

國元期貨(香港)有限公司

Guoyuan Futures (Hong Kong) Limited

國元國際控股有限公司全資附屬公司

A wholly owned subsidiary of Guoyuan International Holdings Limited

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SFC Central Entity Number : APW833

## CLIENT'S FUTURES TRADING AGREEMENT

Guoyuan Futures (Hong Kong) Limited (hereinafter called "the Company"), is registered with the SFC as a licensed corporation to carry on Type 2 (Dealing in Futures Contracts) and Type 5 (Advising on Futures Contracts) regulated activities (CE No.: APW833) and an Exchange Participant of HKFE, whose registered office is situated at 17<sup>th</sup> Floor, Three Exchange Square, 8 Connaught Place, Central, Hong Kong.

Client (whose name(s) and particulars are stated in its Futures Account Opening Form and is approved by the Company as the Company's client (hereinafter called "the Client") requests the Company to open and maintain one or more account(s) to provide services to the Client in connection with commodities trading and purchase and sale of commodities futures and options contracts. The Client agrees that all Transactions executed by the Company for any Account(s) shall be subject to, and the Client shall be bound by, the following terms and conditions.

### **The Company and the Client hereby agree as follows:**

#### 1 Definitions and Interpretations

1.1 In this Agreement, unless otherwise required by the context, the following expressions shall have the following meanings:-

"Account(s)" means any accounts opened or to be opened and maintained in the name of the Client with the Company pursuant to this Agreement.

"Agreement" means this Client's Futures Trading Agreement including its Electronic Trading Service Supplement, Electronic Direct Debit Authorization Supplement, Foreign Account Tax Compliance ("FATCA") and Common Reporting Standard ("CRS") Policies of the Group Companies Supplement, Risk Disclosure Statements, Personal Information Collection Statement of the Group Companies (as may from time to time be amended in writing and notified to the Client) and Futures Account Opening Form.

"Approved Debt Securities" means Exchange Fund Bills or Notes issued by the Hong Kong Government for the account of the Exchange Fund, Treasury Bills or Notes issued by the U.S. Government (other than U. S. Treasury Callable Corpus (TCAL) and Separate Trading of Registered Interest and Principal of Securities (STRIPS)) and such other debt securities or instruments as may from time to time be approved by HKFE as a form of cover for margin.

"Approved Securities" means units issued in accordance with the unit trust scheme named "Tracker Fund of Hong Kong" and such other securities as may from time to time be approved by the Exchange as a form of cover for margin.

"Asset" means cash, currencies, securities, investments, deposits or financial instruments (including futures or options contracts) constituting good delivery traded on an Exchange.

"Authorized Financial Institution" means an authorized institution as defined under Section 2(1) of the Banking Ordinance (Cap.155 of the Laws of Hong Kong).

"Authorized Person" means the person or any of the persons set out in the Futures Account Opening Form as having authority to operate and issue instruction in relation to the Account or any such person or persons as the Client may from time to time notify to the Company in writing as being authorized to operate the Account and issue such instruction.

"Beneficial Identity of Client" means the ultimate beneficiary of a Client Account or, in the case of a company or body corporate, the individuals who are the ultimate beneficial owners of the share capital of the company or body corporate and includes a beneficiary holding an interest through a nominee or trust.

“Business Day” means any day on which the HKFE opens for trading other than Saturdays, public holidays and any other days declared by the HKFE to be non-business days.

“Charged Securities” means such securities investments and financial instruments (including the benefit of any foreign exchange contracts, commodities contracts or futures contracts or options contracts) or any other property whatsoever from time to time approved by HKFE which the Client may, with the agreement of the Company, deposit with the Company to secure the performance of the Client's obligations under this Agreement and/or under any Contracts and/or Client Contracts.

“Clearing House” means in relation to HKFE, HKCC and, in relation to any other Exchange, any clearing house providing clearing services for such Exchange.

“Clearing House Margin” means the amount of cash and non-cash collaterals required by way of margin and/or variation adjustment (howsoever described) under the rules and regulations of the relevant Exchange, and or Clearing House to be taken by the Company from the Client together with all sums of margin and/or variation adjustment (howsoever described) for which the Company must account to the relevant Clearing House.

“Client Contract” means a futures contract or options contract between the Company and the Client which is matched by a Contract and identical in its terms except as to price and parties.

“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).

“Close out” means the entering into of a Contract equal and opposite to a Contract previously entered into (and each matching a Client Contract) so as to create a level position in relation to the Assets underlying the Contracts, or in relation to the Contracts themselves and fix the amount of profit or loss arising from such Contracts (and with respect to the corresponding Client contract); and the terms "closed out" and "closing out" shall be construed accordingly.

“Code” means the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission.

“Compensation Fund” means the Investor Compensation Fund established pursuant to Section 236 of the SFO.

“Commodity Futures” means any futures or options contract that is traded on HKFE or any other Foreign Futures Exchanges, or futures or options contract on any other instrument agreed between the parties, Commodities include, without limitation, currencies, securities, indices of any kind (whether securities market or otherwise ), interest rates, exchange rates, physical assets (including precious metals, agricultural products and oil) or other investments traded, or rights or options in relation to which are traded.

“Contract” means a futures contract or options contract entered into through a Dealer.

“Correspondent Agent” means anyone (including the incorporated body) who acts as the Company's agent in effecting Transactions or clearing the same in Hong Kong or elsewhere, including any member of HKFE or HKCC and/or the member of Foreign Futures Exchange and foreign clearing house.

“Dealer” means such member of an Exchange and/or Clearing House being either the Company or such other member of an Exchange and/or Clearing House as is instructed by the Company to enter into futures contracts or options contracts on an Exchange, and/or clear the same.

“Exchange” means HKFE and any other exchange, market or association of Dealers in any part of the world on which Assets are bought and sold.

“Exchange Contract” means a futures contract or options contract approved by the SFC and HKFE for trading on a market or as the context may require a futures contract or options contract which has been executed in accordance with the Rules.

“Floating Trading Loss” means the depreciation in value of the Asset occurring from time to time as a result of market fluctuation.

“Foreign Futures Exchange” means any futures or commodities market which is permitted to operate in a country or territory outside Hong Kong by the law of that country or territory.

“Foreign Transactions” means any transaction related to Commodity Futures to be executed on Foreign Futures Exchanges or over-the-counter transactions at the foreign market.

“Futures Account Opening Form” means the application submitted by the Client to the Company in such form as required by the Company for the opening and maintaining of Account(s) under the terms of this Agreement.

“Futures Contract” means 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 Asset or an agreed quantity of an Asset at an agreed price; or
- (ii) the parties will make an adjustment between them at an agreed future time according to whether at that time the agreed Asset is worth more or less of an index or other factor, as the case may be, stands higher or lower at that time than a value or level agreed at the time of making the contract, the difference being determined in accordance with the rules of the exchange in which that contract is made.

“Group Companies” means the direct or indirect holding companies, and direct or indirect subsidiaries of the Company or of such holding companies, and shall include (but not limited to) Guoyuan Futures (Hong Kong) Limited.

“HKCC” means HKFE Clearing Corporation Limited.

“HKFE” means Hong Kong Futures Exchange Limited.

“Hong Kong” means The Hong Kong Special Administrative Region of the People’s Republic of China.

“Margin” means the amount of cash and/or non-cash collaterals as may from time to time be demanded by the Company from the Client for the purpose of protecting the Company against any loss (including Floating Trading Loss) or risk of loss (including risk of Floating Trading Loss) on present, future or contemplated Contracts and/or Client Contracts and not being less than the relevant Clearing House Margin.

“Open Contract” means a Client Contract or Contract which has not been closed out.

“Options Contract” means a contract executed between one party (“First Party”) and another party (“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 Asset, or quantity of an Asset, 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/her/its right to buy:
  - (a) the First Party is obliged to deliver the Asset at the agreed Price; or
  - (b) the Second Party receives a payment referable to the amount (if any) by which the Asset 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 Asset, or quantity of an Asset, 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/her/its right to sell:
  - (a) the First Party is obliged to take delivery of the Asset at the agreed price; or
  - (b) the Second Party receives a payment referable to the amount (if any) by which the agreed price is worth more than the Asset, such payment being determined in accordance with the rules of the Exchange in which the contract is made.

“Rules” means the rules, regulations and procedures of HKFE as may be in force from time to time.

“Segregated Bank Account” means a current or deposit account, established and maintained with an Authorized Financial Institution or with an organization approved by the SFC pursuant to the Client Money Rules, in the name of the Company and in the title of which the word “client”, “segregated”, “non-house” or such other similar word or phrase appears.

“Segregated Debt Securities Account” means a debt securities account established and maintained with a recognized dealer registered with the Hong Kong Monetary Authority (in the case of Exchange Fund Bills or Notes) or any bank, depository or institution approved by the Clearing House from time to time (in the case of other Approved Debt

Securities) in the name of the Company and in the title of which the word “client”, “segregated”, “non-house” or such others similar word or phrase appears.

“Segregated Securities Account” means a securities account established and maintained with a registered participant of the Central Clearing and Settlement System operated by Hong Kong Securities Clearing Company Limited or any other depository, institution or clearing house approved by the Clearing House from time to time (in the case of Approved Securities) in the name of the Company and in the title of which the word “client”, “segregated”, “non-house” or such other similar word or phrase appears.

“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 legislations made thereunder as the same may from time to time be amended or re-enacted.

“Taxation” means taxes, duties, imposts and fixed charges of any nature, whether of Hong Kong or elsewhere in the world.

“Transaction” means the entering into of a Client Contract or Contract, closing out or effecting delivery and/or settlement of a Client Contract or Contract (which term shall include exercise or allocation of an Options Contract) in connection with this Agreement.

## 1.2 In this Agreement:

- (a) references to the "Client", wherever used, shall in the case where the Client(s) is/are individual(s) include the Client(s) and his/their respective executors and administrators and in the case where the Client is a sole proprietorship firm include the sole proprietor and his executors and administrators and his/their successors in the business and in the case of a partnership firm include the partners who are the partners of the firm at the time when the Client's said Account(s) is/are being maintained and their respective executors and administrators and any other person or persons who shall at any time hereafter be or have been a partner of and in the firm and his or their respective executors and administrators and the successors to such partnership business and where the Client is a company include such company and its successors;
- (b) references to clauses and sub-clauses and schedules, unless otherwise stated, are clauses and sub-clauses of and schedules to this Agreement;
- (c) reference to a statute or statutory provision includes a reference to it as amended, extended or re-enacted from time to time;
- (d) words denoting the singular include the plural and vice versa;
- (e) words denoting one gender include all other genders;
- (f) the expression “person” shall include any firm, partnership, association of persons and body corporate and any such persons acting jointly and the personal representatives or successors in title of any such person;
- (g) the headings to the clauses are for reference only and do not affect the interpretation of this Agreement; and
- (h) references to “writing” shall include mail, telex, cable, electronic mail and facsimile transmission.

## 2 Applicable Rules and Regulations

- 2.1 All Contracts made on HKFE and all Transactions shall be binding on the parties and shall be subject to, and in accordance with the procedures of HKFE, the provisions of the Memorandum and Articles of Association of HKFE and the Rules.
- 2.2 All Transactions for the Account shall be subject to this Agreement and, in respect of those Exchanges and/or Clearing House of which the Company is a member/participant, the constitution, rules, regulations, bye-laws, customs and usages of the relevant Exchange and/or Clearing House (and, in particular, as regards Transactions effected on HKFE, the Rules) and all applicable laws, rules, regulations, bye-laws, customs and usages which the Client and/or the Company is/are subject to and so that:
  - (a) in the event of any conflict between this Agreement and any such applicable laws, constitution, rules, regulations, bye-laws, customs and usages, the latter shall prevail;
  - (b) the Company may take or omit to take any action it considers fit in order to ensure compliance with any such applicable laws, constitution, rules, regulations, bye-laws, customs and usages including, without limitation, adjusting any Account, disregarding any unexecuted orders or rescinding any executed Transactions, and the Company shall not be liable to the Client as a result of such action taken by or omission of the Company;
  - (c) such laws, constitution, rules, regulations, bye-laws, customs and usages as are so applicable and all such actions so taken shall be binding on the Client; and

(d) the Client shall be responsible for obtaining in advance and maintaining any governmental or other consents required in connection with the Client entering into this Agreement or any Client Contract or the Company effecting any Transaction in connection with this Agreement.

2.3 Foreign Transactions shall be subject to the rules of the relevant markets or Foreign Futures Exchanges and the Client may have varying levels and types of protection in relation to Transactions executed on different markets and Exchanges may be markedly different from the type and level of protection affected by the Rules.

2.4 The Client acknowledges that, pursuant to the requirements of the Rules 632A which impose a delta position limit for various futures contracts and options contracts, no person shall own or control positions in the Hang Seng Index ("HSI") Futures, HSI Options, Mini-HSI Futures and Mini-HSI Options Markets (or other products as prescribed by the HKFE from time to time) combined that exceed a specified position delta (as prescribed by the HKFE from time to time). The Client also acknowledges that the Chief Executive of the HKFE or his designee shall require and direct the Company carrying an account or aggregated accounts in excess of the delta position limit to liquidate positions necessary to bring the account or aggregated accounts into compliance with the position limit.

2.5 The Client acknowledges that, pursuant to the requirements of the Rules and the Securities and Futures (Contracts Limits and Reportable Positions) Rules ("Contract Limits Rules") and related guidance notes issued by the SFC, if the Client holding or controlling an amount of open position, as the case may be, equal to or more than the reportable level of each contract type ("Reportable Position") prescribed by the Contract Limits Rules, the Company and the Client have the responsibility to lodge a notice in writing of that Reportable Position in a prescribed form with the HKFE within one reporting day (as defined in the Contract Limits Rules) following the day on which the Client first holds or controls that Reportable Position and each succeeding day on which the Client continues to hold or control that Reportable Position. The Client also acknowledges that no person may hold or control futures and or options contracts in excess of the position limits ("Prescribed Limits") as prescribed by the Contract Limits Rules, unless the holding or controlling in excess of the Prescribed Limits is authorized under the Rules of the HKFE or by the SFC.

