGB such financial or other information relating to the Client as BSGB may, in its absolute discretion and without giving any reason therefrom, require.

18.2 The Client acknowledges that the Market Rules may contain provisions requiring BSGB upon the request of such Market or in certain circumstances to disclose the name, beneficial identity of the Client and such other information concerning the Client as such Market may require. The Client shall immediately on demand supply to BSGB the name, the beneficial identity of the Client and such information concerning the Client as BSGB may require in order for BSGB to comply with the rules and regulations of such Market. The Client agrees that in the event BSGB fails to comply with such disclosure requirement, the relevant authority 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.

18.3 BSGB and the Client hereby agree that this Clause shall continue in effect notwithstanding the termination of the Agreement.

19. **Lien**

19.1 Without prejudice and in addition to any general lien, right of set-off or other similar right to which BSGB may be entitled by laws, the Client agrees, accepts and declares that: -

(a) all Bullion and Contracts (and all the Client's interest, title, rights, powers, benefits thereto, thereof and therein) which are now or will in future be made, entered or acquired by BSGB on behalf of the Client for any purpose, or be held in, deposited with or transferred into the Bullion Account and any other Account(s) by, for or attributable to the Client for any purpose, and/or which will be held by, deposited with or transferred to BSGB by, for or attributable to the Client for any purpose whatsoever all respectively together with all proceeds, moneys or funds received in connection with the settlement, clearing, performance, purchase, sale, acquisition, entering, transfer, disposal, exchange, closing out, trading or dealing with, of or in such Bullion or Contracts; and

(b) all the Client's properties, assets, moneys, funds, receivables, sums, title, interests, powers, options, benefits and rights of, to and in the Bullion Account and any other Account(s);

((a) and (b) above are collectively referred to as the "**Retained Properties**") are subject to a lien in favour of all the BS Group Companies as continuing security (the "**Lien**") for: (i) the due and punctual performance and fulfillment of all obligations or Liabilities of the Client under the Agreement, and (ii) the payment, repayment, satisfaction and/or discharge on demand of the moneys, funds, indebtedness, obligations and

Liabilities (whether past, present or future, or whether absolute or contingent) which are now or at any time hereafter shall be due, owing or incurred from or by the Client or the Client Group Company to or in favour of BSGB and/or any of the BS Group Companies under or pursuant to the Agreement, the Loan Agreement, other agreement with any of the BS Group Companies or any other agreement or document, or on any account or in any manner whatsoever (whether alone or jointly with any other person and in whatever name, style or firm) together with interest thereon and legal costs and expenses of BSGB and/or any of the BS Group Companies.

19.2 The Client shall not, without BSGB's prior written consent, assign, transfer, mortgage, pledge, charge, or create or permit to arise or exist any lien, security or other form of Encumbrances of any nature on or over his right, title, interest and claim in or to any investment products held by BSGB for the account of the Client.

19.3 At any time as BSGB shall determine appropriate and/or upon the occurrence (in the sole and subjective judgment of BSGB) of any Event of Default, the Lien shall be immediately enforceable and BSGB, without prejudice to any of the rights or powers of BSGB under the Agreement, the Loan Agreement or other documents, shall have the right, without notice to the Client, to: (a) appropriate, pay, deduct, transfer or set-off the whole or any part of any funds or moneys comprised in the Retained Properties at any time and from time to time in or towards payment, satisfaction or discharge of any money, fund, indebtedness, obligation or liability secured by the Lien, and/or (b) sell, dispose of, liquidate, transfer, trade, deal with or close out (and BSGB is authorized to do all such things necessary in connection with such sale, disposal, liquidation, transfer, trading, dealing or closing out) the Retained Properties or any part thereof (to be selected by BSGB in its absolute discretion) at any time and from time to time either together or in parcels and either by dealings at any broker's board through any Market or by public or private means or in such other manner and for such consideration (whether payable or deliverable immediately or by instalments and whether for cash or other valuable consideration or both) and on such terms and conditions as BSGB shall think fit in its absolute discretion without being in any way liable to the Client for any loss occasioned thereby however arising. Without limiting the generality of the foregoing, BSGB is hereby specifically authorized to dispose of, liquidate, transfer, trade, deal with and/or close out the Bullion Account, all Bullion and/or Contracts comprised in the Retained Properties or held in the Bullion Account, and all positions in the Bullion Account without notice to the Client.

19.4 In any sale, disposal, liquidation, transfer, trading, dealing or closing out pursuant to this Clause or the Agreement, if less than all the Retained Properties are to be sold, disposed of, liquidated, transferred or closed out, BSGB shall in its absolute discretion select which part of the Retained Properties are to be sold, disposed of, liquidated, transferred, traded, dealt with or closed out at any time and from time to time.

19.5 The Client agrees that BSGB shall have the full and absolute right and discretion to determine at what time and day to exercise or enforce its right and power to carry out or execute the sale, disposal, appropriation, liquidation, transfer, trading, dealing or closing out pursuant to this Clause or the Agreement. The Client shall not have any right to claim against BSGB in respect of any loss arising out of any sale, disposal, appropriation, liquidation, transfer, trading, dealing or closing out pursuant to the Agreement, howsoever such loss may have been caused, and whether or not a better price or position could or might have been obtained on the sale, disposal, appropriation, liquidation, transfer, trading, dealing or closing out of any of the Retained Properties by either deferring or advancing the time or date of such sale, disposal, appropriation, liquidation, transfer, trading, dealing or closing out or otherwise howsoever.

20. **Client's Representations, Undertakings and Warranties**

20.1 The Client represents and warrants that he is not an officer or employee of the SFC, any Market, Clearing House, board of trade, bank or trust company, or an affiliate of any dealer in Bullion or any introducing broker, or an officer, partner, director or employee of any Bullion broker or dealer.

20.2 The Client represents and warrants that for so long as the Client maintains the Bullion Account and on the giving of each Instruction : -

(a) the Client will be the ultimate originator of all Transactions and is dealing on its own account as beneficial owner of the relevant Bullion and/or Contract and the Bullion Account and that no one other than the Client has any interest in the relevant Bullion and/or Contract in or held for the Bullion Account;
(b) the information provided in the Account Opening Form is true, complete and correct;
(c) the Client has or will have good and unencumbered title as beneficial owner to all assets which the Client instructs BSGB to sell or otherwise dispose of for the Bullion Account in accordance with the Agreement and undertakes to deliver such assets in time for BSGB to comply with the rules of the relevant Market applicable thereto;
(d) all necessary consents, approvals or authorisations which may be required for the execution of the Agreement and for the carrying out of any Transaction on any Market have been obtained and are in full force and effect;
(e) the Client has the authority and power and legal capacity to open the Bullion Account and to perform its obligations under the Agreement and the Agreement constitute valid and legally binding obligations of the Client;
(f) the Client in entering into the Agreement does not and will not violate or exceed any borrowing or similar limit or other power or restriction granted or imposed by any law to the Client;
(g) the Agreement, when signed / executed by the Client, will constitute legal, valid and binding obligations of the Client in accordance with the terms therein;
(h) all written or oral answers to any questionnaire completed by the Client or any other person or other

information provided to BSGB or any of the BS Group Companies are true, accurate and complete, and all the BS Group Companies are entitled to rely on such information;

(i) the Client will forthwith notify BSGB in writing of any change (material or not) in any of the aforesaid information and such change shall only take effect after receipt of such notice by BSGB;

(j) the Client has determined that trading in Bullion is appropriate for the Client, is prudent in all respects, and does not and will not violate any statue, rule, regulation, judgment, or decree, agreement or undertaking to which the Client is subject or bound;

(k) the Client is not carrying on any money laundering or terrorist activities. The Transactions are not relating to or in connection with any money laundering or terrorist activities. The moneys, investment or Bullion, Contracts, property and assets in the Bullion Account does not arise out of, relating to or in connection with money laundering or terrorists activities; and

(l) the Client is not a U.S. person and will not acquire or hold Bullion and/or Contracts beneficially owned by or for a U.S. person or in violation of any applicable law.

20.3 The Client represents and warrants that the information provided in any completed Account Opening Form is complete, true and accurate and that BSGB may rely on information provided in the Account Opening Form until BSGB has received written notice from the Client of any changes therein. The Client shall promptly notify BSGB in writing of any material changes in the information provided pursuant to the Agreement or any agreement entered into pursuant to the Agreement or relating to the Bullion Account.

20.4 The Client undertakes to BSGB to do or execute any act, deed, document or thing which BSGB requires the Client to do being in the reasonable opinion of BSGB necessary or desirable in connection with the implementation and enforcement of the Agreement including the execution by the Client of an irrevocable power of attorney appointing BSGB as the lawful attorney of the Client to do and execute all such acts, deeds, documents or things on behalf of the Client as BSGB considers necessary or desirable in connection with such implementation and enforcement.

20.5 The Client agrees to do such acts and things and to execute such documents as are necessary or are in the reasonable opinion of BSGB desirable to ratify or confirm anything done by BSGB, its nominee, subsidiary or associated company, or any other entity instructed by any of them in the proper exercise of any right or power conferred by the Agreement or any agreement entered into pursuant to the Agreement or relating to the Bullion Account.

20.6 If the Client is a corporation, the Client represents, warrants and undertakes with BSGB that: -

(a) the Client is duly incorporated, validly existing and in good standing under the laws of its place of incorporation and has full power and authority to conduct the business and operations which it now conducts or proposes to conduct, and the business under the Agreement, and to own, acquire, enter into or hold Bullion, Contracts, property and assets;

(b) the Client has full power and authority to enter into, sign and execute the Agreement, to perform and fulfill its duties and obligations under the Agreement, and to carry out any Transaction on any Market under the terms of the constitutional document(s) by which the Client is established or constituted;

(c) the specimen signature(s) on the Account Opening Form is/are the genuine signature(s) of the authorized signatory(ies) whom is/are duly authorized by the board of directors of the Client, and that BSGB shall dispense with making enquiries, verification or investigation in relation to the authorization of such signature(s);

(d) all necessary corporate and other action have been taken, and all necessary shareholder and other consent have been given to authorize the entering, signing, execution, performance and fulfillment of the Agreement. The Agreement when signed or executed by the Client will constitute valid and legally binding obligations of the Client;

(e) the Client is not carrying on any money laundering or terrorist activities. The Transactions are not relating to or in connection with any money laundering or terrorist activities. The moneys, investment or Bullion, Contracts, property and assets in the Bullion Account does not arise out of, relating to or in connection with money laundering or terrorists activities;

(f) the financial statement and accounts of the Client supplied to BSGB have been prepared in accordance with accounting policies consistently applied, and present a true, fair and accurate view on the operation of the Client for the relevant accounting period and the financial position of the Client at the end of such accounting period;

(g) the certified copy resolutions provided by the Client to BSGB with the Agreement were duly passed at a meeting of its directors duly convened and held on or prior to the date hereof in accordance with its constitutional documents and were entered in its minutes book and are in full force and effect; and

(h) the Client shall absolve and exonerate BSGB from all blames and liabilities and shall indemnify BSGB against all losses, damages, liabilities, claims, demands and costs arising out or in respect or as a result of BSGB agreeing to accept and act on the said resolutions as effectively and duly passed and the said signature(s) as genuine and to dispense with making enquiries in relation thereto.

20.7 The Client agrees and undertakes to report any loss or theft of the Client's user name and/or password and/or biometric authentication data, or any unauthorized access to the Bullion Account immediately.

21. **Default**

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

(a) at any time when BSGB shall, in its sole discretion, consider it necessary for the protection of BSGB or any of the BS Group Companies;

(b) the Client fails or refuses to pay or settle any outstanding amount, money, fund, purchase price or other payment becoming due or payable under the Agreement or any other agreement with any of the BS Group Companies;

(c) the Client fails or refuses to settle or pay any outstanding amount, money or Deficit on any of the Account(s);

(d) the Client violates or fails to perform on a timely basis any term, undertaking, agreement, covenant or condition on its part to be performed under the Agreement (including by not limited to any failure by the Client to comply with Clause 7) and/or the Contract;

(e) the Client fails to submit to BSGB any documents or deliver any Bullion to BSGB, when called upon to do so or on the due date;

(f) the Client fails to observe any by-laws, rules and regulations of the appropriate Market or Clearing House;

(g) the Client fails or refuses to discharge, pay, satisfy or perform any of the Client's obligation, indebtedness or Liabilities under the Agreement or any other agreement with any of the BS Group Companies;

(h) the Client has not provided any Margin (initial, maintenance or additional) when the same become due or payable under the Agreement, or has failed or refused to comply with any request, call or demand made by BSGB pursuant to the Agreement;

(i) breach, refusal, failure or default of or by the Client in complying with, fulfilling, performing or observing any terms or conditions of the Agreement or any other agreement with any of the BS Group Companies;

(j) any representation or warranty made in the Agreement or in any document delivered to BSGB or any of the BS Group Companies being or becoming incomplete, untrue or incorrect;

(k) any consent or authorization required by the Client to enter into the Agreement being wholly or partly revoked, suspended, terminated or ceasing to remain in full force and effect;

(l) the filing or commencement of a petition or application in bankruptcy, liquidation or winding up, petition or application for the appointment of a receiver, or the commencement of other similar proceedings against the Client;

(m) the Lien or any security created or any part thereof respectively in relation to the Client's obligations, indebtedness or Liabilities under the Agreement and/or the Loan Agreement being avoided or discontinued;

(n) any deterioration or impairment (in BSGB's opinion) or any decline or depreciation (in BSGB's opinion) in the value or market price (whether actual or reasonably anticipated) of the Retained Properties or any security or any part thereof respectively;

(o) the levying of attachment or charge against the Bullion Account or any Account;

(p) any third party asserts a claim, right or interest in respect of any moneys or funds in the Bullion Account or any Account;

(q) the Client takes advantage of any bankruptcy, liquidation, reorganization, moratorium, insolvency or similar law or makes or proposes to make any arrangements or compositions for the benefit of any of the Client's creditors, or is the subject of any order, judgment or decree entered by any court providing for the winding up, reorganization, liquidation or appointment of a liquidator, trustee in bankruptcy or receiver of the Client or a substantial part of the Client's business or assets;

(r) the Client becomes insolvent or dissolved for any reason whatsoever, merges or becomes consolidated with any non-affiliated party, or sells all or a substantial portion of the Client's business or assets;

(s) the death, liquidation or judicial declaration of incompetence of the Client;

(t) any action or proceeding is commenced or any claim or demand is made by any person against the Client in connection with any matter herein contained or the Retained Properties or any part thereof or against BSGB in connection with any matter herein contained or the Retained Properties or any part thereof;

(u) any adverse change (in the sole and subjective opinion of BSGB) in the corporate structure, business, assets, financial condition, and general condition or prospects of the Client;

(v) at any time when BSGB and/or BSGB Trading Agent and/or any of the BS Group Companies is or becomes under any obligation imposed by the relevant Market and/or Clearing House and/or broker or any applicable laws, rules and regulations to do any of the acts mentioned in this Clause; and

(w) the occurrence of any event which, in the sole and subjective opinion of BSGB, may or shall jeopardize, prejudice or affect any of the rights, interests or benefits of BSGB or any of the BS Group Companies.

21.2 If an Event of Default (in the sole and subjective judgment of BSGB) occurs, then all amounts owing by the Client to BSGB shall become immediately payable on demand, and interest will accrue, at the rate specified in Clause 6.10, on the amounts outstanding from time to time, the further performance by BSGB of any of its outstanding obligations to the Client under the Agreement (whether for payment of money or otherwise) shall be conditional upon the Client having fully discharged all its obligations to BSGB under the Agreement, and BSGB or any of the BS Group Companies shall be entitled at their absolute discretions, without further notice or demand and in addition to and without prejudice to any other rights or powers conferred under the Agreement and/or the Loan Agreement, to forthwith: -

(a) satisfy any obligations the Client may have to BSGB (either directly or by way of guarantee or other security) by selling, realizing or otherwise dealing with, in such manner as BSGB in its absolute discretion may determine, all or part of any property or assets held by any of the BS Group Companies for any purpose in any of the Accounts, and to apply the proceeds in reduction of all or part of any Liabilities;

(b) take such action or do such act, matter or thing as it shall consider necessary or desirable to comply with or to perform, cancel or satisfy any obligations of BSGB to the Client or any obligations of the Client and/or BSGB and/or BSGB Trading Agent to the relevant Market and/or Clearing House and/or broker, as the case may be, in respect of any outstanding Transaction or in respect of any open Contract (such action includes but not limited to closing out and/or performing such open Contract);

(c) set-off, combine or consolidate any of the Accounts or any obligations of BSGB to the Client under the Agreement against any obligations of the Client to BSGB under the Agreement;

(d) suspend BSGB's obligations to perform pursuant to the Agreement;

(e) revise, change, withdraw, stop or cancel the facilities, advances, credits or loans made or granted to the Client, or any part thereof respectively;

(f) enforce the Lien and/or the security constituted or created under and pursuant to the Loan Agreement;

(g) liquidate the Bullion Account or any Account;

(h) close out or perform any or all open Contracts in the Bullion Account;

(i) sell, purchase, transfer in, transfer out, trade, dispose of, deal with, settle, clear all or any Bullion and/or Contracts;

(j) call upon or enforce any security which may have been issued, made or created in favour of BSGB or any of the BS Group Companies as security for the Client's obligations, indebtedness or Liabilities under the Agreement;

(k) exercise any or all the rights and powers of BSGB under the Agreement;

(l) cancel any or all outstanding instructions, orders or any other commitments made on behalf of the Client;

(m) cancel any or all Contracts with the Client, whether or not the Settlement Date of such Contract(s) shall have arrived;

(n) take any actions, or do any acts, matters or things as authorized, instructed, directed, appointed or empowered under the Agreement;

(o) take such actions, or do such acts, matters or things as BSGB shall think fit in relation to the Retained Properties; and/or

(p) take or not to take any actions, or do or not to do any acts, matters or things as BSGB shall think fit.

21.3 Any sale, purchase, transfer, trading, disposal, dealing, settlement, clearing and/or closing out of any Bullion and/or Contracts and/or open contract and/or property and/or assets shall be made according to the judgment of and at the discretion of BSGB. In all cases, a prior demand or call, or prior notice of the time or place of sale, purchase, transfer, trading, disposal, dealing, settlement, clearing and/or closing out shall not be considered as waiver of the right of BSGB herein provided.

21.4 BSGB may at its absolute discretion apply the net proceeds (after deduction of all fees, costs and expenses incurred in connection with the exercise of the powers conferred on BSGB by this Clause) actually received by BSGB pursuant to the exercise of powers under this Clause in reduction of the Liabilities in such order or manner as BSGB considers fit.

21.5 BSGB shall have absolute discretion in all matters relating to the exercise of its rights under this Clause, and may sell any Bullion or Contract on a single or collective basis. The Client hereby waives all claims and demands (if any) against BSGB in respect of any loss, involuntary or otherwise, directly arising from the exercise by BSGB of the powers conferred by this Clause, howsoever such loss may have been caused (other than through wilful default of BSGB, or the reckless disregard of the obligations of BSGB under this Clause), whether in relation to the timing or manner of the exercise of such powers or otherwise.

21.6 If an Event of Default (in the sole and subjective judgment of BSGB) occurs, then the Agreement may be terminated by BSGB forthwith without notice to the Client. Any such termination shall be without prejudice to the accrued rights and obligations of the Parties contained in any provision hereof which shall remain in full force and effect and shall be enforceable notwithstanding such termination.

21.7 The Client shall be liable for any Deficit that may exist after BSGB has exercised any or any combination of rights in this Clause, and any cost or expense (including legal costs) incurred by BSGB, on a full indemnity basis, related to such exercise.

21.8 On the exercise of the rights of BSGB under this Clause, BSGB shall not be obliged to deliver to the Client any amount of money or fund due to the Client in respect of any Transaction or Contract until the Client's obligations, indebtedness and Liabilities under the Agreement have been fully paid, satisfied or discharged.

21.9 BSGB shall be entitled at all times to employ debt collecting agent(s) to collect any sum due but unpaid by the Client hereunder and for doing so, BSGB may and is hereby authorized to disclose to such agent(s) any or all information available in relation to the Client and BSGB shall not be liable or responsible (whether in contract or tort) for such disclosure or for any default negligence act conduct misconduct and/or deeds of such agent(s). The Client is hereby warned that the Client shall indemnify and keep BSGB indemnified on a full indemnity basis against all reasonable costs and expenses which BSGB may reasonably incur in employing debt collecting agent(s).

22. **Trading Recommendation**

22.1 The Client acknowledges and agrees that: (a) the Client assumes full responsibility for all trading decisions in the Bullion Account and, unless BSGB has expressly agreed otherwise, all trading, dealing or Transactions

in the Bullion Account, and BSGB and/or BSGB Trading Agent is responsible only for the execution and carrying out of the Instructions; (b) BSGB has no responsibility or obligation regarding any conduct, action, representation or statement of any introducing firm, trading advisor or other third party in connection with the Bullion Account or any trading, dealing or Transaction therein; and (c) any advice or information by BSGB, its directors, employees or agents, whether or not solicited, is provided to the Client for the Client's information and reference only and shall not constitute an offer to enter into any Transaction and/or Contract or be taken by the Client or any person as soliciting the sale of or recommending any financial product to the Client and BSGB shall be under no liability whatsoever in respect of such advice or information. "**Financial product**" in this Clause has the same meaning as ascribed to it under Clause 28.4.

23. **Disclaimer**

23.1 Neither BSGB nor any of the BS Group Companies nor any of its directors, employees or agents shall have any liability whatsoever (whether in negligence or otherwise) for any direct, indirect or consequential loss, expense or damages suffered by the Client as a result of: -

(a) BSGB and/or BSGB Trading Agent acting or relying on any Instruction whether or not such Instruction was given following any recommendation, advice or opinion given by BSGB, BSGB Trading Agent and/or any of their respective directors, employees or agents; or

(b) BSGB's and/or BSGB Trading Agent's delay or failure to perform or execute the Instruction or their respective obligations hereunder by the following reasons: (i) any disruption, breakdown, malfunction or failure of transmission, communication or computer facilities, (ii) any postal or other strikes or similar industrial action, (iii) any disruption, closure, breakdown or failure of any relevant Market and/or Clearing House and/or Clearing System and/or broker and/or any other person or firm or company whatsoever, (iv) any prevailing Market conditions, or (v) any action of government, governmental agency, any relevant Market and/or Clearing House; or

(c) any relevant Market and/or Clearing House and/or broker ceasing for any reason to recognize the existence of any Contract entered into by BSGB on behalf of the Client, or failing to perform or close out any such Contract provided that such cessation or failure shall not affect the Client's obligations hereunder in respect of any such Contract or other obligations or liabilities of the Client arising therefrom; or

(d) any default negligence act omission conduct misconduct breach and/or deeds of/by (i) BSGB Trading Agent; and (ii) executing brokers, agents, custodians, nominees, overseas brokers and dealers that are not branches or associates of BSGB.

23.2 Without limiting the generality of Clause 23.1, neither BSGB, any of the BS Group Companies nor any of their respective directors, employees or agents shall have any liability whatsoever for any direct, indirect or consequential loss, expense or damages suffered by the Client (including losses and liabilities resulting from Transactions executed by any brokers or dealers) unless due to fraud or wilful default on the part of BSGB or any of the BS Group Companies.

24. **Client Information**

24.1 The Client shall provide such information as BSGB may from time to time request, such information shall include without limitation financial data concerning the Client. Failure to supply such information may result in BSGB being unable to open or continue the Bullion Account or establish, continue or provide services in relation to Transactions.

24.2 The Client authorizes BSGB to disclose, provide or transmit to BSGB Trading Agent all or any part of the information provided by the Client to BSGB for the purpose of effecting the relevant Transaction as instructed by the Client.

24.3 The Client agrees promptly (a) to furnish appropriate financial statements to BSGB; (b) to disclose to BSGB any material change in the financial position of the Client; (c) to furnish such other information concerning the Client as BSGB may reasonably request; (d) to notify BSGB in writing if any of the representations contained in the Agreement cease to be true, accurate and correct in any respects and (e) to notify BSGB of the occurrence of any Event of Default upon its occurrence.

25. **Use of Client Information**

25.1 The Client acknowledges that the laws of the relevant jurisdictions, the applicable rules and regulations of any Market on which BSGB or any of the BS Group Companies enters into Transactions with or for and on behalf of the Client may require the disclosure of information relating to the Client and/or the Accounts. The Client hereby irrevocably authorizes BSGB and BS Group Companies, without notice or consent from the Client, to disclose to and provide the relevant authorities with all such information and documents of the Client as may be required for such purpose, including without limitation, the name and identity of the Client or the ultimate beneficial owner of the Bullion Account, and the financial position of the Client as may be known to BSGB or BS Group Companies. The Client shall not hold BSGB or BS Group Companies liable for any consequences arising from such disclosure, and the Client shall reimburse BSGB and BS Group Companies on demand for all costs and expenses (including legal costs) incurred by BSGB and BS Group Companies in complying with requests for such disclosure.

