English Version

帝國國際証券有限公司
IMPERIUM INTERNATIONAL SECURITIES LIMITED

Client Agreement

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CLIENT MASTER AGREEMENT

In consideration of Imperium International Securities Limited (the **"IISL"**) of Room 2603A, 26/F, One Harbour Square, 181 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong (an Exchange Participant of the Stock Exchange of Hong Kong Limited and a Licensed Corporation (CE No. AVI905) licensed with the Securities and Futures Commission in respect of carrying on the regulated activities of Type 1 Dealing in Securities, Type 2 Dealing in Futures Contracts and Type 4 Advising on Securities agreeing to allow the Client identified in the Account Opening Form to open one or more accounts with IISL and providing services to the Client in connection with securities trading with or without margin financing facilities, the Client HEREBY AGREES that all Transactions executed by IISL for any Account shall be subject to the Client Master Agreement (including without limitation the General Terms and Conditions and the Additional Terms applicable to the services provided by IISL) as amended from time to time and notified to the Client. IISL's current provisions of the Client Master Agreement are hereinafter set out:

PART I – DEFINITION

1. INTERPRETATION

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

"A Shares"	means any securities issued by companies incorporated in PRC which are listed and admitted to trading on the stock exchanges of PRC (including SSE and SZSE);
"Access Codes"	such password(s), and/or form(s) of personal identification (in numeric, alpha-numeric or other format, usually known as login name) prescribed by the Broker from time to time, whether used alone or in conjunction with each other, for gaining access to the Electronic Trading Service;
"Account(s)"	any account (including without limitation any sub-account of that account and a Cash Account, Margin Account, Futures Account and/or Index Options Account) from time to time opened in your name and maintained with us for the Services. An account shall be denominated in Hong Kong dollars or such other currencies as we may agree from time to time with you;
"Account Opening Form"	the account opening form or other document (however described) prescribed by IISL from time to time and provided by or on behalf of the Client to IISL in respect of an application to open an Account;
"Agreement"	the written agreement between the Client and IISL regarding the opening, maintenance and operations of the Account(s) as amended from time to time, including but not limited to the General Terms and Conditions, the Additional Terms, the Account Opening Form, Risk Disclosure Statement, Data Privacy Policy and any authority given by the Client to IISL with respect to the Account(s);
"Applicable Law"	means the legal requirements of any place or any jurisdiction that IISL operates in or such legal requirements are otherwise applicable on IISL;
"Authorized Person"	the person or any of the persons designated in or pursuant to this Agreement to issue instructions in relation to an Account;
"Cash Account"	any cash account, as indicated as such in the Account Opening Form, opened by the Client with IISL for trading of securities (excluding Exchange Traded Options) without Margin Facility granted by the Broker;
"CCASS"	means the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited;
"Charge"	the charge over the Collateral in favour of IISL to secure repayment of the Secured Obligations in accordance with Clause 3 of Part 3 Margin Financing of the Agreement, and includes such modification or supplement from time to time;
"ChinaClear"	means China Securities Depository and Clearing Corporation Limited;
"China Connect"	means Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect, or such other securities trading and clearing links program developed or to be developed between SEHK and a trading platform in PRC, as applicable;
"China Connect Authorities"	means the exchanges, clearing systems and regulators which provide services in relation to and/or regulate China Connect and activities relating to China Connect, including but not limited to, SEHK, HKSCC, ChinaClear, a China Connect Market Operator, the CSRC, PBOC, SAFE, SFC and any other regulator, agency or authority with jurisdiction, authority or responsibility in respect of China Connect;
"China Connect Laws"	means the laws, regulations, rules and guidelines promulgated by any China Connect Authority from time to time in respect of China Connect or any activities arising from China Connect, including but not limited to the China Connect Rules;
"China Connect Market Operator"	means the SSE or SZSE, as applicable;
"China Connect Market System"	means the system used for the trading of China Connect securities on a China Connect Market, as operated by the relevant China Connect Market Operator;
"China Connect Rules"	means any rules, policies or guidelines published or applied by any China Connect Authority from time to time in respect of China Connect or any activities arising from China Connect;
"China Connect Service"	means the order-routing service through which Northbound orders placed by an exchange participant maybe transmitted by an SEHK subsidiary to a China Connect Market for the buying and selling of China Connect Securities and any related supported services;
"ChiNext Shares"	means any A Shares accepted for listing and admitted to trading on the ChiNext market operated by the SZSE from time to time;
"Circuit Breaker"	means any measures that may be imposed or activated by a China Connect Market Operator on the relevant China Connect Market in accordance with the Circuit Breaker Provisions;
"Circuit Breaker Provisions"	means the relevant provisions in the Operator Rules under which Circuit Breaker may be imposed for the purpose of, among others, minimizing or averting substantial upward or download price movements of securities traded on the relevant China Connect Market, including all related provisions on the application and lifting of the Circuit Breaker;
"Client"	the person(s) with whom IISL has entered into this Agreement and such person's successors in title and (if appropriate) personal representatives whose name(s) and other identity details set out in the Account Opening Form and shall include each Authorized Person;

"Collateral"	all securities, money and any other properties provided by the Client to IISL or purchased or received by IISL for the Client or otherwise which come to the possession, custody or control of IISL or other persons on behalf of IISL which are charged to IISL as security under the Clause 3 of Part 3 Margin Financing of the Agreement; accordingly, **"securities collateral"** refers to the securities comprised in the Collateral;
"Code of Conduct"	Code of Conduct for Persons with the Securities and Futures Commission issued by the SFC and as amended from time to time;
"Compliance Rules"	means all regulations, sanction regimes, international guidance or procedures or rules of relevant regulatory or industry body that may be applicable to IISL.
"Confirmation"	means a written or typed record (including facsimile or other electronic means from which it is possible to produce a hard copy) (a) confirming and setting out the particulars of any transaction executed by IISL on any Account, or (b) recording any other event (including without limitation receipts or withdrawals of assets) in relation to the Account, and containing such information as IISL shall consider appropriate;
"Data Privacy Policy"	the IISL's general policy in relation to the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong) and any subsidiary legislation made thereunder as amended, consolidated or substituted from time to time and the policy is set out in Part 7;
"Electronic Media"	any electronic or telecommunications media, including but not limited to the internet, interactive television systems, telephone, wireless application protocol or any other electronic or telecommunications devices or systems as IISL may from time to time determine and prescribe;
"Electronic Trading Service"	any facility provided or to be provided by IISL from time to time under this Agreement which enables the Client to give instructions relating to any Transaction in the Account(s) through any Electronic Media;
"Event(s) of Default"	any of the events of default as specified in Clause 15 of the General Terms and Conditions;
"Exchange"	mean The Stock Exchange of Hong Kong Limited, Hong Kong Futures Exchange Limited and any other exchange, market or association of dealers in any part of the world on which securities or F/O Contracts are bought and sold;
"Hong Kong"	The Hong Kong Special Administrative Region of The People's Republic of China;
"HKSCC"	Hong Kong Securities Clearing Company Limited;
"H Shares"	means any securities issued by companies incorporated in the PRC and listed on the SEHK.
"Investor Compensation Fund"	the Investor Compensation Fund established pursuant to the SFO;
"Institutional Professional Investor"	means any person falling under paragraphs (a) to (i) of the definition of "professional investor" in section 1 of Part 1 of Schedule 1 to the SFO;
"Laws"	means all laws, rules, regulations and regulatory requirements applying to IISL, and to other brokers and dealers instructed by IISL, including, where applicable, the rules of the relevant Exchange and its associated clearing house;
"List of Eligible SSE Securities for Short Selling"	means the listed published by the SEHK from time to time setting out the China Connect securities listed on the SSE that are eligible for Short Selling;
"List of Eligible SZSE Securities for Short Selling"	means the listed published by the SEHK from time to time setting out the China Connect securities listed on the SZSE that are eligible for Short Selling;
''Margin''	the amount, whether cash or non-cash collateral as may from time to time be demanded by IISL from the Client by way of margin, variation adjustments or cash adjustments or otherwise in relation to the amount drawn under Margin Facility and/or Client Contracts for the purpose of protecting IISL against any loss or risk of loss on present, future or contemplated obligations arising from Margin Facility and/or Client Contracts including and not being less than amount of margin required by the relevant Clearing House (if applicable), and "**margin requirements**" means the requirements set by the Broker in respect of the collection and specifications of the Margin;
"Margin Account"	any margin account, as indicated as such in the Account Opening Form, opened by the Client with IISL for trading of securities with Margin Facility granted by the Broker;
"Margin Facility"	the credit facility provided by IISL to the Client to facilitate the acquisition of securities and the continued holding of those securities under the Margin Account and for other related purposes;
"Northbound"	means the trading of China Connect securities by Hong Kong and international investors through China Connect;
"IISL"	means Imperium International Securities Limited ;
"Operator China Connect Rules"	means the SSE China Connect Rules or the SZSE China Connect Rules, as applicable;
"Operator Rules"	means the SSE Rules or the SZSE Rules, as applicable;
"PBOC"	means the People's Bank of China;
"Pre-Trade Checking"	means the requirement under the China Connect Laws pursuant to which the relevant China Connect Market Operator may reject a sell order if an investor does not have sufficient and available China Connect Securities in its account.

"Regulators"	means the SFC, the relevant Exchange, the relevant clearing house and any other regulator whether in Hong Kong or elsewhere;
"Regulatory Rules"	means the rules of the Regulators or other laws, rules, codes, guidelines, circulars and regulatory directions issued by the Regulators from time to time;
"Related Person"	means any of our Affiliates, or any director, officer, employee or agent of IISL or our Affiliates;
"Risk Disclosure Statement"	the risk disclosure statement provided by IISL to the Client before the opening of the Account and/or from time to time in form prescribed by the SFC from time to time with the current version set out in Part 11;
"Secured Obligations"	all money, obligations or liabilities in any currency (together with any accrued interest) falling due, owing or incurred by the Client to IISL under the Margin Account (including without limitation the obligations to satisfy the margin requirements and delivery obligations arising out of Client Contracts), or to IISL under any other accounts now and in the future, whether actually or contingently, whether solely or jointly with others;
"securities"	includes (a) items under the definition of securities in Schedule 1 to the SFO; (b) all investment products listed or traded on Exchanges; and (c) any investment products designated, prescribed or included by IISL as such in its absolute discretion;
"SEHK"	The Stock Exchange of Hong Kong Limited;
"SFC"	in relation to Hong Kong, The Securities and Futures Commission constituted under the SFO, in relation to any other regions, other statutory bodies performing similar functions as The Securities and Futures Commission and have jurisdiction over the relevant Exchanges;
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and any subsidiary legislation made thereunder amended, consolidated or substituted from time to time; and
"Special China Connect Securities"	means any securities listed on a China Connect Market which SEHK (after consulting with the relevant China Connect Market Operator) from time to time accepts or designates as eligible only for China Connect sell orders and not China Connect buy orders.
"SSE"	means the Shanghai Stock Exchange
"SSE China Connect Rules"	means the rules and regulations on Shanghai-Hong Kong Stock Connect which have been published by SSE for the purpose of implementing Shanghai-Hong Kong Stock Connect, as amended, supplemented, modified and/or varied from time to time.
"SZSE"	means the Shenzhen Stock Exchange
"SZSE China Connect Rules"	means the rules and regulations on Shenzhen-Hong Kong Stock Connect which have been published by SZSE for the purpose of implementing Shenzhen-Hong Kong Stock Connect, as amended, supplemented, modified and/or varied from time to time.
"Transaction"	the purchase, sale, exchange, disposal of and general dealing (including but not limited to deposit and withdrawal and exercise of call and put options) in securities and Exchange Traded Options, the disposition of funds and the drawing and repayment under the Margin Facility on behalf of the Client in connection with this Agreement.

1.2 In this Agreement:

1.2.1 the singular shall be deemed to include the plural and vice versa;

1.2.2 words importing any gender include every gender and references to persons include companies and corporation;

1.2.3 the headings in this Agreement are inserted for convenience only and shall be ignored in construing this Agreement;

1.2.4 references to any statute, statutory provision or Regulatory Rule shall include a reference to that statute, provision or Regulatory Rule as from time to time amended, replaced, modified extended or re-enacted;

1.2.5 words not defined shall have the meanings ascribed to them in the Securities and Futures Ordinance or the regulations made thereunder unless the context requires otherwise;

1.2.6 references in this Agreement to Clauses and Schedules are to clauses in and schedules to this Agreement;

1.2.7 if there is any inconsistency between the Chinese and English versions of this Agreement, the English version shall apply and prevail;

1.2.8 any reference in this Agreement to an ordinance or a provision of any Regulatory Rules shall be deemed to include such ordinance or provision as now or hereafter amended, replaced, modified, extended or re-enacted;

1.2.9 in the event of any inconsistency between any provision of this Agreement and any Laws, the latter shall prevails and IISL shall be entitled in its discretion to take or refuse to take any action or to demand that the Client shall take or refrain from taking any action to ensure compliance with the same. All actions taken by IISL in accordance with the Laws shall be binding on the Client.

Unless otherwise specified in this Agreement or by IISL in writing, any interest owed by Client to IISL in connection with this Agreement shall be calculated on the basis of a 365-day year or 366-day year (if the year in question is a leap year). Such basis may be changed by IISL in its absolute discretion, at any time and from time to time, without notice to or consent from Client unless such notice or consent is stated in this Agreement, or other written agreement by IISL, to be necessary.