### 3 Services and Dealing Practices

3.1 Except as specified in this Agreement or as otherwise disclosed by the Company to the Client in writing, the Company shall act as an agent for the Client.

3.2 The Client authorizes the Company to effect Transactions for the Account in accordance with the Client's oral or written instructions.

3.3 If the Client is acting on behalf of any other person when instructing the Company pursuant to this Agreement, the Company will continue to treat the Client alone (rather than any such other person) as its Client for all purposes and in relation to all obligations, and the Client will be liable as such. This applies even if the Client is acting on behalf of a person whom the Client has notified to the Company and no such person will be an "indirect Client".

3.4 The Company shall be entitled but not bound to act on a request from the Client to carry out a Transaction (whether directly or through a Dealer). The Company may in its absolute discretion refuse any order or instruction of the Client and shall notify the Client accordingly provided always that the Company shall not in any circumstances whatsoever be liable for any loss of profit or gain, damage, liability, claim, cost or expense suffered or incurred by the Client as result thereof. Except as directed by the Client where the Client is not in default hereunder and no Event of Default (as defined in Clause 10.1) has occurred, the Company shall not be obliged to close out any Open Contract. The Company may at any time and from time to time impose any limits including position limits on any Contract, contracts of a particular type in aggregate and/or any Account and the Client agrees to do all necessary acts to ensure that such limits shall not be exceeded at any time. Except as directed by the Client in circumstance where the Client is not in default hereunder and no Event of Default has occurred, the Company shall have no obligation to close out any Contract or Client Contract. For the avoidance of doubt:

- (a) any order and instruction relating to any Transaction may be given by the Client or any of the Authorized Person and such order and instruction shall be absolutely and conclusively binding on the Client;
- (b) the Company may but shall not be obliged to verify or enquire as to the identity of the person giving such order or instruction; and
- (c) the Company shall be entitled to act on the order or instruction and rely on the Company's belief that such order or instruction emanates from the Client or any of the Authorized Person (as the case may be).

3.5 Because of physical restraints on any Exchange and because of the very rapid changes in the price of Assets that frequently take place, there may, on occasions, be a delay in making prices or in dealing, The Company may not always be able to trade at the prices or rates quoted at any specific time or "at best" or "at market". The Company shall not be

liable for any loss howsoever arising by reason of its failing, or being unable, to comply with the terms of any limit order undertaken on behalf of the Client. Where the Company is for any reason whatsoever unable to perform the Client's order in full, it may, in its discretion, effect partial performance only. The Client shall in any event accept and be bound by the outcome when any request to execute orders is made.

- 3.6 The Client hereby acknowledges and agrees that the Clearing House may do all things necessary to transfer any Open Contract held by the Company on the Client's behalf and any money and securities standing to the credit of the Client's Account to another exchange participant of HKFE in the event that the rights of the Company as an exchange participant of HKFE is suspended or revoked.
- 3.7 The Client acknowledges:
- (a) that every Exchange Contract is subject to the charge of an Investor Compensation Fund levy and a levy pursuant to the SFO, the cost of both of which shall be borne by the Client;
  - (b) that every Exchange Contract is subject to other levies HKFE may impose from time to time;
  - (c) that, as regards HKFE, in the case of a default committed by the Company and the Client having suffered pecuniary loss thereby, the liability of the Investor Compensation Fund will be restricted to valid claims as provided for in the SFO and will be subject to the monetary limits specified in the Securities and Futures (Investor Compensation – Compensation Limits) Rules (Cap. 571AC of the Laws of Hong Kong) and accordingly, there is no assurance that any such loss sustained by reason of such a default will necessarily be recouped from the Investor Compensation Fund in full, in part or at all; and
  - (d) that in respect of any account of the Company maintained with a Clearing House, whether or not such account is maintained wholly or partly in respect of futures contracts or option contracts transacted on behalf of the Client and whether or not money or Approved Securities or approved Debt Securities paid or deposited by the Client has been paid to or deposited with the Clearing House, as between the Company and the Clearing House, the Company 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 Securities and Approved Debt Securities paid to the Clearing House are thereby freed from the trust interest created by Clause 3.15.
- 3.8 The Client acknowledges that the Company is bound by the Rules from time to time in force which permit HKFE to take steps to limit the positions or require the closing out of contracts on behalf of such clients who in the opinion of HKFE are accumulating positions which are or may be detrimental to any particular market or markets from time to time established and operated by HKFE or which are or may be capable of adversely affecting the fair and orderly operation of any such market or markets (as the case may be).
- 3.9 The Client confirms that, whether any Account shall happen to be in credit or debit at the time of the Company's so acting, the Company is authorized to act on any instructions, whether written or oral and howsoever communicated purporting to be given by the Client or under the Client's authority or by any Authorized Person and the Client hereby confirms and agrees that it shall be responsible to the Company for all engagements, indebtedness and any other obligations made or entered into in the Client's name whether in writing or orally and howsoever communicated and purporting to be given as aforesaid.
- 3.10 The Company may record all telephone conversations with the Client or any Authorized Person in order to verify the instructions of the Client or the Authorized Person on behalf of the Client. The Client agrees to accept the contents of any such recording as final and conclusive evidence of the instruction of the Client or any Authorized Person in case of dispute.
- 3.11 All instructions given hereunder may be executed on more than one Exchange or Dealer at the sole discretion of the Company.
- 3.12 The Company shall not be liable (in respect of matching Client Contracts or otherwise) if the relevant Exchange, Clearing House and/or Dealer has ceased for any reason (including setting off the Company's positions with it) to recognize the existence of any Contract or fails to perform or close out any Contract, but such cessation or failure shall not affect the Client's obligations and liabilities hereunder in respect of such Contracts which the Client has required the Company to open and which have not been closed out or other obligations or liabilities of the Client arising therefrom.
- 3.13 The Company may at any time without prior notice in its absolute discretion take such steps as it may consider necessary or desirable to comply with or perform, cancel or satisfy any obligations of the Company to the relevant Exchange, Clearing House and/or Dealer in respect of Contracts acquired on the instructions of the Client, including closing out and/or performing any and all such Open Contracts, and may for such purpose:

- (a) buy or sell (in any manner howsoever and including from itself) the Asset underlying any Open Contract;
- (b) borrow, buy or sell any currency; and/or
- (c) apply any Margin or Charged Securities in each case so that all sums expended by the Company in excess of any sums held by the Company on the Client's behalf shall be paid to the Company forthwith on demand.

3.14 The Company's written confirmation of Contracts entered into and settlement statements and statements of open and/or closed positions in respect of the Client's Accounts shall be conclusive against the Client if not objected to in writing sent by registered mail to the Company's office within 7 Business Days after transmission of the information contained in such confirmations whether by telephone, mail, electronic mail, facsimile or otherwise to the Client. The records of the Company shall, in the absence of manifest error, be conclusive and binding on the Client as to the amount standing to the debit or credit of the Account.

3.15 All monies, Approved Securities, Approved Debt Securities and other property received by the Company from the Client or from any other person (including the Clearing House) for the Account of the Client shall be held by the Company as trustee, segregated from the Company's own assets and paid into a Segregated Bank Account or a Segregated Securities Account or a Segregated Debt Securities Account as soon as practicable and in any event within the next bank trading day after receipt thereof, and all money, Approved Securities, Approved Debt Securities or other property so held by the Company shall not form part of the assets of the Company 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 the Company's business or assets. All monies, Approved securities or Approved Debt Securities received by the Company from the Client or from any other person (including the Clearing House) shall be held in the manner specified under paragraphs 7 to 15 of Schedule 4 to the Code and the client hereby authorizes the Company to apply any such monies, Approved Debt Securities or Approved Securities in the manner set out in Clauses 8.4 to 8.6 below and also in or towards meeting the Company's obligations to any party insofar as such obligations arise in connection with or incidental to Contracts transacted on the Client's behalf.

3.16 In respect of Open Contracts maturing in a current futures month, Client shall at least 5 Business Days before the cut-off date for the tender of exercise instructions prescribed by the writer of the Futures/Options Contract or the relevant exchange, Clearing House, or other person(s) (whichever prescribes the earliest cut-off date), either give instructions to the Company to close out the same or deliver to the Company all monies or Commodities deliverable by Client under such contracts in order to enable due settlement of such contracts by the Company in accordance with the rules of the applicable exchange or Clearing House. The Company shall have no obligation to provide Client with information with respect to any position of Client and (except as directed by Client) no obligation to (but shall have the right at the discretion of the Company to) close any position in any account the Company has entered or may carry on behalf of Client. If Client fails to provide the Company with such instructions, monies or Commodities on or before the aforesaid deadline, the Company may without notice either close out the relevant contracts or make or receive delivery on behalf of Client upon such terms and by such methods as the Company may in its absolute discretion determine. Client shall keep the Company indemnified in respect of all costs, losses, claims, penalties, fines, taxes, damages and expenses incurred by the Company as a result of action taken by the Company in connection with any delivery, exercise or settlement effected pursuant to the terms of this Clause, save as the same may arise as a consequence of the gross negligence, wilful default or fraud of the Company.

3.17 In relation to any Over-the-Counter ("OTC") Transactions, including but not limited to the Foreign Transactions, entered or to be entered into by the Client, the Client acknowledges and agrees that:

- (a) subject to Clause 3.1 above and Clause 19.3 below, the Company is acting as an agent for the Client and does not guarantee the settlement of such OTC Transactions;
- (b) the Client's orders may be partially executed or not executed at all; and
- (c) without prejudice to the above, the Client shall bear its own losses or expenses and shall be responsible to the Company for any losses and expenses resulting from its and/or its counterparty's settlement failures.

3.18 In relation to any trading in Foreign Transactions, the Company shall inform the Client in writing about the trading time, method of orders and settlement from time to time. The Client agrees and confirms that such notice(s) shall be an agreement between the Company and the Client in relation to the relevant Foreign Transactions.

3.19 The Client understands and acknowledges that the Company may not execute the Foreign Transactions within the time(s) and at the price(s) as specified by the Client or execute the Transactions at the best or market price of financial products. The Client agrees and confirms that the Company shall not be responsible for any loss and/or damage arising from such execution of Transactions. The Company may at its absolute discretion execute only part of the orders placed by the Client for the Foreign Transactions and the Client agrees that such part of the placements and the Transactions shall be binding on the Client.

3.20 The Client understands and acknowledges that in relation to the trading for the Foreign Transactions, the Client may not have any protection under the laws and regulations of the relevant jurisdiction. The Client further agrees that when in doubt, the Client shall consult with legal advisers of the relevant jurisdiction. The Client accepts that there may be taxes or charges payable to relevant authorities in respect of any instructions and that the Company shall not be liable for any of such cost.

3.21 The Client agrees and acknowledges that each Client Contract (and also other Transactions made for the Client's account) contemplates actual performance in accordance with its terms including delivery and receipt of any Assets and payment therefor.

#### 4 Trading Recommendations

4.1 The Client acknowledges and agrees that the Client retains full responsibility for all trading decisions in the Account(s) and that the Client makes his/her/its own decisions and judgements in respect of instructions and Transactions.

4.2 The Company has no responsibility or obligation regarding any conduct, action, representation or statement of any introducing firm, investment advisor or other third party that is not acting on behalf of the Company in connection with the Account(s) or any Transaction.

4.3 Any advice or information provided by the Company, its employees or agents, whether or not solicited, shall not of itself constitute an offer to enter into a Transaction and the Company shall be under no liability whatsoever in respect of such advice or information.

4.4 The availability of investment research reports or other data from third parties does not constitute any advice, recommendation or opinion from the Company to buy or sell any futures contract, option contracts or commodities. Any investment decisions based on these materials will be based on the Client's own evaluation on his/her/its own financial circumstances and investment objectives.

4.5 The Client requests the Company to contact it/him/her in respect of investment opportunities that may be of interest to the Client. The Client acknowledges and agrees that the Company is not obliged to provide the Client with any financial, market or investment information, suggestion or recommendation, but if it does so, the Company does not act as the Client's investment adviser. However, this Clause 4.5 does not derogate from the Company's legal or regulatory obligations nor should it be taken to derogate from Clause 4.6. The Client should obtain independent professional advice if in doubt in respect of any matter in connection with this Agreement.

4.6 If the Company 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 of this Agreement or any other document the Company may ask the Client to sign and no statement the Company may ask the Client to make derogates from this Clause.