25.2 BSGB will keep information relating to the Client and the Bullion Account confidential, but is authorized to use such information for the following purposes including but not limited to: (a) the daily operation of the Bullion Account and the services provided to the Client; (b) conducting credit enquiries on the Client; (c)

ensuring ongoing credit worthiness of the Client; (d) designing and marketing services or related products; (e) collection of amounts outstanding from the Client and those providing security for the Client's obligations; (f) make disclosure under the requirements of any laws binding on BSGB; and (g) purposes relating thereto. BSGB may provide any such information to the following persons including but not limited to (i) its auditors, legal advisers, brokers or dealers instructed by BSGB on behalf of the Client, (ii) any regulatory bodies, (iii) any Market in which Bullion are traded for the Bullion Account, (iv) any regulatory authority to comply with its requirements or requests for information, (v) any employee, agent, contractor, sub-contractor or third party service provider who provides administrative, telecommunications, computer, payment, clearing or other services to BSGB in connection with the operation of its business; and (vi) any other person under a duty of confidentiality to BSGB including but not limited to all the BS Group Companies which have undertaken to keep such information confidential. BSGB shall not be liable in any way to the Client for any disclosure made pursuant to this Clause.

25.3 Where the Client is an individual, the Client agrees to be bound by BSGB's "Notice to Clients relating to the Personal Data (Privacy) Ordinance", and to the use of his/her personal data in the manner specified in the said Notice.

25.4 Under and in accordance with the Personal Data (Privacy) Ordinance (Cap. 486 of the Laws of Hong Kong) any individual: (a) has the right to check whether BSGB holds data about him and the right of access to such data; (b) has the right to require BSGB to correct any data relating to him which is inaccurate; and (c) has the right to ascertain BSGB's policies and practices in relation to data and to be informed of the kind of personal data held by BSGB.

25.5 BSGB may, whether during the continuance or after the termination of the Agreement, without notice to the Client, disclose to any of the BS Group Companies or any agent, or to any actual or proposed assignee or participant or sub-participant or transferee of any of BSGB's rights or obligations under the Agreement, any information relating to the Client.

25.6 BSGB or BS Group Companies intends to use and/or transfer the Client's data to BSGB or any of the BS Group Companies for direct marketing purpose and BS Group Companies requires the consent (including an indication of no objection) of the Client. For the aforesaid purpose, consent is hereby given by the Client on such use and transfer. The Client's name, contact details, financial background and statistical data held by BSGB and BS Group Companies from time to time may be used by BSGB or BS Group Companies in direct marketing of: (i) financial services and investment products; (ii) related promotional schemes; (iii) financial and investment advices; or (iv) promotional and marketing events of BS Group Companies for the aforesaid services or products until BSGB or BS Group Companies receive Client's objection or requirement to cease such use or transfer through the prescribed channel.

26. **Liability and Indemnity**

26.1 The Client shall indemnify and keep indemnified BSGB, all the BS Group Companies and their respective directors, officers, delegates, agents, employees, nominees, correspondents or representatives from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, legal expenses and other expenses or disbursements of any kind or nature whatsoever (other than those resulting from fraud or wilful default on the part of BSGB) which may be imposed on, incurred by or asserted against BSGB or any of the BS Group Companies (or any of their respective directors, officers, delegates, agents, employees, nominees, correspondents or representatives) directly or indirectly arising out of or in connection with:-

(a) the performance or exercise of their duties or discretion under the Agreement or arising out of or in connection with the default or breach by the Client of any provision of the Agreement or any of the Client's obligations to BSGB or any of the BS Group Companies, or any representation or warranty by the Client becoming untrue or inaccurate, including but not limited to any costs incurred by any of them in the collection of debts owed by the Client to any of them;
(b) anything done or omitted pursuant to any Instruction, anything lawfully done or omitted by BSGB, any Transaction entered into by BSGB on behalf of the Client, or any action by BSGB in accordance with the Agreement;
(c) any act of omission of the Authorized Person; or
(d) a purchaser or any other person by reason of any defect in the title of the Client to the Bullion and/or Contracts.

26.2 The Client also agrees to pay promptly to BSGB and all the BS Group Companies all damages, costs and expenses (including legal costs and expenses on a full indemnity basis) incurred by BSGB or any of the BS Group Companies in the enforcement of any of the provisions of the Agreement.

27. **BSGB's Interests**

27.1 BSGB may, subject to the provisions of any applicable law, take the opposite position to the Client's order in relation to any Contract, whether on BSGB's own account or for the account of any of the BS Group Companies or other clients of BSGB. BSGB may also effect Transaction with the Client as principal and may match the Client's orders with those of other clients. BSGB may also effect Transactions in Bulliion which BSGB or any of the BS Group Companies has a position in the Bullion.

27.2 The Client acknowledges and agrees that, when BSGB executes an Instruction on behalf of the Client to purchase or sell Bullion, BSGB, its directors, officers, employees and agents may execute such Instruction

for an account in which any such person has a direct or indirect interest, subject to the limitations and conditions, if any, contained in the constitution, rules, regulations, customs, usages, rulings, and interpretations then in force of the relevant Market upon which such Instruction is executed, and subject to the limitations and conditions, if any, contained in any applicable regulations lawfully promulgated by such Market.

27.3 In the absence of fraud or wilful misconduct on the part of BSGB, BSGB shall not be liable to the Client for any claims against BSGB, any of its nominees, subsidiaries or associated companies, or any of the BS Group Companies in relation to any Transaction referred to in Clauses 27.1 and 27.2 including any claims to the effect that BSGB, any of its nominees, subsidiaries or associated companies, or any of the BS Group Companies shall account to the Client for any emoluments, commissions, profits or any other benefits whatsoever earned or received by BSGB, any of its nominees, subsidiaries or associated companies, or any of the BS Group Companies in relation to any such Transactions.

28. Suitability

28.1 Unless BSGB expressly agrees in writing to the contrary, no representation or warranty, express or implied, is given by BSGB as to the value or suitability for the Client of any Transaction entered into by the Client.

28.2 The Client hereby acknowledges that any information communicated to the Client by BSGB, although obtained from sources believed by BSGB to be reliable, has not been independently verified by BSGB and may be incomplete, inaccurate or changed without notice to the Client. The Client acknowledges that any such information is provided by BSGB to the Client for its information and reference only and is not intended as investment advice or for trading or other purposes. BSGB makes no representation, warranty or guarantee with respect to the sequence, accuracy, truth, reliability, adequacy, timeliness, completeness or correctness of such information. BSGB and/or BS Group Companies shall have no responsibility or liability whatsoever in respect of any information given, or views expressed by them or any of their directors, officers, employees or agents to the Client, whether or not such information or views are expressed at the request of the Client.

28.3 The Client shall make its own judgment and independent decision with respect to any Transaction and Contract which he enters. BSGB is not obliged to give any investment advice or recommendation to the Client, and any comment, information, communication or explanation which may be provided by any representatives of BSGB shall not be treated or relied upon by the Client as investment advice or recommendation to enter into any Transaction, unless BSGB has expressly agreed otherwise. The Client understands that BSGB, or one or more of the BS Group Companies, may purchase or sell, have a position in Bullion or Contracts or financial instruments which are the subject of information furnished to the Client, and that the positions or Transactions of BSGB or any of the BS Group Companies may or may not be consistent with the information furnished to the Client by BSGB. Any information communication or explanation from BSGB to the Client in respect of any Instruction or Transaction under the Agreement shall not be regarded as investment advice or recommendation to enter into any Transaction or Contract under the Agreement.

28.4 If BSGB solicits the sale of or recommends 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 in these Terms or any other document BSGB may ask the Client to sign and no statement BSGB may ask the Client to make derogates from this Clause. For the purpose of this Clause, "**financial product**" means any securities, futures contracts or leveraged foreign exchange contracts as defined under the SFO. Regarding "**leveraged foreign exchange contracts**", it is only applicable to those traded by persons licensed for Type 3 regulated activity.

29. Joint and Several Liability/Successors

29.1 Where the Client consists of more than one person (whether a partnership or otherwise):

(a) the expression "Client" shall include each such person (a "**Joint Client**") and the liability of Joint Clients under the Agreement shall be joint and several;

(b) any demand for payment on any one or more of the Joint Clients shall be treated as a valid demand on all Joint Clients;

(c) BSGB and any of the BS Group Companies shall be entitled to deal separately with any of the Joint Clients on any matter including the release or discharge of any one or more of the Joint Clients from liability under the Agreement or compound with, accept compositions from, or make any other arrangement with, any of such persons without, in consequence, releasing or discharging or otherwise prejudicing or affecting its rights and remedies against any other Joint Clients;

(d) each of the Joint Clients shall, in favour of all the BS Group Companies, waive the right of proof in competition with any one or more of the BS Group Companies in the bankruptcy or insolvency of any of the Joint Clients and none of the Joint Clients shall take from any other Joint Client(s) any counter-security without prior written consent from all the BS Group Companies;

(e) the discharge, satisfaction or performance of any liability, obligation or indebtedness under the Agreement by any of the BS Group Companies in favour of or for the benefit of any of the Joint Clients shall be and be deemed to be full and sufficient discharge, satisfaction or performance of such liability, obligation or indebtedness in favour of or for the benefit of any or all of the Joint Clients. The payment of money or fund by any of the BS Group Companies towards or in favour of any of the Joint Clients shall be and be deemed to be full and sufficient discharge, satisfaction or performance of such payment of money or fund towards or in favour of any or all of the Joint Clients;

(f) the Agreement shall not be affected by the death, incapacity or Dissolution of any Joint Client;

(g) termination of the Agreement pursuant to Clause 31 by any one or more of the Joint Clients or his or their personal representatives shall not affect the continuing liability of the other Joint Clients;

(h) BSGB shall have a lien on the property (including without limitation the Bullion Account) of each Joint Client. BSGB's lien shall be additional to the rights and remedies of BSGB pursuant to the Agreement;

(i) the Joint Clients have authorized BSGB to accept instructions given by any one or more of the Joint Clients ("**Such Person**") to BSGB (including but not limited to verbal instructions and written instructions). Such Person will have the authority to handle the operation of the Bullion Account and exercise all rights, powers and discretion pursuant to the Agreement on behalf of any of the Joint Clients. BSGB may follow the instructions given by Such Person and will not be required to give notice to, or obtain authorization from, any one or more of the Joint Clients in respect of such instructions. BSGB will have an absolute discretion to determine whether or not to accept the relevant instructions and BSGB will not be liable as such for any loss whatsoever incurred as a result of accepting or not accepting the instructions. Any act, conduct, instructions, directions, decisions and/or authorizations of any of the Joint Clients shall be jointly and severally binding on the other Joint Clients;

(j) BSGB shall be under no duties whatsoever (including without limitation any duty to inquire into or see to) in respect of the application of any monies or properties between the Joint Clients;

(k) any of the Joint Clients is not entitled to claim or assert interest, benefit, ownership or title to any particular or specific Bullion, Contract , property and/or assets in the Bullion Account separately or independently with any other Joint Clients;

(l) the Joint Clients have entered into the Agreement with a right of survivorship;

(m) in the event of death of any Joint Client, the estate of the deceased Joint Client or the surviving Joint Client(s) shall immediately notify BSGB in writing of the relevant death and produce and deliver to BSGB true copy of proof of such death and such other documents as BSGB may in its absolute discretion require (but BSGB is not required to verify the authenticity of such evidence so produced); and

(n) each of the Joint Clients shall be bound by the Agreement regardless of the arrangement or agreement among the Joint Clients and notwithstanding the Agreement may be invalid or unenforceable against any one or more of the Joint Clients (whether or not the deficiency is known to BSGB).

30. Single and Continuous Agreement

30.1 The Agreement and all its amendments shall be continuous, and shall cover individually and collectively all Bullion Accounts which the Client may from time to time open and maintain with BSGB, each order executed by BSGB shall be subject to the terms and conditions of the Agreement. The Client hereby acknowledges that all Transactions executed for the Client's account shall be executed by BSGB in reliance upon such fact and as if the representations, undertakings and warranties given by the Client to BSGB in Clause 20 were repeated before each such Transaction, and that the Parties would not otherwise enter into such Transaction.

31. Termination

31.1 The Client shall only terminate the Agreement by a valid and effective prior written notice to BSGB. The aforesaid prior written notice shall be a valid and effective prior written notice only and only if such notice shall be actually received by BSGB and the effective date for termination of the Agreement stated therein shall be at least (7) Business Days after the date of receipt of such notice by BSGB. The Agreement shall be terminated by BSGB at its discretion and at any time by notice given by BSGB to the Client without the need to give reasons for such termination. The termination of the Agreement shall not affect or prejudice: -

(a) the Liabilities, obligations or indebtedness of the Client existing, arisen or incurred at the time under the Agreement, the Loan Agreement and/or any agreement made with any of the BS Group Companies on or before the termination of the Agreement, including but not limited to the Liabilities, obligations or indebtedness of the Client arising out of or in connection with any open positions or outstanding Transactions at the time of the termination of the Agreement;

(b) the Liabilities, obligations or indebtedness of the Client arising out of or in connection with any agreements, warranties, representations, undertakings and indemnities given by the Client under the Agreement, the Loan Agreement and/or any agreement made with any of the BS Group Companies;

(c) the rights and powers to liquidate, terminate, close out, transfer or settle all the open positions or outstanding Transactions of the Client, and the rights and powers to take such action or do all such acts and things incidental or in relation to the liquidation, termination, closing out, transfer or settlement mentioned in this Clause; and

(d) the rights and powers to take such action or do all such acts and things incidental or in relation to the termination, conclusion, consolidation, clearing or settlement of all the Liabilities, the Client's obligations or indebtedness under the Agreement, or the rights and powers to take such action or do all such acts and things incidental or in relation to the termination of the Agreement.

31.2 Upon termination of the Agreement under Clause 31.1, all amounts due or owing by the Client to BSGB under the Agreement shall become immediately due and payable. BSGB shall cease to have any obligation to effect any Transaction on behalf of the Client in accordance with the provisions of the Agreement, notwithstanding any Instructions to the contrary.

31.3 As soon as practicable after termination of the Agreement, BSGB shall have the power to sell, liquidate or

otherwise dispose of all or part of the Client's Bullion or Contracts for such consideration and in such manner as BSGB shall in its absolute discretion consider necessary to satisfy first, all costs, charges, fees and expenses (including legal expenses) incurred by BSGB in such sale, dissolution or other disposal and all other monies and sums due or owing and other liabilities accrued or accruing due to BSGB and outstanding (whether actual or contingent, present or future or otherwise) under the Agreement and second, all other Liabilities, at the Client's sole risk and cost and without incurring any liability on the part of BSGB for any loss or damage incurred by the Client.

31.4 Any cash proceeds remaining after satisfaction of all sums specified in Clause 31.3 shall be credited to the Settlement Account.

31.5 If there is any Deficit after application of the sale proceeds pursuant to Clause 31.3, the Client shall immediately pay to BSGB an amount equal to such Deficit together with BSGB's cost of funding such Deficit and interest at the rate of 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 such other bank as determined by BSGB from time to time up to the date of actual receipt of full payment by BSGB (after as well as before any judgment).

32. **Force Majeure**

32.1 Neither of the Parties shall be liable for any loss sustained by the other, directly or indirectly, if either Party is prevented from acting as a direct or indirect result of government restrictions, the imposition of emergency procedures or suspension of trading by any relevant Market or Clearing House, civil disorder, acts or threatened acts of terrorism, natural disasters, war, strikes or other circumstances beyond third party's control.

33. **Combination and Set-Off**

33.1 Notwithstanding anything contained in the Agreement, the Loan Agreement or any other agreement between any of the BS Group Companies and the Client, the Client irrevocably and unconditionally authorizes and directs BSGB to, with or without notice, set-off and withhold from and apply the Retained Properties, securities, receivables, moneys or funds held in or for the Bullion Account or any Account against and in whole or partial payment, discharge or satisfaction of any indebtedness, obligations or Liabilities of whatsoever nature (whether primary, collateral, several, joint or in other currencies and whether or not in connection with the Bullion Account or any other previous closed Account) owed by the Client to BSGB or any one of the BS Group Companies.

33.2 Without prejudice to the generality of Clause 33.1, if the Client has more than one Account, any of the BS Group Companies is hereby authorized by the Client to combine or consolidate at any time without notice to the Client all or any of such Accounts and set-off, apply or transfer any of the Retained Properties, moneys, funds, securities, Bullion, properties or assets in any one or more of such Accounts in or towards payment, discharge or satisfaction of any indebtedness, obligations or Liabilities of the Client of whatsoever nature, actual or contingent, primary or collateral, secured or unsecured, joint or several, to any of the BS Group Companies in respect of any other Accounts. Where any such combination, consolidation, set-off or transfer requires the conversion of one currency into another, such conversion shall be calculated at the spot rate of exchange prevailing in such foreign exchange market as any one of the BS Group Companies shall determine to be relevant on the date of the combination, consolidation, set-off or transfer.

33.3 Subject to the Agreement, all money or other property received by BSGB from the Client or from any other person for the account of the Client shall be held by BSGB and within a reasonable time from receipt of such money or other property by BSGB shall be segregated from BSGB's own assets and paid into a segregated company account.

34. **Authorization**

34.1 The Client irrevocably and unconditionally directs, instructs and authorizes BSGB that upon request, direction, instruction or demand of any of the BS Group Companies from time to time, BSGB shall do the following acts and things: -

(a) to sell, purchase, enter into, make, dispose of, deal with, trade, transfer, liquidate, close out, clear or settle all or any Bullion and/or Contract and/or positions in the Bullion Account; and

(b) to sell, purchase, deal with, trade, dispose of, realize, transfer in or out all or any securities, properties or assets in the Bullion Account.

34.2 The Client irrevocably and unconditionally directs, authorizes, instructs and agrees that upon request, direction, instruction or demand of any of the BS Group Companies from time to time, BSGB shall deliver, transfer, debit, deduct or pay from the Bullion Account or any Account such receivables, moneys or funds as any of the BS Group Companies shall direct or determine from time to time and/or in or towards the total or partial satisfaction, payment or discharge of any moneys, indebtedness, outstanding amounts, obligations or Liabilities incurred, owing, due or payable by or from the Client or the Client Group Company to or in favour of any of the BS Group Companies from time to time.

34.3 The Client agrees and accepts that all the acts, things and matters done or made by BSGB pursuant to this Clause shall be and be treated and deemed the acts, things, and matters done or made by the Client, and shall be absolutely binding on the Client in all respects and for all purposes.

35. **Communications, Notice and Services**

35.1 Unless otherwise specified in the Agreement, any notice to be made or given by the Client to BSGB under the Agreement shall be in writing.

35.2 Without prejudice to other provisions of the Agreement relating to communication or notice by or from BSGB and the right of BSGB to use any way or method of communication, any report, confirmation, statements, notice and other communication from BSGB to the Client under the Agreement may be delivered personally or sent by post or fax or electronic mail ("**E-mail**") addressed to the Client at the address or fax number or E-mail address set out in the Account Opening Form, at its registered office or at such other address or fax number or E-mail address as may have been notified in writing by the Client to BSGB (such notification shall only take effect 24 hours after the actual receipt of the same by BSGB). Any such report, confirmation, statements, notice and other communication shall be and be deemed to have been received by the Client (a) if hand delivered, when delivered, (b) if given by post, 24 hours after the same has been posted, or (c) if given by fax or E-mail, at the same time as it is dispatched. The contents of such report, confirmation, statement, notice or communication or statement of account issued by BSGB shall be or be deemed correct, accurate and conclusive and no objection thereto shall be made by the Client unless written objection is actually received by BSGB within four (4) days after delivery by hand, by fax or E-mail, or by post.

35.3 Without prejudice to the other provisions of the Agreement, any letter, notice, documents or other communication from the Client to BSGB shall take effect only on actual receipt and actual notice of the same by BSGB.

36. **Time of the Essence**

36.1 Time shall in every respect be of the essence in relation to all Liabilities and obligations of the Client under the Agreement.

37. **Automatic Postponement**

37.1 It is hereby agreed that if any day on which BSGB has agreed or obliged to do, take or conduct any matter, action or Transaction (the "**Action Date**") shall fall on a day which is not a Business Day, the Action Date shall automatically be postponed to the next Business Day.

38. **Severability**

38.1 Any provision in the Agreement which is illegal, invalid or unenforceable for any reason in any jurisdiction shall be ineffective only to the extent of such illegality, invalidity or unenforceability and shall not affect the legality, validity or enforceability of the remaining provisions hereof or the legality, validity or enforceability of such provision in any other jurisdiction. Where, however, the provisions of any applicable law may be waived, they are waived by the Parties hereto to the full extent permitted by such law to the end that the Agreement shall be a valid and binding agreement enforceable in accordance with its terms and conditions.

39. **Assignment**

39.1 The Client shall not assign, transfer, alienate, charge, delegate or otherwise dispose of any of its rights, interest, benefits, Liabilities or obligations under the Agreement. BSGB may assign or transfer any of its rights and obligations under the Agreement without the prior consent of the Client. Any assignee, transferee or successor of BSGB shall have the same interest, rights, benefits, liabilities and remedies as if it were BSGB. BSGB may delegate and sub-contract the performance of its obligations hereunder as it thinks fit.

39.2 Upon BSGB assigning and transferring all its rights and obligations under the Agreement to another entity (whether due to a restructuring or transfer of business or otherwise), the Client undertakes to give a written direction in favour of BSGB or its associated entity, authorizing BSGB or its associated entity to transfer all the Client's Bullion and/or Contracts and/or property and /or assets held by BSGB or its associated entity to the assignee entity, failing which BSGB shall terminate the Bullion Account in accordance with Clause 31.

40. **Successors and Assigns**

40.1 The Agreement shall ensure for the benefit of BSGB, its successors and assigns and shall be binding upon the Client's heirs, executors, administrators, personal representatives, successors and assignees, as the case may be.

41. **Miscellaneous Provisions**

41.1 The Agreement supersedes all prior engagements, arrangements, agreements and contracts whether oral or in writing whatsoever made by BSGB. No warranties or representations express or implied are or have been made or given by BSGB or by anybody on its behalf relating to the subject of the Agreement prior to the entering hereof. If any such warranty or representation express or implied has been made the same is withdrawn or deemed to have been withdrawn immediately before BSGB entering into the Agreement. However, the Agreement does and will not supersede any prior engagements, arrangements, agreements and contracts whether oral or in writing whatsoever and whether past, present or future made by the Client with or in favour of BSGB, and does and will not affect or prejudice any or all the Liabilities, obligations or indebtedness (whether oral or in writing whatsoever and whether past, present or future) of the Client to BSGB.

41.2 BSGB and the Client shall notify each other promptly in writing of any material changes in the information provided under the Agreement or any agreement entered into pursuant to the Agreement or relating to the Bullion Account.

41.3 BSGB shall have absolute rights to amend, delete or substitute any of the terms herein and add new terms to the Agreement (including but not limited to the Acknowledgment by Client). An amendment notice and the revised Agreement will be posted at the "**Important Terms**" column of BS Website at www.bsgroup.com.hk. The Client should visit the BS Website from time to time to obtain the latest Agreement and read the terms thereof. Such amendment, deletion, substitution or addition shall be deemed as effective and incorporated herein (and shall form part of the Agreement) on the date of publication of such amendment notice. The Client may raise written objection within fourteen (14) days after the publication of such amendment notice at the BS Website. Failing which, it shall be deemed an acceptance of such amendment, deletion, substitution and addition.

41.4 Any complaint about the performance of BSGB under the Agreement shall be made in writing and addressed to the Complaints Officer c/o BSGB, who will investigate the complaint. The Client agrees to provide the Complaints Officer with all such information as the Complaints Officer may reasonably request to enable the Complaints Officer to investigate the complaint.

41.5 The Client undertakes and acknowledges that the Client shall at all times notify BSGB in writing, and sign (the signature shall conform to the specimen signature provided to BSGB in the Account Opening Form), of any change of the Client's particulars (where the Client shall consist of any individual, the Client's personal particulars), address(es), telephone number(s), facsimile number(s) and/or email address(es).

41.6 Except as provided in the Agreement, the rights, powers, remedies and privileges in the Agreement are cumulative and not exclusive of any right, powers, remedies and privileges provided by law.

42. **Confirmation**

42.1 The Client confirms that it has read the Agreement (including the Account Opening Form, Acknowledgment by Client and these Terms) and the Risk Disclosure Statements, , that it has already been invited and advised by BSGB and/or any of the BS Group Companies to seek independent legal advice on the Agreement (including the Account Opening Form, Acknowledgment by Client and these Terms) and the Risk Disclosure Statements, that the contents of the Agreement (including the Account Opening Form, Acknowledgment by Client and these Terms) and the Risk Disclosure Statements have been fully explained to the Client in a language which the Client understands, and that the Client fully confirms, accepts, understands, and agrees to be bound by, the Agreement (including the Account Opening Form, Acknowledgment by Client and these Terms) and the Risk Disclosure Statements. The Client acknowledges that, in the event of any discrepancy between the English version and the Chinese version, the English version shall prevail.

43. **Contracts (Rights of Third Parties) Ordinance**

43.1 The Contracts (Rights of Third Parties) Ordinance (Chapter 623 of the Laws of Hong Kong) shall not apply to the Agreement and unless specifically herein provided no person other than the Parties shall have any rights under it nor shall it be enforceable by any person other than the Parties.