PART 2 – GENERAL TERMS AND CONDITIONS

1. ACCOUNT OPENING

1.1 Client hereby instructs and authorizes IISL to open and maintain one or more than one securities trading account(s) in the name of Client for purchasing, investing in, selling, exchange or otherwise dealing in securities in Hong Kong or elsewhere, on the terms set out in this Agreement.

2. INFORMATION TO CLIENT

2.1 IISL may, at Client's request, agree to deal in securities on Client's behalf, and to provide information, advice and/or recommendations in relation to securities. If IISL solicit the sale of or recommend any financial product to Client, the financial product must be reasonably suitable for Client having regard to Client's financial situation, investment experience and investment objectives. No other provision of this agreement or any other document IISL may ask Client to sign and no statement IISL may ask Client to make derogates from this clause. Note: "Financial product" means any securities, futures contracts or leveraged foreign exchange contracts as defined under the SFO. Regarding "leveraged foreign exchange contracts", it is only applicable to those traded by persons licensed for Type 3 regulated activity.

2.2 IISL shall provide to Client upon request product specifications, any prospectus or other offering document covering securities which are derivative products in which Client wishes to consider dealing.

3. CLIENT'S INSTRUCTIONS AND STANDING AUTHORITY

3.1 Instructions given by Client shall be irrevocable and may be given in writing, verbally, by facsimile or other electronic means (including through the Internet Service, as defined in the Part 8), but in any case at Client's own risk.

3.2 Unless Client gives specific instructions to the contrary, Client agrees and acknowledges that all orders and instructions are valid for the official trading day of the Exchange (in this Clause 3 referred to as "Trading Day") on which it is received. Any instruction received after the close of a Trading Day shall be treated as that of the next Trading Day and valid for the next Trading Day only.

3.3 For any instruction, the name of Client (or any of them in case where Client is more than one person unless otherwise stated in the Account Application), the name of Client's Authorised Person or Authorised Third Party(ies) and the number of the relevant account opened with IISL shall be quoted provided always that IISL may but shall not be under any duty to verify or ensure as to the identity of the or any person giving such instruction and IISL shall be entitled (but not be obliged) to act on the same and rely on its belief that such instruction emanates from Client, Client's Authorized Person(s) or Authorized Third Party(ies).

3.4 Client may grant to IISL the following standing authorities and once granted, Client agrees to be bound by the terms thereof:-

- 3.4.1 a standing authority pursuant to the Securities and Futures (Client Money) Rules (Cap 571I of Laws of Hong Kong) as amended from time to time;
- 3.4.2 a standing authority pursuant to the Securities and Futures (Client Securities) Rules (Cap. 571H of Laws of Hong Kong) as amended from time to time; and
- 3.4.3 such other lawfully agreed standing authority, as amended from time to time.

3.5 Subject to applicable laws, any instruction given or purportedly given by Client, its Authorized Person(s) or Authorized Third Party(ies) after;

- 3.5.1 the revocation by Client of its Authorized Person(s)' or Authorized Third Party(ies) authority; or
- 3.5.2 the commencement of liquidation or bankruptcy (as the case may be) shall continue to be valid and effective in IISL's favour after the actual date of receipt by IISL of a written notice informing IISL of the occurrence of the relevant event from Client (in case of the said revocation) or in case of the said liquidation or bankruptcy, the liquidator, the trustee in bankruptcy or similar officer.

3.6 Any instruction given by Client's Authorized Person(s) or Authorized Third Party(ies), as the case may be, shall be deemed to be given by the Client. Client hereby agrees to accept full responsibility and shall not later challenge the instructions given by Client's Authorized Person(s) or Authorized Third Party(ies), as the case may be.

4. DISCRETION

4.1 IISL shall be entitled to rely on and to act as it thinks fit in accordance with any instruction given or purportedly given by or on behalf of Client which IISL believes in good faith to have been given by Client or its Authorized Person(s) or Authorized Third Party(ies). Notwithstanding the foregoing, IISL shall have discretion to reject such instruction. IISL shall be under no obligation either to act for the Client or upon any instruction, or execute any transaction for and on behalf of the Client if there are insufficient funds in the Account, or if IISL believes that the acting or the execution might result in either IISL, any member of the Group or the Client contravening any Laws or Regulatory Rules or for any other reason. If IISL in its absolute discretion declines to act for the Client or act upon any instruction, or execute any transaction for or on behalf of the Client, IISL shall in its own discretion notify the Client accordingly, but IISL shall not in any circumstances whatsoever be liable in any way for any loss, damages, liability, cost, expense or whatsoever suffered or incurred by the Client arising in or in connection with the exercise of the above discretion by IISL.

5. EXECUTION OF ORDER

5.1 IISL may, in carrying out Client's instructions, contract or otherwise deal with or through any broker, agents, custodians, nominees, overseas brokers and dealers for the purchase or sale of securities on any Exchange, or any person associated with IISL in any manner, or such terms as IISL may in its discretion determine. Client accepts that the terms of business of such persons and the applicable Regulatory Rules of any Regulator on and through which such Transactions are executed and settled shall apply to such Transactions; and acknowledges that all Transactions which IISL effects on the Client's instructions shall be effected in accordance with all Regulatory Rules applicable to IISL and/or Client, and all actions taken by IISL in accordance with the applicable Regulatory Rules shall be binding on Client.

5.2 Client understands and agrees that IISL may, as a result of providing services to Client hereunder or otherwise, owe obligations towards a third party arising from, or in connection with, and securities or other investment products of Client. Such third parties may have rights and entitlements in Client's securities and other investment products, which can affect (a) IISL's ability to discharge its obligations towards Client in respect of such securities and other investment, and/or (b) Client's ability to exercise any of its rights in respect of, or attached to, such securities and other investment products.

6. ADVICE

6.1 IISL may, and, if required by the Laws, shall, send to the address(es) (email address or otherwise) and/or other contact number(s) of Client on IISL's records an Advice (which may be in electronic format) after IISL has facilitated a transaction with or for the Account, or upon the occurrence of certain events of or movements in Client's Account, in accordance with the Laws in relation to the Advice:

- 6.1.1 Client agrees that it is its responsibility to ensure that it receives Advice in due time and to make enquiries with and obtain the same from IISL immediately if not duly received;
- 6.1.2 any purported discrepancy between contents of any Advice and Client's instructions must be notified to IISL, orally or in writing in accordance with the notice provisions of this Agreement, within seven (7) days following the date of issue or re-issue of the Advice to Client; and
- 6.1.3 at the end of the period of seven (7) days, the contents of the Advice shall be conclusive evidence of the particulars set out therein without any further proof that the Advice and/or the transaction or event to which it relates are correct (subject to the right of IISL, which may be exercised by it at any time and from time to time, to adjust any entries in the Account and/or details in the Advice where they have been wrongly or mistakenly made by it), except for:
  - 6.1.3.1 any alleged errors notified by Client to IISL in accordance with the notice provisions in this Agreement;
  - 6.1.3.2 any payments made on forged or unauthorized endorsement;
  - 6.1.3.3 any unauthorized transactions arising from forgery or fraud by any third party (including Client's employee, agent or servant) in relation to which IISL has failed to exercise reasonable care and skill;
  - 6.1.3.4 any authorized transactions arising from forgery or fraud by any employee, agent or servant of IISL; and/or
  - 6.1.3.5 any other unauthorized transaction arising from the default or gross negligence on the part of IISL or any of its employees, agents or servants.
- 6.1.4 IISL shall not be responsible for failures or delays in the transmission of offers or instructions due to a breakdown or failure of transmission of communication facilities, or to any other cause or causes beyond the reasonable control or anticipation of IISL.

7. SETTLEMENT

7.1 Client shall pay to IISL in cleared funds any money required for the purchase of securities or shall deliver to IISL the certificates or documents of title or procure the transfer of securities held in CCASS required for the sale of securities (as the case may be), in each case at any time demanded by IISL (even if required to be paid and/or delivered earlier than the settlement date), and Client shall take all necessary action to enable due settlement and/or delivery in respect of such purchase and sale in accordance with the Laws. Should Client fail to do so, IISL is authorized:

- 7.1.1 in the case of a purchase transaction, to transfer or sell any such purchased securities to satisfy Client's obligations to IISL; or

7.1.2 in the case of a sale transaction, to borrow and/or purchase such sold securities to satisfy Client's obligations to IISL.

7.2 If IISL has to obtain securities which IISL has purchased on behalf of Client in the open market, following the failure of the selling broker to deliver on the settlement date, Client shall be responsible for any difference in prices and all incidental expenses in connection with such open market purchase.

7.3 The Client hereby acknowledges that the Client shall be responsible to the Broker for any loss, costs, fees and expenses incurred by the Broker in connection with the Client's failure to meet the Client's obligations by the due time as set out in Clause 7.1.

8. SHORT SELLING

8.1 Except for any security interest of IISL or any member of the Group, securities provided by 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. Client confirms and undertakes that it will give IISL information and/or assurances in relation to the ownership of the securities as IISL may require before the selling order is place. Client must notify IISL when a sale order relates to securities which the Client does not own i.e. where it involves short selling (including where the Client has borrowed stock for the purposes of the sale). Client acknowledges and agrees that no short selling order will be accepted by IISL unless Client provides IISL with such confirmation, documentary evidence and assurance as IISL in its opinion considers necessary to show the Client has a presently exercisable and unconditional right to vest such securities in the purchaser before placing any short selling order.

9. MARGIN TRADING

9.1 Subject to the terms and conditions as set out in the Part 3, IISL may grant the Facility to the Client to conduct margin securities trading in respect of the Account.

10. INITIAL PUBLIC OFFERINGS

10.1 Where the Client requests IISL to apply on Client's behalf for securities in a new issue for listing on an Exchange, the Client hereby agrees to comply with the provisions contained in the Part 5.

11. FOREIGN CURRENCY TRANSACTIONS

In the event that Client directs IISL to enter into any transaction on an Exchange or other market on which such transactions are effected in a foreign currency:

11.1 any profit or loss arising as a result of a fluctuation in the exchange rate affecting such currency will be entirely for the account and risk of Client;

11.2 all initial and subsequent deposits for margin purposes shall be made in such currency in such amounts as IISL may, at the sole discretion of IISL, require from time to time; and

11.3 when such a contract is liquidated IISL shall debit or credit the Account of Client in the currency in which such Account is denominated, at a rate of exchange determined conclusively by IISL on the basis of the then prevailing money market rates of exchange between such currencies.

11.4 In the event that IISL exercises any of its rights under this Agreement, including without limitation the combination or consolidation of the Accounts or the transfer of client money and such combination, consolidation or transfer or exercise of any other right requiring the conversion of one currency into another, the conversion shall calculated at the spot rate of exchange (as conclusively determined by IISL) prevailing in such foreign exchange market as determined by IISL to be relevant on the date of such combination, consolidation, transfer or exercise of that right.

11.5 In the event that Client places an order for the sale or purchase of Renminbi-denominated securities, Client acknowledges and agrees that:

11.5.1 Renminbi is subject to capital controls and is not freely convertible, and therefore transactions involving Renminbi-denominated securities may involve substantial exchange risks;

11.5.2 unless otherwise indicated by IISL, transactions of Renminbi-denominated securities will be settled in Renminbi; and

11.5.3 if IISL is required to settle a transaction on behalf of Client by purchasing or selling Renminbi from or through the market, unless otherwise indicated by IISL, the exchange rate will be based on prevailing market rate or such rate as quoted by a licensed bank in Hong Kong.

12. SECURITIES IN THE ACCOUNT(S)

12.1 Client specifically authorizes IISL, in respect of any of the securities (whether in Hong Kong or elsewhere) deposited by Client with IISL or purchased or acquired by IISL on behalf of Client, and held by IISL for safe keeping, to register the same in the name of IISL, any member of the Group or any nominee appointed or agreed by IISL (whether such nominee is a person in Hong Kong or elsewhere) or in Client's name, or deposit in a segregated account which is designated as a trust account or client account and established and maintained in Hong Kong by IISL or any member of the Group with an authorized financial institution, an approved custodian or another intermediary licensed for dealing in securities (in this Clause 12 referred to as "Segregated Account for Securities") or deposit with any overseas custodian or overseas clearing house subject to compliance with applicable Regulatory Rules.

12.2 Client specifically authorized IISL, in respect of any of the securities collateral (whether in Hong Kong or elsewhere) deposited with, or otherwise provided by or on behalf of Client to IISL to:

12.2.1 deposit in a Segregated Account for Securities;

12.2.2 deposit in an account in the name of IISL or any member of the Group (as the case may be) with an authorized financial institution, an approved custodian or another intermediary licensed for dealing in securities;

12.2.3 register in the name of Client on whose behalf the securities collateral has been received, IISL or any member of the Group or any nominee appointed or agreed by IISL (whether such nominee is a person in Hong Kong or elsewhere); or

12.2.4 deposit with any overseas custodian or overseas clearing house subject to compliance with applicable Regulatory Rules.

12.3 Any securities and securities collateral (whether in Hong Kong or elsewhere) held by IISL, any member of the Group, banker, institution, custodian, nominee, intermediary or any other person pursuant to this Clause 12 shall be at the sole risk of Client. IISL, any member of the Group and the relevant associated entity, banker, institution, custodian, nominee, intermediary and person shall be under no obligation to insure Client against any kind of risk, which obligation shall be the sole responsibility of Client.