#### 5 Client Identity Rule

5.1 If the Client effects Transactions for the account of clients, whether on a discretionary or non-discretionary basis, and whether as agent or by entering into matching Transactions as principal with any clients of the Client, the Client hereby agrees that, in relation to a Transaction where the Company has received an enquiry from the Exchange and/or the SFC ("Hong Kong Regulators"), the following provisions shall apply:

- (a) Subject to as provided below, the Client shall, immediately upon request by the Company (which request shall include the relevant contact details of the Hong Kong Regulators), inform Hong Kong Regulators of the identity, address, occupation and contact details of the client for whose account the Transaction was effected and (so far as known to the Client) of the person with the ultimate beneficial interest in the Transaction. The Client shall also inform the Hong Kong Regulators of the identity, address, occupation and contact details of any third party (if different from the client/the ultimate beneficiary) who originated the Transaction.
- (b) If the Client effected the Transaction for a collective investment scheme, discretionary account or discretionary trust:
  - (i) the Client shall, immediate upon request by the Company (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 persons who, on behalf of the scheme, account or trust, instructed the Client to effect the Transaction; and
  - (ii) the Client shall, as soon as practicable, inform the Company when his/her/its discretion to invest on behalf of the scheme, account or trust has been overridden. In the case where the Client's investment discretion has been overridden, the Client shall immediately upon request by the Company (which request shall include the



- relevant contact details of the Hong Kong Regulators), inform the Hong Kong Regulators of the identity, address, occupation and contact details of the person(s) who has or have given the instruction.
- (c) If the Client is a collective investment scheme, discretionary account or discretionary trust and in respect of a particular Transaction the discretion of the Client or its officers or employees has been overridden, the Client shall, as soon as practicable, inform the Company when his/her/its discretion to invest on behalf the beneficiary of such scheme, account or trust has been overridden. In case where Client's investment discretion has been overridden, the Client shall, immediately upon request by the Company (which request shall include the relevant contact details of the Hong Kong Regulators), inform the Hong Kong Regulators of the identity, address, occupation and contact details of the person(s) who has or have given the instruction in relation to the relevant Transaction.
  - (d) If the Client is aware that his/her/its client is acting as intermediary for its underlying client(s), and the Client does not know the identity, address, occupation and contact details of the underlying client for whom the Transaction was effected, the Client confirms that:
    - (i) the Client has arrangements in place with his/her/its client which entitle the Client to obtain the information set out in sub-clauses 5.1(a) and/or 5.1(b) and/or 5.1(c) from his/her/its client immediately upon request or procure that it be so obtained; and
    - (ii) the Client will, upon request from the Company in relation to a Transaction, promptly request the information set out in sub-clauses 5.1(a) and/or 5.1(b) and/or 5.1(c) from his/her/its client on whose instructions the Transaction was effected, and provide the information to the Hong Kong Regulators as soon as it is received from his/her/its client or procure that it be so provided.

## 6 Commission and Expenses

- 6.1 Charges in respect of services performed in connection with this Agreement shall be set by the Company at such rates as it may from time to time have notified to the Client as being the rate or rates applicable. The Client shall pay to the Company the commission and exchange fees for futures contracts and options contracts as may be prescribed by the Company and the Exchange respectively from time to time and notified to the Client.
- 6.2 Without prejudice to the generality of Clause 6.1, the Client hereby agrees to the imposition upon its Account or Accounts from time to time as the Company may determine, of a minimum charge in respect of Accounts that maintain only average credit balances of less than such minimum amount as the Company may from time to time determine.
- 6.3 All bank and safe custody charges shall be applied on the Client's account.

## 7 Foreign Currency Transactions

In the event that the Client directs the Company to enter into any contract on an Exchange on which Transactions are effected in a foreign currency:

- (a) any profit or loss arising as a result of a fluctuation in the exchange rate effecting such currency will be entirely for the Client's account and risk;
- (b) Margin shall be made in such currency or currencies, in such amounts as the Company may in the Company's sole discretion elect; and
- (c) the Company is authorized to convert funds in any Account into and from such foreign currency at a rate of exchange determined by the Company in the Company's sole discretion on the basis of then prevailing money markets rates.

## 8 Margins Requirements

- 8.1 The Client shall at all times maintain with the Company, in such amount and such form as the Company may from time to time require, Margin in excess of the Client's indebtedness or obligations to the Company whether by way of trading or otherwise howsoever and the amount of which may be greater than any relevant Clearing House Margin, variation adjustments and/or interest rate cash adjustment set by the Exchange and/or the Clearing House and may be altered by the Company with immediate effect by notice to the Client. Should the Margin requirement on deposit fall below the maintenance Margin level, Exchange rules require that the Account be remargined back to the initial Margin requirement level.
- 8.2 All amounts (including Margin, and variation adjustments) payable by the Client in connection with this Agreement shall be due on demand and in the currency of the Company's choice subject only to any restrictions which may be imposed, by the appropriate Exchange and/or relevant Clearing House, if any, upon which the Client Contract or the Contract concerned was executed on the Client's behalf. Demands for Margin and variation adjustments must be met within 24 hours or such shorter period as the Company may in its absolute discretion determine to be necessary and specify to the Client, the Company may be required to report to HKFE and SFC particulars of all open positions in

respect of which two successive margin calls and/or demands for variation adjustment are not met within the period specified by the Company and supply such further information in respect of the Account, including the name and beneficial identity of the Client as the Exchange may from time to time require. The Company may require more Margin or variation adjustments than that specified by the Exchange and/or the Clearing house and may, without the Client's consent, close out the Client's Open Contracts in respect of which any margin calls and demands for variation adjustment are not met within the period specified by the Company or at the time of making such call(s) or demand(s). Client shall closely monitor his positions as in some market conditions, the Company may be unable to contact the Client or provide the Client with sufficient time to make the required deposits, and forced liquidation without prior notice may be necessary.

8.3 All amounts held by way of Margin shall be held on trust to apply the same for the following purposes:

- (a) to pay to the relevant Exchange and/or Clearing House all Clearing House Margin due from the Company to it, or to pay to any Dealer all Margin demanded by it from the Company, in each case on such terms as the Company may think fit;
- (b) to apply in or towards satisfaction, or in reimbursement of the Company, of all costs, damages, losses, liabilities and expenses incurred in respect of all Transactions and all liabilities and expenses incurred as a result of the performance by the Company of its duties or the exercise by the Company of its rights or powers hereunder; and
- (c) subject to the Company being satisfied that all such costs, damages, losses, liabilities and expenses referred to in paragraph (b) above have been satisfied, discharged or otherwise released in full, to repay any surplus which is, in the absolute opinion of the Company, attributable to such Transaction to the Client.

8.4 All Approved Debt Securities shall be deposited in a Segregated Debt Securities Account on trust and the Client authorizes the Company to withdraw therefrom the following:

- (a) Approved Debt Securities required to meet obligations of the Company to the Clearing House or an executing agent arising in connection with futures contracts or options contracts transacted by the Company on the instructions of the Client provided that no withdrawal may be made which would have the effect that Clearing House Margin, variation adjustment requirements or other trading related liabilities in respect of futures contracts or options contracts conducted on behalf of the Client are thereby financed by other clients' Approved Debt Securities held by the Company;
- (b) Approved Debt Securities which are transferred to another Segregated Debt Securities Account; and
- (c) Approved Debt Securities returned to or in accordance with the written directions or standing authority of the Client given pursuant to the Client Securities Rules, but in such a case notwithstanding the Client's directions or authorization, no Approved Debt Securities may be deposited into another account of the Company unless that account is a Segregated Debt Securities Account.

8.5 All Approved Securities shall be deposited in a Segregated Securities Account on trust and subject to the Company obtaining specific written authority and such other consents as may be required under applicable laws, rules and regulations from the Client, the Company may withdraw therefrom the following:

- (a) Approved Securities required to meet obligations of the Company to the Clearing House or an executing agent arising in connection with futures contracts or options contracts transacted by the Company on the instructions of the Client provided that no withdrawal may be made which would have the effect that Clearing House Margin, variation adjustment requirements or other trading related liabilities in respect of futures contracts or options contracts conducted on behalf of the Client are thereby financed by other clients' Approved Securities held by the Company;
- (b) Approved Securities which are transferred to another Segregated Securities Account; and
- (c) Approved Securities returned to or in accordance with the written directions or standing authority of the Client given pursuant to the Client Securities Rules, but in such a case notwithstanding the Client's directions or authority, no Approved Securities may be deposited into another account of the Company unless that account is a Segregated Securities Account.

8.6 The Client agrees that the Company may dispose of or initiate a disposal by an associate of any of the Approved Debt Securities and Approved Securities for the purpose of settling any liability owed by the Client or on its behalf to the Company, the associate or a third person and hereby authorizes the Company to withdraw the Approved Debt Securities and Approved Securities from the Segregated Debt Securities Account and the Segregated Approved Securities Account respectively for such purposes.

8.7 All sums payable by the Client in connection with this Agreement shall be exclusive of all Taxation. If any Taxation is required by law to be withheld from such payments, the amount payable by the Client shall be increased to the extent

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

- 8.8 Unless otherwise agreed, all monies paid to the Company whether on deposit or however described shall not be entitled to earn interest from the Company. The Company is entitled to retain for its own use and benefits any interest earned on the Client's money.
- 8.9 Unless otherwise indicated, the Client hereby undertakes to pay interest on all overdue balances owing by him/her/it to the Company (after as well as before any judgment), at such rate(s), as may be specified or notified to the Client from time to time by the Company in whatever form (no matter written, oral, electronic or other forms, for instance, such rates may be specified in the monthly or daily statements issued by the Company to the Client or notified by the Company's staff or agent through telephone or electronic communication) or without such any such specification, at a rate equivalent to FIVE per cent (5%) per annum above the best lending rate quoted by Standard Chartered Bank (HK) Limited (or any other bank or rate as determined by the Company from time to time), and be calculated on a daily basis and payable on the last day of each calendar month or upon any demand being made by the Company.

## 9 Omnibus Account

- 9.1 The Client agrees that the following sub-clauses, the relevant provisions in the Code and any Rules stipulated by the Exchange on omnibus accounts shall apply where the Client declares that an Account shall be an omnibus account:
- 9.1.1 The Client shall keep the Company informed regarding its financial standing and shall immediately report to the Company any information that indicates that it is insolvent, or threatened with insolvency or guilty of any irregularities or practices affecting the good name of the Exchange.
- 9.1.2 In the case where the Client is not an Exchange Participant:
- (a) the Client shall in its dealings with the person(s) from whom it receives instructions with respect to the Account, comply with and enforce the Margin and variation adjustment requirements and procedures as stipulated in the Rules and the Clearing House Rules as though it were an Exchange Participant and as though the person(s) for those account or benefit such instructions are given were Clients as defined in the Rules;
  - (b) the Client shall cause Exchange Contracts to be entered into in fulfillment of instructions with respect to the omnibus account, so that there shall in no circumstances be any dealing with the instructions in a manner which constitutes unlawful dealing in differences in market quotations of commodities under the laws of Hong Kong or any other applicable jurisdiction or in a manner which constitutes or involves betting, wagering, gaming or gambling with respect to such items in contravention of Hong Kong law or any other applicable laws; and
  - (c) the Client shall impose the requirements of sub-clauses 9.1.2(a), 9.1.2(b) and this sub-clause upon, and ensure that they are complied with by, the person(s) from whom it receives instructions including ensuring that such persons comply with the Margin and variation adjustment requirements as stipulated in the Rules and the Clearing House Rules, with the result that, as between the Exchange and the Company, the Company shall be responsible for ensuring that such requirements are complied with by all persons through whom instructions pass with respect to the omnibus account as if each in turn was the Client for whom the omnibus account was operated.
- 9.1.3 The Client will disclose to the Company before dealing in any futures business details of persons who are ultimately beneficially interested in the omnibus account and those persons or entities who are ultimately responsible for originating the instruction in relation to a Transaction or such other information as the Exchange or SFC may require from time to time. The Client acknowledges that in the event that it fails to comply with this disclosure requirement, the Chief Executive of HKFE may require the Company to close out any or all of the open contracts held by the Company on behalf of the Client or request the Clearing House to effect such closing out on behalf of the Company, or the Chief Executive of HKFE may impose such Margin surcharge on any or all of the positions held by the Company on behalf of the Client as the Chief Executive of HKFE thinks fit.
- 9.1.4 The Client hereby agrees to submit to the supervision of the Company to the same degree of supervision as if the Company were the Exchange and the Client were an Exchange Participant and to supply all information and do all acts to enable and facilitate the Company to comply with all the requirements of the relevant exchanges and clearing houses for the operation of the omnibus account by the Company.
- 9.1.5 For the avoidance of doubt, the Client shall maintain separate Margin requirements for each of its clients, and in no case may it offset or net any of its clients' positions against those of another client for Margin purposes.

9.1.6 The Client hereby agrees to immediately notify the Company in writing when the Account ceases to be an omnibus account; such cessation shall not affect any liability whatsoever of the Client to the Company under this Agreement prior to the receipt by the Company of the written notice of such cessation.

9.2 The Client's rights to assets held by the Company in the Company's omnibus account with a clearing house may be subject to the Company fulfilling its obligations to the clearing house, which may be further subject to the Company's other clients fulfilling their obligations to the Company, despite the fact that the Client did not default on his or her obligations to the Company.

9.3 The Client's rights to assets held by the Company in the Company's omnibus account with an executing or clearing agent may be subject to the Company, the Company's other clients, the executing or clearing agent or their agents, and other clients of the executing or clearing agent or their agents fulfilling their obligations to their counterparties, despite the fact that the Client did not default on his or her obligations to the Company.

## 10 Events of Default

10.1 Any one of the following events shall constitute an event of default:

- (a) if, in respect of any Client Contract, the Client shall fail to:
  - (i) provide Margin when called upon to do so;
  - (ii) make or take delivery of any Asset when required to do so under such contract;
  - (iii) pay any purchase price or other payment thereunder when due;
- (b) a judicial declaration of incompetence is made in respect of the Client, or upon the death of the Client (being an individual);
- (c) the filing of a petition in bankruptcy or, as the case may be, winding up or the commencement of other similar proceedings, or the appointment of a receiver, in respect of the Client or any of the Client's assets;
- (d) any warrant or order of attachment or distress or equivalent order is issued against any Account, or a judgment is levied, enforced or executed against any Account;
- (e) default by the Client in the due performance or observance of any of the terms and conditions of this Agreement;
- (f) any representation or warranty made in or in pursuance of this Agreement or in any certificate, statement or other document delivered to the Company being or becoming incorrect in any material respect;
- (g) any of the consents, authorizations, approvals, licences, or board resolutions required by the Client to enter into this Agreement being wholly or partly revoked, withdrawn, suspended or terminated or expiring and not being renewed or otherwise failing to remain in full force and effect, or any Client Contract being modified in a manner unacceptable to the Company;
- (h) the Client being in breach, voluntary or otherwise, of any of the conditions contained herein or any constitution, rules, regulations, bye-laws, customs and usages of any Exchange or Clearing House or relevant regulators;
- (i) the Client exceeding the trading limit prescribed by the Company from time to time;
- (j) the Company in its sole opinion determines that the market on which the Assets are traded fluctuates in an unusual degree;
- (k) the Company in its sole opinion determines that there is a material adverse change in the business, assets or financial position of the Client; or
- (l) the occurrence of any event which, in the Company's opinion, puts doubt on the ability of the Client to meet its future obligations under this Agreement.