44. **Waiver**

44.1 No failure or delay on BSGB's part to exercise any power, right or remedy which BSGB may have shall operate as a waiver thereof.

45. **Governing Law and Jurisdiction**

45.1 The Agreement and all rights, obligations and liabilities hereunder shall be governed by and construed in accordance with the laws of Hong Kong. The Client and BSGB hereby irrevocably submit to exclusive jurisdiction of the courts of Hong Kong as regards any claim, matter or proceedings arising under this Agreement. The Client agrees that the rulings, orders, decisions and/or judgments of the courts of Hong Kong are final and conclusive.

45.2 The Client agrees that BSGB is entitled to enforce and execute the judgment of the courts of Hong Kong in any jurisdiction as it thinks fit. The Client hereby further agrees not to oppose in any legal proceedings arising under this Agreement (including the legal proceedings in other jurisdictions for enforcement of judgment) and not to appeal the judgment of the courts of Hong Kong or other jurisdiction.

45.3 The Client agrees that any writ, summons, order, judgment or other document shall be and be deemed duly and sufficiently served on the Client if addressed to the Client and left at or sent by post to the Client's registered office or the address of the Client set out in the Account Opening Form or last known to BSGB. The foregoing shall not limit BSGB's right to serve process on the Client in any manner permitted by laws of the relevant jurisdiction.

*****

SECTION XIV - TERMS AND CONDITIONS FOR LEVERAGED FOREIGN EXCHANGE TRADING

All transactions, purchase, investment, sale, trading, entering, exchange, acquisition, holding, transfer, making, clearing, settlement, disposal or dealing in, of and with all kinds of FX effected, conducted, carried on and entered into by the Client with and through BSFL and/or BSFL Trading Agent, and the FX Account opened and maintained by the Client with BSFL shall be subject to and upon the Agreement.

1. **Definitions**

1.1 In these Terms, the following expressions, unless the context requires otherwise, shall have the following meanings: -

"**Account**" means any account of whatsoever nature now or in future opened and maintained in the name of the Client with any of the BS Group Companies in accordance with the Agreement or other agreement or document;

"**Account Opening Form**" means the Account Opening Form for the FX Account including the declaration, information, notes and statements thereto to be completed and signed by the Client and, as the context requires, any amendments made thereto from time to time;

"**Acknowledgment by Client**" means the Acknowledgment by Client including the information for trading, procedure for funds deposit and withdrawal, procedure for transferring funds between any Account and the FX Account and other information in respect of the FX Account, as from time to time amended or supplemented;

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

"**Authorized Person**" means the persons or any of them appointed by the Client as agent of the Client to (including but not limited to) issue Instructions on behalf of the Client in relation to the FX Account and/or Transactions, and initially the persons specified as such in the Account Opening Form and such other person as appointed by the Client in substitution therefor or in addition thereto from time to time (the Client shall in writing notify BSFL of such appointment, which shall only be effective after the actual receipt of such notification and approved by BSFL);

"**Bill Payment Number**" means the designated depositing money reference number issued by BSFL and the Client may rely on such designated depositing money reference number to transfer moneys or funds from Bank of China (Hong Kong) Limited, Hang Seng Bank Limited, The Hongkong and Shanghai Banking Corporation Limited or such other bank as determined by BSFL from time to time to BSFL in accordance with these Terms;

"**BSGB**" means Bright Smart Global Bullion Limited, a company incorporated under the laws of Hong Kong (Company Number: 1810415) and its successors and assigns;

"**BSFL**" means Bright Smart Forex Limited, a company incorporated under the laws of Hong Kong (SFC-CE Number: AZK567) and its successors and assigns;

"**BSFL Trading Agent**" means any agent appointed, engaged and instructed by BSFL for executing, effecting, trading, implementing, clearing and settling the Instructions and Transactions on behalf of the Client;

"BSFL Trading Agent Agreement" means the agreements and the terms and conditions made between BSFL and BSFL Trading Agent for the purposes of these Terms and the Transactions (including any amendment or supplement made thereto from time to time);

"**BS Futures**" means Bright Smart Futures & Commodities Company Limited, a company incorporated under the laws of Hong Kong (SFC-CE Number: ADH427) and its successors and assigns;

"**BS Group Companies**" means BS Securities, BS Futures, BSFL, BSGB and such other company as BSFL may from time to time add and notify the Client;

"**BS Securities**" means Bright Smart Securities International (H.K.) Limited, a company incorporated under the laws of Hong Kong (SFC-CE Number: AEZ575) and its successors and assigns;

"**BS Website**" means any and all websites provided or operated by BS Group Companies;

"**Business Day**" means (a) in respect of notices made or given under the Agreement, a day (other than Saturday and Sunday and a day on which a black rainstorm warning or a number 8 or higher typhoon signal is hoisted before 2:00 p.m. in Hong Kong) on which banks are open for business in Hong Kong; and (b) in respect of Transactions on a Market, a day on which such Market is open for the business of dealing in FX

or Foreign Exchange Contract;

"**Clearing House**" means, in respect of a Transaction, the clearing or settlement house, corporation, organization or body (whether in Hong Kong or a Foreign Jurisdiction) providing clearing and settlement services for such Transaction including, where the context so requires, its agents, nominees, representatives, officers and employees;

"**Clearing Rules**" means the rules, procedures and regulations of the Clearing System from time to time in force;

"**Clearing System**" means the clearing and settlement system operated by the Clearing House from time to time;

"**Client**" means the person or persons who has/have signed and/or specified as such in the Account Opening Form, and where the FX Account is opened by more than one person means all of such persons collectively and any legal or personal representative, executor, successor in title or permitted assign thereof, and shall include the Authorized Person where the context permits;

"**Client Group Company**" means any company which is controlled by the Client; a person is in "control" of a company if: (a) it is in accordance with such person's instructions the directors of the company or of another company of which it is a subsidiary are accustomed to act; or (b) such person, either alone or with any of its associate(s), is entitled to exercise or control the exercise of more than 30% of the voting power at general meeting of the company or of another company of which it is a subsidiary;

"**closing out**" means, in relation to any Foreign Exchange Contract, the entering into of another Foreign Exchange Contract of the same specification and for the same amount, but of an opposite direction in order to cancel out the former contract and/or to crystallize the profit or loss on such former Foreign Exchange Contract, and the term "**close out**" shall be construed accordingly;

"**Confirmation**" means a written notice sent from time to time by BSFL to the Client in relation to Transactions between the Parties, Transactions entered into on behalf of the Client and/or other adjustments by BSFL to the FX Account;

"**Credit Facilities**" means all or any of the loan or credit facilities made available, provided or granted by or agreed to be made available, provided or granted by any of the BS Group Companies under and pursuant to the Loan Agreement from time to time;

"**Deficit**" means the negative balance in the Account whatsoever and howsoever arising;

"**Device**" means any device (including but not limited to any digital or electronic certificate or encrypted software), equipment, phone, machine or computer provided, whether mobile, fixed, portable or otherwise (whether by BSFL or not) to or otherwise employed by the Client for giving Instructions;

"**Dissolution**" of a person also includes the winding-up, liquidation or bankruptcy of that person, and any equivalent or analogous procedure under the law of any jurisdiction in which that person is incorporated, domiciled, resident, carries on business or has assets and "**dissolved**" shall be construed accordingly;

"**Encumbrance**" means any mortgage, charge, pledge, lien, assignment by way of security, financial lease, deferred purchase, sale-and-repurchase or sale-and-leaseback arrangement, hypothecation, retention of title by a vendor or other security interest given or arising in respect of any assets, and any arrangement the effect of which is to prefer any creditor or any agreement for any of the same;

"**ETF**" means "ETF" as defined in Section V headed "Terms and Conditions for Electronic Trading Facilities";

"**Event of Default**" has the meaning ascribed thereto in Clause 21;

"Foreign Exchange Contract" means a contract as may be agreed and entered into by the Parties or entered into on behalf of the Client from time to time in respect of Transactions pursuant to the terms and subject to the conditions of the Agreement;

"**Foreign Jurisdiction**" means a country, territory or jurisdiction outside Hong Kong;

"**Foreign Regulators**" means any regulatory or supervisory corporation, organization or body in a Foreign Jurisdiction having jurisdiction or regulatory or supervisory power or authority over the Transactions;

"**FX**" means currencies, currency options, currency futures or forward contracts and contracts relating to (whether or not for delivery now or in the future) foreign currencies accepted by BSFL from time to time for dealing;

"**FX Account**" means any account now or in future opened and maintained in the name of the Client with BSFL for conducting Transactions in accordance with the Agreement, and/or all other account(s) of whatsoever nature now or in future opened and maintained in the name of the Client with BSFL in accordance with the Agreement or other agreement or document;

"**Hong Kong**" means the Hong Kong Special Administrative Region of the People's Republic of China;

"**Hong Kong Regulators**" means SFC, the Hong Kong Monetary Authority and/or any other regulatory or supervisory corporation, organization or body in Hong Kong having jurisdiction or regulatory or supervisory power or authority over the Transactions;

"**Instruction**" means any instruction or order communicated by the Client or the Authorized Person in whatever means (including but not limited to oral, phone, fax, email, internet, or any electronic means or any written form) to BSFL in accordance with these Terms;

"**Liabilities**" means all monies, liabilities and obligations, whether actual or contingent, present or future, due, owing or incurred from or by the Client to any of the BS Group Companies, their respective nominee, subsidiary or other associated company in connection with the Account and/or the Agreement or for which the Client may otherwise be or become liable to any of the BS Group Companies on any account or in any manner or currency whatsoever (whether alone or jointly with any other person and in whatever name, style or firm), together with interest from the date of demand to the date of payment, legal costs and all other costs, charges and expenses incurred by any of the BS Group Companies, their respective nominee, subsidiary or other associated company in connection with the recovery or attempted recovery of such monies, liabilities and obligations;

"**Loan Agreement**" means (a) the "Loan Agreement" as defined in Section XI headed "Terms and Conditions for Loan and Security"; or (b) any other loan or credit facility agreement (as the case may be) made or to be made between any of the BS Group Companies and the Client, as amended or supplemented from time to time, whereby, subject to the terms and conditions thereof, BS Securities and/or BS Futures and/or BSFL and/or any of the BS Group Companies have agreed to make available, provide or grant Credit Facilities to the Client for the purposes stated therein;

"**Margin**" means a deposit of money and/or Securities and/or other property as collateral required by BSFL to be placed with BSFL by the Client as a guarantee of performance by the Client of all the Foreign Exchange Contracts of the Client for the time being and from time to time outstanding;

"**Market**" means any exchange, market, over-the-counter market, responsible association of dealers or corporation, whether within or outside Hong Kong, so dealing in FX as to provide a market for FX;

"**Market Rules**" means the constitution, rules, regulations, by-laws, customs, usages, rulings and procedures of or made by the Market, and any amendments, supplements, variations or modifications thereto from time to time;

"**Netting**" means an agreement by the Parties to settle their respective delivery and/or payment obligations on a net basis after the complete or partial off-set of delivery and/or payment obligations to each other, on any given day, under the terms and subject to the conditions of the Agreement;

"**Netting Confirmation**" means a Confirmation of the results of a Netting transaction;

"**Parties**" means BSFL and the Client, and each of them is referred to as "**Party**";

"**Risk Disclosure Statements**" means the risk disclosure statements provided by the BS Group Companies to the Client, as may be prescribed, amended or supplemented by the BS Group Companies from time to time, the current version being set out in Section IX headed "Risk Disclosure Statements";

"**Securities**" means (a) securities as defined in SFO; and/or (b) any shares, stocks, debentures, loan stocks, money, bonds, notes, unit trusts, certificates of deposit or other commercial paper or securities or other similar instruments of any kind whatever or howsoever, of or issued by any body, whether incorporated or unincorporated, or any government authority for the time being traded in a market and acceptable to BSFL and may include, in the absolute discretion of BSFL, (i) rights, options or interests (whether described as units or otherwise) in or in respect of any of the foregoing; (ii) certificates of interest or participation in, or temporary or interim certificates for, receipts for or warrants to subscribe to or purchase, any of the foregoing; or (iii) any instruments commonly known as securities;

"**Settlement Account**" means the bank account of the Client for the purpose of Clause 9 of these Terms, the particulars of which are specified in the Account Opening Form;

"**SFC**" means the Securities and Futures Commission of Hong Kong;

"**SFO**" means the Securities and Futures Ordinance (Cap.571 of the Laws of Hong Kong) and any subsidiary legislation made thereunder;

"**Sub-account Number**" means the designated account number issued by designated banks as determined by BSFL from time to time and the Client may rely on such designated bank account number to transfer moneys or funds to BSFL in accordance with these Terms;

"**these Terms**" means all the terms and conditions in this Section XIV headed "Terms and Conditions for Leveraged Foreign Exchange Trading" as from time to time amended or supplemented;

"**Transaction**" means any transaction, purchase, investment, sale, trading, entering, exchange, acquisition,

holding, transfer, making, clearing, settlement, disposal or dealing in, of and with any FX and/or Foreign Exchange Contract and generally dealing in any and all kinds of FX and/or Foreign Exchange Contract (irrespective of whether it falls under the definition of "leveraged foreign exchange trading" as defined under Schedule 5 of the SFO);

"**USD**" means the lawful currency of the United States at the relevant time;

"**U.S. person**" includes any natural person who is a citizen of or resident in the United States; a corporation, partnership or other business organization organized or incorporated under the laws of the United States or any political subdivision thereof, any estate or trust which is administered by an executor or trustee who is a U.S. person or the income of which is subject to U.S. federal income taxation regardless of its source; any account (other than any estate or trust) held by a dealer or fiduciary for the benefit of a U.S. person and any partnership or corporation organized and incorporated under the laws of any foreign jurisdiction which was formed by a U.S. person principally for the purpose of investing in securities not registered under the United States Securities Act of 1933. "**U.S. person**" shall not include any branch or agency of a United States bank or insurance company that is operating outside the United States for valid business reasons as a locally regulated branch or agency engaged in the banking or insurance business and not formed primarily for the purpose of investing in securities not registered under the United States Securities Act of 1933. For the purposes of this definition, the "**United States**" includes the United States of America, its states, territories and possessions and the District of Columbia; and

"**Value Date**" means the date agreed or specified to settle the Transaction concerned.

1.2 In these Terms: -

(a) "include(s)" and "including" mean respectively "include(s) but not limited to" and "including but not limited to";
(b) "subsidiary" shall bear the meaning given by the Companies Ordinance (Cap. 622 of the Laws of Hong Kong) and "associated company" means, in respect of any person, any company (not being a subsidiary of that person) of which that person shall beneficially own twenty per cent (20%) or more of the issued share capital or in respect of which that person is entitled to appoint one or more directors or, in relation to any company, any company which is a subsidiary of a holding company of that first mentioned company;
(c) reference to a Clause is to a clause of these Terms and reference to the Account Opening Form is to the Account Opening Form as completed by or on behalf of the Client and where such information has been amended by subsequent notice to BSFL means the Account Opening Form as amended by such notice;
(d) reference to an Ordinance is to an Ordinance or law of Hong Kong and any subsidiary legislation related thereto as from time to time amended, consolidated, extended, codified or re-enacted and for the time being in force;
(e) words importing the singular include the plural and vice versa; words importing person include bodies corporate or unincorporated or other entity; words importing gender include every gender and the neuter gender;
(f) the headings to the Clauses are for convenience only and do not affect their interpretation or construction; and
(g) where it is necessary for the true construction or interpretation of any provision herein so that the indebtedness, liability or obligation of any of the Parties shall continue after the termination of the Agreement, such provision shall survive the termination of the Agreement.

2. <u>Applicable Rules and Regulations</u>

2.1 All Instructions and Transactions made or entered into (i) by BSFL with the Client; and (ii) by BSFL and/or BSFL Trading Agent on behalf of the Client shall be subject to, and in respect of the above, both BSFL and the Client shall be bound by: -

(a) the Agreement;
(b) BSFL's rules, regulations, procedures and policies from time to time in force;
(c) the SFO and all applicable laws, rules and regulations of Hong Kong;
(d) BSFL Trading Agent Agreement, and the rules, regulations, procedures and policies of BSFL Trading Agent relating and applicable to the Transactions from time to time in force;
(e) all applicable laws, rules and regulations of the jurisdiction where the Instructions and Transactions are executed, performed, cleared or settled;
(f) the constitution, rules, regulations, by-laws, customs, usages, rulings and procedures of the relevant Market, the relevant Clearing House and/or the relevant Clearing System on and through which the Instructions and Transactions are executed, performed, cleared or settled;
(g) any agreement made between, inter alia, (1) any of the BS Group Companies; and (2) any market data feed service providers (including but not limited to a Market and/or its associated companies); and
(h) any agreement made between, inter alia, (1) any of the BS Group Companies; and (2) any other service providers/agents providing services relating or applicable to the Instructions and/or Transactions.

2.2 If there shall be any conflict or inconsistency between any of the provisions of the Agreement and anything

contained in paragraphs (b), (c), (d), (e), (f) and (g) of Clause 2.1, BSFL may, in its absolute discretion, take or refuse to take any action, or demand the Client to take or refrain from taking any action to ensure compliance with the same.

3. **Appointment and Scope of Agency**

3.1 BSFL may (at its sole discretion and election) enter into Transaction with the Client on a principal-to-principal basis or act as the Client's agent to effect Transactions on the Client's behalf. For the avoidance of doubt, the Client is not entitled to request BSFL to effect a Transaction as principal or the Client's agent specifically nor to claim against BSFL for any compensation due to any loss, damages, expenses or loss of profit whatsoever suffered and/or incurred by the Client arising out (directly or indirectly) of or in connection with BSFL's decision or election to act as principal or the Client's agent in any Transaction (whether such decision is against the Client's instruction or wish or otherwise). In any event, nothing herein contained shall constitute BSFL as trustee for the Client or a partnership between BSFL and the Client. The Client shall make its own judgments and decisions independently without reliance on BSFL or any of the BS Group Companies in its decision in relation to dealing FX or any Transactions.

3.2 The Client shall, unless otherwise agreed in writing, enter into Transactions as principal. If, as between the Client and a third party, the Client acts as an agent, regardless of whether or not the Client identifies that principal to BSFL, then unless BSFL expressly accepts in writing the Client’s status as agent, the Client shall, as between the Client and BSFL be regarded as the sole principal to BSFL and BSFL shall have no privity of contract relationship or responsibilities to the third party.

3.3 Notwithstanding Clauses 3.1 and 3.2, BSFL may, in its absolute discretion, (a) decline to accept, carry out, execute, enter into or effect any Instructions and/or Transactions; or (b) decline to act on or stop carrying out, executing, entering into or effecting any accepted Instructions and/or Transactions without giving any reason therefor. BSFL shall not, in any circumstances, be liable (including liability for negligence) in any way to the Client for any loss, damages, expenses or loss of profit whatsoever suffered and/or incurred by the Client arising out (directly or indirectly) of or in connection with its not accepting, carrying out, executing, entering into, effecting or acting on such Instructions and/or Transactions or omitting to give notice therefor.

3.4 The Client acknowledges and accepts that it may not be possible to cancel, vary or amend an Instruction. Any attempt to cancel, vary or amend an Instruction is simply a request to cancel or modify. BSFL shall not be obliged to act on any Instruction for cancellation, variation or amendment of any Instruction already given to BSFL. BSFL is not responsible for or liable to the Client for any loss or expense suffered or incurred by the Client if the original Instruction has already been completed, or in the opinion of BSFL, BSFL has insufficient time or is unable or at its sole discretion decides not to act on such Instructions to cancel, vary or amend the original Instruction. The Client further acknowledges and accepts that attempts to cancel, vary or amend an Instruction can result in an over-execution of the Instruction, or the execution of duplicate or repeated Instructions, and the Client shall be responsible for all such executions.

3.5 The Client is an independent third party not connected with, an associate of, or acting in concert with, any director, chief executive, substantial shareholder of BSFL and/or any of their respective subsidiaries. The Client does not hold any interest in BSFL.

3.6 Without prejudice to any other provisions in these Terms, the Client agrees and authorizes BSFL to appoint, engage and instruct BSFL Trading Agent as BSFL may in its absolute discretion deem fit to execute, effect, trade, implement, clear and settle any Instructions and/or Transactions.

3.7 Notwithstanding that BSFL has accepted or agreed to carry out, execute, enter into or effect any Instructions and/or Transactions, if BSFL Trading Agent, in its absolute discretion, (a) declines to accept, carry out, execute, enter into or effect any Instructions and/or Transactions; or (b) declines to act on or stop carrying out, executing, entering into or effecting any accepted Instructions and/or Transactions, BSFL may, in its absolute discretion, (a) stop or discontinue to accept, carry out, execute, enter into or effect any such accepted or agreed Instructions and/or Transactions; or (b) decline to act on or stop carrying out, executing, entering into or effecting any such accepted Instructions and/or Transactions without giving any reason therefor. BSFL shall not, in any circumstances, be liable (including liability for negligence) in any way to the Client for any loss, damages, expenses or loss of profit whatsoever suffered and/or incurred by the Client arising out (directly or indirectly) of or in connection with its not accepting, carrying out, executing, entering into, effecting or acting on such Instructions and/or Transactions or omitting to give notice therefor.

4. **Authorized Person**

4.1 The Client authorizes the Authorized Person to represent the Client in all matters in relation to all Instructions and Transactions, in particular, to give Instructions and execute all agreements and documents in relation to the Agreement and the FX Account and its operation. All such Instructions, Transactions, agreements and documents shall be absolutely and conclusively binding on the Client. The Client agrees that BSFL is entitled to act on such Instructions until the Client notifies BSFL in writing that the authority of the Authorized Person has been revoked or varied.

4.2 The Client undertakes with BSFL from time to time and at all times to ratify and confirm any Instructions whatsoever given or purported to be given by the Authorized Person including but not limited to any Instructions which may be given or purported to be given between the revocation of the authority of the Authorized Person and the actual receipt of notice of such revocation by BSFL. The Client agrees that any Instructions given or purported to be given by the Authorized Person after revocation of the Authorized

Person's authority (but before the actual receipt of notice of such revocation by BSFL) shall be absolutely and conclusively binding on the Client, and shall be valid and effectual in favour of BSFL.

4.3 Notwithstanding anything herein contained, the Client acknowledges and confirms that the Authorized Person is neither an employee nor agent of BSFL and there is no partnership or employment relationship between the Authorized Person and BSFL. The Authorized Person is appointed by the Client as agent and shall have full authority to act on behalf of the Client under the Agreement as if he were the Client himself, and shall have the authority to give good and valid receipt to any payment, monies, funds, FX, properties or assets comprised in the FX Account made or given to the Authorized Person. All Instructions given by the Authorized Person shall be and be deemed to be the Instructions given by the Client and all acts, omissions, default or breach by the Authorized Person (whether with or without the instructions or consent of the Client) shall be and be deemed to be the acts, omissions, default or breach by the Client. BSFL shall not be in any way liable to the Client or any other parties for the acts, omissions, default or breach by the Authorized Person (whether with or without the instructions or consent of the Client). In the Agreement, the expression "Client" shall, where the context permits, include the Authorized Person.

5. **Form of Instructions**

5.1 Subject as provided herein, all Instructions in relation to Transactions shall be given by the Client or the Authorized Person direct to BSFL (whether oral (in person or by telephone), via internet or any electronic means, by ETF, or other means of communication accepted by BSFL from time to time) in such manner as may be prescribed by BSFL from time to time. If Instructions are given by telephone, internet, electronic means or ETF, BSFL is entitled to rely upon and act in accordance with such Instructions without inquiry or verification by BSFL of the authority or identity of the person making or giving or purporting to make or give such Instructions and regardless of the circumstances prevailing at the time of the giving of such Instructions or the amount of money involved in the Instructions, and notwithstanding any error, misunderstanding, lack of clarity, fraud, forgery or lack of authority in relation thereto.

5.2 BSFL shall be entitled to treat an Instruction given as provided in Clause 5.1 as fully authorized by and binding upon the Client. BSFL shall be entitled (but not bound) to act on or take such steps in connection with or in reliance upon such Instruction as BSFL may in good faith consider appropriate, notwithstanding any error or misunderstanding or lack of clarity in the terms of such Instruction.