12.4 If in relation to any securities deposited with IISL or any member of the Group or any other person pursuant to this Clause 12 but which are not registered in Client's name, any dividends or other distributions or benefits accrue in respect of such securities, the Account(s) shall be credited (or payment made to Client as may be agreed) with the proportion of such dividends, distributions or benefits equal to the proportion of the securities held on behalf of Client out of the total number or amount of such securities. In the event that the odd lot of such securities is not eligible for any such dividends, distributions or benefits, the odd lot held on behalf of Client will not be taken into account in the apportionment. Subject to applicable Laws and Regulatory Rules, IISL may retain, or otherwise dispose of, for its own account and benefit, any fractional shares entitlements to which Client may be entitled, and entitlements (in any form whatsoever) arising from any odd lot held on behalf of Client or from the aggregation of odd lots held on behalf of the clients of IISL (including Client). The foregoing shall not limit or prejudice, in any way, IISL's right to reject Client's instructions under Clause 5 including, without limitation its right to reject Client's instructions in relation to the sale or purchase of any odd lot of any securities.

12.5 If in relation to any securities deposited with IISL or any member of the Group or any other person pursuant to this Clause 12 but which are not registered in the name of Client, and loss is suffered by IISL or any member of the Group, the Account(s) may be debited (or payment made by Client as may be agreed) with the proportion of such loss equal to the proportion of the securities held on behalf of Client out of the total number or amount of such securities.

12.6 Except as provided in this Agreement or otherwise allowed under the Laws, IISL shall not, without Client's oral or written direction or standing authority, deposit, transfer, lend, pledge, re-pledge or otherwise deal with any of Client's securities or securities collateral for any purpose.

12.7 IISL is authorized, in accordance with applicable Laws or pursuant to a lawfully agreed standing authority, to dispose of any of Client's securities or securities collateral (and IISL shall have absolute discretion to determine which securities or securities collateral are to be disposed of) for the purpose of settling any liability owed by or on behalf of Client to IISL.

12.8 The obligations of IISL (or any other person permitted under this Agreement) to deliver, to hold or to register in Client's name or in the name of Client's nominee, any of Client's securities or securities collateral shall be satisfied by the delivery, the holding or registration in Client's name or Client's nominee of securities of the same class, denomination and nominal amount as, and rank pari passu with, those originally deposited with or transferred to IISL or any other person permitted under this Agreement or otherwise agreed by Client or acquired by IISL on Client's behalf ("Original Securities") (subject always to any capital reorganization which may have occurred in the meantime) and IISL (or any other person permitted under this Agreement) shall not be bound to deliver or return securities which are identical with the Original Securities in terms of number, class, denomination, nominal amount and rights attached thereto.

12.9 Where any securities are held in IISL's name, the name of any member of the Group or the name of any nominee appointed or agreed by IISL in accordance with this Clause 12, IISL or such member of the Group will not attend any meeting or exercise any voting or other rights including the

completion of proxies except in accordance with written instructions of Client. Nothing in this Agreement shall in any way impose on IISL or any member of the Group any duty to inform Client or to take any action with regards the attendance of meetings and to vote at such meetings, IISL or any member of the Group any duty to inform Client or to take any action with regards the attendance of meetings and to vote at such meetings. IISL or any member of the Group has no duty in respect of notices, communications, proxies and other documents, relating to the securities received by IISL or any member of the Group or to send such documents or to give any notice of the receipt of such documents to Client. IISL and/or any member of the Group has/have the right to charge Client for its/their respective services in taking or arranging custody of Client's securities or any action pursuant to Client's instruction.

12.10 For the avoidance of doubt, IISL, any member of the Group or any nominee appointed or agreed by IISL (whether such nominee is a person in Hong Kong or elsewhere) may hold any securities for Client in place outside Hong Kong, subject to compliance with applicable Regulatory Rules.

12.11 Without prejudice and in addition to other rights and remedies of IISL and other members of the Group, IISL may, at any time and from time to time, dispose, or initiate a disposal by any relevant member of the Group, of any of the Client's securities (whether in Hong Kong or elsewhere) or securities collateral (whether in Hong Kong or elsewhere) in settlement of any liability owed by or on behalf of Client to IISL, such relevant member of the Group or a third person. IISL and such relevant member of the Group (if applicable) are authorized to do all things as necessary in connection with any such disposal without any liability for any resulting or associated loss or expense. Without prejudice to the foregoing, Client shall not make any claim against IISL and/or such relevant member of the Group (if applicable) concerning the manner or timing of such disposal.

13. MONIES IN THE ACCOUNT(S)

13.1 Subject to compliance with applicable Regulatory Rules, IISL shall be entitled to deposit or transfer any monies held in the Account(s) or received for or on the account of Client with or to interchangeably between one or more segregated account(s) opened and maintained by IISL or any member of the Group in Hong Kong or elsewhere each of which shall be designated as a trust account or client account, at one or more authorized financial institution(s) and/or any other person(s) approved by the SFC for the purposes of section 4 of the Securities and Futures (Client Money) Rules (Cap. 571I of Laws of Hong Kong) and/or any other person(s) overseas subject to compliance with applicable Regulatory Rules. Unless otherwise agreed between Client and IISL and, any interest accrued on such monies shall belong to IISL absolutely.

13.2 For so long as there exists any indebtedness to the Broker on the part of the Client, the Broker may refuse any withdrawal of money in the Account and the Client shall not without consent of the Broker withdraw any such money.

14. COMMISSION, FEES AND CHARGES, LIENS, SET-OFF AND CONSOLIDATION

14.1 In respect of every transaction or Account, Client shall pay to IISL forthwith on demand the applicable interest, levy, charge, premium, brokerage, commission, fee (including, without limitation, dormant/inactive account fee), cost and expense for the Account under this Agreement as advised to Client from time to time. The most up to date information and notice about interest, levy, charge, premium, brokerage, commission, fee, cost and expense in connection with the purchasing, investing in, selling, exchanging or otherwise dealing in any securities in the Account can be found on the website of IISL. Subject to applicable Laws, IISL may, at any time and from time to time, in its absolute discretion, change any commission, fee and/or charge by notice to Client. Client acknowledges that he/she is expected to check the website of IISL or request updated information from IISL from time to time shall be binding on Client and be sufficient advice for all purposes and intents. Subject to applicable Laws, the new commission, fee and/or charge shall be applicable on the effective date specified in such notice, whether the specified effective date is before or after the date of such notice.

14.2 Client shall pay or reimburse IISL forthwith on demand an amount equal to all commission, brokerages, levies, fees, duties and taxes and all other charges and expenses incurred by IISL arising out of or in connection with any transaction effected by IISL as agent on behalf of Client or otherwise arising out of or in connection with the performance of the duties of IISL under this Agreement. For the collective investment account, Client understands that front-end fee (partly/fully as commission payable to IISL) is charged up to a maximum percentage of the investment amount stated on the prospectus or explanatory memorandum of the relevant fund. Certain funds may charge redemption fee, switch fee and/or annual management fee, all or part of which may be payable to IISL by the relevant fund management company or its associated company. Detailed information of such fees can be found in the prospectus or explanatory memorandum of the relevant fund. All or part of the fees received by IISL will be paid to the investment consultant serving Client's account as his/her commission.

14.3 Without prejudice to other provisions of this Clause 14, IISL may deduct any amount contemplated in Clauses 14.1 and 14.2 above from the Account.

14.4 Client shall be responsible to IISL for all losses and expenses resulting from Client's settlement failure, and shall be subject to such additional charges and interest therefor as IISL may determine.

14.5 Subject to applicable the Laws, without limitation to and in addition to other rights and remedies of IISL and other members of the Group, Client agrees that:

14.5.1 Without prejudice to any other provisions in this Agreement, IISL and the Group shall have a general lien over all or any part of any money or securities held by IISL or any member(s) of the Group for the discharge of Client's obligation to IISL, any member of the Group or a third person;

14.5.2 IISL may at any time and from time to time without prior notice combine or consolidate all or any of Client's account with, and/or apply Client's securities and/or other properties in or towards satisfaction of, any liabilities to IISL and/or other members of the Group;

14.5.3 IISL may at any time and from time to time without prior notice set-off or transfer any sum in whatever currency standing to the credit of any of Client's accounts with IISL or other members of the Group in or towards satisfaction of any of Client's liabilities of whatever nature (including liabilities incurred as principal or surely and whether such liabilities be actual or contingent, primary or collateral, several or joint) to IISL and/or other members of the Group.

14.6 IISL may:

14.6.1 without further disclosure to Client, receive, accept and retain for IISL's own account(s) and benefit absolutely from any broker or underwriter or issuer or any other third parties (who may or not act as agent of Client in any respect), any profit, rebate, reallowance, brokerage, commission, fee, benefit, profit, discount and/or other advantage arising out of or in connection with the provision of services to or handling of transactions for Client. Client agrees that the consent given hereunder shall constitute a permission or lawful authority for the purpose of Section 9 of the Prevention of Bribery Ordinance (Cap. 201 of the Laws of Hong Kong); and

14.6.2 without further disclosure to Client, pay to any broker or underwriter or issuer or any other third parties (who may or may not act as an agent of Client in any respect), any profit, rebate, reallowance, brokerage, commission, fee, benefit, profit, discount and/or other advantage arising out of or in connection with the provision of services to or handling or transactions for Client. Client agrees that the consent given hereunder shall constitute a permission or lawful authority for the purpose of Section 9 of the Prevention of Bribery Ordinance (Cap. 201 of the Laws of Hong Kong).

14.7 Without prejudice to and in addition to other rights and remedies of IISL and other members of the Group, IISL shall be entitled but not be obliged (and is hereby authorized by Client), as its discretion and without notice to Client, to dispose of Client's securities and/or other properties for the purpose of settling any liability owed by Client to IISL for or in connection with:

14.7.1 dealing in securities which remains after IISL has disposed of all other assets designated as collateral for securing settlement of that liability;

14.7.2 financial accommodation provided by IISL to Client which remains after IISL has disposed of all other assets designated as collateral for securing settlement of that liability; or

14.7.3 maintaining the Account(s) which has/have been designated by IISL as inactive or dormant account(s).

14.8 Subject to applicable Laws and without prejudice to and in addition to any general lien and other rights and remedies entitled by IISL and/or other member(s) of the Group, at any time when Client is indebted to IISL or any member of the Group in any respect, IISL or any member of the Group shall be entitled but not be obliged (and Client irrevocably and unconditionally authorizes IISL or any member of the Group), as its discretion and without prior notice to Client, at any time and from time to time.

14.8.1 to combine or consolidate all or any of Client's existing accounts with IISL or any member of the Group regardless of whether notice is required and the nature of the account (i.e. whether deposit, loan or any other nature); and

14.8.2 to set-off or transfer any sum standing to the credit of any one or more of such accounts wherever they are situated, in order to satisfy Client's liabilities to IISL and/or any member of the Group on any other account or other respect whatsoever.

14.9 IISL and any member of the Group are authorized to do the above without notice and notwithstanding any settlement of account or other matter whatsoever. The liabilities referred to above include present or future, actual or contingent, primary or collateral, and several or joint. In addition, IISL shall have the right to sell such securities, investments and property and utilize the proceeds to offset and discharge all the obligations of Client without any prior notice to Client, whether as principal or as surety, to IISL and/or any member of the Group regardless of:

14.9.1 whether any other person is interested in, or whether IISL has made advances in connection with, such securities, investments or property; and

14.9.2 the number of accounts Client may carry with IISL or any member of the Group.

IISL is authorized to do all things as necessary in connection with such sale without any liability for any resulting loss. Without prejudice

to the foregoing, Client shall not make any claim against IISL concerning the manner or timing of such sale.

14.10 Client agrees to pay interest on all overdue balances owing by Client to IISL and/or the relevant member(s) of the Group (after as well as before any judgment), at such rate(s) from day to day as IISL and/or the relevant member(s) of the Group shall in its/their absolute discretion determine with reference to the prevailing market rate(s) from the date(s) of default up to the date(s) of actual payment, such interest to be payable on the last day of each calendar month or such other date(s) as determined by IISL and/or the relevant member(s) of the Group or forthwith upon any demand being made by IISL and/or the relevant member(s) of the Group. The aforesaid interest rate may be changed by IISL and/or the relevant member(s) of the Group in its/their absolute discretion, at any time and from time to time and without notice to and without consent from Client or any third party. If any interest rate calculated under this clause would exceed the maximum lawful rate under the Money Lenders Ordinance (Cap. 163 of Laws of Hong Kong), then the maximum lawful interest rate under that Ordinance shall be applied instead. Client agrees that IISL shall be entitled (but not obliged), at any time and from time to time, without prior notice, to debit any Account with IISL and/or any other account(s) of Client with other member(s) of the Group with any interest due and payable by Client in accordance with this Clause 14.10 and Client undertakes to, immediately upon demand by IISL, do such act(s) and/or execute such document(s) as may be required by IISL at any time and from time to time in order to give full effect to each such debit.

14.11 Client acknowledges and agrees that IISL may engage third party service providers, including (but not limited to) brokers, custodians, settlement and clearing agents, system vendors and market data providers ("Third Party Service Providers") in connection with trading conducted on local or foreign markets. Client acknowledges and agrees that IISL shall be under no obligation to take any action whatsoever against any Third Party Service Provider in respect of any loss or damage suffered by Client arising out of any act or omission on the part of such Third Party Service Provider, and covenants not to hold IISL responsible or liable in any manner for any such loss or damage unless IISL is guilty of fraud or wilful default which also contributes to the Third Party Service Provider's act or omission.