10.2 Without prejudice to any other right or remedy which the Company may have, if any Event of Default shall occur, subject to the provision of the SFO, the Company shall be entitled, but not obliged to, in its absolute discretion and without notice to the Client, to take one or more of the following actions:

- (a) satisfy any obligation or liability the Client may have to the Company out of any Charged Securities and any other collateral security deposited with the Company;
- (b) sell any or all Client Contracts or Assets held or carried as a long position for the Client or purchase any or all Client Contracts or Assets held or carried as a short position for the Client;
- (c) cancel any or all outstanding orders or contracts or any other commitments made on behalf of the Client;
- (d) call upon any security including but not limited to any guarantees and letters of credit which may have been issued to or in favour of the Company as security for the Account;
- (e) combine, consolidate and sell all Accounts;
- (f) close out without recourse any or all Client Contracts and any corresponding Contracts;
- (g) borrow or buy in any property whatsoever found necessary by the Company or required to make delivery against any sale (including a short sale) effected for the Client;
- (h) exercise any rights granted under Clauses 11 or 13 below;

- (i) suspend the Account; and
- (j) close the Account and terminate this Agreement forthwith.

Provided always that a prior tender, demand for original or additional Margin or call of any kind from the Company, or prior or outstanding demand or call from the Company or notice of the time and place of a sale or purchase shall not be considered a waiver of any of the Company's rights or remedies granted by this Agreement.

10.3 After deducting all costs and expenses incurred in connection with taking any action referred to in Clause 10.2 above, the Company may apply any remaining proceeds to the payment of any liabilities owed by the Client to the Company; and in the event such proceeds are insufficient for the payment of such liabilities the Client shall promptly upon demand and notwithstanding that the time originally stipulated for settlement may not then have arrived pay to the Company and indemnify and hold the Company harmless against any differences or deficiencies arising therefrom or in any Account or Client Contract, together with interest thereon and all costs (including solicitor's and counsel's fees should the Company in its absolute discretion refer the matter to legal advisers) and/or expenses incurred by the Company on a full indemnity basis in connection with the enforcement of each Client Contract which shall be for the Account of the Client and properly deductible by the Company from any funds of the Client in its possession.

## 11 Set off, Lien and Combination of Accounts

11.1 In addition and without prejudice to any general lien or similar right which the Company may be entitled by law and subject to the provisions of the SFO, its subsidiary legislation and other applicable legislation, in the event that the Client has more than one account (of any nature whatsoever) with the Company or any of its associates, the Company may at any time, and without notice to the Client, combine or consolidate all or any of such accounts and set-off or transfer any sum or sums standing to the credit of any one or more of such accounts in or towards the satisfaction of any liabilities of the Client to the Company or the Company's associate on any account or in any other respect, including liabilities under facilities or accommodation for any unexpired fixed term or in respect of foreign exchange dealings or under guarantees or indemnities or any other instruments whatsoever given or assumed by the Company or the Company's associate at the Client's request, whether such liabilities be present or future, actual or contingent and primary or collateral.

11.2 Where any such set-off or combination requires the conversion of one currency into another, such conversion shall be calculated at the rate of exchange (as determined by the Company and binding in all respects upon the Clients) utilized by the Company in the Company's normal course of business for such currencies at the time of the set-off or combination.

11.3 Without prejudice to the general right of set-off conferred upon the Company by the foregoing sub-paragraphs, the Client hereby expressly agrees that in any one or more of the following events, that is to say:

- (a) if any attempt shall be made by the Client, without the Company's express prior written consent and approval, to assign, and/or charge, and/or otherwise alienate all or any part of any sum or sums standing to the credit of any one or more of such Accounts as aforesaid;
- (b) any event shall occur which, in the Company's sole discretion, the Company feels shall or might put in jeopardy the Company's rights with respect to the credit balance in anyone or more of such accounts;
- (c) any event shall occur which, in the Company's sole opinion, puts doubt on the ability of the Client to meet its future obligations under this Agreement;
- (d) the commencement of the Client's bankruptcy/winding up or similar proceedings; or
- (e) an encumbrancer taking possession of, or a receiver being appointed over, the whole or any part of the Client's undertaking, property or assets,

then immediately and without demand or notice to the Client or upon the occurrence of any other Event of Default referred to in Clause 10 if the Company so determines and gives notice to the Client, all of the Client's then existing Accounts shall automatically and forthwith be deemed consolidated together as one and shall (together with all of the Client's liabilities above referred to) be deemed (if applicable) to mature and in all cases become due and payable, and all sums standing to the credit of any such Accounts shall automatically and forthwith on the occurrence of such event be set-off and shall be deemed to have been transferred by the Company to the satisfaction of all such of the Client's liabilities to the Company as aforesaid or in any other respect.

11.4 Nothing herein shall restrict the operation of any general lien or other rights or lien whatsoever which the Company may have, whether by law or otherwise, and the rights of set-off hereby conferred are in addition and without prejudice to any general right of set off arising by law or rights granted to the Company by Clauses 10 or 13 hereof or any lien, guarantee, bill, note, mortgage or other security now or hereafter held by the Company.

## 12 Standing Authority

12.1 The Client Money Standing Authority covers money held or received by the Company in Hong Kong (including any interest derived from the holding of the money which does not belong to the Company, if any) in one or more segregated account(s) on the Client's behalf ("Monies"), such authority is subject to applicable rules and regulations.

12.2 The Client authorizes the Company to:

- (a) combine or consolidate any or all segregated accounts, of any nature whatsoever and either individually or jointly with others, maintained by the Company or any of the Group Companies from time to time and the Company or any of the Group Companies may transfer any sum of Monies to and between such segregated account(s) to satisfy the Client's obligations or liabilities to the Company or any of the Group Companies, whether such obligations and liabilities are actual or contingent, primary or collateral, secured or unsecured, or joint or several;
- (b) transfer any sum of Monies interchangeably between any of the segregated accounts maintained by the Company or any of the Group Companies;
- (c) transfer any sum of Monies to the execution broker(s) and/or clearing firm(s) of the Company or any of the Group Companies located in Hong Kong or elsewhere for the purpose of dealing, clearing and/or settlement of securities, futures contracts and/or other financial products (where applicable);
- (d) keep the Monies with the execution broker(s) and/or clearing firm(s) of the Company or any of the Group Companies located in Hong Kong or elsewhere after trading to facilitate future dealing, clearing and/or settlement of securities, futures contracts and/or other financial products (where applicable); and
- (e) convert the Monies into any other currency(ies), for any of the abovementioned purposes (where applicable).

12.3 The Client acknowledges and agrees that the Company may do any of the things mentioned in Clause 12.2 without giving the Client notice.

12.4 The Client Money Standing Authority is given without prejudice to other authorities or rights which the Company or any of the Company's Group Companies may have in relation to dealing in Monies in the segregated accounts.

12.5 The Client Money Standing Authority shall be valid for a period of 12 months from the date of this Agreement, subject to renewal by the Client or deemed renewal under the Client Money Rules as referred to in Clause 12.7.

12.6 The Client Money Standing Authority may be revoked by giving the Company written notice addressed to the Company with the address specified in the Futures Account Opening Form or such other address which the Company may notify the Client in writing for this purpose. Such notice shall take effect upon the expiry of 14 days from the date of the Company's actual receipt of such notice.

12.7 The Client understands that the Client Money Standing Authority may be deemed to be renewed on a continuing basis without the Client's written consent if the Company issues the Client a written reminder at least 14 days prior to the expiry date of the Client Money Standing Authority, and the Client does not object to such deemed renewal before such expiry date.

## 13 Security

13.1 The Client as beneficial owner and as continuing security for all its liabilities and obligations hereunder hereby charges all Charged Securities to the Company by way of first fixed legal charge free of all encumbrances and adverse interest whatsoever.

13.2 The Client shall, upon request by the Company, forthwith execute all such transfers and other documents as may be necessary to enable the Company or its nominee to be registered as the owner of, or otherwise obtain a legal title to, the Charged Securities.

13.3 The Client undertakes not to create or have outstanding any security interest whatsoever on or over any of the Charged Securities (except for the security created hereby).

13.4 The Company shall hold all Charged Securities for the purposes of this Agreement subject to Clause 3.15, and upon the occurrence of any Event of Default and subject to the provisions of the SFO, the Company may without prior notice:

- (a) register, sell or realize any or all Charged Securities upon such terms (including as to the consideration received therefor) as it may in its absolute discretion think fit (without being responsible for any loss or diminution in price) and any consideration received therefore shall be treated as Margin payable by the Client; and
- (b) where allowed under the SFO, deposit, charge or pledge any or all Charged Securities with or to the order of any

Exchange, Clearing House or Dealer and on terms that such Exchange, Clearing House, or Dealer may enforce such deposit, charge or pledge in satisfaction of all or any obligations of the Company on account of the Client to such Exchange, Clearing House or Dealer.

- 13.5 If Charged Securities are denominated in a different currency from that in which any relevant cost, damages, loss, liability or expense is denominated, the Company may convert such amount at its current buying rate for such currency at the relevant time.
- 13.6 Pending the application of Charged Securities pursuant to Clause 13.4, the Company shall account to the Client for all amounts in respect of dividends, interest or other moneys in the nature of income received by the Company in respect of such Charged Securities net of any taxation payable or charge by the company (whether by withholding or otherwise) in respect of such income.
- 13.7 Subject to the Company being satisfied that all costs, damages, losses, liabilities and expenses (actual and contingent) payable by the Client in connection with this Agreement have been satisfied, discharged or otherwise released in full, the Company may re-transfer or, as the case may be, redeliver any certificates or documents of title relating to any relevant Charged Securities to the Client at any time and shall do so upon request.

## 14 Representations and Warranties

14.1 The Client hereby represents and warrants to the Company on a continuing basis that:

- (a) (in case of a corporation) it is validly incorporated and existing under the laws of its country of incorporation and has full power and capacity to enter into and perform its obligation hereunder; its entry into this Agreement has been duly authorized by its governing body and is in accordance with the Memorandum and Articles of Association or by-laws as the case may be of the Client;
- (b) neither the signing, delivery or performance of this Agreement nor any instructions given hereunder will contravene or constitute a default under any existing applicable law, statute, ordinance, rule or regulation or judgment or cause to be exceeded any limit by which the Client or any of the Client's assets is bound;
- (c) save as otherwise disclosed to the Company in writing, all Transactions to be effected under this Agreement are for the benefit of the Client and no other party has any interest therein; and
- (d) subject to any security interest of any of the Group Companies created pursuant to any agreement between the Client and that Group Company, all commodities provided by the Client for selling or crediting into the Account(s) are fully paid with valid and good title and whose legal and beneficial titles are owned by the Client.

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

## 15 Liabilities and Indemnity

15.1 In the absence of bad faith or willful default of or by the Company:

- (a) The Client agrees and acknowledges that the Client shall, independently and without reliance on any information and/or advice as provided by the Company, make the Client's own judgments and decisions with respect to each Transaction dealing with futures;
- (b) the Client agrees to indemnify the Company and the Company's directors, employees, agents, representatives and associate against and hold them blameless from all expenses, liabilities, claims and demands, arising out of anything done (whether acting pursuant to the instructions of the Client or any of the Authorized Person, or otherwise) by the Company or any such person in connection with this Agreement, or by the Client or any of the Authorized Person (whether with or without the authority of the Client).

15.2 The Company shall not be liable for any expense, loss or damage suffered by the Client or to account to the Client for any profit or gain accruing to the Company as a result of the Company:

- (a) trading or dealing in Contracts or in any Asset underlying any Contract or Client Contract; and
- (b) dealing in respect of Contracts or Client Contracts with the Client.

15.3 Neither of the parties to this Agreement 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 of any relevant Exchange, Clearing House or other market, civil disorder, acts or threatened acts of terrorism, natural disasters, war, strikes or other circumstances beyond that party's control.

15.4 The Company shall not be liable for any damages in respect of any default by its executing or clearing agent in respect of client assets held by the executing or clearing agent.

## 16 Notices, Confirmations and Statements

16.1 The Client must give the Company in writing his/her/its address, telephone, facsimile number, email address and/or mobile phone number for receipt of notices and other communications in connection with this Agreement. If these details change the Client must give the Company reasonable advance notice in writing before the change has taken place.

16.2 Unless otherwise provided in this Agreement, notices and communications must be sent to the address, telephone number, facsimile number, email address or mobile phone number last notified. The Client authorize the Company to send notices and communications to the Client in connection with this Agreement electronically and in any other manner including by facsimile, email, SMS or via other electronic means.

16.3 Unless otherwise provided in this Agreement, the Company's notice and communications to the Client are effective when sent or transmitted, whether actually received by the Client or not.

16.4 The Client's notices and communications are effective when the Company actually receive them in legible form.

16.5 Instructions and communications digitally signed and supported by a digital certificate have the same validity, admissibility and enforceability as if signed in writing.

16.6 Any notice or communication that is digitally signed must comply with any applicable law.

16.7 The Client is satisfied that electronically executed contracts are enforceable despite the legal risks associated with them.