5.3 When Instructions are given by the Client or the Authorized Person by telephone: -

(a) the Client or the Authorized Person must use the designated telephone number provided by BSFL from time to time (the "**Designated Telephone**"). For the avoidance of doubt, any Instructions given by telephone without using the Designated Telephone, and any Instructions given by messages left at the voicemails of any telephone numbers of BSFL or any personal mobile phone numbers of the employees or agents of BSFL shall not be regarded as valid or effective Instructions to BSFL. BSFL shall not be liable to the Client for any loss whatsoever arising out of or in connection with the Client's or the Authorized Person's failure to comply with the terms of this Clause;

(b) Notwithstanding the designation of the Designated Telephone and the provisions in Clause 5.3(a) above, BSFL (but not the Client) has the absolute discretion to accept, act on, carry out or effect any Instructions given by telephone other than using the Designated Telephone (the "**Non-Designated Telephone Instruction**"). If BSFL accepts, acts on, carries out or effects any Non-Designated Telephone Instruction, such Non-Designated Telephone Instruction shall be treated and deemed as an Instruction within the meaning of these Terms in all respects and all BSFL's rights, protections, powers and remedies shall be applicable to such Non-Designated Telephone Instruction; and

(c) BSFL has no responsibility for any delay, failure, error, interruption or suspension in the transmission or communication of Instructions or information on prices or the mistaken receipt of any Instructions by any other party. BSFL is authorized to act upon any Instructions received by it (regardless of delay, failure, error, interruption or suspension as aforesaid) and BSFL shall not be required to check the accuracy or authenticity of such Instructions with the Client, nor shall BSFL be liable for any loss or costs suffered or incurred by the Client as a result of BSFL acting upon the same. BSFL shall be entitled to require the Client to enter into a further agreement if the Client wishes it to act on telephonic Instruction.

5.4 In the case of Instruction by ETF, the Client or the Authorized Person must give such Instruction: -

(a) only by such means and in such manner as BSFL may from time to time designate for the relevant type of Transaction;

(b) by use of the suitable Device (if applicable) to obtain access to the designated computer or other systems of BSFL for the relevant type of Transaction; and

(c) at the request of BSFL (such request may be represented by electronic image or digitized voice or other electronic form, as the case may be), by inputting the designated number and/or the relevant password and any other information relating to the identity of the Client as may be required by BSFL, as well as the information and details with respect to the Transaction.

5.5 The Client recognizes the risks in giving Instructions by telephone or ETF including, without limitation, the risk of any Instruction being unauthorized or given by an unauthorized person. The Client accepts the risks in full if the Client chooses to give Instructions by such means.

5.6 Once the Client has given an Instruction, it may not be cancelled, varied or amended without BSFL's written consent.

5.7 BSFL shall have no responsibility to procure compliance by the Client with any law or regulation governing the Client's conduct as a fiduciary (if applicable).

5.8 BSFL and/or BSFL Trading Agent may aggregate the Client's order with its own orders or with those of persons connected with BSFL or with those of other clients. Such aggregation may on some occasions operate to the Client's disadvantage and on other occasions to the Client's advantage. The Client agrees that in the event of there being insufficient FX and/or Foreign Exchange Contracts available to satisfy the orders so aggregated, the FX and/or Foreign Exchange Contracts shall be attributed to the relevant clients in the order in which such orders were received by BSFL.

5.9 Where the Client is acting as agent for and on behalf of any other person when giving Instructions to BSFL pursuant to the Agreement, BSFL shall be entitled to treat the Client (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 BSFL and no such person will be an "indirect client".

5.10 The Client understands that BSFL is unable to know whether someone other than the Client has given or entered, or is giving or entering, instructions using the Client's name or the Client's user name, password or biometric authentication data. The Client shall not permit or allow any other person to have access to the FX Account for any purpose. The Client shall be responsible for the confidentiality and use of, and any order given or entered with, the Client's name or the Client's user name, password and/or biometric authentication data. The Client shall remain responsible for all instructions using the Client's name or the Client's user name, password and/or biometric authentication data.

5.11 BSFL may accept the digital signature of the Client or the Authorized Person which is supported by a digital certificate tendered to BSFL. The Client agrees that BSFL is entitled to treat such digital signature as the manual signature of the relevant person.

5.12 The Client acknowledges that it will be responsible to and will indemnify and keep indemnified BSFL for any loss, costs, fees and expenses arising directly or indirectly out of or in connection with the Instructions and BSFL acting thereon hereunder.

6. **Transactions**

6.1 BSFL has the absolute discretion to select the Market on and through which to route, execute, perform or fulfill the Instructions.

6.2 The Client authorizes BSFL to instruct such BSFL Trading Agent, executing brokers, agents, custodians, nominees, overseas brokers and dealers (including branches or associates of BSFL) as BSFL may in its absolute discretion deem fit to execute any Instructions and Transactions, such persons shall have the benefit of all of BSFL's rights, powers and remedies hereunder. The Client acknowledges that the terms of business of such persons and the applicable rules of any relevant Market and/or Clearing System on and through which such Instructions and Transactions are executed and settled shall apply to such Instructions and Transactions.

6.3 All Transactions shall be effected in accordance with all laws, rules and regulatory directions of government agencies and statutory bodies of competent jurisdiction applying to BSFL. All actions taken by BSFL in accordance with such laws, rules and directions shall be binding on the Client. In the absence of wilful misconduct or fraud of BSFL, BSFL shall not be liable to the Client as a result of any action or omission taken by BSFL or any of the persons specified in Clause 6.2 to comply with such laws, rules and directions.

6.4 BSFL may post the specification of FX and/or Foreign Exchange Contracts on the BS Website from time to time. The Client acknowledges that it will be responsible to read and fully understand such specification before giving Instructions and shall review such specification regularly to obtain timely notice of any amendment. The Client further acknowledges that such specification and amendment shall be binding on the Client.

6.5 By reasons of the environment of or physical restraints on any Market or Clearing House and the volatility of price movements, there may, on occasions and despite BSFL's, BSFL Trading Agent's, executing brokers', overseas brokers' or dealers' reasonable endeavours, be a delay in quoting prices, executing Instruction or dealing at any specific time. The Client accepts that BSFL may not be able to execute the Client's order at the price specified by the Client, and that BSFL may not be able to trade, deal or execute the Client's order at the price quoted at any specific time, and that BSFL may not be able to trade or deal at the price quoted "at best", "at the best quoted or posted" or "at market". The Client agrees in any event to accept and be bound by Transactions executed by BSFL following Instructions, and agrees that BSFL shall not be liable for any loss arising by reason of its failing, or being unable, to comply with any terms of an order of the Client.

6.6 Where BSFL or the persons specified in Clause 6.2 are unable to perform any of the Instructions in full, BSFL or such persons are entitled to effect partial performance only without prior reference to or confirmation from the Client. The Client shall be bound by such part of the Instructions so performed by BSFL. BSFL shall not have any obligation or liability whatsoever in respect of such part of the Instructions which has not been performed.

6.7 Unless the Client gives specific Instructions to BSFL to the contrary, the Client acknowledges that all Instructions are good for the day only and that, to the extent unfulfilled, they will lapse at the end of the official trading day of the Market in respect of which they are given.

6.8 Subject to applicable laws and regulations and Market requirements, BSFL may in its absolute discretion determine the priority in the execution of its clients' orders, having due regard to the sequence in which such orders were received, and the Client shall not have any claim of priority to another client in relation to the execution of any order received by BSFL.

6.9 The Client acknowledges that it will be responsible and will indemnify and keep indemnified BSFL for any loss, costs, fees and expenses in connection with the Client's failure to meet its obligations by the settlement date in respect of any Transaction or to pay any other sum due to BSFL hereunder.

6.10 The Client shall pay interest on all overdue balances on the FX Account or any amount otherwise owing to BSFL at any time (including interest arising after a judgment debt is obtained against the Client) at such rates and on such other terms as BSFL 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 such other bank as determined by BSFL from time to time. Interest shall be payable on the last day of each calendar month or forthwith upon demand by BSFL.

6.11 The Client acknowledges that all telephone conversations between the Client and BSFL may be taped without an automatic tone-warning device in order to enable BSFL to verify the Instructions. The Client agrees to accept the recordings on relevant tapes as final and conclusive evidence of the contents of the Instructions in case of dispute. Such tapes will always remain the property of BSFL.

6.12 The Client acknowledges that the books and records of BSFL in respect of any Instruction or Transaction shall be conclusive evidence (except for manifest error) against the Client in all courts of law and for all purposes. In this connection, a certificate signed by an authorized officer of BSFL as to any matter in respect of any Instruction or Transaction, save for manifest error, shall be conclusive and binding against the Client.

6.13 Where BSFL knows of or suspects a breach of security or other suspicious circumstances in respect of or in connection with the operation of one or more of the Accounts or any service to the Client generally, BSFL may, in its absolute discretion and without any liability, refuse to execute or delay the execution of any Instruction and in that event, BSFL will, to the extent possible, inform the Client as soon as practicable.

6.14 In the event of death or liquidation of the Client or in the event of the Client being rendered incapable or disabled from managing and administering the Client's property or affairs, then prior to the actual receipt by all the BS Group Companies of written notice of death, liquidation or incapacity or disability of the Client, all the BS Group Companies may, but shall not be obliged to, continue to act upon the Instructions given by the Client or the Authorized Person as if the Client were still alive, existing or capable of managing and administering the Client's property or affairs.

6.15 If any relevant Market and/or Clearing House and/or agent on or through which any Foreign Exchange Contract has been entered into by BSFL on behalf of the Client requires any alteration in any terms or conditions of such Foreign Exchange Contract, BSFL may take all such action as it shall in its absolute discretion consider necessary or desirable to comply therewith or to avoid or mitigate loss thereunder. All such actions shall be binding upon the Client.

6.16 BSFL and/or BSFL Trading Agent may not have access to every Market at which a particular product, FX or Foreign Exchange Contract may trade. Market makers may fail or refuse to honour their quoted or posted prices. Market rules, policies, procedures or decisions or system delays or failures may prevent the Client's order from being executed, may cause a delay in the execution or performance of the Instruction or may cause the Instruction not to be executed at the best price. In no event shall BSFL be liable to the Client for any action, inaction, decision or ruling of any Market, Clearing House or regulatory authority.

6.17 If BSFL cannot execute or carry out any Instruction, BSFL may take any other action as BSFL shall think fit. The Client understands that the Client will be responsible for all the consequences or expenses of BSFL in connection with the above and that BSFL will not be liable for any loss that may thereby be incurred.

6.18 If BSFL or its agent (as the case may be) shall for any reason whatsoever fail to receive payment of all or any amount of money or fund (whether from the relevant Market and/or Clearing House and/or any other person) due to be paid to the Client in respect of any Foreign Exchange Contract on the due date for payment in accordance with the rules and regulations of the relevant Market and/or Clearing House and/or the applicable laws of the relevant jurisdiction, BSFL's obligations to make payment of any money or fund to the Client in respect of such Foreign Exchange Contract shall thereupon and by virtue of such failure become obligations to make payment of such amount of money or fund actually received by BSFL in respect thereof.

6.19 BSFL is not obliged to provide the Client with information with respect to any position of the Client and (except as directed by the Client) has no obligation but shall have the right at the discretion of BSFL to close out any position in the FX Account on behalf of the Client. Nothing herein contained shall place BSFL under any duty to disclose to the Client any fact or thing which comes to its notice in the course of acting in any capacity for any other person or in its own capacity.

6.20 Upon demand by BSFL, the Client shall forthwith supply to BSFL in relation to any Foreign Exchange Contract such information in relation to the settlement of any such Foreign Exchange Contract which has not

been closed out as BSFL may request.

6.21 BSFL may trade or execute trading on its own account or on the account of any associated company of BSFL, even though BSFL may simultaneously hold unexecuted Instructions for the same product, FX or Foreign Exchange Contract which could be executed at the same price. Any directors, officers or employees of BSFL, BS Futures, BS Securities and/or BS Group Companies may trade on his/their own accounts.

6.22 BSFL may elect to confirm the execution or cancellation of any Instruction by transmitting a Confirmation in electronic form to the Client via e-mail or through ETF, or for security purposes, by posting the Confirmation on the BS Website, with a notification sent to the Client to login and retrieve the Confirmation. The Client agrees to accept electronic form of Confirmations in lieu of printed form of Confirmations.

6.23 Confirmations may be subject to delays. The Client understands that Confirmations and reports of Instruction cancellations or Transactions may be erroneous for various reasons, including, but not limited to, cancellation, modification or adjustment by the relevant Market or Clearing House. Confirmations are also subject to change by BSFL, in which case the Client shall be bound by the actual Transaction executed, so long as it is consistent with the Instruction. In the event that BSFL confirms an execution or cancellation in error and the Client unreasonably delays in reporting such error, BSFL reserves the right to require the Client to accept the Transaction, or remove the Transaction from the FX Account.

6.24 The Client agrees to notify BSFL immediately if: (a) the Client fails to receive an accurate Confirmation of an execution or cancellation; (b) the Client receives a Confirmation that is not consistent with the Instruction; (c) the Client receives Confirmation of execution or cancellation of an instruction that the Client did not place; or (d) the Client receives an account statement, Confirmation, or other information reflecting inaccurate Instructions, orders, trades, account balances or positions, funds, margin status, or Transaction history.

6.25 The Client understands and agrees that BSFL may adjust the FX Account to correct any error. The Client agrees to promptly return to BSFL any assets distributed to the Client to which the Client was not entitled.

6.26 Each Foreign Exchange Contract shall be governed by the terms and conditions of the Agreement and the relevant Confirmation, unless otherwise agreed by the Parties. Each Confirmation shall supplement and form a part of the Agreement and shall be read and construed on the terms and subject to the conditions of the Agreement, so that the Agreement and all Confirmations, and their amendments, constitute a single agreement between the Client and BSFL.

6.27 BSFL may, but is not obligated to, enter into Foreign Exchange Contracts with the Client for the sale and purchase of FX, of such type and quantities, at prices and for settlement dates as may be agreed with the Client. Such Transactions shall be pursuant to the terms and subject to the conditions of the Agreement.

6.28 The Parties shall make or take delivery of FX as contracted for, pursuant to the terms and subject to the conditions of a Foreign Exchange Contract, unless their respective commitments are cancelled by a Netting transaction prior to the settlement date or the Parties agree otherwise pursuant to the Agreement.

6.29 The Client expressly acknowledges that rates for FX may fluctuate in a very short period of time and agrees that any rate quoted by BSFL whether verbally, by telephone or otherwise shall not be binding on the BSFL.

6.30 For any Foreign Exchange Contract entered into by telephone, such Foreign Exchange Contract shall be deemed to be concluded at the time of the relevant telephone conversation.

6.31 The Client agrees that:

(a) any profit or loss arising as a result of a fluctuation in the exchange rate affecting the FX in any Transaction will be entirely for the account and risk of the Client;

(b) subject to the applicable laws and regulations, all Margin shall be made in such currency and in such amounts as BSFL may, at the sole discretion of BSFL, require; and

(c) when such Foreign Exchange Contract is closed out, BSFL shall either debit or credit (as the case may be) the FX Account in the currency in which such FX Account is denominated at an exchange rate (where the relevant Foreign Exchange Contract is denominated in currency other than that of the FX Account) determined by BSFL at the sole discretion of BSFL on the basis of the then prevailing money market rates of exchange between such currencies.

6.32 In the event of a profit for the account of the Client resulting from Transactions carried out by BSFL with the Client, BSFL shall credit such amount of profit in the FX Account. In the event of a loss for the account of the Client resulting from Transactions carried out by BSFL with the Client, BSFL shall debit such amount of loss in the FX Account. Such profit or loss as referred to above shall be determined by BSFL with reference to the criteria set out in Clause 6.36 and shall be conclusive.

6.33 Notwithstanding any provision contained herein to the contrary, on each Value Date of a Foreign Exchange Contract, or upon closing out of a Foreign Exchange Contract, neither the Client nor BSFL shall be required to effect actual delivery of the FX agreed to be delivered pursuant to the Foreign Exchange Contract. The Client may take actual delivery of the FX provided that it has given written notice to BSFL at least two (2) Business Days' before the date of actual delivery. If the Client has requested for actual delivery of the FX, it will be subject to a charge as stipulated by BSFL from time to time. The Client may close out any outstanding position (notwithstanding that the Value Date of the Foreign Exchange Contract has expired) by liquidating contracts at any time. Any profit due to the Client shall be credited and any loss from the Client shall be debited to the FX Account. If the balance of the Margin is insufficient to cover any amount debited to the FX

Account, the Client undertakes to repay BSFL immediately on demand such amount together with interest thereon at such rate as BSFL may determine in its absolute discretion.

6.34 Interest shall be paid by BSFL and the Client to each other as follows from and including the Value Date up to but excluding the date of the liquidation of the Foreign Exchange Contract concerned:

(a) from the Client to BSFL in the currency of and on the amount due at the prevailing debit interest rate of the currency concerned as specified by BSFL from time to time; and

(b) from BSFL to the Client in the currency of and on the amount due at the prevailing credit interest rate of the currency concerned as specified by BSFL from time to time.

All interest as provided above shall be accrued on the actual number of days elapsed in a year of 365 days in case of Hong Kong dollars and in a year of 360 days in case of currencies other than Hong Kong dollars and be credited or charged monthly to the FX Account. An amount payable under these Terms which is not paid when due shall bear interest from the due date to the date of actual payment at a rate as determined by BSFL from time to time.

6.35 Where BSFL exercises its rights as provided in Clause 21 and closes out all or any outstanding positions in the Account, the closing out shall be effected by BSFL making liquidating contracts for an amount of FX as is sufficient to close out the said outstanding positions and the Client irrevocably appoints BSFL as its agent. BSFL shall exercise its own judgement in deciding the prices at which the Foreign Exchange Contracts are liquidated. Subject to the applicable laws and regulations, BSFL may in its entire discretion close out Foreign Exchange Contracts either on a single or a collective basis.

6.36 BSFL shall determine the prices of FX and/or Foreign Exchange Contracts for the purposes of marking to market the Client's open positions from time to time by reference to the current prices as quoted by a reputable financial information services organisation.

6.37 The Client agrees that the Client maybe affected by any curtailment of, or restriction on the capacity of BSFL to trade in respect of open positions as a result of action taken by the SFC under applicable rules and regulations or for any other reason, and that in such circumstances, the Client may be required to reduce or close out his open positions with BSFL.

7. Margin & Fund

7.1 The Client agrees to provide and maintain in the FX Account such money, Securities, property, collateral, guarantees and/or other security in such form and amount and on such terms as BSFL may in its absolute discretion require from time to time as Margin ("**Margin Requirement**"). BSFL may change any Margin Requirement in its sole discretion and at any time without prior notice to the Client. If BSFL determines that additional Margin is required, the Client agrees to make payment to and/or deposit with BSFL such additional Margin forthwith upon demand. All funds provided by the Client as margin shall be cleared funds and all Securities provided by the Client as margin shall be Securities to which the Client has valid and unencumbered title. No previous Margin Requirement shall establish any precedent. Change on Margin Requirement shall apply to existing positions as well as new positions after the date of such change. BSFL shall have the absolute discretion to determine the value of the Margin.

7.2 Without prejudice to Clauses 7.4 to 7.11, calls or demands for Margin Requirement must be met or satisfied by the Client forthwith upon demand by BSFL. BSFL may close out any open position in respect of which any call or demand for Margin Requirement is not met or satisfied. The Client shall on demand put BSFL in funds or moneys or arrange for BSFL to be put in funds or moneys in time to enable BSFL to discharge any liability incurred or to be incurred in connection with trading, dealing or Transactions effected in relation to the FX Account. The Client shall on demand reimburse BSFL for all costs and expenses incurred by it in connection with trading, dealing or Transactions effected in relation to the FX Account and/or pay or settle any outstanding amount under the FX Account.

7.3 BSFL is not liable to pay interest on the moneys or funds paid to or received by BSFL in respect of the FX Account whether on deposit or however described. BSFL 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. BSFL is entitled to charge and the Client agrees to pay interest to BSFL in respect of any Deficit or any moneys or funds otherwise owing to BSFL at any time at such rates and on such other terms as BSFL 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 BSFL from time to time. Interest shall be payable on the last day of each calendar month or forthwith upon demand by BSFL.

7.4 The Client shall monitor the FX Account so that at all times the FX Account shall contain a sufficient account balance to meet the applicable Margin Requirement. BSFL may reject any Instruction or order of the Client if the Client does not have a sufficient account balance to meet the Margin Requirement and may delay the processing of any Instruction or order while determining the correct margin status of the FX Account. The Client shall maintain, without notice or demand from BSFL, 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 BSFL.

7.5 BSFL has no obligation to notify the Client of any failure to meet the Margin Requirement prior to BSFL exercising its rights, powers, discretion and remedies under the Agreement. The Client understands that BSFL generally will not issue call or demand on Margin Requirement, that BSFL generally will not credit the FX

Account to meet any deficiency on Margin Requirement, and that BSFL is authorized to close out, liquidate or settle all or any part of the Client's positions in the FX Account and/or exercise any of its rights under Clause 21 in order to satisfy the Margin Requirement without prior notice to the Client.

7.6 Without prejudice to any provision in this Clause, in the event that it is, in the sole opinion of BSFL, impracticable for BSFL to make demands for additional Margin, including but without limitation, if the impracticality is due to a change or development involving a prospective change:

(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 BSFL likely to result in a material or adverse fluctuation in the FX market, stock market, currency market, commodities or futures market in Hong Kong and/or overseas; or

(b) which is or may be of a material adverse nature affecting the condition or operations of the Client,

BSFL shall be deemed to have made Margin calls for such form and/or amounts as BSFL may determine and such Margin shall become immediately due and payable by the Client.

7.7 In the event that the balance of the FX Account has zero equity or is in deficit at any time, or the FX Account does not have a sufficient account balance to meet the Margin Requirement, BSFL shall have the right, in its sole discretion, but not the obligation, to close out, liquidate or settle all or any part of the Client's positions in the FX Account and/or exercise any of its rights under Clause 21 at any time and in such manner and in any Market as BSFL deems necessary, without prior notice demand or call to the Client. The Client agrees to be responsible for, and promptly pay to BSFL, any deficiency in the FX Account that arises from such closing out, liquidation, settlement or exercise of rights or remains after such closing out, liquidation, settlement or exercise of rights. BSFL shall not have any liability to the Client for any loss or damages sustained by the Client in connection with such closing out, liquidation, settlement or exercise of rights (or if BSFL experiences a delay in effecting, or does not effect, such closing out, liquidation or settlement, or in exercising, or does not exercise such rights) even if the Client subsequently re-established its position at a less favorable price.

7.8 The Client expressly waives and relinquishes any rights to receive prior notice or demand from BSFL and agrees that any prior demand, notice, announcement or advertisement shall not be deemed a waiver of BSFL's right to close out, liquidate or settle any open position of the Client or exercise any of its rights under Clause 21. The Client understands that, in the event any open position is closed out, liquidated or settled by BSFL or BSFL exercises such rights, the Client shall have no right or opportunity to determine the open position to be liquidated, the order or manner of closing out, liquidation or settlement or the manner of exercising such rights by BSFL. BSFL may, in its absolute and sole discretion, effect closing out, liquidation or settlement, or exercise such rights on any Market, and BSFL or its associated company may take the other side of such closing out, liquidating or settlement transaction. In the event that BSFL closes out, liquidates or settles any or all open positions in the FX Account or exercise such rights, such closing out, liquidation or settlement or exercise of rights shall establish the amount of the Client's gain or loss and indebtedness to BSFL, if any. The Client shall reimburse and hold BSFL harmless for all actions, omissions, costs, expenses, fees (including, but not limited to, legal fees), penalties, loss, claims or liabilities associated with any such Transaction undertaken by BSFL or any exercise of such rights by BSFL. The Client shall be liable to and responsible for all resulting loss on the Client's positions, notwithstanding BSFL's delay in or failure to close out, liquidate or settle any such open positions or exercise such rights. If BSFL executes an Instruction for which the Client did not have sufficient funds, BSFL 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.

7.9 The Client irrevocably and unconditionally authorizes BSFL to transfer, debit or deduct any money in the FX Account and/or the Account so as to pay, discharge, satisfy the Client's indebtedness, obligations and Liabilities to BSFL arising from, incurred under and relating to the Agreement and/or the Loan 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 and/or the Loan Agreement. The Client acknowledges and agrees that such deductions may affect the amount of money in the FX Account to be applied against the Margin Requirement. The Client's open positions are subject to closing out, liquidation or settlement as described herein, and BSFL may exercise any of its rights under Clause 21, if deduction of commissions, fees or other charges causes the FX Account to have an insufficient balance to satisfy the Margin Requirement.

7.10 If BSFL 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 BSFL by immediately depositing cleared funds in the FX Account to pay, in full, the under-margined open position. Notwithstanding such call or demand for Margin Requirement, the Client acknowledges that BSFL, in its sole discretion, may close out, liquidate or settle the Client's open positions, or exercise any of its rights under Clause 21, at any time.

7.11 BSFL shall also have the right to close out, liquidate or settle all or any part of the Client's open positions or exercise any of its rights under Clause 21 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 Client's failure to timely discharge its obligations to BSFL; (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 BSFL, in its absolute and sole discretion, deems necessary or advisable for the protection of BSFL and/or any of the BS Group Companies.

8. **Deposits of Money or Funds**

8.1 The Client shall pay moneys or funds personally to BSFL or deposit directly into the bank accounts designated by BSFL. BSFL may, at its sole and absolute discretion, refuse to accept deposits of moneys or funds by any person other than the Client or the Authorized Person (the "**Third Party**").

8.2 BSFL does not accept deposits of moneys or funds by Third Party cheques. BSFL may, at its absolute discretion, accept cleared funds transferred to its designated account by the Third Party on the Client's behalf as the Client's deposit of funds.