15. DEFAULT

15.1 The following shall constitute events of default (the "Events of Default") :

15.1.1 Non-payment: Client defaults in paying, further securing or satisfying on demand any monies or liabilities under this Agreement or any agreement between Client and any member of the Group;

15.1.2 Breach of representation: any statement, representation, warranty or undertaking made, repeated or deemed to have been repeated by Client in this Agreement or in any notice or other document delivered to IISL or any member of the Group in connection with this Agreement that is or proves to have been incorrect or misleading when made, repeated or deemed to have been repeated;

15.1.3 Breach of other obligations: Client fails to perform or comply with any of its other obligations under this Agreement or any agreement between Client and any member of the Group and, if that failure is capable of remedy, does not remedy such failure to the satisfaction of IISL immediately following receipt of notice from IISL or any member of the Group requiring it to do so;

15.1.4 Winding-up, etc.: where Client is a corporation:

15.1.4.1 a petition is presented or an order is made or any effective resolution is passed or analogous proceedings are taken for the winding up of Client save for the purposes of an amalgamation, merger or reconstruction the terms whereof have previously been approved in writing by IISL; or

15.1.4.2 Client convenes a meeting for the purpose of making, or proposes and/or enters into, any arrangement or composition for the benefit of its creditors; or

15.1.4.3 an encumbrancer take possession or a Receiver or other similar officer is appointed of the whole or any part of the assets or the undertaking of Client, or a distress or execution is levied or enforced upon or sued out against any of the chattels or property of Client and is not discharged within thirty days of being levied; or

15.1.4.4 Client, without the consent in writing of IISL, stops payment to creditors generally or (if applicable) Client (otherwise than for the purpose of such an amalgamation, merger or reconstruction as is referred to in Clause 15.1.4.1 above) ceases or threatens to cease to carry on its business or any substantial part thereof or be deemed, for the purposes of Section 178 of the Companies Ordinance (Cap. 32 of the Laws of Hong Kong), to be unable to pay its debts or disposes or threatens to dispose of the whole or a substantial part of its undertaking or assets;

15.1.5 Bankruptcy, etc.: Bankruptcy proceedings are commenced in respect of Client where Client is an individual, or a bankruptcy order is made against Client or Client makes any composition or arrangement with Client's creditors, dies, becomes of unsound mind and/or insane;

15.1.6 Material adverse change in Client's financial condition, etc.: there occurs a material adverse change in Client's business, assets or financial condition which would, in the opinion of IISL, prevent or hinder or tend to prevent or hinder Client from performing in any material respect its obligations;

15.1.7 Judgment or court order: where Client is a partnership or a sole proprietorship, any of its partners or the sole proprietor shall have any judgment or order of Court made or any execution levied against his goods chattels or property, dies, becomes of unsound mind and/or insane;

15.1.8 Incompetence, etc.: where the Client is an individual, a sole proprietor or a partnership, a judicial declaration of incompetence or mental incapacity is made in respect of the Client or any of the partners, or the Client or any of the partners dies;

15.1.9 Unlawfulness: where IISL in its sole opinion believes there may be a basis for suspicion that the Client has engaged or may be engaging in any market malpractice or any other activity which is prohibited by any Laws or Regulatory Rules or applicable terms and conditions of whatsoever nature; or it shall become unlawful for the Client to maintain the Account or to perform any of the Client's obligations under this Agreement; or any authorization, consent, approval or licence necessary for the Client to continue the Account or to perform any of its obligation under this Agreement is withdrawn, restricted, revoked or otherwise ceases to be in full force and effect;

15.1.10 Fraud, etc.: Client is convicted of an offence involving fraud, deception or dishonesty or any other serious criminal offence (other than a road traffic offence where a non-custodial sentence is imposed);

15.1.11 Regulatory requirements: in the discretion of IISL, the exercise by IISL of any powers conferred by Clause 15.2 is necessary for compliance with any Regulatory Rules or Laws;

15.1.12 Suspension of the Account: the Account or the trading of any securities or instruments in the Account is for whatsoever reason suspended;

15.1.13 Illiquidity: in the absolute opinion of IISL, there occurs market conditions (for example, illiquidity) or actions that may make it difficult or impossible to effect the relevant transactions or liquidate or offset the relevant positions; and

15.1.14 Others: in the sole discretion of IISL, when it regards it to be otherwise necessary or appropriate in its absolute discretion, e.g. due to margin requirements, compliance with any Regulatory Rules or otherwise.

15.2 Upon or at any time after the occurrence of any of the Event of Default, all amounts owing by the Client to IISL shall become immediately payable on demand and IISL, without notice to the Client, may do any of the following in its discretion:-

15.2.1 terminate all or any part of this Agreement and close the Account, or otherwise suspend operation of the Account or impose any restrictions on the Account as IISL sees fit in its absolute discretion (including but not limited to the suspension and refusal of any of Client's instructions to withdraw or deal with any funds or to conduct any Transaction);

15.2.2 immediately require Client to repay or discharge the Facility, if any;

15.2.3 cancel any or all outstanding orders or any other commitments made on behalf of the Client;

15.2.4 close any or all contracts between IISL and the Client, cover any short position of Client through the purchase of securities on the relevant Exchange(s) or, liquidate any long position of the Client through the sale of securities on the relevant Exchange(s);

15.2.5 sell or otherwise dispose of the securities held for the Client to settle any liability owed by the Client to IISL which remains after IISL has disposed of all client collateral for securing the settlement of that liability; and

15.2.6 combine or consolidate any or all accounts of the Client and exercise right of set-off in accordance with this Agreement.

15.3 In the event of any sale pursuant to Clause 15.2.5

15.3.1 IISL shall not be responsible for any loss occasioned thereby howsoever arising if IISL has already used reasonable endeavours to sell or dispose of the securities or or any part thereof at the then available market price;

15.3.2 IISL shall be entitled to appropriate to itself or sell or dispose of the securities or any part thereof at the current price to IISL or any member of its Group without being in any way responsible for loss occasioned thereby howsoever arising and without being accountable for any profit made by IISL and/or any member of its Group; and

15.3.3 the Client undertakes to pay to IISL any deficiency if the net proceeds of sale shall be insufficient to cover all the outstanding balances owing by Client to IISL.

15.4 Any proceeds of sale hereunder shall be applied in the following order of priority:

15.4.1 in satisfaction of all costs, levies, charges, expenses and payments (including, without limitation, legal or other professional fees, stamp duty, commission and brokerage) incurred by IISL on a full indemnity basis;

15.4.2 in or towards the satisfaction of the amount secured by this Agreement whether principal or interest or otherwise in such order as IISL

may in its discretion decide;

15.4.3 in or towards the satisfaction of any other amount owing to IISL or any member of the Group; and the surplus if any shall be paid to Client or to its order. If there is any deficiency after the sale, Client shall pay such deficiency to IISL without the need for any demand.

15.5 Any dividends, interest or other payments which may be received or receivable by IISL in respect of the Margin Securities (as defined in the Part 3) (less such reasonable charges as IISL may determine from time to time) may be applied by IISL as though they were proceeds of sale hereunder notwithstanding that the power of sale may not have arisen.

15.6 A declaration, determination or decision by an officer of IISL that the power of sale has become exercisable under this Clause 15 shall be conclusive evidence of that fact in favour of any purchaser or other person deriving title under the sale.

16. LIABILITY AND INDEMNITY

16.1 Client agrees that IISL or any member of the Group or any of their respective officers, employees or agents shall not have any liability whatsoever (other than those resulting from fraud or wilful default on IISL's part) for any loss, expense or damage which Client may incur as a result of the performance or failure to perform this Agreement or as a result of any act or omission of any third party (whether or not such third party being appointed by IISL or any member of the Group) or howsoever arising out of any cause beyond the control of IISL or any member of the Group. Further, IISL or any member of the Group or any of their respective officers, employees or agents shall accept no liability as a result of compliance with any applicable Regulatory Rules. This Clause 16.1, however, shall not be construed as in any way binding any member of the Group to comply with any provision of this Agreement unless otherwise explicitly agreed by such member of the Group.

16.2 Client undertakes to indemnify and to keep indemnified IISL and its officers, employees and agents on a full indemnity basis from and against all losses, damages, interest costs, actions, demands, claims, proceedings, expenses, costs (including, without limitation, legal costs and costs reasonably incurred in collecting debts from Client) and liabilities of whatsoever nature (other than those resulting from fraud or wilful default on IISL's part) incurred, suffered or sustained by or made or brought against or threatened to be made or brought against each or any of them directly or indirectly arising out of or in connection with the performance of any act or the exercise of any right or discretion or any inaction taken or chosen by or for IISL and/or any member of the Group pursuant to this Agreement, or arising directly or indirectly from any act or omission by Client whether or not constituting a breach of any of its obligations under this Agreement or the occurrence of any Event of Default or directly or indirectly as a consequence of reliance on by IISL or any of its officers, employees or agents any representation stated in this Agreement or any information provided by or for Client or directly or indirectly as a result of acting on by IISL or any of its officers, employees or agents any instruction, signature, instrument, notice, resolution, request, certificate, report or other document believed to be signed or given by the proper party(ies), whether the same is given verbally or in written form and whether the same is an original, facsimiled or electronic copy.

16.3 If any claim is made against IISL or Client in connection with this Agreement, IISL may, without prejudice to Clause 16.1 above, take any such steps at its sole discretion, including the withholding of payment or delivery to Client of any money or securities.

16.4 Client acknowledges that handling of Client's Account(s) by any person or party other than the Client must be properly documented as prescribed by IISL from time to time (for example, in relation to giving of trading instructions, by completion of the relevant prescribed form applicable to Authorized Person or Authorized Third Party, as the case may be). Discretionary handling of clients' account by IISL's representatives is generally not permitted by IISL policy (and that if exception is granted it must be properly documented in a further IISL discretionary account agreement with a power of attorney). Client covenants not to hold IISL responsible in any way, and shall indemnify IISL, for all and any loss, damage, interest, cost, action, demand, claim, liability, expense or proceeding of any nature whatsoever relating to or resulting from the Client's instruction, permission, acquiescence or approval to, or arrangement or understanding with, any IISL representative or any person or party other than the Client (whether explicit or tacit) to conduct discretionary trading on the Account or other handling in respect of the Client's Account(s) or Client's money.

17. DISCLOSURE OF INFORMATION ABOUT CLIENT

17.1 Client warrants and undertakes to IISL that all information provided by Client from time to time in, under or pursuant to this Agreement is and will be accurate, complete and up-to-date. Client shall notify IISL forthwith of any change to such information. IISL shall be entitled to rely fully on all such information for all purposes until IISL is notified to the contrary in writing and any such written notification shall be duly signed by Client. Client understands and accepts that notwithstanding anything to the contrary which may be contained in this Agreement, any change to any such information shall not take effect until five (5) days after the actual receipt by IISL of the relevant written notification or until such shorter period of time as may be agreed by IISL in writing.

17.2 IISL shall notify Client of any material change to the information relating to IISL provided in, under or pursuant to this Agreement.

17.3 Client shall immediately on demand by IISL at any time and from time to time supply to IISL such financial and/or other information in connection with the subject matter of this Agreement, Client and/or the compliance of any Laws or Regulatory Rules as IISL any reasonably require. Client agrees that IISL may conduct credit enquiries or check on Client for the purpose of ascertaining the financial situation of Client.

17.4 IISL may provide any information supplied by or relating to Client and/or any transaction and/or the Account to any Regulator or other person to comply with the lawful requirements or requests for information (whether such requirements and requests are mandatory or otherwise) or otherwise where in IISL's sole discretion, it deems appropriate in the circumstances. Without limiting the foregoing, relevant information may be disclosed if there is reasonable ground for IISL to suspect that any Client may have committed a material breach or infringement of, or may not have complied with, any market misconduct provisions in Party XIII or XIV of the Securities and Futures Ordinance.

17.5 IISL is subject to the Personal Data (Privacy) Ordinance (Cap. 486 of the Laws of Hong Kong) which regulates the use of personal data concerning individuals. IISL's policies and practices relating to the use of personal data are set out in the Part 7 to this Agreement.

17.6 Client represents and warrants to IISL that Client has taken all action necessary to authorize the disclosure to IISL and other persons permitted hereunder of all information (including, without limitation, personal data as defined in the Personal Data (Privacy) Ordinance, Cap. 486) from time to time provided to IISL by or for Client in, under or pursuant to this Agreement and the use of such information for the purpose of this Agreement and/or any transaction(s) contemplated hereunder and/or the Account. This representation and warranty are taken to be also made by Client on each date that any information is provided to IISL.

17.7 Notwithstanding other provisions in relation to the disclosure of information and tax-related arrangement under this Agreement, the Client hereby agrees to comply with the provisions contained in the Part 9 Foreign Law Requirements. The powers, rights, discretions of IISL under the Part 9 shall be without prejudice and in addition to the provisions in this Clause 17.

18. REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS

18.1 Client represents, warrants and undertakes to IISL (in this Clause 18, referred to as the "Warranties") that:

18.1.1 where Client is a corporation, it has been duly incorporated or established in accordance with all applicable laws and regulations and has the corporate power to enter into and perform this Agreement and has taken all necessary corporate and other action to authorized this Agreement upon these terms and conditions;

18.1.2 no consent or authority of any person (except, in the case of a corporate client, as already obtained as contemplated in Clause 18.1.1) is required for Client to enter into this Agreement including without limitation the power of borrowing and giving security over its assets, or as the case may be, Client has obtained all such necessary consent or authority (including without limitation, consent from its employer where applicable);

18.1.3 the entering into by Client of this Agreement or any trading or borrowing activity in connection with this Agreement will not place Client in breach of the terms of any other arrangement or document (including any constitutional documents such as Client's memorandum and article of association if Client is a corporation and/or deed of trust if Client is a trustee or trust corporation), any staff dealing policies or rules of its employer (if any) or of any obligations under general law or imposed by Regulatory Rules; and Client undertakes to fully comply all relevant Laws, Regulatory Rules, terms, policies and rules;

18.1.4 Client has not taken any action nor has any step been taken or legal proceeding been started or threatened for the bankruptcy or liquidation of the Client. Nor has the Client entered into a compromise or scheme of arrangement with its creditors; and

18.1.5 Client acknowledges that it is Client's duty to ascertain Client's nationality, citizenship, domicile or similar status. Client undertakes not to deal in, purchase or subscribe for any securities or investments which by virtue of the Client's status or other characteristics Client is prohibited to deal in, purchase or subscribe. Client has taken all necessary professional advice including legal, accounting, estate planning or tax advice relating to its tax or other liability under any jurisdiction and Client has not relied in any way on IISL relating to any of Client's instructions or orders in respect of dealing in, purchase of or subscription in any securities or investments.

18.2 Client further warrants and represents to IISL that each of the Warranties is true, accurate and not misleading.

18.3 Client acknowledges that IISL has entered into this Agreement on the basis of, and in reliance on, the Warranties. The Warranties are deemed to be repeated on each day up to and including the termination of this Agreement.

19. NOMINEE ARRANGEMENTS

If any of Client's securities are registered in the name of a nominee for Client ("Nominee"), whether or not such Nominee is a member of the Group, Client agrees as follows:

19.1 the Nominee shall have no liability (in negligence or otherwise howsoever) for failure to forward to Client any notice, information or other communication in respect of any such securities;

19.2 the Nominee shall have full liberty to exercise or refrain from exercising any rights or to satisfy or refrain from satisfying any liabilities arising from or in connection with the holding of any such securities without the need to consult or notify Client beforehand and without being in any way liable therefor and Client shall indemnify the Nominee for all losses, costs, claims, liabilities and expenses incurred by the Nominee and arising directly or indirectly from any action taken or not taken by the Nominee in good faith;

19.3 to pay such fees, expenses and charges as the Nominee may from time to time prescribe in consideration of the nominee services, such fees, expenses and charges to be deducted as IISL sees fit from any monies standing to Client's credit in any account with IISL and/or any member of the Group and until payment the securities held by the Nominee are subject to a lien in favour of the Nominee for the amount(s) concerned and such lien shall be in addition and without prejudice to other rights of the Nominee;

19.4 the Nominee may act on the instructions of any one Authorized Person or Authorized Third Party; and

19.5 the Nominee is not bound to return to Client securities bearing identical serial numbers as any transferred to the Nominee.

20. MISCELLANEOUS

20.1 **Governing law**

This Agreement shall be governed by and construed in accordance with the laws of Hong Kong and Client hereby irrevocably submits to the non-exclusive jurisdiction of the courts of Hong Kong. This Agreement, all rights, obligations and liabilities under this Agreement and all transactions contemplated hereunder shall enure to the benefit, and bind IISL, IISL's successors and assigns, whether by merger, consolidation or otherwise, as well as Client and the heirs, executors, administrators, legatees, successors, personal representatives and permitted assigns of Client.

20.2 **Enforceability**

If any provision of this Agreement shall be void or unenforceable by reason of any provision of applicable Laws, the remaining provisions shall continue in full force and effect and if necessary, be so amended as shall be necessary to give effect to the spirit of this Agreement so far as possible.

20.3 **IISL's role**

Save as expressly provided in this Agreement, IISL shall act as an agent and not as a principal in relation to any transaction undertaken by IISL pursuant to this Agreement, except where IISL gives notice to Client to the contrary or required by the nature of the transaction initiated by Client.

20.4 **IISL's right to report**

Without prejudice to any right or obligation that IISL may have under the Laws, Client acknowledges that IISL shall have the right to report any suspected trading misconduct, other malpractice or irregularity and to disclose relevant information (without prejudice to Clause 17.4) to any Regulators, authorities or the issuer of the financial product concerned, and IISL may in its sole discretion suspend the operation of the Account or decline to act on any instruction without incurring any liability whatsoever to Client for any claim, loss, proceeding or expense howsoever related to IISL's suspension of the Account or its delay or refusal to act upon any instruction relating to the Account.

20.5 **Client's obligation**

Client undertakes to do and execute any act, deed, document or thing which IISL may require in connection with the implementation, execution and enforcement of the terms of this Agreement. Client irrevocably appoints IISL as its attorney to do and execute any act, deed, document and thing which it undertakes to do or execute under this Agreement but fails to do or execute upon the request of IISL.

20.6 **Joint account**

20.6.1 Where the Account is a joint account, unless otherwise stated in the Account Opening Form, IISL may accept instructions from any of the joint account holders, and each joint account holder agrees with the others to be jointly and severally liable for all obligations in connection with this Agreement. IISL has no obligation to inquire into the purpose or propriety of any instruction given or to see to the application of any funds delivered by Client or any or more of the joint account holders in respect of the Account. IISL shall be at liberty to release or discharge any of the joint account holders from his/her liability hereunder or to accept any proposition from or make other arrangements with any of the joint account holders without releasing or discharging the obligations of the other or others from or otherwise prejudicing or affecting the rights and remedies of IISL against the other or others and none of the joint account holders nor shall this Agreement be released or discharged by the death of any one of them.

20.6.2 Any Advice, report, notice or communication given to any joint account holder in accordance with this Agreement shall be deemed to have been duly given to all joint account holders unless: (i) Client's correspondence address has been provided in the Account Opening Form, in which case, any such Advice, report, notice or communication shall be sent to that correspondence address or such other correspondence address as subsequently notified to IISL in accordance with this Agreement; or (ii) Client has requested and IISL has accepted that all Advice shall be sent to the email addresses of all joint account holders, being the last notified email addresses on IISL's records and in such case, all Advice shall be so given. Any Advice, report, notice or communication given by IISL pursuant to the foregoing shall be deemed to have been received by all joint account holders and shall be binding on all of them.

20.6.3 The joint account holders each acknowledge and agree that if any one of them should die,

20.6.3.1 the surviving joint account holder(s) should immediately notify IISL in verbal or writing of the death;

20.6.3.2 IISL is to pay or deliver to or to the order of the surviving joint account holder(s) any moneys, investments, property, instruments and/or documents standing to the credit of or held for the Account, without prejudice to any right IISL may have in respect of the same arising out of any set-off, counterclaim, lien, charge, pledge or otherwise whatsoever or to any step which IISL may deem it desirable to take in view of any third party claims thereto and/or for protecting the interest of IISL and/or other member(s) of the Group and IISL shall be entitled to require the surviving joint account holder(s) to give and/or sign such document(s) as prescribed by IISL before releasing any money, investment, property, instrument or document to or to the order of such survivor(s); and

20.6.3.3 IISL shall not in any circumstances be liable in any way for any claim, loss, damages, liability, cost, expenses or whatsoever suffered or incurred by any person or entity (including, without limitation, the surviving joint account holder(s)), directly or indirectly, arising from or in connection with any action or inaction taken or chosen by IISL pursuant to Clause 20.6.3.2 or any breach of this Clause 20.6.3 by any of the joint account holders; and the joint account holders each agree to indemnify IISL against all claims, losses, damages, liabilities, costs, expenses and whatsoever suffered or incurred by IISL, directly or indirectly, arising from in connection with any action or inaction taken or chosen by IISL pursuant to Clause 20.6.3.2 or any breach of this Clause 20.6.3 by any of the joint account holders.

20.7 **Telephone recording**

IISL may record telephone conversations with Client and the contents of such recording shall be final and conclusive evidence of the conversation concerned and its content. All telephone recording is the property of IISL and will not be released to Client.

20.8 **Client's representation**

Client acknowledges that IISL has offered to explain to Client the terms of the Agreement, and either Client has received such explanation or that Client fully understands the terms of this Agreement without the need for such explanation. Client acknowledges that Client has been advised, and has had the opportunity, to consult Client's own independent legal and other professional advisers.

20.9 **Waiver**

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 IISL shall be effective unless it is in writing. The rights and remedies of IISL are cumulative and not exclusive of any rights or remedies provided by Laws.

20.10 **Force majeure**

In the event of war, terrorism, revolution, insurrection, restraint of rulers, military disturbances, riot, civil disobedience or other similar action involving any country, strike or lockout or stoppage or restraint of labour, seizure or confiscation of assets or other governmental action having a similar effect, any imposition of currency exchange control or restraint of capital movement or transmission by any government, any "Act of God", epidemic, pandemic, vandalism, disruption of the operation of any Exchange, breakdown of computer systems and/or communication facilities, or any other similar event outside the control of IISL which hinders or prevents the performance by IISL of its obligations under this Agreement (an "event of force majeure"), then IISL may, as an alternative to any performance otherwise required, at its absolute discretion either (a) postpone its performance until the event of force majeure no longer has such effect or (b) where any delivery or payment is required, provide or require a cash settlement based upon the prevailing price of a security or instrument relevant to such settlement on the second business day prior to the occurrence of the event of force majeure; such prevailing price being conclusively determined by IISL. IISL shall not be responsible or held liable for any loss suffered by Client arising out of or in connection with an event of force majeure. Client agrees to bear solely the risk of such event of force majeure.

20.11 **Notice**

20.11.1 Any Advice, report, notice or communication to be made or given to Client shall be in writing and may be sent by ordinary post to its address stated in the Account Opening Form, or by facsimile transmission or electronic means (including through the E-Service, as defined in Part 8) to the fax number or e-mail address stated in the Account Opening Form (or to such other address, fax number, or e-mail address as subsequently notified by Client in writing in accordance with this Clause 20.11). Any notification so given shall be deemed to have been received forty-eight (48) hours after dispatch if sent by post or at the time of transmission if given by facsimile or electronic means.

20.11.2 IISL may also give notice to Client by telephone on the telephone number given in the Account Opening Form or on such other number as Client shall notify IISL in writing. All notifications so given to Client shall be deemed to have been received instantaneously if given by telephone.

20.11.3 In all cases if any notice or communication of whatsoever nature is given or delivered to IISL, it shall only be deemed to have been given or delivered to IISL, it shall only be deemed to have been given or delivered to IISL on the day of actual receipt by it.

20.12 **Amendment and termination**

20.12.1 IISL may, at its absolute discretion and without giving reasons, suspend or terminate the Account and at any time cease to act on Client's behalf. Upon termination to suspension of the Account, all monies owing from Client to IISL shall immediately become due and payable and Client shall immediately repay such monies to IISL.

20.12.2 Client agrees that the terms of this Agreement may be amended by IISL from time to time, at its discretion, by notice in writing from IISL to Client, in which event such terms and conditions as so amended shall apply with effect from the effective date specified in such notice, whether the specified effective date is before or after the date of such notice but subject to applicable Laws. Such amendments shall be deemed incorporated into and form part of this Agreement.

20.12.3 Either party may terminate this Agreement at any time by notice to the other provided that such termination shall not affect:

20.12.3.1 the rights or liabilities of either party arising prior to such termination;

20.12.3.2 the warranties, representations, undertakings and indemnities given by Client under this Agreement, all of which shall survive termination; and

20.12.3.3 any of the Client's obligations to IISL pursuant to this Agreement.

20.12.3.4 termination of this Agreement shall not affect any action by IISL, 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 Client under this Agreement.

20.13 **Undertakings by Intermediary**

If Client is an intermediary specified in section 18(3) under Part 2, Division 4 Schedule 2 (excluding section 18(3)(b)) of the Anti-Money Laundering and Counter-Terrorist Financing (Financial Institutions) Ordinance ("Specified Intermediary") and operates and manages the Account for its own client(s) (whether on a discretionary or non-discretionary basis) or otherwise for the transaction(s) with its own client(s), Client agrees to the following terms:

20.13.1 Client confirms that it is a Specified Intermediary;

20.13.2 In respect of each of its own client(s) for whom or for whose transaction(s) the Account is operated and managed. Client consents to be IISL's intermediary to carry out for IISL the customer due diligence ("CDD") measure(s) as stated in the Anti-Money Laundering and Counter-Terrorist Financing (Financial Institutions) Ordinance ("AMLO") and applicable regulatory requirements issued by the SFC from time to time and unless otherwise agreed by IISL in writing, Client shall carry out all the aforesaid CDD measures for IISL.