16.8 If an Account is held jointly, notices and communications (including notices of any variation to this Agreement and any statements) sent to the address the Client has notified the Company as the address for receipt of notices and other communications in connection with this Agreement are taken to be given to each holder.

16.9 The Client must not dispute the contents of any notice or communication.

16.10 Notices and other communications in connection with this Agreement must be in writing. They must be sent to the address or email address last notified to the other party.

16.11 The Company's written confirmation of the execution of the Client's orders and statements of the Client's Account(s) shall be conclusive and deemed to be accepted by the Client if not objected to in writing by the Client within 7 Business Days after transmission to the Client, by mail or otherwise. If the Client does dispute the content of an order or statement, the Client must contact the Company in writing to the Company's address as set out in the Futures Account Opening Form or such other address notified to the Client from time to time.

16.12 Notwithstanding anything contained in this Clause 16, a demand for payment of Margin, variation adjustments and/or interest rate cash adjustments attempted to be given by the Company to the Client orally shall be deemed to have been duly given if the Company has used all practicable endeavours to communicate with the Client by telephone or other means of oral communication but the Client remains uncontactable.

## 17 Amendment and Waiver

17.1 The Company may at its discretion amend, delete or substitute any of the terms in this Agreement or add new terms to this Agreement by sending to the Client a notice in writing setting out such amendment, deletion, substitution or addition. Such variation of this Agreement shall be deemed to have been accepted by the Client unless written notice of objection is received by the Company within 14 days after despatch of such notification by the Company.

17.2 The Company may exercise a right or remedy, give or refuse its consent or approval in connection with this Agreement in any way it considers appropriate, including by imposing conditions. The Company need not give the Client reasons for any decision it makes.

17.3 If the Company does not exercise a right or remedy fully or at a given time, it can still exercise it later.



17.4 The Company is not liable for any loss caused by the exercise or attempted exercise of, failure to exercise, or delay in exercising, a right or remedy, whether or not caused by the Company's negligence.

17.5 Save as expressly provided in this Agreement, no failure to exercise, or delay in exercising, on the part of any party hereto any right, power or privilege under this Agreement shall operate as a waiver, nor shall any single or partial exercise of any right, power or privilege preclude any other or further exercise thereof, or the exercise of any other right, power or privilege. No waiver by the Company shall be effective unless it is in writing. The rights and remedies of the Company are cumulative and not exclusive of any rights or remedies provided by applicable laws.

## 18 Joint Clients

18.1 Where the Client consists of more than one person:

- (a) the liability and obligations of each of them shall be joint and several and references to the Client shall be construed, as the context requires, to any or each of them;
- (b) the Company shall be entitled to but shall not be obliged to act on instructions or requests from any of them;
- (c) each of them shall be bound though any other Client or any other person intended to be bound is not, for whatever reason, so bound; and
- (d) the Company shall be entitled to deal separately with any of the Client on any matter including the discharge of any liability to any extent without affecting the liability of any others.

18.2 Where the Client consists of more than one person, on the death of any of such persons (being survived by any other such persons), this Agreement shall not be terminated and the interest in the Account(s) of the deceased will thereupon vest in and enure for the benefit of the survivor(s) provided that any liabilities incurred by the deceased Client shall be enforceable by the Company against such deceased Client's estate. The surviving Client(s) shall give the Company written notice immediately upon any of them becoming aware of any such death.

## 19 Conflict of Interest

19.1 The Client acknowledges that the Company, its directors and/or employees may trade on its/their own account or on the account of any of their Group Companies subject to any applicable regulatory requirements.

19.2 The Client consents that, without prior notice from the Company, when the Company executes sell or buy orders on behalf of the Client, the Exchange or any other exchange or market anywhere in the world, the Company, its directors, officers, employees, agents, and/or any floor broker may buy or sell 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, usages, rulings, and interpretations then in force of the Exchange or other exchange or market upon which such buy or sell orders are executed, and subject to the limitations and conditions, if any, contained in any applicable regulations lawfully promulgated by the Exchange or other exchange or market.

19.3 The Client acknowledges that, subject to the provisions of the SFO and any applicable laws, the Company may take the opposite position to the Client's order in relation to any exchange traded futures and options contract(s), whether on the Company's own account or for the account of any Group Company or other clients of the Company, provided that the trading is executed competitively on or through the facilities of the Exchange in accordance with the Rules, Regulations and Procedures of the Exchange or the facilities of any other commodity, futures or options exchange in accordance with the rules and regulations of such other exchange.

19.4 The Client acknowledges that the Company is bound by the Rules of the Exchange which permit the Exchange to take steps to limit the positions or require the closing out of contracts on behalf of Clients who in the opinion of the 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.

## 20 Anti-Money Laundering and Sanctions

20.1 Notwithstanding any other provision of this Agreement to the contrary, the Company is not obliged to do or omit to do anything if it would, or might in the Company's reasonable opinion, constitute a breach of any laws in respect of anti-money laundering and counter-terrorism financing applicable to the Company.

20.2 The Client must provide to the Company upon request all information and documents that are within the Client's possession, custody or control and requested by the Company at its discretion to enable the Company to comply with applicable laws and relevant internal policies and procedures. The Client undertakes to notify the Company of such matter as may be prescribed or accepted by the Company of any change of contact details (including but not limited to

address, telephone number, email address and facsimile number) or any change or addition of material information (including but not limited to directors, partners, beneficial owners, shareholders, controllers, legal status and constitutional documents).

- 20.3 Where the Client or any other person in connection with the Client and/or this Agreement fails to provide promptly information or documents reasonably requested by the Company, the Company may be unable to provide new, or continue to provide all or part of the services to the Client and the Company reserves the right to terminate the business relationship with the Client; and block or close the Client's account(s) at its sole discretion to enable the Company to comply with applicable laws and relevant internal policies and procedures.
- 20.4 The Company, any Group Companies and its affiliates are required to act in accordance with applicable laws and request of government authorities in various jurisdictions. These relate, amongst others, to the prevention of money laundering, terrorist financing and the provision of financial or other services to any persons or entities which may be subject to sanctions imposed by the relevant government and/or international bodies. The Client agrees that the Company may take any action, in its sole and absolute discretion it considers appropriate including but not limited to disclosing any information concerning the Client, persons connected with the Client and/or this Agreement to any law enforcement entity, regulatory agency or court (in any jurisdiction) where required by such requests or any law.
- 20.5 Such action may include, but is not limited to, the interception and investigation of any payment messages and other information or communications sent to or by the Client or on the Client's behalf and making further inquiries as to whether a name which might refer to a person or entity subject to relevant sanctions and whether that name actually refers to that person or entity.
- 20.6 The Client agrees that the Company may take a sufficient time to consider, investigate, verify or to intercept a Transaction, if the Client or any other person in connection with the Client and/or this Agreement becomes a person subject to the relevant sanctions, or upon the occurrence of a match on the Company's sanction or other anti-money laundering and counter terrorism financing related filters. In certain circumstances, those aforesaid actions taken by the Company may prevent or cause a delay in the process of certain information, instructions and/or Transactions.
- 20.7 The Company nor any Group Company will be liable for any loss (whether direct or consequential and including, without limitation, loss of profit or interest) or damage suffered by any party arising in connection with this Clause 20. In addition, the Client acknowledges that neither the Company nor any Group Company is required to provide reasons for any decisions it makes, including (without limitation) actions taken or not taken, or unless expressly required by applicable law.
- 20.8 The Client agrees to exercise his/her/its rights and perform his/her/its obligations under this Agreement in accordance with all applicable anti-money laundering and counter terrorism financing and other laws.
- 20.9 The Client declares that he/she/it is action on his/her/its own behalf and not in a trustee or agency capacity, unless otherwise disclosed to the Company with details of the ultimate beneficiary for whom the Client is trading, and agrees to provide evidence of due authority and specimen signatures for each Authorized Person.

## 21 Termination

- 21.1 Without prejudice to the Company's rights under Clause 10, this Agreement may be terminated at any time by prior written notice of not less than 14 days by either party to the other.
- 21.2 Any termination pursuant to this Clause 21:
- (a) is without prejudice to any other provisions of this Agreement;
  - (b) shall not affect the accrued rights and liabilities of any of the parties to this Agreement;
  - (c) shall not affect any warranties, undertakings and indemnities given by the Client; and
  - (d) shall not affect any of the rights of the Company over any of the Client's property in the possession or control of the Company whether the same be held for safe custody, Margin or otherwise and whether pursuant to this Agreement or otherwise so long as there is any outstanding liability of the Client to the Company.
- 21.3 The Company may, at its absolute discretion and without giving reasons, suspend or terminate the Account(s) and at any time cease to act on the Client's behalf. Upon termination or suspension of the Account(s), all monies owing from the Client to the Company shall immediately become due and payable and the Client shall immediately repay such monies to the Company.
- 21.4 Termination of this Agreement shall not affect any action by the Company, or any of its agents or any third party

permitted under this Agreement initiated prior to the date of termination or any indemnity or warranty given by the Client under this Agreement.

## 22 Compliance with Law

Nothing in this Agreement requires the Company to do or not do anything if it would or might in the Company's reasonable option constitute a breach of the Company's policy or any applicable law, including any relevant foreign law requirement or requirement of any applicable government authority.

## 23 Severability

23.1 To the extent permitted by law, the Client waives all rights conferred by law which are inconsistent with this Agreement.

23.2 If and to the extent that an applicable law is inconsistent with this Agreement in a way that would otherwise have the effect of making:

- (a) a provision of this Agreement illegal, void or unenforceable; or
- (b) a provision of this Agreement contravene a requirement of that law or impose an obligation or liability which is prohibited by that law,

then the law overrides this Agreement to the extent of the inconsistency, and this Agreement is to be read as if that provision was varied to the extent necessary to comply with that law and avoid that effect (or, if necessary, omitted).

23.3 If any term of this Agreement is invalid, unenforceable or illegal in a jurisdiction, that term is read as varied or severed (as the case requires) only for that jurisdiction. All other terms continue to have effect in that jurisdiction.

## 24 Assignability

The provisions of this Agreement shall be binding on and enure to the benefit of the successors and assigns, whether by merger, consideration or otherwise, as well as the personal representatives (where applicable) of each party hereto provided that the Client may not assign, transfer, charge or otherwise dispose of rights or obligations hereunder without prior written consent of the Company. The Company may assign all or a part only of its rights and obligations under this Agreement to any person without the prior consent or approval of the Client.

## 25 Third Party Rights

25.1 Subject to Clause 24, a person who is not a party to this Agreement has no right under the Contract (Rights of Third Parties) Ordinance of the laws of Hong Kong to enforce or to enjoy the benefit of any term of this Agreement.

25.2 The Agreement does not create or confer any rights or benefits enforceable by any person not a party to it except:

- (a) a Group Company may enforce any rights or benefits in this Agreement;
- (b) a Group Company may enforce the rights or benefits of any indemnity, limitation or exclusion of liability in this Agreement; and
- (c) a person who is a permitted successor or assignee of the rights or benefits of this Agreement may enforce those rights or benefits.

25.3 No consent from the persons referred to in this Clause is required for the parties to vary or rescind this Agreement (whether or not in a way that varies or extinguishes rights or benefits in favour of those third parties).

## 26 General

26.1 Time shall in all respects be of the essence of the performance of all the Client's obligations under or in connection with this Agreement.

26.2 Electronic Trading Service Supplement, Electronic Direct Debit Authorization Supplement, Foreign Account Tax Compliance Act and Common Reporting Standard Policies of The Group Companies Supplement, Risk Disclosure Statements and Personal Information Collection Statement of The Group Companies as set out in the appendix of this Agreement (as amended from time to time) shall form an integral part of this Agreement. This Agreement represents the entire agreement and understanding between the parties with respect to the Account and supersedes all previous agreements or understandings between the Company and the Client.

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

26.4 The Client declares that he/she/it has read and agreed to the Terms and Conditions of this Agreement, which have been explained to him/her/it in a language that he/she/it understands. In the event of any difference in interpretation or meaning between the Chinese and English versions of this Agreement, the English version shall prevail.

26.5 The Client acknowledges that the Company may receive from agents rebates in respect of commission on Transactions and agrees that the Company shall be entitled to keep any such rebates and that the Client has no right to benefit from them in any way.

26.6 If the Company fails to meet the Company's obligation to the Client pursuant to this Agreement and the Client thereby suffers a pecuniary loss, the Client shall have a right to claim under the Investor Compensation Fund which was set up under the investor compensation regime of the Securities and Futures Ordinance to make compensation to investors who suffer losses due to an intermediary default.

## 27 Third Party Authorization

If the Client gives written authorization to authorize third party to give instructions on the Client's behalf in relation to the Client's Account, the scope of authorization includes (a) purchase and sell Futures Contracts; and (b) payment to the designated bank account of the Client in the Company's record. The Client confirms that the Client is the ultimate beneficial owner of the Account. The Client confirms that the Client will not give any commission, rebate or other remuneration to the third party as a return of the Transaction(s) effected by the third party. The Client understands and is fully aware of the potential risk and the potential gain or loss arising from the third party's authorization. The Client agree to pay the Company any purchase price or other payment arising from any trading instructions given by the authorized person when due. The Client also undertakes that the Client agrees and undertakes to be responsible for all Transaction(s) effected via the Client's Account and the payments made to the designated bank account of the Client. The Client undertakes to inform the Company immediately with documentary evidence in case of any cancellation of this authorization or any change of the Client's Account in future and acknowledges that the Client will be responsible for any costs and losses therefrom incurred by the Client.

## 28 Governing Law

This Agreement and all rights, obligations and liabilities arising out of and in connection with it shall be governed by and construed in accordance with the laws of Hong Kong.