8.3 The Client or the Third Party (as the case may be) shall immediately notify BSFL after payment of funds to BSFL by delivering to BSFL the pay-in slips and/or other documentary evidence of such payment accepted by BSFL from time to time (the "**Payment Evidence**") with the Client's name, FX Account number and signature thereon either by fax or in person within the business hours on the date of deposit for verification. The Client acknowledges and understands that payment of funds to BSFL (whether by the Client or the Third Party) may not be credited to the FX Account or reflected in any account statement until such notification is received by BSFL.

8.4 The Client acknowledges that the Client or the Third Party (as the case may be) is under a duty for the safekeeping of the Payment Evidence before delivering the same to BSFL. BSFL shall not be liable to the Client for any loss whatsoever arising out of or in connection with the Client's or the Third Party's (as the case may be) failure to deliver the Payment Evidence to BSFL in time or at all, or the use of the Payment Evidence by any person other than the Client or the Third Party (whether with or without the instructions or consent of the Client).

8.5 The Client shall retain the originals of Payment Evidence for at least one (1) month from the date of deposit. BSFL will send a statement of account to the Client as soon as possible following the deposit for record and verification. If the Client does not receive the relevant statement of account after the deposit, the Client shall immediately inform BSFL.

8.6 The Client recognizes, understands and accepts the risks in transferring money or funds from its bank account to the designated bank account of BSFL through internet for trading FX and/or Foreign Exchange Contracts or settlement of Transactions ("**Internet Depositing Money**"). The Client accepts the risks in full and agrees to bear all the risks and undertake all the responsibilities arising therefrom if the Client chooses to transfer moneys or funds by such means. Such risks, duties and responsibilities shall include but not limited to the following: -

(a) The Client shall be solely responsible for ensuring that all the relevant procedures, steps, information, Sub-account Number, Bill Payment Number, personal identification number, amount to be transferred and other relevant information for transferring moneys or funds to BSFL had been checked and verified as true, accurate and correct prior to giving any Instruction for Internet Depositing Money. Once an Instruction for Internet Depositing Money has been sent in whatsoever manner, such Instruction may not be amended, revoked, rescinded or withdrawn without BSFL's written consent and will be effectual and valid in favour of BSFL, and shall be absolutely and conclusively binding on the Client. The Client acknowledges that BSFL shall not be liable for any loss, costs, damages, fees and expenses arising out of or in relation to Internet Depositing Money in any circumstances, notwithstanding any error or misunderstanding in giving such Instructions;

(b) BSFL shall be entitled to treat the Instructions for Internet Depositing Money as fully authorized by and binding upon the Client and shall be entitled to act on or take steps in connection with or in reliance upon such Instructions without inquiry or verification by BSFL of the authority or identity of the person making or giving such Instructions, the relevant circumstances at the material time when such Instructions were given and notwithstanding any error, misunderstanding, fraud, forgery or lack of authority in relation thereto;

(c) The Client agrees and accepts that if BSFL receives Instructions for Internet Depositing Money after BSFL's daily prescribed cut-off time, such Instructions shall be treated as received by BSFL on the next Business Day. BSFL shall not, in any circumstances, be liable (including liability for negligence) to the Client for any loss, damages, expenses or loss of profit whatsoever suffered and/or incurred by the Client arising out (directly or indirectly) of or in connection with the aforesaid arrangement; and

(d) The Client fully understands and agrees that there may be interruption, delay or lost of Instructions in respect of Internet Depositing Money caused by malfunction of communication network, system malfunction, interferences of the programs or the software or other circumstances. The Client agrees to bear such risk in full and shall be solely responsible for any loss, damages, expenses or loss of profit whatsoever suffered and/or incurred by the Client arising out (directly or indirectly) of or in connection with Internet Depositing Money.

8.7 All deposits of moneys or funds shall have been cleared and actually received by BSFL before such money or funds can be used or applied for the FX Account.

8.8 In the event that the Client shall fail to comply with any part of this Clause, the Client shall be wholly responsible for all Liabilities and obligations whatsoever in connection with the deposit and shall fully indemnify BSFL against all costs, claims, liabilities and expenses directly or indirectly arising out of or in connection therewith.

9. **Settlement Account**

9.1 BSFL is authorized to transfer to the Settlement Account all moneys or funds payable to the Client pursuant to the Agreement. All transfers of moneys or funds payable as aforesaid to the Settlement Account or payment of such moneys or funds pursuant to the Instructions shall be and be deemed good and valid discharge of the obligation hereunder to make such payment to the Client.

10. **Settlement and Netting of Transactions**

10.1 Whenever a Foreign Exchange Contract is entered into by the Parties which creates obligations for the delivery of and/or payment for FX, and such obligations are opposite to the obligations of an existing Foreign Exchange Contract for the same type of FX between the Parties with the same settlement date, then the Client may give Instructions to have such new and existing Foreign Exchange Contracts be netted, individually cancelled or simultaneously replaced through novation, on a running account basis, by a new Foreign Exchange Contract having delivery and/or payment obligations as follows :-

(a) with respect to each type of FX, the amount to be delivered by each Party under the cancelled Foreign Exchange Contracts shall be compared and the Party having the greater obligation with respect to such type of FX shall have a new obligation to deliver to the other Party on the settlement date an amount of such FX equal to the difference between the amounts originally required to be delivered by the Parties pursuant to such cancelled Foreign Exchange Contracts;

(b) with respect to each type of FX, the amount to be paid by each Party under the cancelled Foreign Exchange Contracts shall be compared and the Party having the greater obligation with respect to such type of FX shall have a new obligation to pay to the other Party on the settlement date an amount equal to the difference between the amounts originally required to be paid by the Parties pursuant to such cancelled Foreign Exchange Contracts; and

(c) Foreign Exchange Contracts created by this process shall be considered a Foreign Exchange Contract under the Agreement.

10.2 Unless otherwise agreed by BSFL and so stated in a Confirmation, the provisions of Clause 10.1 shall apply notwithstanding that BSFL may :-

(a) fail to send a Netting Confirmation; or

(b) on its books treat the Foreign Exchange Contracts otherwise as cancelled and simultaneously replaced through novation by a new Foreign Exchange Contract as provided herein; or

(c) send a Netting Confirmation that incorrectly states any terms of a Foreign Exchange Contract.

10.3 Notwithstanding anything herein contained, upon the Client's written request, BSFL may, in its absolute discretion, agree that there shall be no Netting in respect of any Foreign Exchange Contracts entered into by the Parties.

11. **Payment**

11.1 Unless otherwise agreed by BSFL and so stated in an original or amended Confirmation, all payments in settlement of FX deliveries shall be in USD, in immediately available funds. The obligations of the Client hereunder shall not be discharged by payment in another currency or at any place other than that specified by BSFL. In the event that any payment is made by the Client in another currency which, upon conversion to USD, does not result in payment of the amount due in USD, BSFL shall have a separate cause of action against the Client for the balance due and owing to BSFL.

12. **Credit Facilities**

12.1 In the event that BSFL has not approved Credit Facilities for the delivery of FX to the Client, or the delivery of FX under any Foreign Exchange Contract would exceed the limits of such Credit Facilities, the Parties shall enter into Foreign Exchange Contracts on the following terms: -

(a) each Foreign Exchange Contract shall be for settlement on the settlement date provided, however, that each Foreign Exchange Contract and any Netting Contract subsequently entered into in respect of the original Foreign Exchange Contract shall remain open beyond the original settlement date until BSFL agrees to make or take delivery and settle the Foreign Exchange Contract or Netting Contract; and

(b) while and for so long as any such Foreign Exchange Contract or Netting Contract remains open beyond the original settlement date, the FX Account may, in the absolute discretion of BSFL, be charged interest for the period at the annual rate to be determined conclusively by BSFL from time to time, in which case BSFL will from time to time and at least monthly debit the FX Account for such interest.

13. **Tax**

13.1 The Client hereby authorize BSFL or BSFL Trading Agent to take and do all necessary actions as may be required to comply with all applicable rules, regulations, laws in Hong Kong and/or Foreign Jurisdictions (as the case may be) in respect of tax, duties, levy, charges arising out of or in connection with any Transaction and/or FX purchased or held by the Client, including filing of returns, forms and/or other documents as may be required by the relevant authority or department in Hong Kong and/or Foreign Jurisdictions, and withholding and/or making payment of payable tax, duties, levies or charges. The Client acknowledges that BSFL shall withhold and/or deduct such payment from any Account.

13.2 The Client shall at its own costs furnish all necessary documents and/or information to BSFL and/or BSFL Trading Agent for facilitating BSFL and/or BSFL Trading Agent to take or do all necessary actions as stipulated in Clause 13.1 and execute such returns, forms and/or other documents as may be required by the relevant authority or department in Hong Kong and/or Foreign Jurisdictions (as the case may be) upon the request of BSFL.

13.3 The Client acknowledges and accepts that neither BSFL nor BSFL Trading Agent shall be responsible for advising or reminding the Client the due date for payment of tax, duties, levy or charges and/or giving any advice on the tax, duties, levy or charges payable by the Client. The Client further agrees that neither BSFL nor BSFL Trading Agent shall be in any way liable for any penalty or charges levied on the Client for late payment of tax, duties, levy or charges where such late payment is due to or in connection with the default or negligence of the Client. The Client shall fully indemnify and keep BSFL and BSFL Trading Agent indemnified on a full indemnity basis against all reasonable costs and expenses which BSFL and/or BSFL Trading Agent may reasonably incur in making the necessary arrangement for such late payment.

13.4 If at any time BSFL considers that it may be required to make a deduction or withholding (the "**Authorized Withholding or Deduction**") for or on account of tax imposed under, pursuant or incidental to any foreign laws and regulation including but not limited to the Foreign Account Tax Compliance Act, US Internal Revenue Code of 1986, the United States Treasury Regulations or other guidance issued under the foregoing, any associated intergovernmental agreement, any similar or associated non-US Law or any agreement, undertaking or obligations, or any policies or directions (whether having the force of law or otherwise) that BSFL enters into or have undertaken or is accustomed to comply with or in respect of any supranational, governmental, quasi-governmental, regulatory, administrative, law enforcement or supervisory body, entity, department, office, institution, agency, stock exchange, clearing house, banking commission, tax authority, or any other authority, body, entity, department, office or institution or court or tribunal of any competent jurisdiction, (each an "**Authority**") or pursuant to any or more of the foregoing (such foreign laws and regulations, agreements, undertakings, obligations, policies or directions are referred to as "**Applicable Laws**") as a result of the Client's status or otherwise under and/or arising by reason of US tax laws and regulations, BSFL is entitled to and the Client hereby expressly authorizes BSFL to make such Authorized Withholding or Deduction in respect of any sum payable by BSFL to the Client, so that any payment to the Client will be made net of Authorized Withholding and Deduction, and to pay any such Authorized Withholding and Deduction as may be necessary to any Authority (including United States Internal Revenue Service ("**IRS**")), or any other person on behalf thereof. If the Client is required by any Applicable Laws to make the Authorized Withholding or Deduction, the Client shall promptly pay to BSFL such additional amount as will result in the net amount receivable by BSFL being equal to the full amount which would have been receivable had there been no such Authorized Withholding and Deduction.

13.5 The Client agrees and expressly consents that BSFL may gather, store, use, process, disclose, provide, divulge and report to the IRS, any Authority or any other person such information, document and record (including any information, document and record relating to any of the Account(s) and any transaction or dealing with the Client and the personal data of any person who is a direct or indirect beneficial owner, beneficiary or controlling person of the Account(s) or the Client) which BSFL considers may be required, necessary or helpful for BSFL to comply with or subject to under the Applicable Laws whether as a result of the Client's US tax status or the status of any beneficial owner of the Account(s) or the Client or otherwise.

13.6 The Client agrees to provide BSFL as soon as possible, upon BSFL' request, with:

(a) any documentation or information relating to the Client's identity and tax status and that of any person who is a direct or indirect beneficial owner, beneficiary or controlling person of the Client (including IRS Forms W-9, W-8BEN and W-8IMY or any other forms from time to time prescribed by the IRS or any Authority);

(b) any documentation or information relating to the direct or indirect ownership or holding of any of the Account(s) or any product, service, assistance or support whatsoever provided by BSFL to the Client from time to time; and

(c) such written consents and waivers of applicable data protection legislation or other rules or regulations in a form provided or approved by BSFL from the Client's direct and indirect beneficial owners for the purpose of permitting BSFL to take the actions set forth in Clause 13.5.

13.7 The Client agrees to inform BSFL as soon as possible, if any of the foregoing information (including information contained in the documentation and forms described above) changes or is inaccurate, and to provide BSFL with updated documentation, forms and information.

13.8 If the Client fails to provide BSFL with the information, documentation, forms, consents or waivers as described in Clause 13.6 and 13.7 above in a timely and accurate fashion, BSFL shall be entitled to reach whatever conclusions it considers to be appropriate as to the status of any Account(s) or product, service, assistance or support whatsoever provided by BSFL to the Client from time to time and the conclusion so reached shall be final and binding on the Client.

13.9 BSFL may at any time terminate any of the Account(s) without notice or assigning any reason if BSFL determines that it is illegal, unlawful or prohibited by the Applicable Laws or is restricted by any economic trade sanctions imposed by any Authority to maintain such Account(s). In such event, BSFL shall be entitled

to hold any credit balance (less any Authorized Withdrawal and Deduction) in such Account(s) in a non-interest bearing suspense account pending withdrawal by the Client.

13.10 The Client hereby unconditionally and absolutely relinquishes and exonerates BSFL from any liability, claims and demands as a result of or arising from the bona fide exercise of any of the rights or the taking of any steps by BSFL under this Clause. Without prejudice to any other indemnity provided by the Client to BSFL under the Agreement or any other agreement with BSFL, the Client further agrees to indemnify BSFL against any liabilities, claims, demands, losses, costs, charges and expenses of any kind which BSFL may suffer or incur as a result of the Client providing misleading information, document or records for the purpose of BSFL's compliance with the Applicable Laws.

14. **Charges and Expenses**

14.1 The Client shall pay BSFL's, its nominee's or BSFL Trading Agent's commissions, charges, brokerage or other remuneration as determined by BSFL in its absolute discretion on all Transactions from time to time and upon all payments to the Client, as well as all applicable levies imposed by any relevant Market or Clearing System and all applicable stamp duties. All such commissions, charges, levies and duties may be deducted by BSFL from the FX Account and any Account.

14.2 Without prejudice to BSFL's right to terminate the FX Account in accordance with Clause 31, BSFL may charge a monthly maintenance fee to be notified by BSFL to the Client on any dormant Account if the Client has no trading activity for six months or more. Payment of such fees (if any) will be automatically deducted from the FX Account or any Account.

14.3 The Client shall be liable on a full indemnity basis for all fees and expenses of any brokers, agents and nominees including BSFL's nominee engaged in respect of the FX Account, all applicable levies and/or fees imposed by any relevant Market or Clearing System and other handling costs or expenses incurred in respect of or in connection with Transactions, the FX Account or any receivables or monies held in or for the account of the FX Account, services rendered to the Client or otherwise.

14.4 BSFL may, at its option, withdraw cash from any Account to pay any amounts due to BSFL under the Agreement.

14.5 The Client agrees and authorizes BSFL to accept from any brokers and dealers engaged in the Transactions for the account of the Client any rebate or reallowance or soft commission as may be authorized from time to time by the rules of any applicable Markets and Clearing Systems on and through which such Transactions are executed and settled provided always that: -

(a) BSFL and/or its nominee may enter into soft commission arrangements with brokers through which Transactions are executed for the Client. BSFL and/or its nominee will enter into such an arrangement only where the goods or services are of demonstrable benefit to the clients of BSFL and/or its nominee as applicable. In allocating business to the broker concerned BSFL and/or its nominee is under an obligation to ensure that the quality of Transaction execution is consistent with best execution standards and that brokerage rates are not in excess of customary full-service rates. For this purpose, such goods and services may include: research and advisory services; economic and political analysis; portfolio analysis, including valuation and performance measurement; market analysis, data and quotation services; computer hardware and software incidental to the above goods and services; clearing and custodian services and investment-related publications; and

(b) BSFL and/or its nominee may receive cash or money rebates on Transactions executed for the Client's account. Such rebates will be retained by BSFL and/or its nominee for their own account absolutely without prior disclosure to Client. If BSFL and/or its nominee retains such rebates it is under an obligation to ensure that brokerage rates are not in excess of customary full service rates.

15. **Foreign Currency Transactions**

15.1 If the Client gives Instructions to BSFL to enter into any Transaction requiring a conversion from one currency to another, then: -

(a) the costs thereof and any profit or loss arising as a result of fluctuations in the exchange rate of the relevant currency will be entirely for the account and risk of the Client;

(b) all initial and subsequent deposits for Margin Requirement shall be made in such currency and in such amounts as BSFL may require in its discretion; and

(c) when an open Foreign Exchange Contract is closed out, BSFL shall debit or credit the FX Account in such currency (as BSFL may determine in its discretion) at such exchange rate as determined by BSFL in its discretion.

15.2 The Client authorizes BSFL to convert monies, at any time at such exchange rate and for such amount as BSFL deems fit, into and from any currency at such rate of exchange as BSFL shall in its sole discretion determine as being the then prevailing market rate of exchange. Such conversion may be made for the purpose of any Transaction or for the calculation of any debit balance due from the Client or credit balance owed to the Client.

15.3 The Client authorizes BSFL to debit any Account for any expenses incurred in effecting any currency conversion.

15.4 All payments to be made by the Client to BSFL in a foreign currency shall be in freely transferable and immediately available funds clear of any taxes, charges or payments of any nature when received by BSFL.

15.5 BSFL reserves the right at any time to refuse to accept any Instructions in relation to any currency conversion.

16. **Client's Money**

16.1 BSFL shall be entitled to deposit all moneys or funds held in the FX Account and all moneys received for or on account of the Client with one or more accounts at one or more licensed banks. Unless otherwise agreed between the Client and BSFL, any interest accrued on such moneys or funds shall belong to BSFL absolutely. The Client hereby expressly waives any or all rights, claims and entitlements whatsoever to such interest.

16.2 For Transactions executed in a Foreign Jurisdiction, the Client hereby authorizes and directs BSFL to pay into any trust account maintained by BSFL with any financial institution, which may or may not be a licenced bank, all amounts (less all brokerage and other proper charges accruing thereon) from time to time received by BSFL for and on behalf of the Client from such Transactions, notwithstanding that any such amounts may be reinvested for or on behalf of the Client.

17. **FX and other properties in the Account**

17.1 Any FX and other property held by BSFL for the Client shall be at the sole risk of the Client and BSFL shall be under no obligations to insure the Client against any kind of risk, which obligation shall be the sole responsibility of the Client.

17.2 If in relation to any Securities or other property deposited with BSFL but which are not registered in the name of the Client, and loss is suffered by BSFL, the Account may be debited (or payment made by the Client as may be agreed) with the proportion of such loss equal to the proportion of the Securities or other property held on behalf of the Client out of the total number or amount of such Securities or other property.

18. **Disclosure**

18.1 The Client shall immediately on demand supply to BSFL such financial or other information relating to the Client as BSFL may, in its absolute discretion and without giving any reason therefrom, require.

18.2 The Client acknowledges that the Market Rules may contain provisions requiring BSFL upon the request of such Market or in certain circumstances to disclose the name, beneficial identity of the Client and such other information concerning the Client as such Market may require. The Client shall immediately on demand supply to BSFL the name, the beneficial identity of the Client and such information concerning the Client as BSFL may require in order for BSFL to comply with the rules and regulations of such Market. The Client agrees that in the event BSFL fails to comply with such disclosure requirement, the relevant authority 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.

18.3 BSFL and the Client hereby agree that this Clause shall continue in effect notwithstanding the termination of the Agreement.

19. **Lien**

19.1 Without prejudice and in addition to any general lien, right of set-off or other similar right to which BSFL may be entitled by laws, the Client agrees, accepts and declares that: -

(a) all FX and Foreign Exchange Contracts (and all the Client's interest, title, rights, powers, benefits thereto, thereof and therein) which are now or will in future be made, entered or acquired by BSFL on behalf of the Client for any purpose, or be held in, deposited with or transferred into the FX Account and any other Account(s) by, for or attributable to the Client for any purpose, and/or which will be held by, deposited with or transferred to BSFL by, for or attributable to the Client for any purpose whatsoever all respectively together with all proceeds, moneys or funds received in connection with the settlement, clearing, performance, purchase, sale, acquisition, entering, transfer, disposal, exchange, closing out, trading or dealing with, of or in such FX or Foreign Exchange Contracts; and

(b) all the Client's properties, assets, moneys, funds, receivables, sums, title, interests, powers, options, benefits and rights of, to and in the FX Account and any other Account(s);

((a) and (b) above are collectively referred to as the "**Retained Properties**") are subject to a lien in favour of all the BS Group Companies as continuing security (the "**Lien**") for: (i) the due and punctual performance and fulfillment of all obligations or Liabilities of the Client under the Agreement, and (ii) the payment, repayment, satisfaction and/or discharge on demand of the moneys, funds, indebtedness, obligations and Liabilities (whether past, present or future, or whether absolute or contingent) which are now or at any time hereafter shall be due, owing or incurred from or by the Client or the Client Group Company to or in favour of BSFL and/or any of the BS Group Companies under or pursuant to the Agreement, the Loan Agreement other agreement with any of the BS Group Companies or any other agreement or document, or on any account or in any manner whatsoever (whether alone or jointly with any other person and in whatever name, style or firm) together with interest thereon and legal costs and expenses of BSFL and/or any of the BS Group Companies.

19.2 The Client shall not, without BSFL's prior written consent, assign, transfer, mortgage, pledge, charge, or create or permit to arise or exist any lien, security or other form of Encumbrances of any nature on or over his right, title, interest and claim in or to any investment products held by BSFL for the account of the Client.

19.3 At any time as BSFL shall determine appropriate and/or upon the occurrence (in the sole and subjective judgment of BSFL) of any Event of Default, the Lien shall be immediately enforceable and BSFL, without prejudice to any of the rights or powers of BSFL under the Agreement, the Loan Agreement or other documents, shall have the right, without notice to the Client, to: (a) appropriate, pay, deduct, transfer or set-off the whole or any part of any funds or moneys comprised in the Retained Properties at any time and from time to time in or towards payment, satisfaction or discharge of any money, fund, indebtedness, obligation or liability secured by the Lien, and/or (b) sell, dispose of, liquidate, transfer, trade, deal with or close out (and BSFL is authorized to do all such things necessary in connection with such sale, disposal, liquidation, transfer, trading, dealing or closing out) the Retained Properties or any part thereof (to be selected by BSFL in its absolute discretion) at any time and from time to time either together or in parcels and either by dealings at any broker's board through any Market or by public or private means or in such other manner and for such consideration (whether payable or deliverable immediately or by instalments and whether for cash or other valuable consideration or both) and on such terms and conditions as BSFL shall think fit in its absolute discretion without being in any way liable to the Client for any loss occasioned thereby however arising. Without limiting the generality of the foregoing, BSFL is hereby specifically authorized to dispose of, liquidate, transfer, trade, deal with and/or close out the FX Account, all FX and/or Foreign Exchange Contracts comprised in the Retained Properties or held in the FX Account, and all positions in the FX Account without notice to the Client.

19.4 In any sale, disposal, liquidation, transfer, trading, dealing or closing out pursuant to this Clause or the Agreement, if less than all the Retained Properties are to be sold, disposed of, liquidated, transferred or closed out, BSFL shall in its absolute discretion select which part of the Retained Properties are to be sold, disposed of, liquidated, transferred, traded, dealt with or closed out at any time and from time to time.

19.5 The Client agrees that BSFL shall have the full and absolute right and discretion to determine at what time and day to exercise or enforce its right and power to carry out or execute the sale, disposal, appropriation, liquidation, transfer, trading, dealing or closing out pursuant to this Clause or the Agreement. The Client shall not have any right to claim against BSFL in respect of any loss arising out of any sale, disposal, appropriation, liquidation, transfer, trading, dealing or closing out pursuant to the Agreement, howsoever such loss may have been caused, and whether or not a better price or position could or might have been obtained on the sale, disposal, appropriation, liquidation, transfer, trading, dealing or closing out of any of the Retained Properties by either deferring or advancing the time or date of such sale, disposal, appropriation, liquidation, transfer, trading, dealing or closing out or otherwise howsoever.

20. **Client's Representations, Undertakings and Warranties**

20.1 The Client represents and warrants that he is not an officer or employee of the SFC, any Market, Clearing House, board of trade, bank or trust company, or an affiliate of any dealer in FX or any introducing broker, or an officer, partner, director or employee of any FX broker or dealer.