20.13.3 Client shall on request provide to IISL a copy of any document, or a record of any data or information, obtained by Client in the course of carrying out the aforesaid CDD measure(s) for IISL without delay;

20.13.4 In relation to each transaction it carries out for the Account, Client shall, if requested by IISL within a period of 6 years (beginning on the date on which the transaction is completed, regardless of whether any relevant Business Relationship (defined in section 1(1) under Part 1 of Schedule 2 of the AMLO) ends during that period) or such longer period of time as imposed by the SFC and notified by IISL to Client from time to time, provide to IISL a copy of any document, or a record of any data or information obtained by Client in the course of carrying out the aforesaid CDD measure(s) for IISL as soon as reasonably practicable after receiving the request;

20.13.5 In relation to each of its own client(s) for whom or for whose transaction(s) the Account is operated and managed by Client, Client shall, if requested by IISL (i) during the continuance of the Business Relationship with the client or within a period of 6 years beginning on the date on which the relevant Business Relationship ends; or (ii) within such longer period of time as imposed by the SFC and notified by IISL to Client from time to time, provide to IISL a copy of any document, or a record of any data or information, obtained by Client in the course of carrying out the aforesaid CDD measure(s) for IISL as soon as reasonably practicable after receiving the request;

20.13.6 In relation to each transaction it carries out for the Account or in relation to each of its own client(s) for whom or for whose transaction(s) the Account is operated and managed by Client, Client shall keep all documents, records, data and information referred to in the above paragraphs of this Clause 20.13 for so long as the Business Relationship(s) with any relevant client(s) remain(s) subsisting (regardless of whether the Business Relationship(s) with any other relevant client(s) has/have already ended) and for a period of 6 years beginning on the date on which the relevant Business Relationship or the last relevant Business Relationship (if more than one client) ends. If a longer period of time is imposed by the SFC, all such documents, records, data and information shall be kept by Client for such longer period of time as notified by IISL to Client from time to time and Client must keep all such documents records, data and information in accordance with the AMLO;

20.13.7 If Client is about to cease trading or does not wish to continue to act as IISL's intermediary to carry out the aforesaid CDD measure(s) for IISL, Client shall give IISL 10 days' written notice in advance and shall provide to IISL all the documents, records, data and information referred to in the above paragraphs of this Clause 20.13 without delay;

20.13.8 If IISL terminates its appointment of Client as its intermediary to carry out the aforesaid CDD measures(s) for IISL in respect of any client(s) of Client, Client shall immediately provide to IISL all the documents, records, data and information referred to in the above paragraphs of this Clause 20.13 and in respect of such client(s);

20.13.9 If there is any legal or regulatory requirement (other than those stated in AMLO or issued by the SFC) in respect of the aforesaid CDD measure(s) carried out by Client for IISL and/or any documents, records, data and/or information referred to in the above paragraphs of this Clause 20.13 and/or the keeping of the same, Client shall also comply with such legal or regulatory requirement;

20.13.10 To the extent that any provisions of the AMLO, or of the regulatory requirements issued by the SFC from time to time, in respect of the aforesaid CDD measure(s) carried out by Client for IISL and/or any documents, records, data and/or information referred to in the above paragraphs of this Clause 20.13 and/or the keeping of any such documents, records, data and/or information are not expressly incorporated in this Agreement, the same shall be incorporated by reference in this Agreement. The provisions of the AMLO, and of the regulatory requirements issued by the SFC from time to time, in respect of the aforesaid CDD measure(s) carried out by Client for IISL and/or any documents, records, data and/or information referred to in the above paragraphs of this Clause 20.13 and/or the keeping of any such documents, records, data and/or information referred to in the above paragraphs of this Clause 20.13. Notwithstanding anything in this Agreement or any other document, Client shall comply with all legal and regulatory requirements (as amended from time to time) in respect of the aforesaid CDD measure(s) carried for IISL (including, without limitation, the relevant record-keeping requirement(s); however, nothing in the foregoing shall, in any way, affect any obligation of IISL stated in section 18(2) under Part 2, Division 4 of Schedule 2 of the AMLO; and

20.13.11 In this Clause 20.13, (i) words not defined shall have the meaning ascribed to them in the AMLO or applicable regulatory requirements issued by the SFC from time to time unless the context requires otherwise; and (ii) regulatory requirements issued by the SFC from time to time include, without limitation, the requirements contained in the Guideline on Anti-Money Laundering and Counter-Terrorist Financing.

20.14 **Additional undertakings**

Without prejudice to Clause 20.13 above, IISL may take or omit to take any action which it, in its sole and absolute discretion, considers appropriate to take a compliance action for the purpose of complying with Applicable Laws and Compliance Rules, including preventing money laundering, terrorist financing or other crimes or the provision of financial and other services to any persons or entities which may be subject to sanctions (each such person or entity is referred as a "Sanctioned Party"). Such Compliance Action may include without limitation:

20.14.1 declining the application or refusing to handle or process, or refusing to effect payment in connection with, any transaction contemplated in this Agreement on the ground of, or as a result of, a Compliance Action or if any person or entity relating to any related underlying transaction is a Sanctioned Party;

20.14.2 (if IISL becomes aware that any payment made to or at the request of Client contravenes the Compliance Rules) immediately recouping such payment from Client, irrespective of any other contrary agreement with Client;

20.14.3 the interception and investigation of any payment messages and other information or communications sent to or by Client or on Client's behalf via the systems of IISL; and

20.14.4 making further enquires as to whether a name which might refer to a Sanctioned Party actually refers to that party.

IISL will not be liable for any loss (whether direct, indirect or consequential loss, including without limitation loss of profit or interest) or any damage

suffered by Client or any party arising out of:

(i) Any delay or failure by IISL in processing any payment messages or other information or communication or any request from Client, or in performing any of its duties or other obligations in connection with any transaction, caused in whole or in party by any Compliance Action; or

(ii) The exercise of any of its IISL's rights under or any action taken or omission made by IISL pursuant to this section.

20.15 **Restrictions on US Securities Trading**

Client agrees to deal in US Securities either through (i) such internet-based electronic platform ("Online Platform") or (ii) off-line means ("Off-line Means") as may be designated by IISL from time to time. Unless otherwise agreed in writing by IISL and to the extent permitted by applicable Laws, Client agrees that trading for US Securities through Online Platform or Off-line Means are mutually exclusive for trading in US Securities. In other words, if Client chooses to use Online Platform for trading in US Securities, Client cannot trade through Off-line Means in US Securities. Similarly, if Client chooses to trade through Off-line Means in US Securities, Client cannot trade through Online Platform in US Securities. Client undertakes to abide by the aforesaid trading restriction. IISL reserves the right to decline to act for Client or act upon any instruction, or execute any transaction in US Securities for and on behalf of Client. IISL shall also not in any circumstances whatsoever be liable for any loss, damage, liability, cost, expense or whatsoever arising out of or in connection with Client's failure to abide by the aforesaid restriction.

20.16 **Use of omnibus accounts**

Subject to applicable rules, Client acknowledges and agrees that IISL may use omnibus account(s) for holding Clients' financial and other products and funds together with the financial and other products and funds of its other clients with the exchanges or clearing and depository facilities in which it is a participant and with the overseas market intermediaries (including brokers, clearing facility participants or other depositories and sub-custodians) who execute orders and clear transactions on behalf of IISL where IISL is not a participant of a particular market or exchange. Such other intermediaries may use omnibus accounts to hold financial and other products and funds for their clients (including those held by IISL for Client) with exchanges or clearing and depository facilities of which they are a participant or further sub-custodians or execution and clearing agents utilised by them. Client hereby authorizes IISL to (i) transfer any sum of client funds or assets to such omnibus account(s) maintained in order to meet any instructions of Client or in order to meet Client's obligations, whether existing at the time of transfer of contemplated in the future, in respect of any transaction that Client caries our or intends to carry out; and (ii) deposit any sum of client funds into, or transfer any sum of client funds interchangeably between, any segregated accounts (and other accounts outside Hong Kong) opened and maintained at any time by IISL and such omnibus account(s) maintained by IISL, even in the absence of any instruction for transactions.

Client acknowledges and accepts the risk that: (i) Clients' rights to assets held by IISL in its omnibus account with a clearing and depository facility may be subject to IISL fulfilling its obligations to such facility, which may be further subject to IISL's other clients fulfilling their obligations to IISL, even though the Client may not defaulted on its obligations to IISL; and (ii) Clients' rights to assets held by IISL in any omnibus account with an overseas market intermediary who provides execution or clearing (as outlined above) may be subject to IISL, IISL 's other clients, the intermediary or their agents, and other clients of the intermediary or their agents fulfilling their obligations to their counterparties, even though the Client may not have defaulted on its obligations to IISL.

PART 3 – MARGIN FINANCING

1. INTERPRETATION

1.1 In this Part, unless the context otherwise requires, the following words and expressions have the meanings set out below:

1.1.1 "Facility" means IISL financing to Client for trading of securities in Margin account;

1.1.2 "Indebtedness" means any obligation for the payment or repayment of money, whether actual or contingent;

1.1.3 "Liabilities" means the aggregate of:

1.1.3.1 All present and/or future actual and/or contingent Indebtedness or other liabilities (in whatever currency they may be expressed) of Client to IISL (whether incurred solely, severally or jointly with others and whether incurred as principal or surety) including (without limitation) all monies advanced on any current, loan or other account (whether existing or open at any time after the date hereof), and all pecuniary obligations arising out of currency and other financial transactions; and

1.1.3.2 Any interest accrued in respect of the amounts and liabilities referred to in paragraph 1.1.3.1 above both before demand and from the date of demand to the date of payment, as well after as before judgment (whether any of the same shall have been capitalized or not); and

1.1.3.3 All charges, commissions and legal and other expenses incurred in any manner whatsoever by IISL in relation to the said Indebtedness and liabilities or to this Agreement (including without limitation any foreign exchange losses and expenses incurred by IISL in enforcing or otherwise attempting to recover any such Indebtedness or liabilities) on a full indemnity basis.

1.1.4 "Margin Account" means an Account which has the benefit of a Facility.

1.2 In the event of any inconsistency between the provisions of this Agreement and this Part, the provisions of this Part shall prevail.

1.3 Terms and expressions defined in this Agreement shall have the same meaning in this Part 3 unless the context otherwise requires. References to clauses in this Part 3 shall refer to clauses contained in this Part 3 unless the context otherwise requires.

1.4 The terms of the Facility and any authorization letter given by Client with respect to the Facility shall form part of this Part 3.

2. MARGIN SECURITIES TRADING ACCOUNT

2.1 In consideration of IISL granting to Client the Facility, Client charges to IISL, by way of first fixed charge as a continuing security for the payment and satisfaction on demand of the Liabilities, all of Client's securities which are now or which shall at any time be deposited with, or come into the possession, custody or control of, IISL or any member of the Group or any nominee or custodian appointed or agreed by IISL, or with any person, to facilitate the provision of the Facility in respect of the Account, which shall include all dividends and other distributions made or payable in respect of such securities, and all securities (and the dividends and other distributions in respect thereof), rights, monies or property of whatever nature accruing to or offered at any time by way of redemption, bonus, preference, options, purchase consideration or otherwise in right or inspect of the aforesaid securities (the "Margin Securities").

2.2 Client undertakes:

2.2.1 at all times to maintain the level of margin specified in the Facility Letter or any other level of margin determined by IISL from time to time ("Margin"), either by paying to IISL sufficient monies or by depositing (or procuring the deposit of) sufficient securities with IISL; and

2.2.2 forthwith upon demand to pay to IISL such sum, in cleared funds, in cash and/or deliver to IISL such additional securities as additional or substituted security for the Liabilities; and, for the avoidance of doubt, any securities deposited with or delivered to IISL under this clause shall form part of the Margin Securities.

2.3 Any monies received by IISL from Client may be placed and kept to the credit of an interest bearing suspense account for so long as IISL thinks fit without any obligation in the meantime to apply the same or any part thereof in or towards discharge of any Liabilities. Notwithstanding any such payment, in the event of any proceedings in or analogous to bankruptcy, winding-up, liquidation, composition or arrangement, IISL may prove for and agree to accept any dividend or composition in respect of the whole or any party of such money and liabilities in the same manner as if this security had not been created.

2.4 Client shall pay to IISL on a monthly basis, in respect of the Liabilities, interest at the Normal Interest Rate but if any Event of Default occurs, the aforesaid Normal Interest Rate may be replaced with the Default Interest Rate and such replacement shall immediately become effective on the date of the occurrence of such Event of Default unless otherwise agreed in writing by IISL.

2.5 Notwithstanding any provisions of this Agreement, IISL may from time to time at its discretion, by written notice to Client, stipulate another interest rate, and such other rate shall apply as from the date of the notice of such later date specified in the notice. If any interest rate mentioned in this clause 2.5 or clause 2.4 above in this Part 3 would exceed the maximum lawful rate under the Money Lenders Ordinance (Cap. 163 of Laws of Hong Kong), then the maximum lawful interest rate under that Ordinance shall be applied instead. Client agrees that IISL shall be entitled (but not be obliged), at any time and from time to time, without prior notice, to debit any Account with IISL and/or any other account(s) of Client with other member(s) of the Group with any interest due and payable by Client in accordance with this clause 2.5 or clause 2.4 above in this Part 3 and Client undertakes to, immediately upon demand by IISL, do such act(s) and/or execute such document(s) as may be required by IISL at any time and from time to time in order to give full effect to each such debit.