## 29 Jurisdiction

The method ( 2 ) described below be selected as the dispute resolution

- (1) The courts of Hong Kong have non-exclusive jurisdiction to resolve any dispute arising out of or in connection with this Agreement (including a dispute regarding the existence, validity or termination of this Agreement).
- (2) At the sole option of the Company and in its sole discretion, any dispute, controversy or claim arising out of or relating to this Agreement, or the breach, termination or invalidity thereof, shall be settled by arbitration in accordance with the China International Economic and Trade Arbitration Commission (CIETAC) Southwest Sub-Commission for arbitration which shall be conducted in accordance with the CIETAC's rules in effect at the time of applying for arbitration. The arbitral award is final and binding upon both parties.

## ELECTRONIC TRADING SERVICE SUPPLEMENT

### 1 Definitions

- 1.1 In this Supplement, unless otherwise required by the context, and those defined under the Client's Futures Trading Agreement are adopted, the following expressions shall have the following meanings:-

"Access Codes" means together the Password and the Login Name (or any of them).

"Electronic Trading Service" means any facility provided by the Company which enables the Client to give electronic instruction(s) to purchase, sell and otherwise deal with Futures Contracts and/or for effecting information services.

"Login Name" means the Client's personal identification used in conjunction with the Password to gain access to the Electronic Trading Service and any other services offered by the Company.

"Password" means the Client's personal password(s) used in conjunction with the Login Name to gain access to the Electronic Trading Service and any other services offered by the Company.

### 2 Application

This Supplement is supplemented to, and without prejudice to, the Client's Futures Trading Agreement and any applicable terms agreed between the Client and the Company. This Supplement applies at any time that the Client trade through the Electronic Trading Service.

### 3 Electronic Trading Service

- 3.1 The Company may provide the Client with Electronic Trading Service, and the Client hereby requests the provision of such services, upon the terms and conditions as embodied in the Agreement and this Supplement, as modified, amended or expanded by any notice, letter, publication or such other document as may be issued from time to time by the Company.
- 3.2 The Client may from time to time instruct the Company, acting as the Client's agent, to purchase and/or sell Futures Contracts for the Account(s) or otherwise deal with the relevant financial products, receivables or monies on behalf of the Client through the Electronic Trading Service.
- 3.3 The Client agrees that the Client shall be the only authorized user of the Electronic Trading Service under the Agreement and this Supplement. The Client shall be wholly and solely responsible for the confidentiality security and use of the Access Code issued to the Client by the Company.
- 3.4 The Client acknowledges and agrees that the Client shall be wholly and solely responsible for all instruction(s) entered through the Electronic Trading Service.
- 3.5 The Client acknowledges that the Electronic Trading Service, the Group Companies' website, and the software comprised in them, are proprietary to the Group Companies. The Client undertakes and warrants that the Client shall not, and shall not attempt to, tamper with, modify, decompile, reverse engineer, damage, destroy or otherwise alter in any way, and shall not attempt to gain unauthorized access to, any part of the Electronic Trading Service, the Group Companies' website, and any of the software comprised in them.
- 3.6 The Client agrees that the Company shall be entitled to close any or all of the Account(s) immediately without notice to the Client, and the Client acknowledges that the Company may take legal action against the Client, if the Client at any time breaches this Supplement or if the Company at any time reasonably suspects that the Client has breached the same. The Client undertakes to notify the Company immediately if the Client becomes aware that any of the actions described in this Supplement is being perpetrated by any other person.
- 3.7 As and when the Company allows the Client to open an Account electronically with the Company in addition to completing and returning the Futures Account Opening Form, the Agreement and this Supplement through the internet, the Client agrees, upon request of the Company, to return to the Company the hard copy of the Agreement and this Supplement (including the Futures Account Opening Form, applicable Risk Disclosure Statements and any authority given by the Client to the Company with respect to the Account(s)) duly completed and executed.
- 3.8 Unless otherwise agreed between the Company and the Client, the Company will not execute any trading orders of the Client until there are sufficient cleared funds, securities or other assets acceptable to the Company in the Client's

Account(s) to settle the Client's Transactions and upon receipt of the documents as stated in Clause 3.7 above.

- 3.9 The Company will not be deemed to have received the Client's instruction(s) or have executed the Client's orders unless and until the Client is in receipt of the Company's message acknowledging receipt or confirming execution of the Client's orders, either electronically or by hard copy.
- 3.10 The Client acknowledges and agrees that, as a condition of using the Electronic Trading Service to give instruction(s), the Client shall immediately notify the Company if:
- (a) an instruction has been placed through the Electronic Trading Service and the Client has not received an instruction number or has not received an accurate acknowledgement of the instruction(s) or of its execution (whether by hard copy, electronic or verbal means);
  - (b) the Client has received acknowledgement (whether by hard copy, electronic or verbal means) of a Transaction which the Client did not instruct or any similar conflict;
  - (c) the Client becomes aware of any of the acts stated in Clause 3.6 being done or attempted by any person;
  - (d) the Client becomes aware of any unauthorized use of the Client's Access Codes; or
  - (e) the Client has difficulties with regard to the use of the Electronic Trading Service.
- 3.11 The Client agrees to review every order before entering it as it may not be possible to cancel the Client's instruction(s) once given.
- 3.12 The Client agrees that the Company shall not be liable for any loss or damage the Client or any other person may suffer as a result of using or attempting to use the Electronic Trading Service unless such loss or damage are caused by fraud, wilful default or gross negligence on the part of the Company. The Client further undertakes to indemnify the Company, on a full indemnity basis, on demand, for any loss the Company may suffer as a result of the use of the Electronic Trading Service, except to the extent that such loss is outside the Client's control.
- 3.13 The Client acknowledges and agrees that if the mode of communication used by the Client in the course of the Electronic Trading Service becomes temporarily unavailable, the Client can during such period continue to operate the relevant Account(s) subject to the right of the Company to obtain such information regarding the verification of the Client's identity as it may from time to time think fit.
- 3.14 The Client acknowledges that relevant exchanges and certain associations may assert proprietary interests and rights over all market data they furnish to parties who disseminate such data and agrees not to do any act which would constitute any infringement or encroachment of such rights or interests. The Client also understands that the Company does not guarantee the timeliness, sequence, accuracy or completeness of market data or any market information (including any information provided to the Client through the Electronic Trading Service). The Company shall not be liable in any way for any loss arising from or caused by (i) any inaccuracy, error in or omission from any such data, information or message, (ii) any delay in the transmission or delivery thereof; (iii) any suspension or congestion in communication; (iv) any unavailability or interruption of any such data, message or information whether due to any act of the Company, or (v) by any forces beyond the control of the Company.

## ELECTRONIC DIRECT DEBIT AUTHORIZATION SUPPLEMENT

### 1 Definition

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

“Bank” means a bank, a restricted licence bank or a deposit-taking company authorized under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong) in which a Designated Account is opened and maintained with;

“Designated Account” means an account in the Client’s name maintained with a Bank from which Transfers are made in accordance with an Instruction;

“eDDA” means the electronic direct debit authorization initiated by the Client using the HKICL FPS authorizing the Company to instruct a Bank to make a Transfer from the corresponding Designated Account to the Account in accordance with an Instruction, as further described in Clause 3.1 (Application) of this Supplement;

“eDDA Service” means a service provided by HKICL as part of HKICL FPS to facilitate clients of Participants to set up and utilise the eDDA;

“Guoyuan eDDA Services” means the services provided by the Company to the Client from time to time to facilitate payments and fund transfers using the HKICL FPS, the eDDA Service and any other services and facilities provided by HKICL in connection with the HKICL FPS from time to time;

“HKICL” means Hong Kong Interbank Clearing Limited and its successors and assigns;

“HKICL FPS” or “Faster Payment System” means the Faster Payment System and related facilities and services provided, managed and operated by HKICL from time to time for: (a) processing direct debits and credits, funds transfers and other payment transactions; and (b) exchanging and processing instructions relating to the eDDA Service;

“Instruction” means an instruction given or authorized by the Client to Bank instructing it to make a Transfer;

“Participant” means a participant of HKICL FPS which may be a bank or other financial institution, a retail payment system operator, a licensed stored value facility, or any other person accepted by HKICL as a participant of HKICL FPS from time to time; and

“Transfer” means a fund transfer to be made from a Designated Account to the Account from time to time pursuant to an Instruction or Instructions under an eDDA.

### 2 Application

This Supplement is supplemental to, and without prejudice to, the Client’s Futures Trading Agreement and any applicable terms agreed between the Client and the Company. This Supplement governs the Company’s provision of eDDA services to the Client, which will enable the Client to make Transfers.

### 3 Electronic Direct Debit Authorization

3.1 Application: The Client may, through the Company, apply to a Bank (selected by the Company) for the eDDA Services. The Company will assist in transmitting the eDDA setup application instructions, materials and information to such Bank. After such application is approved by the Bank, the Client may directly give Instructions to the Company to carry out the Transfers. The Client may have one or more Designated Accounts to effect Transfers. If an eDDA setup application is declined by such Bank, the Company will notify the Client of the result, but will not assume any liability for such result.

3.2 Information: The Client shall provide such information, and complete such procedures, in the form and by the methods prescribed by the Company from time to time, in order for the Company to assist the Client in processing an eDDA setup application with a Bank. Each Designated Account which is the subject of an eDDA setup application must be under the same name as the Account. Joint-name bank accounts are not accepted.

3.3 Cancellation: Where the Client has set up the eDDA but no Transfers have been made pursuant to that authorization for a certain period of time (as determined by the Company), the Company has the right to cancel the eDDA at any time without prior notice to the Client even if that authorization has not expired or is not subject to an expiry or termination

date. The relevant Bank may also cancel the eDDA at any time at its discretion. If the Client has any enquiries or disputes in relation to any actions taken by that Bank concerning the eDDA, any Instruction or any Transfer, the Client must resolve such enquiries or disputes directly with such Bank.

- 3.4 Default settings of an Instruction: When setting up an eDDA, the default settings of any Instruction are as follows: the “Payment Periodicity” field will be set to “Per Payment”, the “Transfer Limit” field will be set to “Unlimited” and the “Expiry Date” field will be set to “Until further notice”. If the Client does not accept these default settings, the Client must not proceed with the eDDA setup application through the Company.
- 3.5 Amending the default settings of an Instruction: The Client can, from time to time, directly instruct the relevant Bank to amend the default settings of an Instruction set out in Clause 3.4 (Default settings of an Instruction), subject to the procedures and requirements prescribed by the Bank from time to time.
- 3.6 Effective Period: An Instruction will remain in effect until it (a) is amended or cancelled by the Client; or (b) expires on the date specified in the Instruction (if any), whichever occurs first. The Client may cancel the Instruction in accordance with the procedures and requirements prescribed by the relevant Bank from time to time.

#### 4 Instruction are Irrevocable

For any Transfer, once the Client confirms and submits an Instruction, such Instruction and the resulting Transfer is irrevocable and binding on the Client.

#### 5 Acknowledgment

- 5.1 The Client agrees that the amount of each Transfer as specified in an Instruction will be credited to the Account within the time period as the relevant Bank may specify from time to time.
- 5.2 If the Client wishes to change any Instructions, the Client must notify the Bank immediately to effect such change.
- 5.3 The Client’s use of the eDDA Service is subject to any fees and charges that the Company or the relevant Bank may levy on the Client from time to time (if any).
- 5.4 The Client understands that the eDDA Service may also be subject to the terms and conditions of the relevant Bank and/or Participants, which the Client should read and agree to before using the eDDA Service. The Company does not accept any liability resulting from the terms and conditions of such Bank and/or Participant.
- 5.5 The Company will make reasonable efforts to ensure that the Guoyuan eDDA Services and/or the eDDA Service is available, but it makes no representations, endorsements or warranties as to the operation, functionality and reliability of any kind whatsoever of the Guoyuan eDDA Services or the eDDA Service. Further, the Company does not guarantee that the relevant Bank and/or Participant will be able to effect an Instruction or Transfer under an eDDA as this depends on the functionality and reliability of such Bank’s and/or Participant’s system, operation and other conditions or circumstances which are beyond the Company’s control.
- 5.6 The Company is not liable for loss, damage, cost or expense of any kind which the Client or any other person may incur or suffer (whether directly or indirectly) in connection with any use of the Guoyuan eDDA Services or the eDDA Service, or the carrying out of any Instruction or Transfer by the Company.
- 5.7 The Company reserves the right to cancel or terminate or suspend the whole or any part of the Guoyuan eDDA Services without reason. The Client agrees that the Company will not be liable for any loss, damage, cost or expense of any kind which the Client or any other person may incur or suffer in connection with the Company’s exercise of the abovementioned right.
- 5.8 The Client should ensure that the Account, each Designated Account and each eDDA remains valid throughout its use of the Guoyuan eDDA Service and the eDDA Service.

#### 6 Collection and Use of Client Information

- 6.1 Provision of Information: For the purposes of using the Guoyuan eDDA Services, the Client may be required to provide the Company with its Authorized Persons’ personal data and other information (the “Client Information”).
- 6.2 Use of Client Information: The Client agrees that the Company may collect, use, process, retain or transfer any of the Client Information for the purposes of the Guoyuan eDDA Services. These purposes include, without limitation:



- (a) providing the Guoyuan eDDA Services to the Client, maintaining and operating the Guoyuan eDDA Services;
- (b) processing and executing the Instructions and requests in relation to the Guoyuan eDDA Services from time to time;
- (c) disclosing or transferring the Client Information to any Bank, HKICL and other Participants for their use for the purpose of the operation of the Guoyuan eDDA Services;
- (d) meeting the requirements to make disclosure under any applicable laws, rules, and regulations; and
- (e) purposes incidental or relating to any of the above.

6.3 Further Dissemination: The Client understands and agrees that the Client Information may be further disclosed or transferred by HKICL, the Company, any Bank or any other Participants to their clients and any other third parties who are users of HKICL FPS for the purposes of providing and operating the eDDA Service.