20.2 The Client represents and warrants that for so long as the Client maintains the FX Account and on the giving of each Instruction: -

(a) the Client will be the ultimate originator of all Transactions and is dealing on its own account as beneficial owner of the relevant FX and/or Foreign Exchange Contract and the FX Account and that no one other than the Client has any interest in the relevant FX and/or Foreign Exchange Contract in or held for the FX Account;
(b) the information provided in the Account Opening Form is true, complete and correct;
(c) the Client has or will have good and unencumbered title as beneficial owner to all assets which the Client instructs BSFL to sell or otherwise dispose of for the FX Account in accordance with the Agreement and undertakes to deliver such assets in time for BSFL to comply with the rules of the relevant Market applicable thereto;
(d) all necessary consents, approvals or authorisations which may be required for the execution of the Agreement and for the carrying out of any Transaction on any Market have been obtained and are in full force and effect;
(e) the Client has the authority and power and legal capacity to open the FX Account and to perform its obligations under the Agreement and the Agreement constitute valid and legally binding obligations of the Client;
(f) the Client in entering into the Agreement does not and will not violate or exceed any borrowing or similar limit or other power or restriction granted or imposed by any law to the Client;
(g) the Agreement, when signed / executed by the Client, will constitute legal, valid and binding obligations of the Client in accordance with the terms therein;
(h) all written or oral answers to any questionnaire completed by the Client or any other person or other information provided to BSFL or any of the BS Group Companies are true, accurate and complete, and all the BS Group Companies are entitled to rely on such information;
(i) the Client will forthwith notify BSFL in writing of any change (material or not) in any of the aforesaid information and such change shall only take effect after receipt of such notice by BSFL;
(j) the Client has determined that trading in FX is appropriate for the Client, is prudent in all respects, and does not and will not violate any statue, rule, regulation, judgment, or decree, agreement or undertaking to which the Client is subject or bound;
(k) the Client is not carrying on any money laundering or terrorist activities. The Transactions are not

relating to or in connection with any money laundering or terrorist activities. The moneys, investment or FX, Foreign Exchange Contracts, property and assets in the FX Account does not arise out of, relating to or in connection with money laundering or terrorists activities; and

(l) the Client is not a U.S. person and will not acquire or hold FX and/or Foreign Exchange Contracts beneficially owned by or for a U.S. person or in violation of any applicable law.

20.3 The Client represents and warrants that the information provided in any completed Account Opening Form is complete, true and accurate and that BSFL may rely on information provided in the Account Opening Form until BSFL has received written notice from the Client of any changes therein. The Client shall promptly notify BSFL in writing of any material changes in the information provided pursuant to the Agreement or any agreement entered into pursuant to the Agreement or relating to the FX Account.

20.4 The Client undertakes to BSFL to do or execute any act, deed, document or thing which BSFL requires the Client to do being in the reasonable opinion of BSFL necessary or desirable in connection with the implementation and enforcement of the Agreement including the execution by the Client of an irrevocable power of attorney appointing BSFL as the lawful attorney of the Client to do and execute all such acts, deeds, documents or things on behalf of the Client as BSFL considers necessary or desirable in connection with such implementation and enforcement.

20.5 The Client agrees to do such acts and things and to execute such documents as are necessary or are in the reasonable opinion of BSFL desirable to ratify or confirm anything done by BSFL, its nominee, subsidiary or associated company, or any other entity instructed by any of them in the proper exercise of any right or power conferred by the Agreement or any agreement entered into pursuant to the Agreement or relating to the FX Account.

20.6 If the Client is a corporation, the Client represents, warrants and undertakes with BSFL that: -

(a) the Client is duly incorporated, validly existing and in good standing under the laws of its place of incorporation and has full power and authority to conduct the business and operations which it now conducts or proposes to conduct, and the business under the Agreement, and to own, acquire, enter into or hold FX, Foreign Exchange Contracts, property and assets;

(b) the Client has full power and authority to enter into, sign and execute the Agreement, to perform and fulfill its duties and obligations under the Agreement, and to carry out any Transaction on any Market under the terms of the constitutional document(s) by which the Client is established or constituted;

(c) the specimen signature(s) on the Account Opening Form is/are the genuine signature(s) of the authorized signatory(ies) whom is/are duly authorized by the board of directors of the Client, and that BSFL shall dispense with making enquiries, verification or investigation in relation to the authorization of such signature(s);

(d) all necessary corporate and other action have been taken, and all necessary shareholder and other consent have been given to authorize the entering, signing, execution, performance and fulfillment of the Agreement. The Agreement when signed or executed by the Client will constitute valid and legally binding obligations of the Client;

(e) the Client is not carrying on any money laundering or terrorist activities. The Transactions are not relating to or in connection with any money laundering or terrorist activities. The moneys, investment or FX, Foreign Exchange Contracts, property and assets in the FX Account does not arise out of, relating to or in connection with money laundering or terrorists activities;

(f) the financial statement and accounts of the Client supplied to BSFL have been prepared in accordance with accounting policies consistently applied, and present a true, fair and accurate view on the operation of the Client for the relevant accounting period and the financial position of the Client at the end of such accounting period;

(g) the certified copy resolutions provided by the Client to BSFL with the Agreement were duly passed at a meeting of its directors duly convened and held on or prior to the date hereof in accordance with its constitutional documents and were entered in its minutes book and are in full force and effect; and

(h) the Client shall absolve and exonerate BSFL from all blames and liabilities and shall indemnify BSFL against all losses, damages, liabilities, claims, demands and costs arising out or in respect or as a result of BSFL agreeing to accept and act on the said resolutions as effectively and duly passed and the said signature(s) as genuine and to dispense with making enquiries in relation thereto.

20.7 Where the Client effects Transactions for the account of its clients, whether on a discretionary or non-discretionary basis, and whether as agent or by entering into matching Transactions as principal with its clients, the Client hereby agrees that where BSFL has received an enquiry from the Hong Kong Regulators, the following provisions shall apply: -

(a) subject as provided below, the Client shall, immediately upon request from BSFL (which request shall include the relevant contact details of the Hong Kong Regulators), inform the Hong Kong Regulators (i) the information on the identity, address, occupation, contact and other details of its client for whose account the Transaction was effected; (ii) the person or entity (legal or otherwise) ultimately responsible for originating the Instruction to effect the relevant Transaction; and (iii) the person or entity (legal or otherwise) that stands to gain the commercial or economic benefit of the relevant Transaction and/or bear its commercial or economic risk;

(b) if the Client effects the Transaction for a collective investment scheme, discretionary account or discretionary trust, the Client shall immediately upon request from BSFL (which request shall include the relevant contact details of the Hong Kong Regulators), inform the Hong Kong

Regulators of the name of the relevant scheme, account or trust and, if applicable, the identity, address, occupation, contact and other details of the person who, on behalf of the scheme, account or trust, ultimately originates the Instruction to effect the relevant Transaction;

(c) if the Client is acting as an investment manager for any collective investment schemes, discretionary accounts or trusts, the Client shall immediately inform BSFLwhen any Transactions in which the Client's investment discretion to invest on behalf of the scheme, account or trust is overridden. In the case where the Client's investment discretion is overridden, the Client shall immediately upon request by BSFL (which request shall include the relevant contact details of the Hong Kong Regulators) inform the Hong Kong Regulators of the identity, address, occupation and contact details of the person(s) who has or have ultimately originated the Instruction to effect the 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, address, occupation and contact details of the underlying clients for whom the Transaction was effected, the Client confirms that: -

(i) it has arrangements in place with its client which entitle the Client to obtain the information set out in paragraphs (a), (b) and/or (c) above from its client immediately upon request or procure that it be so obtained; and

(ii) it will, on request from BSFL in relation to a Transaction, promptly request the information set out in paragraphs (a), (b) and/or (c) above from its client on whose instructions the Transaction was effected, and provide the information to the Hong Kong Regulators as soon as it received from its client or procure that it be so provided;

(e) the Client confirms that, where necessary, it has obtained all relevant consents or waivers from its clients, collective investment schemes, discretionary accounts or discretionary trusts for whose account Transactions may be effected and (where appropriate) complied with the requirements of the Personal Data (Privacy) Ordinance (Cap. 486 of the Laws of Hong Kong) such that it is able to release information to the Hong Kong Regulators of the identity and contact details of such clients, collective investment schemes, discretionary accounts or discretionary trusts, and of the person(s) with the ultimate beneficial interest in any such Transaction, and (if different from the Client/ultimate beneficiary) of the person(s) who originated the Transaction;

(f) the Client agrees and undertakes to provide the client identity information set out in paragraphs (a), (b) and/or (c) above direct to the Hong Kong Regulators within two (2) Business Days of written request from BSFL (which request shall include the relevant contact details of the Hong Kong Regulators);

(g) for any intermediary in a jurisdiction with client secrecy laws, the Client confirms that agreements have been entered into by the Client's ultimate clients that waive the benefit of the secrecy laws in respect of providing the client identity information to the Hong Kong Regulators; and such agreements are binding under the relevant law; and

(h) BSFL and the Client hereby agree that the provisions of this Clause shall continue in effect notwithstanding the termination of the Agreement.

20.8 Where the Client effects Transactions for the account of its clients, whether on a discretionary or non-discretionary basis, and whether as agent or by entering into matching Transactions as principal with its clients, the Client hereby agrees that where BSFL has received an enquiry from the Foreign Regulators, the following provisions shall apply: -

(a) subject as provided below, the Client shall, immediately upon request from BSFL (which request shall include the relevant contact details of the Foreign Regulators), inform the Foreign Regulators (i) the information on the identity, address, occupation, contact and other details of its client for whose account the Transaction was effected; (ii) the person or entity (legal or otherwise) ultimately responsible for originating the Instruction to effect the relevant Transaction; and (iii) the person or entity (legal or otherwise) that stands to gain the commercial or economic benefit of the relevant Transaction and/or bear its commercial or economic risk;

(b) if the Client effects the Transaction for a collective investment scheme, discretionary account or discretionary trust, the Client shall immediately upon request from BSFL (which request shall include the relevant contact details of the Foreign Regulators), inform the Foreign Regulators of the name of the relevant scheme, account or trust and, if applicable, the identity, address, occupation, contact and other details of the person who, on behalf of the scheme, account or trust, ultimately originates the Instruction to effect the relevant Transaction;

(c) if the Client is acting as an investment manager for any collective investment schemes, discretionary accounts or trusts, the Client shall immediately inform BSFL when any Transactions in which the Client's investment discretion to invest on behalf of the scheme, account or trust is overridden. In the case where the Client's investment discretion is overridden, the Client shall immediately upon request by BSFL (which request shall include the relevant contact details of the Foreign Regulators) inform the Foreign Regulators of the identity, address, occupation and contact details of the person(s) who has or have ultimately originated the Instruction to effect the 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, address, occupation and contact details of the underlying clients for whom the Transaction was effected, the Client confirms that: -

(i) it has arrangements in place with its client which entitle the Client to obtain the information set out in paragraphs (a), (b) and/or (c) above from its client immediately upon request or procure that it be so obtained; and

(ii) it will, on request from BSFL in relation to a Transaction, promptly request the information set out in paragraphs (a), (b) and/or (c) above from its client on whose

instructions the Transaction was effected, and provide the information to the Foreign Regulators as soon as it received from its client or procure that it be so provided;

(e) the Client confirms that, where necessary, it has obtained all relevant consents or waivers from its clients, collective investment schemes, discretionary accounts or discretionary trusts for whose account Transactions may be effected and (where appropriate) complied with the requirements or regulations for protecting the privacy of personal data such that it is able to release information to the Foreign Regulators of the identity and contact details of such clients, collective investment schemes, discretionary accounts or discretionary trusts, and of the person(s) with the ultimate beneficial interest in any such Transaction, and (if different from the Client/ultimate beneficiary) of the person(s) who originated the Transaction;

(f) the Client agrees and undertakes to provide the client identity information set out in paragraphs (a), (b) and/or (c) above direct to the Foreign Regulators within two (2) Business Days of written request from BSFL (which request shall include the relevant contact details of the Foreign Regulators);

(g) for any intermediary in a jurisdiction with client secrecy laws, the Client confirms that agreements have been entered into by the Client's ultimate clients that waive the benefit of the secrecy laws in respect of providing the client identity information to the Foreign Regulators; and such agreements are binding under the relevant law; and

(h) BSFL and the Client hereby agree that the provisions of this Clause shall continue in effect notwithstanding the termination of the Agreement.

20.9 The Client agrees and undertakes to report any loss or theft of the Client's user name, password and/or biometric authentication data, or any unauthorized access to the FX Account immediately.

21. **Default**

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

(a) at any time when BSFL shall, in its sole discretion, consider it necessary for the protection of BSFL or any of the BS Group Companies;

(b) the Client fails or refuses to pay or settle any outstanding amount, money, fund, purchase price or other payment becoming due or payable under the Agreement or any other agreement with any of the BS Group Companies;

(c) the Client fails or refuses to settle or pay any outstanding amount, money or Deficit on any of the Account(s);

(d) the Client violates or fails to perform on a timely basis any term, undertaking, agreement, covenant or condition on its part to be performed under the Agreement (including by not limited to any failure by the Client to comply with Clause 7) and/or the Foreign Exchange Contract;

(e) the Client fails to submit to BSFL any documents or deliver any FX to BSFL, when called upon to do so or on the due date;

(f) the Client fails to observe any by-laws, rules and regulations of the appropriate Market or Clearing House;

(g) the Client fails or refuses to discharge, pay, satisfy or perform any of the Client's obligations, indebtedness or Liabilities under the Agreement or any other agreement with any of the BS Group Companies;

(h) the Client has not provided any Margin (initial, maintenance or additional) when the same become due or payable under the Agreement, or has failed or refused to comply with any request, call or demand made by BSFL pursuant to the Agreement;

(i) breach, refusal, failure or default of or by the Client in complying with, fulfilling, performing or observing any terms or conditions of the Agreement or any other agreement with any of the BS Group Companies;

(j) any representation or warranty made in the Agreement or in any document delivered to BSFL or any of the BS Group Companies being or becoming incomplete, untrue or incorrect;

(k) any consent or authorization required by the Client to enter into the Agreement being wholly or partly revoked, suspended, terminated or ceasing to remain in full force and effect;

(l) the filing or commencement of a petition or application in bankruptcy, liquidation or winding up, petition or application for the appointment of a receiver, or the commencement of other similar proceedings against the Client;

(m) the Lien or any security created or any part thereof respectively in relation to the Client's obligations, indebtedness or Liabilities under the Agreement and/or the Loan Agreement being avoided or discontinued;

(n) any deterioration or impairment (in BSFL's opinion) or any decline or depreciation (in BSFL's opinion) in the value or market price (whether actual or reasonably anticipated) of the Retained Properties or any security or any part thereof respectively;

(o) the levying of attachment or charge against the FX Account or any Account;

(p) any third party asserts a claim, right or interest in respect of any moneys or funds in the FX Account or any Account;

(q) the Client takes advantage of any bankruptcy, liquidation, reorganization, moratorium, insolvency or similar law or makes or proposes to make any arrangements or compositions for the benefit of any of the Client's creditors, or is the subject of any order, judgment or decree entered by any court providing for the winding up, reorganization, liquidation or appointment of a liquidator, trustee in bankruptcy or receiver of the Client or a substantial part of the Client's business or assets;

(r) the Client becomes insolvent or dissolved for any reason whatsoever, merges or becomes consolidated with any non-affiliated party, or sells all or a substantial portion of the Client's

business or assets;

(s) the death, liquidation or judicial declaration of incompetence of the Client;

(t) any action or proceeding is commenced or any claim or demand is made by any person against the Client in connection with any matter herein contained or the Retained Properties or any part thereof or against BSFL in connection with any matter herein contained or the Retained Properties or any part thereof;

(u) any adverse change (in the sole and subjective opinion of BSFL) in the corporate structure, business, assets, financial condition, and general condition or prospects of the Client;

(v) at any time when BSFL and/or BSFL Trading Agent and/or any of the BS Group Companies is or becomes under any obligation imposed by the relevant Market and/or Clearing House and/or broker or any applicable laws, rules and regulations to do any of the acts mentioned in this Clause; and

(w) the occurrence of any event which, in the sole and subjective opinion of BSFL, may or shall jeopardize, prejudice or affect any of the rights, interests or benefits of BSFL or any of the BS Group Companies.

21.2 If an Event of Default (in the sole and subjective judgment of BSFL) occurs, then all amounts owing by the Client to BSFL shall become immediately payable on demand, and interest will accrue, at the rate specified in Clause 6.10, on the amounts outstanding from time to time, the further performance by BSFL of any of its outstanding obligations to the Client under the Agreement (whether for payment of money or otherwise) shall be conditional upon the Client having fully discharged all its obligations to BSFL under the Agreement, and BSFL or any of the BS Group Companies shall be entitled at their absolute discretions, without further notice or demand and in addition to and without prejudice to any other rights or powers conferred under the Agreement and/or the Loan Agreement, to forthwith: -

(a) satisfy any obligations the Client may have to BSFL (either directly or by way of guarantee or other security) by selling, realizing or otherwise dealing with, in such manner as BSFL in its absolute discretion may determine, all or part of any property or assets held by any of the BS Group Companies for any purpose in any of the Accounts, and to apply the proceeds in reduction of all or part of any Liabilities;

(b) take such action or do such act, matter or thing as it shall consider necessary or desirable to comply with or to perform, cancel or satisfy any obligations of BSFL to the Client or any obligations of the Client and/or BSFL and/or BSFL Trading Agent to the relevant Market and/or Clearing House and/or broker, as the case may be, in respect of any outstanding Transaction or in respect of any open Foreign Exchange Contract (such action includes but not limited to closing out and/or performing such open Foreign Exchange Contract);

(c) set-off, combine or consolidate any of the Accounts or any obligations of BSFL to the Client under the Agreement against any obligations of the Client to BSFL under the Agreement;

(d) suspend BSFL's obligations to perform pursuant to the Agreement;

(e) revise, change, withdraw, stop or cancel the facilities, advances, credits or loans made or granted to the Client, or any part thereof respectively;

(f) enforce the Lien and/or the security constituted or created under and pursuant to the Loan Agreement;

(g) liquidate the FX Account or any Account;

(h) close out or perform any or all open Foreign Exchange Contracts in the FX Account;

(i) sell, purchase, transfer in, transfer out, trade, dispose of, deal with, settle, clear all or any FX and/or Foreign Exchange Contracts ;

(j) call upon or enforce any security which may have been issued, made or created in favour of BSFL or any of the BS Group Companies as security for the Client's obligations, indebtedness or Liabilities under the Agreement;

(k) exercise any or all the rights and powers of BSFL under the Agreement;

(l) cancel any or all outstanding instructions, orders or any other commitments made on behalf of the Client;

(m) cancel any or all Foreign Exchange Contracts with the Client, whether or not the settlement date of such Foreign Exchange Contract(s) shall have arrived;

(n) take any actions, or do any acts, matters or things as authorized, instructed, directed, appointed or empowered under the Agreement;

(o) take such actions, or do such acts, matters or things as BSFL shall think fit in relation to the Retained Properties; and/or

(p) take or not to take any actions, or do or not to do any acts, matters or things as BSFL shall think fit.

21.3 Any sale, purchase, transfer, trading, disposal, dealing, settlement, clearing and/or closing out of FX and/or Foreign Exchange Contract and/or open positions in the FX Account shall be made according to the judgment of and at the discretion of BSFL. In all cases, a prior demand or call, or prior notice of the time or place of sale, purchase, transfer, trading, disposal, dealing, settlement, clearing and/or closing out shall not be considered as waiver of the right of BSFL herein provided.

21.4 BSFL may at its absolute discretion apply the net proceeds (after deduction of all fees, costs and expenses incurred in connection with the exercise of the powers conferred on BSFL by this Clause) actually received by BSFL pursuant to the exercise of powers under this Clause in reduction of the Liabilities in such order or manner as BSFL considers fit.

21.5 BSFL shall have absolute discretion in all matters relating to the exercise of its rights under this Clause, and may sell any FX or Foreign Exchange Contract on a single or collective basis. The Client hereby waives all claims and demands (if any) against BSFL in respect of any loss, involuntary or otherwise, directly arising

from the exercise by BSFL of the powers conferred by this Clause, howsoever such loss may have been caused (other than through wilful default of BSFL, or the reckless disregard of the obligations of BSFL under this Clause), whether in relation to the timing or manner of the exercise of such powers or otherwise.

21.6 If an Event of Default (in the sole and subjective judgment of BSFL) occurs, then the Agreement may be terminated by BSFL forthwith without notice to the Client. Any such termination shall be without prejudice to the accrued rights and obligations of the Parties contained in any provision hereof which shall remain in full force and effect and shall be enforceable notwithstanding such termination.

21.7 The Client shall be liable for any Deficit that may exist after BSFL has exercised any or any combination of rights in this Clause, and any cost or expense (including legal costs) incurred by BSFL, on a full indemnity basis, related to such exercise.

21.8 On the exercise of the rights of BSFL under this Clause, BSFL shall not be obliged to deliver to the Client any amount of money or fund due to the Client in respect of any Transaction or Foreign Exchange Contract until the Client's obligations, indebtedness and Liabilities under the Agreement have been fully paid, satisfied or discharged.

21.9 BSFL shall be entitled at all times to employ debt collecting agent(s) to collect any sum due but unpaid by the Client hereunder and for doing so, BSFL may and is hereby authorized to disclose to such agent(s) any or all information available in relation to the Client and BSFL shall not be liable or responsible (whether in contract or tort) for such disclosure or for any default negligence act conduct misconduct and/or deeds of such agent(s). The Client is hereby warned that the Client shall indemnify and keep BSFL indemnified on a full indemnity basis against all reasonable costs and expenses which BSFL may reasonably incur in employing debt collecting agent(s).

22. Trading Recommendation

22.1 The Client acknowledges and agrees that: (a) the Client assumes full responsibility for all trading decisions in the FX Account and, unless BSFL has expressly agreed otherwise, all trading, dealing or Transactions in the FX Account, and BSFL and/or BSFL Trading Agent is responsible only for the execution and carrying out of the Instructions; (b) BSFL has no responsibility or obligation regarding any conduct, action, representation or statement of any introducing firm, trading advisor or other third party in connection with the FX Account or any trading, dealing or Transaction therein; and (c) any advice or information by BSFL, its directors, employees or agents, whether or not solicited, is provided to the Client for the Client's information and reference only and shall not constitute an offer to enter into any Transaction and/or Foreign Exchange Contract or be taken by the Client or any person as soliciting the sale of or recommending any financial product to the Client and BSFL shall be under no liability whatsoever in respect of such advice or information. "**Financial product**" in this Clause has the same meaning as ascribed to it under Clause 28.4.

23. Disclaimer

23.1 Neither BSFL nor any of the BS Group Companies nor any of its directors, employees or agents shall have any liability whatsoever (whether in negligence or otherwise) for any direct, indirect or consequential loss, expense or damages suffered by the Client as a result of: -

(a) BSFL and/or BSFL Trading Agent acting or relying on any Instruction whether or not such Instruction was given following any recommendation, advice or opinion given by BSFL, BSFL Trading Agent and/or any of their respective directors, employees or agents; or

(b) BSFL's and/or BSFL Trading Agent's delay or failure to perform or execute the Instruction or their respective obligations hereunder by the following reasons: (i) any disruption, breakdown, malfunction or failure of transmission, communication or computer facilities, (ii) any postal or other strikes or similar industrial action, (iii) any disruption, closure, breakdown or failure of any relevant Market and/or Clearing House and/or Clearing System and/or broker and/or any other person or firm or company whatsoever, (iv) any prevailing Market conditions, or (v) any action of government, governmental agency, any relevant Market and/or Clearing House; or

(c) any relevant Market and/or Clearing House and/or broker ceasing for any reason to recognize the existence of any Foreign Exchange Contract entered into by BSFL on behalf of the Client, or failing to perform or close out any such Foreign Exchange Contract provided that such cessation or failure shall not affect the Client's obligations hereunder in respect of any such Foreign Exchange Contract or other obligations or liabilities of the Client arising therefrom; or

(d) any default negligence act omission conduct misconduct breach and/or deeds of/by (i) BSFL Trading Agent; and (ii) executing brokers, agents, custodians, nominees, overseas brokers and dealers that are not branches or associates of BSFL.

23.2 Without limiting the generality of Clause 23.1, neither BSFL, any of the BS Group Companies nor any of their respective directors, employees or agents shall have any liability whatsoever for any direct, indirect or consequential loss, expense or damages suffered by the Client (including losses and liabilities resulting from Transactions executed by any brokers or dealers) unless due to fraud or wilful default on the part of BSFL or any of the BS Group Companies.

24. Client Information

24.1 The Client shall provide such information as BSFL may from time to time request, such information shall include without limitation financial data concerning the Client. Failure to supply such information may result

in BSFL being unable to open or continue the FX Account or establish, continue or provide services in relation to Transactions.

24.2 The Client authorizes BSFL to disclose, provide or transmit to BSFL Trading Agent all or any part of the information provided by the Client to BSFL for the purpose of effecting the relevant Transaction as instructed by the Client.

24.3 The Client agrees promptly (a) to furnish appropriate financial statements to BSFL; (b) to disclose to BSFL any material change in the financial position of the Client; (c) to furnish such other information concerning the Client as BSFL may reasonably request; (d) to notify BSFL in writing if any of the representations contained in the Agreement cease to be true, accurate and correct in any respects and (e) to notify BSFL of the occurrence of any Event of Default upon its occurrence.