2.6 IISL is authorized on Client's behalf and in Client's name to:

2.6.1 draw on the Facility or withdraw from any account maintained by Client with IISL such sums of money in payment of the purchase price for the securities purchased or purportedly purchased for Client as evidenced by the bought note issued in Client's name and at the same time deposit into any account maintained by Client with IISL the securities so purchased or purportedly purchased with money withdrawn from any such account. In addition, IISL may draw on the Facility or withdraw from any account maintained by Client with IISL such sums of money in payment of brokerage, fees, disbursements, charges and any other sums owed by Client in connection with the Margin Securities; and

2.6.2 withdraw from any account maintained by Client with IISL such securities sold or purportedly sold for Client as evidenced by the sole note issued in Client's name and at the same time deposit into any account maintained by Client with IISL the sums of money representing the net proceeds of sale of the securities so withdrawn and so sold or purportedly sold, or apply the same or any part thereof in or towards discharge of any Liabilities.

3. MARGIN SECURITIES

3.1 If Client shall pay to IISL the whole of the amount of Liabilities without any deduction, IISL shall at any time after such payment has been so made, upon Client's request and cost, discharge the security created hereby provided always that upon discharge IISL shall not be bound to return securities bearing serial numbers identical with those deposited with or transferred to IISL so long as the securities returned are of the same class, denomination and nominal amount and rank pari passu with those originally deposited with or transferred to IISL (subject always to taking account of such events like any capital reorganization which may have occurred in the meantime).

3.2 The security conferred on IISL is a continuing security and shall not be discharged by any intermediate payment or satisfaction of the whole or any part of the Liabilities, or by the closing of any Client's account with IISL (whether subsequently reopened or not and either alone or jointly with others).

3.3 The security hereby conferred on IISL is in addition to and without prejudice to any collateral or other securities which IISL may now or hereafter hold from or on account of Client nor shall such collateral or other security or any lien to which IISL may be otherwise entitled (including any security, charge or lien prior hereto) or the liability of any person or persons not parties hereto for all or any part of the monies and liabilities hereby secured be in any way prejudiced or affected hereby. IISL shall have full power at its discretion to deal with, exchange, release, modify or abstain from perfecting or enforcing any such securities or other guarantees or rights which it may now or hereafter have or to give time for payment or any indulgence to any other person or persons without discharging or in any way affecting Client's liabilities or the security created hereunder. All monies received by IISL from Client or any person or persons liable to pay the same may be applied by IISL to any account or any transactions to which the same may be applicable.

3.4 Client shall, during the continuance of this security, pay all payments due in respect of any of the Margin Securities but IISL may if IISL thinks fit, make such payments on Client's behalf. Any sums so paid by IISL shall be repayable forthwith by Client and pending such repayment, shall both carry interest at the applicable rate and be a charge on the Margin Securities.

3.5 In addition and without prejudice to any general liens, rights of set-off or other similar rights to which IISL may be entitled under law or this Agreement, all securities, receivables, monies and other property of Client (held by Client either individually or jointly with others) held by or in the possession of IISL at any time shall be subject to a general lien in favour of IISL as continuing security to offset and discharge all of Client's obligations, arising from the business of dealing in securities, to IISL and any member of its Group.

4. STANDING AUTHORITY

4.1 Without prejudice to any other right or remedy available to IISL, the Client agrees to give the standing authority to IISL, pursuant to the Securities and Futures (Client Securities) Rules (Cap. 571H of Laws of Hong Kong) to authorize the Broker to deal with the Local Securities Collateral from time to time received or held on the Client's behalf in one or more of the following ways (inter alia), namely to:

4.1.1 apply any of the Local Securities Collateral pursuant to a securities borrowing and lending agreement;

4.1.2 deposit any of Local Securities Collateral with an authorized financial institution as collateral for financial accommodation provided

to the Broker; or

4.1.3 deposit any of Local Securities Collateral with (i) a recognized clearing house; or (ii) another intermediary licensed or registered for dealing in securities, as collateral for the discharge and satisfaction of the Broker's settlement obligations and liabilities.

Such authority shall remain valid for a period of twelve (12) months from the approval date of the opening of the Margin Account unless the Client gives not less than seven (7) business days' prior written notice to the Broker to revoke the same at any time, provided that no such revocation shall be effective if there is any indebtedness in the Margin Account. Such standing authority which is not revoked prior to its expiry may be renewed or shall be deemed to have been renewed in accordance with the relevant rules made under the SFO. If the Client requests for revocation of such standing authority or the standing authority has not been renewed by the Client whom the Broker called upon to do so, the Broker reserves the right to terminate this Agreement and operations of the Margin Account and then the Client shall forthwith settle any indebtedness owing to IISL.

5. REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS

Client represents, warrants and undertakes to IISL that no other person has any interest in the Margin Securities and undertakes not to sell, grant an option over or otherwise deal in any way with or create or allow to subsist a charge, pledge or other encumbrance over the Margin Securities other than pursuant to the terms of this Agreement.

PART 4 – DEALING IN FUTURES CONTRACTS

1. INTERPRETATION

1.1 In this Part, unless the context otherwise requires, the following words and expressions have the meanings set out below:

1.1.1 "Business Day" means any day during which the relevant Exchange is open for trading the relevant F/O Contracts;

1.1.2 "Client Money Rules" means the Securities and Futures (Client Money) Rules (Cap 571I of the Laws of Hong Kong) made by the SFC under section 149 of the Securities and Futures Ordinance as amended from time to time;

1.1.3 "Closing Out" means in relation to any or portion of any contract, the entering into of another contract of the same specification and for the same amount but of an opposite position in order to cancel the former contract and/or to crystallise the profit or loss on such former contract and the term "Close Out" shall be construed accordingly;

1.1.4 "commodity" and "commodities" each includes, without limitation, agricultural commodities, metals, currencies, shares, interest rates, indices (whether stock market or otherwise), or other financial contracts, energy, right or authority, and shall where the case requires include a Futures/Options Contract in respect of any of the above and in each case whether or not the item is capable of being delivered;

1.1.5 "Futures Contract" means a contract executed on any commodity, futures or options exchange, the effect of which is that:

(a) One party agrees to deliver to the other party at an agreed future time an agreed commodity or quantity of a commodity at an agreed price; or (b) the parties will make an adjustment between them at an agreed future time according to whether the agreed commodity is worth more or less or, as the case may be, stands higher or lower at that time than a level agreed at the time of making the contract, the difference being determined in accordance with the rules of the commodity, futures or options exchange in which that contract is made;

1.1.6 "Futures/Options Contract" or "F/O Contract" means a Futures Contract and/or an Options Contract effected on an Exchange;

1.1.7 "HK Exchange" means the Hong Kong Futures Exchange Limited.

1.1.8 "Option Contract" or "option" means a contract executed between one party (the "first party") and another party (the "second party") on any commodity, futures or options exchange under which: (a) the first party grants the second party the right, but not the obligation, or quantity of a commodity, from the first party at an agreed price on or before an agreed future date or on an agreed future date as the case may be and, in the event that the second party exercises his right to buy: (i) the first party is obliged to deliver the commodity at the agreed price; or (ii) the second party receives a payment referable to the amount (if any) by which the commodity is at the time of the exercise worth more than the agreed price, such payment being determined in accordance with the rules of the commodity, futures or options exchange in which the contract is made; or (b) the first party grants to the second party the right, but not the obligation, to sell an agreed commodity, or quantity of a commodity, to the first party at an agreed price on or before an agreed future date or on an agreed future date as the case may be and, in the event that the second party exercises his right to sell: (i) the first party is obliged to take delivery of the commodity at the agreed price; or (ii) the second party receives a payment referable to the amount (if any) by which the agreed price is worth more than the price of the commodity at the time of the exercise, such payment being determined in accordance with the rules of the commodity, futures or options exchange in which the contract is made; a contract falling within sub-paragraph (a) being a "Call Option" and a contract falling within sub-paragraph (b) being a "Put Option";

1.1.9 "Potential Event of Default" means any event, which (with giving of notice, lapse of time or fulfilment of some other condition or any combination of these) would constitute an Event of Default; and

1.1.10 "Rules of the HK Exchange" means the Rules, Regulation and Procedures of the Hong Kong Futures Exchange Limited (as amended from time to time).

1.2 In the event of any inconsistency between the provisions of this Agreement and this Part 4, the provisions of this Part 4 shall prevail.

1.3 Terms and expressions defined in this Agreement shall have the same meaning in this Part 4 unless the context otherwise requires. References to clauses in this Part 4 shall refer to clauses contained in this Part 4 unless the context otherwise requires.

2. ACCOUNT OPENING

2.1 Client hereby instructs and authorizes IISL to open and maintain commodities trading account(s) in the name of Client for purchasing, investing in, selling, exchanging or otherwise dealing in futures/option contracts in Hong Kong or elsewhere, on the terms set out in this Agreement.

2.2 All transactions shall be subject to the applicable Laws and Regulatory Rules, from time to time extant or in force. Transactions relating to Exchange Contracts (as defined in the Rules of the HK Exchange) on the markets established and operated by the HK Exchange shall be subject to the Rules of the HK Exchange. All transactions with respect to dealings in F/O Contracts made in markets other than those operated by the HK Exchange shall be subject to the Regulatory Rules of the market where the particular transaction is made and not the Rules of the market where the particular transaction is made and not the Rules of the HK Exchange and as a result Client may have a markedly different level and type of protection in relation to those transactions as compared to the level and type of protection afforded by the Rules of the HK Exchange.

2.3 To the extent that IISL enters into a transaction for F/O Contracts traded on a trading system operated by any Exchange other than HK Exchange for the account of Client:

2.3.1 such transactions will be subject to the rules of that Exchange; and

2.3.2 if Client is dealing in F/O Contracts for the benefit of another person, Client shall ensure that in its agreement with that other person there shall be a provision to the effect of Clauses 2.3.1 and 2.3.2.

3. INFORMATION TO CLIENT

3.1 IISL may enter into commodity transactions as principal with Client and, at Client's request, agree to deal in commodities on Client's behalf. If IISL solicit the sale of or recommend any financial product to Client, the financial product must be reasonably suitable for Client having regard to Client's financial situation, investment experience and investment objectives. No other provision of this agreement or any other document IISL may ask Client to sign and no statement IISL may ask Client to make derogates from this clause. Note: "Financial product" means any securities, futures contracts or leveraged foreign exchange contracts as defined under the SFO. Regarding "leveraged foreign exchange contracts", it is only applicable to those traded by persons licensed for Type 3 regulated activity.

3.2 Subject to applicable Laws and Regulatory Rules, IISL shall provide to Client (i) upon request, Contract Specifications (as defined in the Rules of the HK Exchange) and any prospectus or other offering document covering the subject-matter of such Contract Specifications, and (ii) a full explanation of margin procedures and the circumstances under which Client's positions may be closed without Client's consent.

4. CLIENT'S INSTRUCTIONS AND STANDING AUTHORITY

4.1 Instructions given by Client shall be irrevocable and may be given in writing, verbally, by facsimile or other electronic means (including through the E-Services, as defined in Part 8), but in any case at Client's own risk.

4.2 Unless Client gives specific instructions to the contrary, Client agrees and acknowledges that all orders and instructions are only valid and effective if actually received by IISL within its normal business hours on a Business Day.

4.3 Client may grant to IISL and standing authority pursuant to the Securities and Futures (Client Money) Rules (Cap. 571I of the Laws of Hong Kong), as amended from time to time, and/or such other lawfully agreed standing authority (as amended from time to time), and once granted, Client agrees to be bound by the terms thereof.

4.4 For any instruction, the name of Client (or any of them in case where Client is more than one person unless otherwise stated in the Account Opening Form), the name of Client's Authorized Person or Authorized Third Party (or the names of the Authorized Persons or Authorized Third Parties if the Account Opening Form states that more than one Authorized Person or Authorized Third Party is required) where such instruction is given by the Client's Authorized Person(s) or Authorized Third Party and the number of the relevant account opened with IISL shall be quoted provided always that IISL may but shall not be under any duty to verify or ensure as to the identity of the or any person giving such instruction and IISL shall be entitled (but not be obliged) to act on the same and rely on its belief that such instruction emanates from Client, Client's Authorized Person(s) or Authorized Third Party(ies).

4.5 Subject to applicable laws, any instruction given or purportedly given by Client, its Authorized Person(s) or Authorized Third Party(ies) after:

4.5.1 the revocation by Client of its Authorized Person(s) or Authorized Third Party(ies) authority; or

4.5.2 the commencement of liquidation or bankruptcy (as the case may be) in respect of Client or the occurrence of any analogous event; shall continue to be valid and effective in IISL's favour until 5 days after the actual receipt by IISL of a written informing IISL of the occurrence of the relevant event from Client (in case of the said revocation) or in case of the said liquidation or bankruptcy, the liquidator, the trustee in bankruptcy or similar officer.

4.6 Any instruction given by Client's Authorized Person(s) or Authorized Third Party(ies), as the case may be, shall be deemed to be given by the Client. Client hereby agrees to accept full responsibility and shall not later challenge the instructions given by Client's Authorized Person(s) or Authorized Third Party(ies), as the case may be.

5. DISCRETION

5.1 IISL shall be entitled to rely on and to act as it thinks fit in accordance with any instruction given or purportedly given by or on behalf of Client which IISL believes in good faith to have been given by Client or its Authorized person(s) or Authorized Third Party(ies). Notwithstanding in the foregoing, IISL shall have discretion to reject such instruction. IISL shall be under no obligation either to act for the Client or upon any instruction, or execute any transaction with or for or on behalf of the Client if there are insufficient funds in the Account, or if IISL believes that the acting or the execution might result in either IISL, any member of the Group or the Client contravening any Laws or Regulatory Rules or for any other reason. If IISL or any member of the Group in its absolute discretion declines to act with or for the Client or act upon any instruction, or execute any transaction with or for or on behalf of the Client, IISL or any member of the Group shall in its own discretion notify the Client accordingly, but IISL or any member of the Group shall not in any circumstances whatsoever be liable in any way for any loss, damages, liability, cost, expense or whatsoever suffered or incurred by the Client arising in or in connection with the exercise of the above discretion by IISL or any member of the Group.