6.4 Consent: If the Client Information includes personal data or other information of any person other than the Client (such as any Authorized Persons), the Client confirms that it will obtain and has obtained the consent from such person regarding the use (including disclosure and transfer) of its personal data and other information by HKICL, the Company, the relevant Bank and the other Participants as specified in this Supplement.

## 7 Restriction of Liability

7.1 General Limitations: The Company is not liable for any loss, damage or expense of any kind which the Client or any other person may incur or suffer arising from or in connection with the use of the Guoyuan eDDA Services or the processing or execution of Instructions or requests given by the Client in relation to the Guoyuan eDDA Services, except to the extent that any loss, damage or expense incurred or suffered is direct and reasonably foreseeable arising directly and solely from the Company's gross negligence or wilful default or that of its officers, employees or agents. In no event will the Company, the Group Companies, their licensors, and their respective officers, employees and agents be liable to the Client or any other person for any loss of profit or any special, indirect, incidental, consequential or punitive loss or damages (whether or not they were foreseeable or likely to occur).

7.2 Specific Limitations: In respect of the Guoyuan eDDA Services or the eDDA Service, the Company is not liable for loss, damage or expense of any kind which the Client or any other person may incur or suffer arising from or in connection with any of the following:

- (a) any delay, unavailability, disruption, failure, error of or caused by HKICL FPS, any Bank and/or Participants, or arising from any circumstances beyond the Company's reasonable control; and
- (b) the Client's inability to act as a result of any Instructions being unclear or incomplete, and/or as a result of any error in or failure of the Guoyuan eDDA Services or the eDDA Service.

## **FOREIGN ACCOUNT TAX COMPLIANCE ACT (“FATCA”) AND COMMON REPORTING STANDARD (“CRS”) POLICIES OF THE GROUP COMPANIES SUPPLEMENT**

Under FATCA of the United States of America, financial institutions in Hong Kong are required to report certain information of their clients to tax and/or other governmental authorities and withhold on the client’s U.S. source fixed, determinable, annual or periodical income in certain circumstances.

Hong Kong has also agreed to implement the CRS under which financial institutions must report information about their clients to the Inland Revenue Department and/or other relevant authority of the Hong Kong Government.

For compliance of the regulatory requirements in relation to FATCA, the CRS and other related regulations, the Group Companies implemented the terms and conditions of this Supplement to govern the relevant rights and obligations between the Client and the Group Companies.

### **1 Privacy Waiver**

- 1.1 The Client hereby irrevocably authorizes the Group Companies to disclose and submit such information provided by the Client, including without limitation to the personal information, to the competent regulatory or governmental authority in the relevant jurisdiction (including without limitation to U.S. Internal Revenue Service, U.S. Department of the Treasury and the Hong Kong Inland Revenue Department) for the purpose of compliance of the requirements under FATCA, the CRS and other related laws, regulations, codes and rules.
- 1.2 The Client further acknowledges that the Group Companies may not notify the Client such disclosure or submission as required by the applicable laws or regulations, and agrees that he/she/it will not require the Group Companies to make such notification to the Client before or after the disclosure or submission of the information to the relevant authorities.

### **2 Further Assurance for Provision of Information**

- 2.1 The Client undertakes that he/she/it will promptly provide the Group Companies such information, including without limitation to the personal/institutional information in the Futures Account Opening Form and the relevant account opening documents designated by the Group Companies from time to time and the relevant tax forms completed by the Client, for the purpose of compliance of the requirements under FATCA, the CRS and other related laws, regulations, codes and rules.
- 2.2 The Client shall ensure that the information provided to the Group Companies under Clause 2.1 above shall always be true, complete and accurate without misleading in all material aspects.
- 2.3 The Client further undertakes that he/she/it will promptly notify the Group Companies whenever any information provided to the Group Companies under Clause 2.1 above is changed or becomes untrue, incomplete, inaccurate or misleading and provide the Group Companies the necessary updated information.
- 2.4 Upon the Group Companies’ request, the Client shall promptly provide the Group Companies such additional or substitute certificates and forms and other documentary evidences, including without limitation to the substitute tax form of expired tax forms (if any), the Client’s written nationality statement, certificate of loss of U.S. nationality and privacy waivers.
- 2.5 The Client acknowledges and agrees that failing to provide the Group Companies information as required under this Clause 2 will entitle the Group Companies to change the FATCA or CRS status of the Client’s Account(s), suspend the trading activities under the Client’s Account(s), withhold the assets in the Client’s Account(s), close the Client’s Account(s), or sell the assets in the Account(s) to produce withholdable payments at the Group Companies’ sole and absolute discretion.
- 2.6 The Group Companies will keep and use the Client’s personal data in compliance with the Personal Data (Privacy) Ordinance and other applicable data privacy policy.

### **3 Withholding Authorization**

- 3.1 The Client hereby authorizes the Group Companies to withhold any part of or all assets in the Client’s Account(s) (in cash or other form) or sell the assets in the Account(s) to produce withholdable payments if, at the Group Companies’ sole and absolute discretion:
  - (a) the Client do not provide the Group Companies with the information or documents requested in a timely manner

- or if any information or documents provided are not up-to-date, accurate or complete such that the Group Companies are unable to ensure its ongoing compliance or adherence with the requires under FATCA;
- (b) the FATCA status of the Client is identified as recalcitrant or non-participating foreign financial institutions;
- (c) there is no reliable evidence to treat the Client as exempted from withholding requirement under FATCA or other relevant regulations;
- (d) the withholding is required by competent regulatory or governmental authorities in the relevant jurisdiction; or
- (e) the withholding is otherwise necessary or appropriate for the compliance of the requirement under FATCA and other related laws, regulations, codes and rules.

#### 4 Indemnification

4.1 The Client hereby agrees to hold the Group Companies and the directors, officers, employees and agents of the Group Companies (the “Indemnified Persons”) indemnified 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 of, or in relation to tor in connection with:

- (a) any breach or alleged breach of the terms and conditions hereunder, whether by act or omission, of the Client; and
- (b) any non-compliance of FATCA, the CRS or any other applicable laws, regulations, codes, and orders in relation to the Client and/or the Client’s Account(s),

except where such loss or damages arise from wilful default, fraud or gross negligence of the Indemnified Persons.

4.2 The Client undertakes to assist the Group Companies in any proceeding or investigation arising in any matter out of or in connection with the compliance with the requirements under FATCA, the CRS and other applicable laws, regulations, codes, and orders. In such case, the Group Companies will notify the Client when the Group Companies become aware of such proceedings, unless prohibited by applicable laws and regulations.

4.3 If any payment to be made by the Client to the Indemnified Persons under the clauses hereunder is subject to deduction or withholding tax, the sum payable by the Client in respect of which such deduction or withholding is required to be made shall be increased to the extent necessary to ensure that, after the making of the required deduction or withholding, the Indemnified Persons receive on the due date and retain (free form any liability in respect of such deduction, withholding or payment) a net sum equal to what the Indemnified Persons would have received if no such deduction, withholding or payment been made or required to be made.

4.4 The Client shall continue to be bound by the provisions of this Clause 4 despite the Client ceasing to be a holder of the Account(s) or the termination of any Account(s).

#### 5 Incorporation with the Agreement

5.1 This Supplement shall be deemed to be incorporated as a part of the Client’s Futures Trading Agreement in relation to the Client’s Account(s) and subject to amendments made by the Group Companies from time to time at the Group Companies’ sole and absolute discretion. In case of conflict or inconsistency between the Client’s Futures Trading Agreement and this Supplement, the terms of this Supplement shall prevail.

5.2 Unless otherwise defined, capitalized terms in this Supplement shall have the same meaning as defined under the Agreement.

## RISK DISCLOSURE STATEMENTS

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, the Client should undertake such Transactions only if the Client understands the nature of the contracts (and contractual relationships) into which the Client is entering and the extent of the Client exposure to risk. Trading in futures and options is not suitable for many members of the public. The Client should carefully consider whether trading is appropriate for the Client in light of the Client's experience, objectives, financial resources and other relevant circumstances.

### 1. Risk of Trading Futures and Options

The risk of loss in trading futures contracts or options is substantial. In some circumstances, the Client may sustain losses in excess of the Client's 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. The Client may be called upon at short notice to deposit additional Margin funds. If the required funds are not provided within the prescribed time, the Client's position may be liquidated. The Client will remain liable for any resulting deficit in the Client account. The Client should therefore study and understand futures contracts and options before the Client trades and carefully consider whether such trading is suitable in the light of the Client's own financial position and investment objectives. If the Client trades options the Client should inform himself of exercise and expiration procedures and the Client rights and obligations upon exercise or expiry.

### 2. Risk of Electronic Transmission of Data

Due to unpredictable traffic congestion and other reasons, electronic transmission may not be a reliable medium of communications. Information transmitted or Transactions conducted via electronic means are subject to delays in transmission and receipt of the Client's instructions or other information, delays in execution or execution of the Client's instructions at prices different from those prevailing at the time the Client's instructions were given, transmission interruption or blackout. There are risks of misunderstanding or errors in communication. It is also usually not possible to cancel an instruction after it has been given.

### 3. Risk of Client Assets Received or Held Outside Hong Kong

Client Assets received or held by the Company outside Hong Kong are subject to the applicable laws and regulations of the relevant overseas jurisdiction which may be different from the SFO 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.

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

If the Client provides the Company with an authority to hold mail or to direct mail to third parties, it is important for the Client to promptly collect in person all contract notes and statements of the Client's Account and review them in detail to ensure that any anomalies or mistakes can be detected in a timely fashion.

### 5. Risk of Providing Authorization to Third Parties

If the Client provides third parties with an authority to operate the Client's Account maintained with the Company, it is important for the Client to understand that the Company shall be entitled to assume that any of the third parties has full and unrestricted powers and authority to perform trading on behalf of the Client and shall not be under any duty to verify the authenticity of the instructions or identity of such person(s). The Client shall be bound by instructions given on behalf of the Client by third parties.

### 6. Risk of Trading Futures

#### 6.1 Effect of "Leverage" or "Gearing"

Transactions in futures carry a high degree of risk. The amount of initial 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 the Client has deposited or will have to deposit: this may work against the Client as well as for the Client. The Client may sustain a total loss of initial Margin funds and any additional funds deposited with the Company to maintain the Client's position. If the market moves against the Client's position or Margin levels are increased, the Client may be called upon to pay substantial additional funds on short notice to maintain the Client's position. If the Client fails to comply with a request for additional funds within the time prescribed, the Client's position may be liquidated at a loss and the Client will be liable for any resulting deficit.

## 6.2 Risk-reducing Orders or Strategies

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.

## 7. Risk of Trading Options

### 7.1 Variable Degree of Risk

- (a) 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. The Client should calculate the extent to which the value of the options must increase for the Client's position to become profitable, taking into account the premium and all transaction costs.
- (b) The purchaser of options may offset or exercise the options or allow the options to expire. The exercise of an option results either in a cash settlement or in the purchaser acquiring or delivering the underlying interest. If the option is on a futures contract, the purchaser will acquire a futures position with associated liabilities for Margin (see the section on Futures above). If the purchased options expire worthless, the Client will suffer a total loss of the Client investment which will consist of the option premium plus transaction costs. If the Client is contemplating purchasing deep-out-of-the-money options, the Client should be aware that the chance of such options becoming profitable ordinarily is remote.
- (c) 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 (see the section on Futures above). If the option is "covered" by the seller holding a corresponding position in the underlying interest or a futures contract or another option, the risk may be reduced. If the option is not covered, the risk of loss can be unlimited.
- (d) Certain exchanges in some jurisdictions permit deferred payment of the option premium, exposing the purchaser to liability for Margin payments not exceeding the amount of the premium. The purchaser is still subject to the risk of losing the premium and transaction costs. When the option is exercised or expires, the purchaser is responsible for any unpaid premium outstanding at that time.

## 8. Additional Risks Common to Futures and Options

### 8.1 Terms and Conditions of Contracts

The Client should ask the Company about the terms and conditions of the specific futures or options which the Client is trading and associated obligations (e.g. the circumstances under which the Client 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.

### 8.2 Suspension or Restriction of Trading and Pricing Relationships

- (a) 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 the Client has sold options, this may increase the risk of loss.
- (b) Further, normal pricing relationships between the underlying interest and the futures, and the underlying interest and the option may not exist. This can occur when, for example, the futures contract underlying the option is subject to price limits while the option is not. The absence of an underlying reference price may make it difficult to judge "fair value".

### 8.3 Deposited Cash and Property

The Client should familiarise oneself with the protections given to money or other property the Client deposit for domestic and Foreign Transactions, particularly in the event of insolvency or bankruptcy. The extent to which the Client may recover the Client money or property may be governed by specific legislation or local rules. In some jurisdictions, property which had been specifically identifiable as the Client's own will be pro-rated in the same manner as cash for purposes of distribution in the event of a shortfall.

#### 8.4 Commission and Other Charges

Before the Client begins to trade, the Client should obtain a clear explanation of all commission, fees and other charges for which the Client will be liable. These charges will affect the Client's net profit (if any) or increase the Client's loss.

#### 8.5 Transactions in Other Jurisdictions

Transactions on markets in other jurisdictions, including markets formally linked to a domestic market, may expose the Client to additional risk. Such markets may be subject to regulation which may offer different or diminished investor protection. Before the Client trades the Client should enquire about any rules relevant to the Client's particular Transactions. The Client's local regulatory authority will be unable to compel the enforcement of the rules of regulatory authorities or markets in other jurisdictions where the Client's Transactions have been effected. The Client should ask the firm with which the Client deals for details about the types of redress available in both the Client's home jurisdiction and other relevant jurisdictions before the Client starts to trade.

#### 8.6 Currency Risks

The profit or loss in Transactions in foreign currency-denominated Contracts (whether they are traded in the Client's 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.