25. Use of Client Information

25.1 The Client acknowledges that the laws of the relevant jurisdictions, the applicable rules and regulations of any Market on which BSFL or any of the BS Group Companies enters into Transactions with or for and on behalf of the Client may require the disclosure of information relating to the Client and/or the Accounts. The Client hereby irrevocably authorizes BSFL and BS Group Companies, without notice or consent from the Client, to disclose to and provide the relevant authorities with all such information and documents of the Client as may be required for such purpose, including without limitation, the name and identity of the Client or the ultimate beneficial owner of the FX Account, and the financial position of the Client as may be known to BSFL or BS Group Companies. The Client shall not hold BSFL or BS Group Companies liable for any consequences arising from such disclosure, and the Client shall reimburse BSFL and BS Group Companies on demand for all costs and expenses (including legal costs) incurred by BSFL and BS Group Companies in complying with requests for such disclosure.

25.2 BSFL will keep information relating to the Client and the FX Account confidential, but is authorized to use such information for the following purposes including but not limited to: (a) the daily operation of the FX Account and the services provided to the Client; (b) conducting credit enquiries on the Client; (c) ensuring ongoing credit worthiness of the Client; (d) designing and marketing services or related products; (e) collection of amounts outstanding from the Client and those providing security for the Client's obligations; (f) make disclosure under the requirements of any laws binding on BSFL; and (g) purposes relating thereto. BSFL may provide any such information to the following persons including but not limited to (i) its auditors, legal advisers, brokers or dealers instructed by BSFL on behalf of the Client, (ii) any regulatory bodies, (iii) any Market in which FX are traded for the FX Account, (iv) any regulatory authority (including the Hong Kong Regulators and the Foreign Regulators) to comply with its requirements or requests for information, (v) any employee, agent, contractor, sub-contractor or third party service provider who provides administrative, telecommunications, computer, payment, clearing or other services to BSFL in connection with the operation of its business; and (vi) any other person under a duty of confidentiality to BSFL including but not limited to all the BS Group Companies which have undertaken to keep such information confidential. BSFL shall not be liable in any way to the Client for any disclosure made pursuant to this Clause.

25.3 Where the Client is an individual, the Client agrees to be bound by BSFL's "Notice to Clients relating to the Personal Data (Privacy) Ordinance", and to the use of his/her personal data in the manner specified in the said Notice.

25.4 Under and in accordance with the Personal Data (Privacy) Ordinance (Cap. 486 of the Laws of Hong Kong) any individual: (a) has the right to check whether BSFL holds data about him and the right of access to such data; (b) has the right to require BSFL to correct any data relating to him which is inaccurate; and (c) has the right to ascertain BSFL's policies and practices in relation to data and to be informed of the kind of personal data held by BSFL.

25.5 BSFL may, whether during the continuance or after the termination of the Agreement, without notice to the Client, disclose to any of the BS Group Companies or any agent, or to any actual or proposed assignee or participant or sub-participant or transferee of any of BSFL's rights or obligations under the Agreement, any information relating to the Client.

25.6 BSFL or BS Group Companies intends to use and/or transfer the Client's data to BSFL or any of the BS Group Companies for direct marketing purpose and BS Group Companies require the consent (including an indication of no objection) of the Client. For the aforesaid purpose, consent is hereby given by the Client on such use and transfer. The Client's name, contact details, financial background and statistical data held by BSFL and BS Group Companies from time to time may be used by BSFL or BS Group Companies in direct marketing of: (i) financial services and investment products; (ii) related promotional schemes; (iii) financial and investment advices; or (iv) promotional and marketing events of BS Group Companies for the aforesaid services or products until BSFL or BS Group Companies receive Client's objection or requirement to cease such use or transfer through the prescribed channel.

26. Liability and Indemnity

26.1 The Client shall indemnify and keep indemnified BSFL, all the BS Group Companies and their respective directors, officers, delegates, agents, employees, nominees, correspondents or representatives from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, legal expenses and other expenses or disbursements of any kind or nature whatsoever (other than those resulting from fraud or wilful default on the part of BSFL) which may be imposed on, incurred by or asserted against

BSFL or any of the BS Group Companies (or any of their respective directors, officers, delegates, agents, employees, nominees, correspondents or representatives) directly or indirectly arising out of or in connection with:-

(a) the performance or exercise of their duties or discretion under the Agreement or arising out of or in connection with the default or breach by the Client of any provision of the Agreement or any of the Client's obligations to BSFL or any of the BS Group Companies, or any representation or warranty by the Client becoming untrue or inaccurate, including but not limited to any costs incurred by any of them in the collection of debts owed by the Client to any of them.
(b) anything done or omitted pursuant to any Instruction, anything lawfully done or omitted by BSFL, any Transaction entered into by BSFL on behalf of the Client, or any action by BSFL in accordance with the Agreement;
(c) any act of omission of the Authorized Person; or
(d) a purchaser or any other person by reason of any defect in the title of the Client to the FX and/or Foreign Exchange Contracts.

26.2 The Client also agrees to pay promptly to BSFL and all the BS Group Companies all damages, costs and expenses (including legal costs and expenses on a full indemnity basis) incurred by BSFL or any of the BS Group Companies in the enforcement of any of the provisions of the Agreement.

27. **BSFL's Interests**

27.1 BSFL may, subject to the provisions of any applicable law, take the opposite position to the Client's order in relation to any Foreign Exchange Contract, whether on BSFL's own account or for the account of any of the BS Group Companies or other clients of BSFL. BSFL may also effect Transaction with the Client as principal and may match the Client's orders with those of other clients. BSFL may also effect Transactions in which BSFL or any of the BS Group Companies has a position in the relevant FX.

27.2 The Client acknowledges and agrees that, when BSFL executes an Instruction on behalf of the Client to purchase or sell FX, BSFL, its directors, officers, employees and agents may execute such Instruction for an account in which any such person has a direct or indirect interest, subject to the limitations and conditions, if any, contained in the constitution, rules, regulations, customs, usages, rulings, and interpretations then in force of the relevant Market upon which such Instruction is executed, and subject to the limitations and conditions, if any, contained in any applicable regulations lawfully promulgated by such Market.

27.3 In the absence of fraud or wilful misconduct on the part of BSFL, BSFL shall not be liable to the Client for any claims against BSFL, any of its nominees, subsidiaries or associated companies, or any of the BS Group Companies in relation to any Transaction referred to in Clauses 27.1 and 27.2 including any claims to the effect that BSFL, any of its nominees, subsidiaries or associated companies, or any of the BS Group Companies shall account to the Client for any emoluments, commissions, profits or any other benefits whatsoever earned or received by BSFL, any of its nominees, subsidiaries or associated companies, or any of the BS Group Companies in relation to any such Transactions.

28. **Suitability**

28.1 Unless BSFL expressly agrees in writing to the contrary, no representation or warranty, express or implied, is given by BSFL as to the value or suitability for the Client of any Transaction entered into by the Client.

28.2 The Client hereby acknowledges that any information communicated to the Client by BSFL, although obtained from sources believed by BSFL to be reliable, has not been independently verified by BSFL and may be incomplete, inaccurate or changed without notice to the Client. The Client acknowledges that any such information is provided by BSFL to the Client for its information and reference only and is not intended as investment advice or for trading or other purposes. BSFL makes no representation, warranty or guarantee with respect to the sequence, accuracy, truth, reliability, adequacy, timeliness, completeness or correctness of such information. BSFL and/or BS Group Companies shall have no responsibility or liability whatsoever in respect of any information given, or views expressed by them or any of their directors, officers, employees or agents to the Client, whether or not such information or views are expressed at the request of the Client.

28.3 The Client shall make its own judgment and independent decision with respect to any Transaction and Foreign Exchange Contract which he enters. BSFL is not obliged to give any investment advice or recommendation to the Client, and any comment, information, communication or explanation which may be provided by any representatives of BSFL shall not be treated or relied upon by the Client as investment advice or recommendation to enter into any Transaction, unless BSFL has expressly agreed otherwise. The Client understands that BSFL, or one or more of the BS Group Companies, may purchase or sell, have a position in FX or Foreign Exchange Contracts or financial instruments which are the subject of information furnished to the Client, and that the positions or Transactions of BSFL or any of the BS Group Companies may or may not be consistent with the information furnished to the Client by BSFL. Any information communication or explanation from BSFL to the Client in respect of any Instruction or Transaction under the Agreement shall not be regarded as investment advice or recommendation to enter into any Transaction or Foreign Exchange Contract under the Agreement.

28.4 If BSFL solicits the sale of or recommends 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 in these Terms or any other document BSFL may ask the Client to sign and no statement BSFL may ask the Client to make derogates from this Clause. For the purpose of this

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

29. **Joint and Several Liability/Successors**

29.1 Where the Client consists of more than one person (whether a partnership or otherwise):

(a) the expression "Client" shall include each such person (a "**Joint Client**") and the liability of Joint Clients under the Agreement shall be joint and several;
(b) any demand for payment on any one or more of the Joint Clients shall be treated as a valid demand on all Joint Clients;
(c) BSFL and any of the BS Group Companies shall be entitled to deal separately with any of the Joint Clients on any matter including the release or discharge of any one or more of the Joint Clients from liability under the Agreement or compound with, accept compositions from, or make any other arrangement with, any of such persons without, in consequence, releasing or discharging or otherwise prejudicing or affecting its rights and remedies against any other Joint Clients;
(d) each of the Joint Clients shall, in favour of all the BS Group Companies, waive the right of proof in competition with any one or more of the BS Group Companies in the bankruptcy or insolvency of any of the Joint Clients and none of the Joint Clients shall take from any other Joint Client(s) any counter-security without prior written consent from all the BS Group Companies;
(e) the discharge, satisfaction or performance of any liability, obligation or indebtedness under the Agreement by any of the BS Group Companies in favour of or for the benefit of any of the Joint Clients shall be and be deemed to be full and sufficient discharge, satisfaction or performance of such liability, obligation or indebtedness in favour of or for the benefit of any or all of the Joint Clients. The payment of money or fund by any of the BS Group Companies towards or in favour of any of the Joint Clients shall be and be deemed to be full and sufficient discharge, satisfaction or performance of such payment of money or fund towards or in favour of any or all of the Joint Clients;
(f) the Agreement shall not be affected by the death, incapacity or Dissolution of any Joint Client;
(g) termination of the Agreement pursuant to Clause 31 by any one or more of the Joint Clients or his or their personal representatives shall not affect the continuing liability of the other Joint Clients;
(h) BSFL shall have a lien on the property (including without limitation the FX Account) of each Joint Client. BSFL's lien shall be additional to the rights and remedies of BSFL pursuant to the Agreement;
(i) the Joint Clients have authorized BSFL to accept instructions given by any one or more of the Joint Clients ("**Such Person**") to BSFL (including but not limited to verbal instructions and written instructions). Such Person will have the authority to handle the operation of the FX Account and exercise all rights, powers and discretion pursuant to the Agreement on behalf of any of the Joint Clients. BSFL may follow the instructions given by Such Person and will not be required to give notice to, or obtain authorization from, any one or more of the Joint Clients in respect of such instructions. BSFL will have an absolute discretion to determine whether or not to accept the relevant instructions and BSFL will not be liable as such for any loss whatsoever incurred as a result of accepting or not accepting the instructions. Any act, conduct, instructions, directions, decisions and/or authorizations of any of the Joint Clients shall be jointly and severally binding on the other Joint Clients;
(j) BSFL shall be under no duties whatsoever (including without limitation any duty to inquire into or see to) in respect of the application of any monies or properties between the Joint Clients;
(k) any of the Joint Clients is not entitled to claim or assert interest, benefit, ownership or title to any particular or specific FX, Foreign Exchange Contract, property and/or assets in the FX Account separately or independently with any other Joint Clients;
(l) the Joint Clients have entered into the Agreement with a right of survivorship;
(m) in the event of death of any Joint Client, the estate of the deceased Joint Client or the surviving Joint Client(s) shall immediately notify BSFL in writing of the relevant death and produce and deliver to BSFL true copy of proof of such death and such other documents as BSFL may in its absolute discretion require (but BSFL is not required to verify the authenticity of such evidence so produced); and
(n) each of the Joint Clients shall be bound by the Agreement regardless of the arrangement or agreement among the Joint Clients and notwithstanding the Agreement may be invalid or unenforceable against any one or more of the Joint Clients (whether or not the deficiency is known to BSFL).

30. **Single and Continuous Agreement**

30.1 The Agreement and all its amendments shall be continuous, and shall cover individually and collectively all FX Accounts which the Client may from time to time open and maintain with BSFL, each order executed by BSFL shall be subject to the terms and conditions of the Agreement. The Client hereby acknowledges that all Transactions executed for the Client's account shall be executed by BSFL in reliance upon such fact and as if the representations, undertakings and warranties given by the Client to BSFL in Clause 20 were repeated before each such Transaction, and that the Parties would not otherwise enter into such Transaction.

31. **Termination**

31.1 The Client shall only terminate the Agreement by a valid and effective prior written notice to BSFL. The aforesaid prior written notice shall be a valid and effective prior written notice only and only if such notice

shall be actually received by BSFL and the effective date for termination of the Agreement stated therein shall be at least (7) Business Days after the date of receipt of such notice by BSFL. The Agreement shall be terminated by BSFL at its discretion and at any time by notice given by BSFL to the Client without the need to give reasons for such termination. The termination of the Agreement shall not affect or prejudice: -

(a) the Liabilities, obligations or indebtedness of the Client existing, arisen or incurred at the time under the Agreement, the Loan Agreement and/or any agreement made with any of the BS Group Companies on or before the termination of the Agreement, including but not limited to the Liabilities, obligations or indebtedness of the Client arising out of or in connection with any open positions or outstanding Transactions at the time of the termination of the Agreement;

(b) the Liabilities, obligations or indebtedness of the Client arising out of or in connection with any agreements, warranties, representations, undertakings and indemnities given by the Client under the Agreement, the Loan Agreement and/or any agreement made with any of the BS Group Companies;

(c) the rights and powers to liquidate, terminate, close out, transfer or settle all the open positions or outstanding Transactions of the Client, and the rights and powers to take such action or do all such acts and things incidental or in relation to the liquidation, termination, closing out, transfer or settlement mentioned in this Clause; and

(d) the rights and powers to take such action or do all such acts and things incidental or in relation to the termination, conclusion, consolidation, clearing or settlement of all Liabilities, the Client's obligations or indebtedness under the Agreement, or the rights and powers to take such action or do all such acts and things incidental or in relation to the termination of the Agreement.

31.2 Upon termination of the Agreement under Clause 31.1, all amounts due or owing by the Client to BSFL under the Agreement shall become immediately due and payable. BSFL shall cease to have any obligation to effect any Transaction on behalf of the Client in accordance with the provisions of the Agreement, notwithstanding any Instructions to the contrary.

31.3 As soon as practicable after termination of the Agreement, BSFL shall have the power to sell, liquidate or otherwise dispose of all or part of the Client's FX or Foreign Exchange Contracts for such consideration and in such manner as BSFL shall in its absolute discretion consider necessary to satisfy first, all costs, charges, fees and expenses (including legal expenses) incurred by BSFL in such sale, dissolution or other disposal and all other monies and sums due or owing and other liabilities accrued or accruing due to BSFL and outstanding (whether actual or contingent, present or future or otherwise) under the Agreement and second, all other Liabilities, at the Client's sole risk and cost and without incurring any liability on the part of BSFL for any loss or damage incurred by the Client.

31.4 Any cash proceeds remaining after satisfaction of all sums specified in Clause 31.3 shall be credited to the Settlement Account.

31.5 If there is any Deficit after application of the sale proceeds pursuant to Clause 31.3, the Client shall immediately pay to BSFL an amount equal to such Deficit together with BSFL's cost of funding such Deficit and interest at the rate of 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 such other bank as determined by BSFL from time to time up to the date of actual receipt of full payment by BSFL (after as well as before any judgment).

32. **Force Majeure**

32.1 Neither of the Parties shall be liable for any loss sustained by the other, directly or indirectly, if either Party is prevented from acting as a direct or indirect result of government restrictions, the imposition of emergency procedures or suspension of trading by any relevant Market or Clearing House, civil disorder, acts or threatened acts of terrorism, natural disasters, war, strikes or other circumstances beyond third party's control.

33. **Combination and Set-Off**

33.1 Notwithstanding anything contained in the Agreement, the Loan Agreement or any other agreement between any of the BS Group Companies and the Client, the Client irrevocably and unconditionally authorizes and directs BSFL to, with or without notice, set-off and withhold from and apply the Retained Properties, securities, receivables, moneys or funds held in or for the FX Account or any Account against and in whole or partial payment, discharge or satisfaction of any indebtedness, obligations or Liabilities of whatsoever nature (whether primary, collateral, several, joint or in other currencies and whether or not in connection with the FX Account or any other previous closed Account) owed by the Client to BSFL or any one of the BS Group Companies.

33.2 Without prejudice to the generality of Clause 33.1, if the Client has more than one Account, any of the BS Group Companies is hereby authorized by the Client to combine or consolidate at any time without notice to the Client all or any of such Accounts and set-off, apply or transfer any of the Retained Properties, moneys, funds, securities, FX, properties or assets in any one or more of such Accounts in or towards payment, discharge or satisfaction of any indebtedness, obligations or Liabilities of the Client of whatsoever nature, actual or contingent, primary or collateral, secured or unsecured, joint or several, to any of the BS Group Companies in respect of any other Accounts. Where any such combination, consolidation, set-off or transfer requires the conversion of one currency into another, such conversion shall be calculated at the spot rate of exchange prevailing in such foreign exchange market as any one of the BS Group Companies shall determine to be relevant on the date of the combination, consolidation, set-off or transfer.

33.3 Subject to the Agreement, all money or other property received by BSFL from the Client or from any other person for the account of the Client shall be held by BSFL and within a reasonable time from receipt of such money or other property by BSFL shall be segregated from BSFL's own assets and paid into a segregated company account.

34. Authorization

34.1 The Client irrevocably and unconditionally directs, instructs and authorizes BSFL that upon request, direction, instruction or demand of any of the BS Group Companies from time to time, BSFL shall do the following acts and things: -

(a) to sell, purchase, enter into, make, dispose of, deal with, trade, transfer, liquidate, close out, clear or settle all or any FX and/or Foreign Exchange Contract and/or positions in the FX Account; and

(b) to sell, purchase, deal with, trade, dispose of, realize, transfer in or out all or any securities, properties or assets in the FX Account.

34.2 The Client irrevocably and unconditionally directs, authorizes, instructs and agrees that upon request, direction, instruction or demand of any of the BS Group Companies from time to time, BSFL shall deliver, transfer, debit, deduct or pay from the FX Account or any Account such receivables, moneys or funds as any of the BS Group Companies shall direct or determine from time to time and/or in or towards the total or partial satisfaction, payment or discharge of any moneys, indebtedness, outstanding amounts, obligations or Liabilities incurred, owing, due or payable by or from the Client or the Client Group Company to or in favour of any of the BS Group Companies from time to time.

34.3 The Client agrees and accepts that all the acts, things and matters done or made by BSFL pursuant to this Clause shall be and be treated and deemed the acts, things, and matters done or made by the Client, and shall be absolutely binding on the Client in all respects and for all purposes.

35. Communications, Notice and Services

35.1 Unless otherwise specified in the Agreement, any notice to be made or given by the Client to BSFL under the Agreement shall be in writing.

35.2 Without prejudice to other provisions of the Agreement relating to communication or notice by or from BSFL and the right of BSFL to use any way or method of communication, any report, confirmation, statements, notice and other communication from BSFL to the Client under the Agreement may be delivered personally or sent by post or fax or electronic mail ("**E-mail**") addressed to the Client at the address or fax number or E-mail address set out in the Account Opening Form, at its registered office or at such other address or fax number or E-mail address as may have been notified in writing by the Client to BSFL (such notification shall only take effect 24 hours after the actual receipt of the same by BSFL). Any such report, confirmation, statements, notice and other communication shall be and be deemed to have been received by the Client (a) if hand delivered, when delivered, (b) if given by post, 24 hours after the same has been posted, or (c) if given by fax or E-mail, at the same time as it is dispatched. The contents of such report, confirmation, statement, notice or communication or statement of account issued by BSFL shall be or be deemed correct, accurate and conclusive and no objection thereto shall be made by the Client unless written objection is actually received by BSFL within four (4) days after delivery by hand, by fax or E-mail, or by post.

35.3 Without prejudice to the other provisions of the Agreement, any letter, notice, documents or other communication from the Client to BSFL shall take effect only on actual receipt and actual notice of the same by BSFL.

36. Time of the Essence

36.1 Time shall in every respect be of the essence in relation to all Liabilities and obligations of the Client under the Agreement.

37. Automatic Postponement

37.1 It is hereby agreed that if any day on which BSFL has agreed or obliged to do, take or conduct any matter, action or Transaction (the "**Action Date**") shall fall on a day which is not a Business Day, the Action Date shall automatically be postponed to the next Business Day.

38. Severability

38.1 Any provision in the Agreement which is illegal, invalid or unenforceable for any reason in any jurisdiction shall be ineffective only to the extent of such illegality, invalidity or unenforceability and shall not affect the legality, validity or enforceability of the remaining provisions hereof or the legality, validity or enforceability of such provision in any other jurisdiction. Where, however, the provisions of any applicable law may be waived, they are waived by the Parties hereto to the full extent permitted by such law to the end that the Agreement shall be a valid and binding agreement enforceable in accordance with its terms and conditions.

39. Assignment

39.1 The Client shall not assign, transfer, alienate, charge, delegate or otherwise dispose of any of its rights, interest,

benefits, Liabilities or obligations under the Agreement. BSFL may assign or transfer any of its rights and obligations under the Agreement without the prior consent of the Client. Any assignee, transferee or successor of BSFL shall have the same interest, rights, benefits, liabilities and remedies as if it were BSFL. BSFL may delegate and sub-contract the performance of its obligations hereunder as it thinks fit.

39.2 Upon BSFL assigning and transferring all its rights and obligations under the Agreement to another intermediary (as defined under the SFO) (whether due to a restructuring or transfer of business or otherwise), the Client undertakes to give a written direction in favour of BSFL or its associated entity, authorizing BSFL or its associated entity to transfer all the Client's FX and/or Foreign Exchange Contracts and/or property and /or assets held by BSFL or its associated entity to the assignee intermediary, failing which BSFL shall terminate the FX Account in accordance with Clause 31.

40. Successors and Assigns

40.1 The Agreement shall ensure for the benefit of BSFL, its successors and assigns and shall be binding upon the Client's heirs, executors, administrators, personal representatives, successors and assignees, as the case may be.

41. Miscellaneous Provisions

41.1 The Agreement supersedes all prior engagements, arrangements, agreements and contracts whether oral or in writing whatsoever made by BSFL. No warranties or representations express or implied are or have been made or given by BSFL or by anybody on its behalf relating to the subject of the Agreement prior to the entering hereof. If any such warranty or representation express or implied has been made the same is withdrawn or deemed to have been withdrawn immediately before BSFL entering into the Agreement. However, the Agreement does and will not supersede any prior engagements, arrangements, agreements and contracts whether oral or in writing whatsoever and whether past, present or future made by the Client with or in favour of BSFL, and does and will not affect or prejudice any or all the Liabilities, obligations or indebtedness (whether oral or in writing whatsoever and whether past, present or future) of the Client to BSFL.

41.2 BSFL and the Client shall notify each other promptly in writing of any material changes in the information provided under the Agreement or any agreement entered into pursuant to the Agreement or relating to the FX Account.

41.3 BSFL shall have absolute rights to amend, delete or substitute any of the terms herein and add new terms to the Agreement (including but not limited to the Acknowledgment by Client). An amendment notice and the revised Agreement will be posted at the "**Important Terms**" column of BS Website at www.bsgroup.com.hk. The Client should visit the BS Website from time to time to obtain the latest Agreement and read the terms thereof. Such amendment, deletion, substitution or addition shall be deemed as effective and incorporated herein (and shall form part of the Agreement) on the date of publication of such amendment notice. The Client may raise written objection within fourteen (14) days after the publication of such amendment notice at the BS Website. Failing which, it shall be deemed an acceptance of such amendment, deletion, substitution and addition.

41.4 Any complaint about the performance of BSFL under the Agreement shall be made in writing and addressed to the Complaints Officer c/o BSFL, who will investigate the complaint. The Client agrees to provide the Complaints Officer with all such information as the Complaints Officer may reasonably request to enable the Complaints Officer to investigate the complaint.

41.5 The Client undertakes and acknowledges that the Client shall at all times notify BSFL in writing, and sign (the signature shall conform to the specimen signature provided to BSFL in the Account Opening Form), of any change of the Client's particulars (where the Client shall consist of any individual, the Client's personal particulars), address(es), telephone number(s), facsimile number(s) and/or email address(es).

41.6 Except as provided in the Agreement, the rights, powers, remedies and privileges in the Agreement are cumulative and not exclusive of any right, powers, remedies and privileges provided by law.