#### 8.7 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. The Client's ability to recover certain losses may be subject to limits on liability imposed by the system provider, the market, the clearing house and/or participant firms. Such limits may vary: the Client should ask the Company for details in this respect.

#### 8.8 Electronic Trading

Trading on an electronic trading system may differ from trading on other electronic trading systems. If the Client undertakes Transactions on an electronic trading system, the Client 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 the Client's order is either not executed according to the Client's instructions or is not executed at all.

#### 8.9 Off-exchange Transactions

In some jurisdictions, and only then in restricted circumstances, the Company is permitted to effect off-exchange Transactions. The Company may be acting as the Client's 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 the Client undertakes such Transactions, the Client should familiarise with applicable rules and attendant risks.

### 9. Risk of Trading Virtual Asset Related Products ("VA")

#### 9.1 Risks Relating to Liquidity, Volatility and Valuation

- (a) Virtual assets are generally not backed by any physical assets or guaranteed by the government. They have no intrinsic value. Some of the virtual assets may not circulate freely or widely, and may not be listed on any secondary markets. There may be lack of secondary markets for Clients to trade virtual assets or VA. There may not have any generally accepted valuation principles governing certain types of virtual assets.
- (b) The value of the virtual assets or VA may fluctuate significantly over a short period of time. This means there is a high risk that the price of virtual assets or VA may move up or down, and may become valueless. Client will lose some or all of his/her/its money. Any virtual asset may decrease in value or lose all of its value due to various factors including discovery of wrongful conduct, market manipulation, change to the nature or properties of the virtual asset, governmental or regulatory activity, legislative amendment, suspension or cessation of support for a virtual assets/VA or other exchanges or service providers, public opinions, or other factors outside of our control.
- (c) Prices on the secondary market are driven by supply and demand and are short-term and volatile by nature. The volatility faced by Clients may be further magnified where liquidity pools for virtual assets are small and

fragmented.

## 9.2 Risks Relating to Cybersecurity and Safe Custody of Assets

- (a) Trading platform operators and portfolio managers may store Clients' assets in hot wallets (ie, online environments which provide an interface with the internet). These can be prone to hacking. Cyber-attacks resulting in the hacking of virtual asset trading platforms and thefts of virtual assets are common. Victims may have difficulty recovering losses from hackers or trading platforms, which can run to hundreds of millions of Hong Kong dollars. Virtual asset funds face a unique challenge due to the limited availability of qualified custodian. Available solutions may not be totally effective.
- (b) Transactions involving virtual assets are irrevocable. Lost or stolen virtual assets may be irretrievable. Once a transaction has been verified and recorded on a block chain, loss or stolen virtual assets generally will not be reversible.

## 9.3 Risks Relating to Market Integrity

Unlike regulated stock exchanges, the market for virtual assets is nascent and may not operate under a set of recognized and transparent rules. Outages are not uncommon, as are market manipulative and abusive activities, and these all result in Client losses.

## 9.4 Risks Relating to Conflicts of Interest

Virtual asset trading platform operators may act as agents for clients as well as principals. Virtual asset trading platforms may facilitate the initial distribution of virtual assets (e.g., initial coin offerings), facilitate secondary market trading, or both, as in a traditional exchange, alternative trading system or securities broker. If these operators are not under the purview of any regulator, it would be difficult to detect, monitor and manage conflicts of interest and has a risk of price manipulation on trading, lending or other dealing platforms.

## 9.5 Risks Relating to Inadequate and Inconsistent Regulation

- (a) Virtual assets/VA may not be subject to regulations associated with a regulated financial product, including, but not limit to, licensing requirement, audit, trade reporting requirements, anti-money laundering rules, market manipulation rules, market integrity principle. The markets for virtual assets/VA are therefore especially susceptible to manipulation and fraud which can have a negative impact on the price of virtual assets/VA.
- (b) Among the accounting profession body, there may not be an agreed standards and practices for auditor to perform assurance and valuation procedures to obtain sufficient audit evidence for the existence and ownership of virtual assets, and ascertain the reasonableness of the valuations.

## 9.6 Risks Relating to Fraud

- (a) Virtual assets may be used as a means to defraud Clients.
- (b) Virtual asset trading platform operators or portfolio managers may not have conducted sufficient product due diligence before allowing virtual assets to be traded on their platforms or investing in a virtual asset for their portfolios. As a result, Clients may become victims of fraud and lose their investments.

## 9.7 Risks Relating to Absence of Robust Regulations and Protection on Virtual Assets/VA

- (a) Not only virtual assets itself, trading, lending, dealing platforms and custodians of virtual assets may be unregulated in some countries. There may not have any guarantees and safeguards provided by Government or regulatory bodies. New unforeseen risks may arise from investing in new types of virtual assets or investing in new market participants' complex transaction strategies products.
- (b) Moreover, there may be an absence of a robust regulatory system for virtual assets/VA. Global regulatory bodies may face difficulties on developing a robust regulatory system for virtual assets/VA due to the continuing evolution and development of virtual assets/VA.

## 9.8 Risks Relating to Default and/or Counterparty Risks

- (a) Default risk could come from the issuer's failure to make payments as agreed. At time of market downturn, an issuer may default due to their inability to fulfil their commitments.
- (b) Counterparty risk refers to the failure of the trading party in fulfilling their financial contractual obligations.

## 9.9 Additional Risks of Trading Virtual Asset Futures Contracts

- (a) The prices of the virtual assets which underlie these futures contracts fluctuate, sometimes dramatically. This may be due to insufficient liquidity. The difficulty in valuing the underlying virtual assets will in turn pose significant challenges for investors in reliably valuing virtual asset futures contracts.
- (b) Investors are exposed to amplified risks due to the highly leveraged nature of futures contracts. Moreover, the complexities and inherent risks of virtual assets and/or virtual asset futures contracts are likely to be difficult for the average investor to understand. From time to time, there have been reports of market manipulative and abusive activities on platforms offering or trading virtual asset futures contracts. Such platforms may not have clear and fair trading rules. Some platforms have been criticized by investors for changing their trading rules during the life of futures contracts, for instance, halting trades or rolling back transactions and causing significant losses to investors.
- (c) As VA is a relatively new class of asset, there may be additional risk which have not been identified and mentioned. Due to volatility and unknown risk nature, the Customer should only invest in VA if the Customer are prepared to accept the risk of losing all the monies they have invested in VA.



## PERSONAL INFORMATION COLLECTION STATEMENT OF THE GROUP COMPANIES

All references to “Group Companies” in this statement refer to the direct or indirect holding companies, and direct or indirect subsidiaries of the Company or of such holding companies, and shall include Guoyuan International Holdings Limited, Guoyuan Securities Brokerage (Hong Kong) Limited, Guoyuan Futures (Hong Kong) Limited, Guoyuan Asset Management (Hong Kong) Limited and Guoyuan Capital (Hong Kong) Limited. The Statement is made by the Group Companies in accordance with the Personal Data (Privacy) Ordinance (Cap. 486) of the Hong Kong Special Administrative Region ('the Ordinance') and is intended to notify the Clients of why personal data is collected, how it will be used and to whom data access requests are to be addressed.

1. From time to time, it is necessary for the Clients to supply the Group Companies with data in connection with the opening or continuation of accounts and the establishment or continuation of trading or credit facilities or provision of financial, securities, commodities, derivatives, investment, financing, wealth management, investor education and related services, products and facilities.
2. Failure to supply such data may result in the Group Companies being unable to open or continue accounts or establish or continue trading or credit facilities or provide the services, products or facilities mentioned in Clause 1 above.
3. It is also the case that data are collected from the Clients in the ordinary course of the continuation of the business relationship between the Clients and the Group Companies.
4. The purposes for which data relating to the Client may be collected, used and/or disclosed by and the Group Companies, whether within or outside Hong Kong and whether before or after the termination of the Client's relationship with the Group Companies, are as follows:
  - (a) the daily operation of the services and facilities provided to the Clients;
  - (b) conducting credit checks;
  - (c) assisting other financial institutions to conduct credit checks;
  - (d) ensuring ongoing credit worthiness of the Clients;
  - (e) designing the services, products or facilities mentioned in Clause 1 above for the Clients' use;
  - (f) marketing the services, products and facilities mentioned in Clause 1 above (details of the use or provision of personal data by the Group Companies for direct marketing purposes are set out in Clause 6 below);
  - (g) determining the amount of indebtedness owed to or by the Clients;
  - (h) collection of amounts outstanding from the Clients and those providing guarantee or security for the Clients' obligations;
  - (i) meeting the requirements to make disclosure under the requirements of any legal and/or regulatory requirements or court orders binding on the Group Companies (whether within or outside Hong Kong);
  - (j) enabling the Group Companies to comply with any applicable industry practices;
  - (k) enabling the Group Companies to comply with any applicable laws, rules, regulations, industry practices, legal obligations, or any requirements, requests, codes, guidance or guidelines of any exchanges or any regulatory, tax, law enforcement or government bodies in any jurisdiction to which the Group Companies are subject (such as guidelines issued by the Hong Kong Inland Revenue Department for the implementation of automatic exchange of financial account information (AEOI) and the U.S. Foreign Account Tax Compliance Act (FATCA));
  - (l) complying with any obligations, requirements, policies, procedures, guidelines, measures or arrangements for sharing data and information within the Group Companies and/or any other use of data and information in accordance with any programmes for sanctions, prevention or detection of money laundering, terrorist financing, tax evasion or other unlawful activities; and
  - (m) any purposes directly or indirectly relating or incidental to any of the above.

The Group Companies may from time to time transfer the Clients' data outside of Hong Kong for any of the above purposes.

5. Data held by the Group Companies relating to Client(s) will be kept confidential but the Group Companies may provide such data to the following parties (whether within or outside Hong Kong):
  - (a) any agent, contractor or third party service provider who provides administrative, telecommunications, computer, financial, trade execution, cash, securities and/or contracts clearing or settlement or other services to the Group Companies in connection with the operation of its business;
  - (b) any other person under a duty of confidentiality to the Group Companies including but not limited to any member of the Group Companies which has undertaken to keep such information confidential;
  - (c) any financial institution or dealer with which the Client has or proposes to have dealings;
  - (d) any credit reference agency and in the event of default, any debt collection agency;

- (e) any actual or proposed assignee of the Group Companies or participant or sub-participant or transferee of the Group Companies rights in respect of the Clients;
- (f) any person providing or proposing to provide guarantee or security for the Clients' obligations; and
- (g) any exchange, entity, agency, regulatory or government body in any jurisdiction if required by law or pursuant to any court orders, rules or regulations to which the Group Companies are subject, including any Company issuing a notice under section 329 of the SFO. In such cases, the Group Companies are usually under a duty of secrecy and will not be able to notify the Client or seek his/her consent in relation to such release of information

## 6. Use of Data in Direct Marketing

The Group Companies may use the Client's personal data in direct marketing with the Client's consent (which includes an indication of no objection) for that purpose. In this connection, please note that:

- (a) the Client's personal data such as the Client's name, telephone number, email address, correspondence address, account number, products and services portfolio information, transaction pattern and behaviour, risk profile, financial background and investment objectives and experience may be used by the Group Companies in direct marketing;
- (b) the following classes of services, products, facilities and marketing subjects may be marketed:
  - (i) financial, securities, commodities, derivatives, investment, financing, wealth management, investor education and related services, products and facilities; and
  - (ii) reward, loyalty or privileges programmes and related services, products and facilities;
- (c) the above services, products, facilities and marketing subjects may be provided or (in the case of donations and contributions) solicited by the Group Companies; and
- (d) the Group Companies may, with the Client's written consent (which includes an indication of no objection), also provide the personal data described in Clause 6(a) above to any of the persons referred to in Clause 6(c) above for use by any of them in direct marketing of the services, products, facilities and marketing subjects referred to in Clause 6(b) above. The Group Companies may so provide the personal data to such persons for direct marketing purposes for gain.

If the Client wishes the Group Companies to cease to use and provide his/her personal data to other persons for use in direct marketing, the Client may notify the Legal and Compliance Department of the Group Companies in writing by mailing or faxing the written notification to the postal address or facsimile number provided in Clause 10 below. The Group Companies shall then cease to use and provide his/her personal data for direct marketing purposes without any charge.

- 7. There may be instances where the Clients elect to provide personal information to the Group Companies through electronic means (such as Internet or voice recording system). Whilst the Group Companies generally uses best endeavors to maintain the security and integrity of its systems, due to many unpredictable traffic or other reasons, electronic communication may not be a reliable medium of communication. The Client should take heed of such weaknesses and communicate personal information through electronic devices with caution.
- 8. Under and in accordance with the terms of the Ordinance, the Client has the right to:
  - (a) check whether the Group Companies hold data about him/her and the right of access to such data;
  - (b) require the Group to correct any data relating to him/her which is inaccurate; and
  - (c) ascertain the Group Companies' policies and practices in relation to data and to be informed of the kind of personal data held by the Group Companies.
- 9. In accordance with the terms of the Ordinance, the Group Companies have the right to charge a reasonable fee for the processing of any data access request
- 10. The person to whom requests for ceasing to use of personal data in direct marketing, access to data, correction of data or information regarding policies and practices and kinds of data held are to be addressed as follows :

Legal and Compliance Department  
 Guoyuan International Holdings Limited  
 17/F, Three Exchange Square  
 8 Connaught Place  
 Central, Hong Kong

Phone : (852) 3769-6820  
 Facsimile : (852) 3769-6999  
 Email : [compliance@gyzq.com.hk](mailto:compliance@gyzq.com.hk)

11. This Statement may be revised, amended or supplemented from time to time by the Group Companies. The most up-to-date statement can be found in the Group Companies' website at [www.gyzq.com.hk](http://www.gyzq.com.hk).