42. Confirmation

42.1 The Client confirms that it has read the Agreement (including the Account Opening Form, Acknowledgment by Client and these Terms) and the Risk Disclosure Statements, that it has already been invited and advised by BSFL and/or any of the BS Group Companies to seek independent legal advice on the Agreement (including the Account Opening Form, Acknowledgment by Client and these Terms) and the Risk Disclosure Statements, that the contents of the Agreement (including the Account Opening Form, Acknowledgment by Client and these Terms) and the Risk Disclosure Statements have been fully explained to the Client in a language which the Client understands, and that the Client fully confirms, accepts, understands, and agrees to be bound by, the Agreement (including the Account Opening Form, Acknowledgment by Client and these Terms) and the Risk Disclosure Statements. The Client acknowledges that, in the event of any discrepancy between the English version and the Chinese version, the English version shall prevail.

43. Contracts (Rights of Third Parties) Ordinance

43.1 The Contracts (Rights of Third Parties) Ordinance (Chapter 623 of the Laws of Hong Kong) shall not apply to the Agreement and unless specifically herein provided no person other than the Parties shall have any rights

under it nor shall it be enforceable by any person other than the Parties.

44. **Waiver**

44.1 No failure or delay on BSFL's part to exercise any power, right or remedy which BSFL may have shall operate as a waiver thereof.

45. **Governing Law and Jurisdiction**

45.1 The Agreement and all rights, obligations and liabilities hereunder shall be governed by and construed in accordance with the laws of Hong Kong.

45.2 The Client agrees that any dispute between BSFL and the Client in respect of matters relating to leveraged foreign exchange trading will be referred to arbitration in accordance with the Securities and Futures (Leveraged Foreign Exchange Trading) (Arbitration) Rules.

*****

SECTION XV – INTERNATIONAL TAXATION REQUIREMENTS

These Terms are additional and supplemental to the terms and conditions governing the Account. Where any conflict or inconsistency arises between any provision of these Terms and any provision of the terms and conditions governing the Account, BS Group Companies have absolute discretion to determine which terms and conditions shall prevail.

1. **Definitions**

1.1 In these Terms, unless redefined herein or the context requires otherwise, all expressions defined in Section I headed "Terms and Conditions for Securities Cash Trading", Section II headed "Terms and Conditions for IPO and Placing", Section III headed "Terms and Conditions for Securities Margin Trading", Section IV headed "Terms and Conditions for Stock Options Trading", Section VII headed "Terms and Conditions for Futures Trading", Section VIII headed "Terms and Conditions for Futures (Margin Financing) Trading", Section XIII headed "Terms and Conditions for Bullion Trading" and Section XIV headed "Terms and Conditions for Leveraged Foreign Exchange Trading" shall, where applicable, have the same meanings when used herein.

1.2 In these Terms, the following expressions, unless the context requires otherwise, shall have the following meanings: -

"**Account Opening Form**" means the Account Opening Form for the Account including the declaration, information, notes and statements thereto to be completed and signed by the Client and, as the context requires, any amendments made thereto from time to time;

"**Acknowledgment by Client**" means the Acknowledgment by Client including the information for trading, procedure for funds deposit and withdrawal, procedure for transferring funds between any Account and another Account and other information in respect of the Account as from time to time amended and supplemented;

"**Agreement**" means the agreement made between the Client and BS Group Companies and constituted by the Account Opening Form, these Terms, the Acknowledgment by Client, the terms and conditions governing the Account and such other documents referred to therein or added thereto (including any amendment or supplement made thereto from time to time);

"**Applicable Laws**" means all obligations, requirements or arrangements that are binding on, applicable to, and/or expected to be complied with by, any of the BS Group Companies according to:

(a) any present or future statute, law, regulation, rule, official directive, order, request, decree, code of practice, guideline or guidance (whether or not having the force of law) of any legal, regulatory, governmental, tax, law enforcement or other body, agency, department or authority, or self-regulatory or industry body or association of financial services providers, in each case whether within or outside Hong Kong;
(b) any present or future contractual or other commitment with local or foreign legal, regulatory, governmental, tax, law enforcement or other body, agency, department or authority, or self-regulatory or industry body or association of financial services providers that is assumed by or imposed on any of the BS Group Companies by reason of its financial, commercial, business or other interests or activities in or related to the jurisdiction of the relevant local or foreign legal, regulatory, governmental, tax, law enforcement or other body, agency, department or authority, or self-regulatory or industry body or association.

For the avoidance of doubt, this definition includes any obligations, requirements or arrangements that are binding on, applicable to and/or expected to be complied with by any of the BS Group Companies pursuant to (1) FATCA, and (2) the Inland Revenue Ordinance and its provisions including those concerning automatic exchange of financial account information.

"**Authorized Person**" means the persons or any of them appointed by the Client as agent of the Client to (including but not limited to) issue Instructions on behalf of the Client in relation to the Account and/or Transactions and initially the persons specified as such in the Account Opening Form and such other person as appointed by the Client in substitution therefor or in addition thereto from time to time (the Client shall in writing notify BS Group Companies of such appointment, which shall only be effective after the actual receipt of such notification and approved by BS Group Companies);

"**Bullion Transaction**" means "Transaction" as defined in Section XIII;

"**Client**" means the person or persons who have signed and/or specified as such in the Account Opening Form, and where the Account is opened by more than one person means all of such persons collectively and any legal or personal representative, executor, successor in title or permitted assign thereof, and shall include the Authorized Person where the context permits;

"**Confidential Information**" means any information that a reasonable person would consider being of a confidential or proprietary nature, including but not limited to Client's personal data, Client's account details and transactional information.

"**Futures Transaction**" means "Transaction" as defined in Section VII;

"**FATCA**" means:

(a) sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (as amended) or any amended or successor version thereof;
(b) any intergovernmental agreement, memorandum of understanding, undertaking and other arrangement between governments and regulators in connection with (a) including those as entered into by the government of Hong Kong;
(c) agreements between any of the BS Group Companies and the IRS or other regulator or government agency pursuant to or in connection with (a); and
(d) any laws, rules, regulations, interpretations or practices adopted in the U.S., Hong Kong or elsewhere pursuant to any of the foregoing.

"**FX Transaction**" means "Transaction" as defined in Section XIV;

"**Government Authority**" means any government, government body, government agency or regulator, in or outside of Hong Kong, including the Inland Revenue Department of Hong Kong and the IRS.

"**Inland Revenue Ordinance**" means the Inland Revenue Ordinance (Cap. 112 of the Laws of Hong Kong) as amended or supplemented from time to time.

"**IRS**" means the U.S. Internal Revenue Services.

"**Parties**" means BS Group Companies and the Client, and each of them is referred to as "**Party**";

"**Section I**" means Section I headed "Terms and Conditions for Securities Cash Trading"

"**Section IV**" means Section IV headed "Terms and Conditions for Stock Options Trading"

"**Section VII**" means Section VII headed "Terms and Conditions for Futures Trading";

"**Section XIII**" means Section XIII headed "Terms and Conditions for Bullion Trading";

"**Section XIV**" means Section XIV headed "Terms and Conditions for Leveraged Foreign Exchange Trading";

"**Securities Transaction**" means "Transaction" as defined in Section I; and/or (b) Stock Options Trading as defined in Section IV;

"**Services**" includes (a) dealing in Transaction; (b) the opening, maintaining and closing of any Account; (c) the management and operation of any Account; and (d) maintaining the overall relationship between any of the BS Group Companies and the Client;

"**these Terms**" means all the terms and conditions in this Section XV headed "International Taxation Requirements" as from time to time amended or supplemented; and

"**Transaction**" means (a) Futures Transaction; (b) Securities Transaction; (c) Bullion Transaction; and/or (d) FX Transaction.

1.3 In these Terms: -

(a) "include(s)" and "including" mean respectively "include(s) but not limited to" and "including but not limited to";
(b) reference to a Clause is to a clause of these Terms and reference to the Account Opening Form is to the Account Opening Form as completed by or on behalf of the Client and where such information has been amended by subsequent notice to BS Group Companies means the Account Opening Form as amended by such notice;
(c) reference to an Ordinance is to an Ordinance or law of Hong Kong and any subsidiary legislation related thereto as from time to time amended, consolidated, extended, codified or re-enacted and for the time being in force;
(d) words importing the singular include the plural and vice versa; words importing person include bodies corporate or unincorporated or other entity; words importing gender include every gender and the neuter gender;
(e) the headings to the Clauses are for convenience only and do not affect their interpretation or construction; and
(f) where it is necessary for the true construction or interpretation of any provision herein so that the indebtedness, liability or obligation of any of the Parties shall continue after the termination of the Agreement, such provision shall survive the termination of the Agreement.

2. **Provision and Disclosure of Information**

2.1 Without limiting the generality of BS Group Companies' "Notice to Clients relating to the Personal Data (Privacy) Ordinance", the Client consents to the collection, storage, processing and disclosure of any Confidential Information by any of the BS Group Companies and their respective agents (whether in Hong Kong or elsewhere) to persons from whom any of the BS Group Companies and their respective agents (whether in Hong Kong or elsewhere) receive or make payments on behalf of the Client and to Government Authorities (including without limitation, tax authorities), both domestic and foreign, as required by the Applicable Laws. BS Group Companies may also have to report information about the Client's direct and indirect shareholders or other owners or interest holders and, if the Client is a trust, the beneficiaries, settlors or trustees of the trust. The Client's consent shall be effective notwithstanding any applicable non-disclosure agreement. The Client represents that it has secured from any third party any consents and waivers necessary to permit any of the BS Group Companies and their respective agents to carry out the actions described in this Clause, and that the Client will secure such consents and waivers in advance of providing similar information to BS Group Companies in the future.

2.2 The Client further acknowledges that BS Group Companies may not notify the Client such disclosure pursuant to Clause 2.1 as required by the Applicable Laws and agrees that the Client will not require any of the BS Group Companies to make such notification to the Client before or after the disclosure of the information.

2.3 The Client consents to provide all documentation and/or information, including but not limited to date of birth, countries of citizenship, countries of tax residency and associated taxpayer identification numbers, that may be required by any of the BS Group Companies from time to time to enable BS Group Companies and/or their respective agents (whether in Hong Kong or elsewhere) to document the Client in accordance with Applicable Laws.

2.4 The Client shall ensure that all information provided to any of the BS Group Companies shall always be true, complete, accurate and not misleading and shall notify BS Group Companies in writing within thirty (30) days of any change (a) that affects the Client's tax status pursuant to the Applicable Laws; and/or (b) to the documentation or information provided to any of the BS Group Companies under Clause 2.3. The Client acknowledges that additional documentation or other information may be required in order to process any such change and consents to provide all required documentation or other information when any of the BS Group Companies requests the same.

2.5 If some of the Client's income is reportable under Applicable Laws and some is not, any of the BS Group Companies and/or their respective agents (whether in Hong Kong or elsewhere), where appropriate, will report all income of the Client unless BS Group Companies can reasonably determine the reportable amount.

3. **Representation and Warranty**

3.1 The Client represents and warrants that it has provided to BS Group Companies all documentation and/or information as any of the BS Group Companies may require for compliance by such BS Group Company with any Applicable Laws, and the Client consents to provide all documentation or other information so required within seven (7) days of a request from any of the BS Group Companies in writing or otherwise.

4. **Closure/Suspension of Account and Termination of Services**

4.1 Unless otherwise provided herein, any of the BS Group Companies may at any time and without giving any reason therefor:

(a) unwind all the open positions of Transaction(s);
(b) close any Account;
(c) terminate, withdraw or revoke any Services, in whole or in part; or
(d) block or suspend any Account (and later remove the block or suspension) or withhold any assets in any Account,

in each case for such duration as such BS Group Company deems fit. To the extent practicable and permitted by Applicable Laws, BS Group Companies will give reasonable prior notice to the Client (normally not less than fourteen (14) days in advance). Notwithstanding the foregoing, under exceptional circumstances, no prior notice to the Client is required. Such exceptional circumstances may include, without limitation, where any Account or Services is being used for criminal activities or is not maintained in a manner satisfactory to BS Group Companies or if any of the BS Group Companies is required by Applicable Laws to do so, or if any of the BS Group Companies needs to comply with internal policies (which will be notified to the Client in advance) or with any applicable order or sanction of an Authority. The Client shall not hold any of the BS Group Companies responsible for any loss or damage suffered thereby.

4.2 For the purpose of Clause 4.1, "**Authority**" includes, without limitation, legal, regulatory, governmental, law enforcement, tax or other bodies, agencies, departments or authorities or self-regulatory or industry bodies (whether in Hong Kong or elsewhere).

5. **Withholding**

5.1 The Client hereby authorizes any of the BS Group Companies and their respective agents (whether in Hong Kong or elsewhere), where appropriate, to withhold or otherwise collect from any payment or any part of or all assets in any Account (in cash or other forms), any required tax or other government assessment, including but not limited to any requirement to withhold or deduct an amount under the Applicable Laws.

6. **Failure to Comply**

6.1 The Client acknowledges that any failure on the part of the Client to provide accurate and timely information pursuant to requirements and requests by any of the BS Group Companies may result in such BS Group Company having to deem the Client recalcitrant and/or reportable and take all necessary action against the Client in order for such BS Group Company to be compliant with requirements under the Applicable Laws including but not limited to the reporting obligation as provided under Clause 2.1.

7. **Liability and Legal Action**

7.1 To the greatest extent permitted by the Applicable Laws, BS Group Companies and their respective agents (whether in Hong Kong or elsewhere) will not be liable to the Client for any losses, costs, expenses, damages, liabilities the Client may suffer as a result of complying with the Applicable Laws in accordance with Clause 2.1, or if any of the BS Group Companies and their respective agents (whether in Hong Kong or elsewhere) make an incorrect determination as to whether or not the Client should be treated as being subject to tax or tax reporting obligations where the incorrect determination results from the reliance on incorrect or incomplete information provided by the Client or any third party, unless that loss is caused by the gross negligence, wilful default or fraud of BS Group Companies.

7.2 Any of the BS Group Companies may take (or refrain from taking) any action which such BS Group Company may, in its sole opinion, consider appropriate to meet any obligations, either in Hong Kong or elsewhere, relating to the prevention of tax evasion. This may include, but is not limited to, investigating and intercepting payments into and out of any Account (particularly in the case of international transfer of funds), investigating the source of or intended recipient of funds, sharing information and documents with domestic and international tax authorities and withholding income from the Client's account and transferring it to such tax authorities. If any of the BS Group Companies is not satisfied that a payment in or out of any Account is lawful, such BS Group Company may refuse to deal with it.

8. **Indemnity**

8.1 The Client hereby agrees to indemnify BS Group Companies and their respective directors, officers, employees and agents ("**Indemnified Persons**") against all losses, liabilities, costs, claims, actions, demands or expenses (including but not limited to, all reasonable costs, charges and expenses incurred in disputing or defending any of the foregoing) which the Indemnified Persons may incur or which may be made against the Indemnified Persons arising out, or in relation to or in connection with:

(a) any breach or alleged breach of the terms and conditions hereunder, whether by act or omission of the Client; or
(b) any non-compliance of the Applicable Laws in relation to the Client and/or any Account.

8.2 The Client further agrees that any of the BS Group Companies is entitled to withhold, retain or deduct such portion from the Client's assets in the possession or control of any of the BS Group Companies or such amount(s) from any Account as any of the BS Group Companies determines to be sufficient to cover any amount which may be owed by the Client under this Clause.

8.3 The Client undertakes to assist BS Group Companies in any proceedings or investigations arising in any matter out of or in connection with the compliance with the requirements under the Applicable Laws. In such case, BS Group Companies will notify the Client when BS Group Companies become aware of such proceedings, unless prohibited by the Applicable Laws.

8.4 The Client shall continue to be bound by this Clause despite the Client ceasing to be the holder of any Account or the termination of any Account or the Agreement.

9. **Miscellaneous Provisions**

9.1 The Client agrees and acknowledges that any of the BS Group Companies is entitled to take all action which such BS Group Company may in its sole opinion consider necessary to be and remain compliant with all Applicable Laws.

*****

SECTION XVI – ADDENDUM IN RELATION TO SPAC TRANSACTIONS

The terms and conditions of this Addendum are additional and supplemental to the terms and conditions in Section I headed "Terms and Conditions for Securities Cash Trading" ("**Section I**") and/or other relevant agreements between the Client and BS Securities. All transactions effected, conducted, carried on and entered into by the Client with and through BS Securities or its agent related to SPAC Securities to be provided by BS Securities to the Client shall be subject to this Addendum. By entering into any SPAC transactions or maintaining any SPAC Securities in the Account(s), the Client agrees (or shall be deemed to have agreed) to this Addendum. Where any conflict or inconsistency arises between any provision of this Addendum and any provision of Section I, the provisions of this Addendum shall prevail in relation to trading of SPAC Securities by the Client through BS Securities.

1. <u>Definitions</u>

1.1 In this Addendum, unless redefined herein or the context requires otherwise, all expressions defined in clause 1 of Section I and/or any other relevant agreements between the Client and the Company shall, where applicable, have the same meanings when used herein.

1.2 In this Addendum, the following expressions, unless the context requires otherwise, shall have the following meanings: -

"De-SPAC Target" means the target of a De-SPAC Transaction.

"De-SPAC Transaction" means an acquisition of, or a business combination with, a De-SPAC Target by a SPAC that results in the listing of a Successor Company.

"Listing Document" means a prospectus, an offering circular or any equivalent document issued or proposed to be issued in connection with a listing.

"PIPE" means a third party investment, for the purposes of completing a De-SPAC Transaction, that has been committed prior to the De-SPAC announcement.

"Professional Investor" has the meaning ascribed to it under section 1 of Part 1 of Schedule 1 to the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

"Promoter Share" means a share of a separate class to SPAC Shares issued by a SPAC exclusively to a SPAC Promoter at nominal consideration.

"Promoter Warrant" means a warrant of a separate class to SPAC Warrant issued exclusively to a SPAC Promoter.

"SPAC" means a special purpose acquisition company. A SPAC is a type of shell company that raises funds through its listing for the purpose of acquiring a business (a De-SPAC Target) at a later stage (a De-SPAC Transaction) within a pre-defined time period after listing.

"SPAC Promoter" means a person who establishes a SPAC and/or beneficially owns Promoter Shares issued by a SPAC.

"SPAC Securities" means any of SPAC Shares or SPAC Warrants.

"SPAC Share" means a share of a SPAC that is not a Promoter Share.

"SPAC Shareholder" means the holder of SPAC Share.

"SPAC Warrant" means a warrant that provides the holder with the right to purchase a SPAC Share that is not a Promoter Warrant.

"Successor Company" means the listed issuer resulting from the completion of a De-SPAC Transaction.

1.3 In this Addendum: -

(a) "include(s)" and "including" mean respectively "include(s) but not limited to" and "including but not limited to";

(b) reference to an Ordinance is to an Ordinance or law of Hong Kong and any subsidiary legislation

related thereto as from time to time amended, consolidated, extended, codified or re-enacted and for the time being in force;

(c) words importing the singular include the plural and vice versa; words importing person include bodies corporate or unincorporated or other entity; words importing gender include every gender and the neuter gender;

(d) the headings to the Clauses are for convenience only and do not affect their interpretation or construction; and

(e) where it is necessary for the true construction or interpretation of any provision herein so that the indebtedness, liability or obligation of any of the Parties shall continue after the termination of the Agreement, such provision shall survive the termination of the Agreement.

2. Representations, Warranties and Undertakings

2.1 The Client represents, warrants and undertakes that:

(a) all SPAC Securities transactions shall be effected in accordance with all applicable laws and regulations applying to BS Securities, including but not limited to the listing and trading rules of HKEx. The Client agrees that all actions taken by BS Securities or by HKEx in accordance with the applicable laws and regulations shall be binding on the Client.

(b) the Client is capable of making and will make all the representations, warranties, undertakings and declarations required to be made by a purchaser or holder of the SPAC Securities under the terms and conditions of the SPAC Securities and the Listing Documents. The Client has complied and will comply with all undertakings and selling restrictions under the relevant Listing Documents.

(c) trading of SPAC Securities is limited to a Professional Investor or other type of investors approved by HKEx and/or SFC. The Client will trade SPAC Securities only when the Client is, and in the case where the Client is an intermediary (including, but not limited to, a fund manager, asset manager, broker or order placer) trading for or on behalf of an underlying client or clients, each such underlying client is, a Professional Investor. If the Client or any underlying client or clients is not a Professional Investor ("**Non-Eligible SPAC Investors**"), the Client hereby agrees and authorizes BS Securities, at any time, to facilitate the disposal, redemption, voting or otherwise dealing with such SPAC Securities of such Non-Eligible SPAC Investors in BS Securities' absolute discretion. The Client undertakers to indemnify and keep BS Securities indemnified in respect of any costs, claims, demands, damages and expenses whatsoever which may be suffered or incurred by BS Securities directly or indirectly arising out of or in connection with such SPAC Securities transactions entered into by BS Securities as agent on behalf of any Non-Eligible SPAC Investors. The Client also agrees to pay promptly to BS Securities, on demand, all damages, costs and expenses (including legal expenses on a full indemnity basis) reasonably and properly incurred by BS Securities in the enforcement of this provision.

(d) the Client fully understands and agrees with the terms and conditions of the SPAC Securities and the content of the Listing Documents before subscribing for or trading any SPAC Securities, including without limitation accepting any risks (e.g. liquidity and volatility risks) associated with SPAC Securities disclosed thereunder.

(e) the Client understands and accepts the contents of the Listing Documents with respect to voting, redemption and liquidation rights of SPAC Shareholders and that the exercise of such rights may be subject to timing and other restrictions.

(f) the Client is capable of making and will make all the representations, warranties, undertakings and declarations required to be made by a purchaser or holder of the SPAC Securities under the terms and conditions of the SPAC Securities and the Listing Documents.

2.2 All representations and warranties shall be deemed to be repeated by the Client immediately before effecting and executing each SPAC Securities transaction.

3. Unwinding

3.1 In the event BS Securities receives notice from HKEx or SFC requiring BS Securities to unwind any positions in relation to SPAC Securities, or where BS Securities determines in its sole discretion that any SPAC Securities transaction is not in compliance with applicable laws, regulations, listing rules, guidelines or other requirements of HKEx or SFC, BS Securities shall be entitled to serve notice ("**Mandatory Unwind Notice**") to request the Client to unwind any position with respect to SPAC Securities within three days (or such other

time as specified by HKEx or SFC). If such request is not complied with in a timely manner, the Client authorizes BS Securities to dispose, vote, redeem or otherwise deal with such relevant SPAC Securities on behalf of the Client at such price and on such terms and manners as BS Securities may determine in its sole and absolute discretion in order to comply with any such laws, regulations, listing rules, guidelines or requirements.

4. Risks Disclosures – SPAC Securities

4.1 **Risk of Price Volatility** – As a SPAC has no operations, it is unable to report performance factors (e.g. revenue, profit / loss and cash flow) that investors would normally rely upon to determine the value of its shares. The share price of a SPAC is therefore likely to be driven by speculation, e.g. with regard to the potential outcome of the SPAC's efforts to find a suitable De-SPAC Target.

4.2 **Lack of information disclosure** – A SPAC is subject to less rigorous regulatory requirements during the IPO stage and it may result in a higher chance of misinformation. In-depth information disclosure that are usually required for traditional IPO may not be available for listing of SPAC since the SPAC has yet to identify a specific target business at the time of listing, investors may not be able to make full assessment on their investment.

4.3 **Uncertainty on the quality of the De-SPAC Target** – The faster and simpler route to listing for SPACs may incentivise companies that have not reached market standards and quality to take advantage of this quick access to public funding by circumventing the stringent approval process normally required in a traditional IPO. This issue is coupled with the time pressure faced by the sponsors to complete the De-SPAC Transaction within specified timeframe. It may result in the underperformance or failure of the combined business entity.

4.4 **Potential conflict of interest** – The sponsors may be financially motivated to proceed with the De-SPAC Transaction regardless of the quality of the De-SPAC Target as they are entitled to a stake in the SPAC with a minimal investment upon the De-SPAC Transaction.

4.5 **Equity Dilution Risk** – The redemption feature of the SPAC creates uncertainty on the amount of funds available to the SPAC to complete an acquisition of De-SPAC Target and whether the sponsors can secure additional funds from the PIPE or other investors to complete such acquisition. The availability and costs of such additional funds highly depend on the market and economic conditions and it may have a dilution effect on the equity interest of the investors of the SPAC.

4.6 **Risk of Mandatory-Unwind** – The Client acknowledges that as a result of implementing a Client Mandatory-Unwind Notice he can suffer heavy losses on his investment in SPAC Securities.

4.7 **SPAC Warrant Risk** – The terms of SPAC Warrants may vary greatly across different SPACs. Investors should review the Listing Documents of the particular SPAC to understand the specific terms of the SPAC Warrants. A SPAC Warrant provides the holder with the right to purchase a SPAC Share (or a fraction of a SPAC Share) at a set exercise price at a set time. If an investor misses the notice of redemption and fail to exercise within the given period or the SPAC Warrants are forced to be exercised early, the SPAC Warrants held by the investor can become essentially worthless.

4.8 **Additional Risk of Volatility of Warrants** – SPAC Warrants prior to a De-SPAC Transaction may experience higher price volatility than SPAC Shares soon after a SPAC is listed and this price volatility gradually may increase as the deadline for a De-SPAC Transaction approaches. If a SPAC is liquidated, investors will receive a pro rata amount of the funds held in the SPAC's trust account and their SPAC Warrants may become worthless.

*****