5.2 Orders are to be received and executed with the understanding that Client will be required to take or make delivery of the commodities unless Client's initial position is liquidated. It is expressly understood that unless otherwise disclosed herein or to Client in writing, IISL is acting solely as broker as to any transactions made with IISL by Client. IISL 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 IISL to) close any position in any account IISL has entered or may carry on behalf of Client.

5.3 Without prejudice and in addition to other rights and remedies of IISL and other members of the Group and without prejudice to other provisions of this Agreement, IISL may, at any time and from time to time, dispose, or initiate a disposal by any relevant member of the Group, of any of the Client's securities (whether in Hong Kong or elsewhere) or securities collateral (whether in Hong Kong or elsewhere) in settlement of any liability owed by or on behalf of Client to IISL, such relevant member of the Group or a third person. IISL and such relevant member of the Group (if applicable) are authorized to do all things as necessary in connection with any such disposal without any liability for any resulting or associated loss or expense. Without prejudice to the foregoing, Client shall not make any claim against IISL and/or such relevant member of the Group (if applicable) concerning the manner or timing of such disposal.

6. TRANSACTIONS

6.1 IISL shall, upon Client request, provide to Client product specifications and any prospectus or other offering document covering such products.

6.2 Client agree that any F/O contracts entered into by IISL for Client are subject to the Applicable Laws and Regulations, and the constitution, rules, regulations, practices, customs, usages, rulings and interpretation of the relevant Exchange, Clearing House or market. As such, if IISL are required by any of the aforesaid to amend the terms and conditions of any Transaction, IISL may, without prior notice to or approval from Client, take such action as IISL may in absolute discretion consider appropriate to comply with the same or to mitigate or avoid losses, and all such actions shall be binding on Client.

6.3 Any transaction entered into by IISL for Client is made with the understanding that Client will be required to take or make physical delivery of the underlying commodity. In respect of open positions involving physical delivery maturing in a current future month, Client shall, at least five (5) Business Days prior to the first notice day in the case of long positions, and at least five (5) Business Days prior to the last trading day in the case of short positions, either give Instructions to IISL to Close out the same or deliver to us all monies, Securities, financial instruments, documents and other property deliverable by Client under such Transactions in order to enable due settlement of such contracts by IISL in accordance with the rules of the applicable Exchange or Clearing House. If Client fail to provide us the same as aforesaid, IISL may without notice to, or prior consent from, Client either Close Out the relevant contracts or make or receive delivery on Client behalf upon such terms and by such methods as IISL may in absolute discretion determine. Client shall keep IISL indemnified immediately upon demand in respect of all claims, demands, actions, proceedings, losses, penalties, fines, taxes, damages, costs and expenses (including legal costs) on a fully indemnity basis suffered or incurred by IISL as a result of any action taken by us and any liability whatsoever in connection with any delivery, exercise or settlement effected pursuant to the terms of this Clause.

6.4 If IISL or IISL's Agent (as the case may be) shall for any reason whatsoever and howsoever fail to receive payment of all or any part of any amount or delivery of all or any part of any Commodity (whether from the relevant Exchange and/or Clearing House and/or any other person) due to paid or delivered to Client in respect of any F/O contracts entered into by us on Client behalf on the due date for payment or delivery thereof in accordance with the rules and regulations of the relevant Exchange, Clearing House and/or any Applicable Laws and Regulations, IISL's obligation to make payment or deliver any Commodity to Client in respect of such F/O contracts shall thereupon and by virtue of such failure become obligations to make payment of such amount or delivery of such amount of such Commodity as is equal to such payment or such amount as is actually received by IISL in respect thereof.

6.5 Client acknowledge that due to the implementation of the Central Clearing and Settlement system, IISL are not obliged to produce and/or deliver to Client actual certificates or documents of title for any commodities relating to F/O contracts entered into by IISL on Client behalf.

6.6 If Client wish to exercise an option pursuant to any Options Contract, Client should give an instruction to such effect to IISL (subject to the rules and regulations of the relevant Exchange on which the Options Contract is traded or entered into) no later than such time limit as may be specified by IISL from time to time before the cut-off date for the tender of exercise instructions prescribed by the writer of the Option or the relevant Exchange or Clearing House (whichever prescribes the earliest cut-off date). Such Instruction shall only be considered valid when accompanied:

(a) In the case of an Option for the sale of an agreed Commodity, with the underlying Commodity or document(s) of title required for making delivery; and

(b) In the case of an Option for the purchase of an agreed Commodity, with sufficient immediately available funds to take delivery of the Commodity.

Unless specifically instructed by Client and subject to the terms of this part and the Client Agreement, client shall be deemed to have elected not to exercise an Option pursuant to an Options contract.

7. CONFIRMATIONS

7.1 IISL may, and, if required by the Laws, shall, send to the address(es) (email address or otherwise) and/or other contact number(s) of Client on IISL's records a Confirmation after IISL has facilitated a transaction with or for the Account, or upon the occurrence of certain events of or movements in Client's Account, in accordance with the Laws in relation to the Confirmations.

7.1.1 Client agrees that it is its responsibility to ensure that it receives Confirmations in due time and to make enquiries with and obtain the same from IISL immediately if not duly received;

7.1.2 Any purported discrepancy between the contents of any Confirmation and Client's instructions must be notified to IISL, orally or in writing in accordance with the notice provisions of this Agreement, within two (2) Business Days following the date of issue or re-issue of the Confirmation to Client; and

7.1.3 At the end of the expiration of two (2) Business Days, the contents of the Confirmation shall be conclusive evidence of the particulars set out therein without any further proof that the Confirmation and/or the transaction or event to which it relates are correct (subject to the right of IISL, which may be exercised by it at any time and from time to time, to adjust any entries in the Account and/or details in the Confirmation where they have been wrongly or mistakenly made by it), except for:

7.1.3.1 any alleged errors notified by Client to IISL in accordance with the notice provisions in this Agreement;

7.1.3.2 any payments made on forged or unauthorized endorsement;

7.1.3.3 any unauthorized transactions arising from forgery or fraud by any third party (including Client's employee, agent or servant) in relation to which IISL has failed to exercise reasonable care and skill;

7.1.3.4 any unauthorized transactions arising from forgery or fraud by any employee, agent or servant of IISL; and/or

7.1.3.5 any other unauthorized transaction arising from the default or gross negligence on the part of IISL or any or its employees, agents or servants.

7.1.4 IISL shall not be responsible for failures or delays in the transmission of offers or instructions due to a breakdown or failure of transmission of communication facilities, or to any other causes beyond the reasonable control or anticipation of IISL.

8. SETTLEMENT

8.1 Client shall pay to IISL in cleared funds any money required for the purchase of commodities or shall deliver to IISL the certificates or documents of title or procure the transfer of commodities required for the sale of commodities (as the case may be), in each case at any time demanded by IISL (even if required to be paid and/or delivered earlier than the settlement date), and Client shall take all necessary actions to enable due settlement and/or delivery in respect of such purchase and sale in accordance with the Laws. Should Client fail to do so, IISL is authorized:

8.1.1 in the case of a purchase transaction, to transfer or sell any such purchased commodities to satisfy Client's obligations to IISL; or

8.1.2 in the case of a sale transaction, to borrow and/or purchase such sold commodities to satisfy Client's obligations to IISL.

8.2 If IISL has to obtain commodities which IISL has purchased on behalf of Client in the open market, following the failure of the selling broker to deliver on the settlement date, Client shall be responsible for any difference in prices and all incidental expenses in connection with such open market purchase.

8.3 In case of the sale of any commodity or other property by IISL at the direction of Client and the inability of IISL to deliver the same to the purchaser by reason of Client's failure to supply IISL therewith, Client shall be responsible for any loss which IISL may sustain thereby, any premiums which IISL may be required to pay, or for any loss which IISL may sustain by reason of the inability of IISL to borrow the security, commodity, or other property

sold.

8.4 Clauses 8.1 to 8.3 above are subject to Clause 18.2.3 of this part.

9. COLLATERAL, MARGIN, ETC

9.1 Client agrees to maintain such collateral and/or margin as IISL may from time to time at the discretion of IISL require. Except as permitted by the Regulatory Rules or for the purpose of Closing Out the Client's open positions or as the Exchange may from time to time prescribe, generally or otherwise, IISL shall not transact for the Client until and unless IISL has received from the Client collateral adequate to cover the Client's expected trading liabilities, and margins. All margin requirements must be settled in cash except as otherwise agreed by IISL. The Client also agrees to pay immediately on demand any amount owing with respect to any of the Client's Accounts.

9.2 All margin calls and demands for variation adjustments must be met within one (1) Business Day from the placing of the same. Client understands that IISL may be required to report to Regulators particulars of open positions in respect of which two successive margin calls and demands for variation adjustments are not met within the period specified above and that IISL may require more margin or variation adjustments than that specified by an Exchange and/or its clearing house and may Close Out open positions in respect of which any margin calls and demands for variation adjustments are not met within the period specified by IISL or at the time of making such call(s) or demand(s).

10. CLIENT'S ACCOUNT(S) AND CLEARING HOUSE ACCOUNT

10.1 All monies, securities and other properties received by IISL from Client or from any other person (including an Exchange clearing house) for Client's account shall be held by IISL as trustee, segregated from IISL's own assets in the manner required by the Regulatory Rules and all monies, securities or other properties so held by IISL shall not form part of the assets of IISL for insolvency or winding up purposes but shall be returned to Client promptly upon the appointment of a provisional liquidator or similar officer over all or any part of IISL's business or assets. This Clause 10.1 does not apply to any money, securities or other property received by IISL from Client in connection with transactions where IISL deals with Client as principal.

10.2 Subject to Clause 10.1 and applicable Regulatory Rules, IISL shall be entitled to deposit or transfer any monies held in the Account(s) or received for or on the account of Client with or to or interchangeably between one or more segregated account(s) opened and maintained by IISL or any member of the Group in Hong Kong or elsewhere each of which shall be designated as a trust account or client account, at one or more authorized financial institution(s) and/or any other person(s) approved by the SFC for the purposes of section 4 of the Securities and Futures (Client Money) Rules (Cap 571I of the Laws of Hong Kong) and/or any other person(s) overseas. Unless otherwise agreed between Client and IISL and to the extent permitted by the Laws, any interest accrued on such monies shall belong to IISL absolutely.

10.3 Client hereby confirms and authorizes IISL that in the event that there is a credit balance accrued in the Account(s) which balance is in excess of the minimum margin requirements prescribed by an Exchange or any margin requirements as may from time to time be demanded by an Exchange (the "Margin Requirement"), IISL may at its sole discretion but is not obligated to (and always subject to the relevant rules and regulations of the Exchange) transfer from such Account(s) of the Client the whole or part of any such amount in excess of the Margin Requirements into any account opened and maintained in a name referable to Client with such financial institution (whether in Hong Kong or elsewhere) as IISL or any member of the Group may in its absolute discretion think fit from time to time but subject to compliance with applicable Regulatory Rules.

10.4 IISL is hereby authorized to apply, in the manner specified under the relevant Regulatory Rules, any monies, approved debt securities or approved securities which IISL may have received from Client or from any other person (including the clearing house of an Exchange) and which are held in the manner specified under the relevant Regulatory Rules. In particular, IISL may apply such monies, approved debt securities or approved securities in or towards meeting IISL's obligations to any party insofar as such obligations arise in connection with or incidental to F/O Contracts transacted on Client's behalf.

10.5 Client acknowledges that in respect of any account which IISL maintains with a clearing house of an Exchange, whether or not such account is maintained wholly or partly in respect of F/O Contracts transacted on Client's behalf and whether or not monies, approved debt securities and approved securities paid by Client have been paid to or deposited with the said clearing house, as between IISL and the said clearing house, IISL deals as principal and accordingly no such account is impressed with any trust or other equitable interest in favour of Client and monies, approved debt securities and approved securities paid to the said clearing house are thereby free from the trust referred to Clause 10.2 above.

11. COMMISSIONS, FEES AND CHARGES, LIENS, SET-OFF AND CONSOLIDATION

11.1 In respect of every transaction or Account, Client shall pay to IISL forthwith on demand the applicable interest, levy, charge, premium, brokerage, commission, fee (including, without limitation, dormant/inactive account fee), cost and expense for the Account under this Agreement as advised to Client from time to time. The most up to date information and notice about interest, levy, charge, premium, brokerage, commission, fee, cost and expense in connection with the purchasing, investing in, selling, exchanging or otherwise dealing any commodities in the Account can be found on the website of IISL. Subject to applicable Laws, IISL may, at any time and from time to time, in its absolute discretion, change any commission, fee and/or charge by notice to Client. Client acknowledges that he/she is expected to check the website of IISL from time to time before dealing in any commodity and Client agrees that any information or notice posted on the website of IISL from time to time shall be binding on Client and be sufficient advice for all purposes and intents. Subject to applicable Laws, the new commission, fee and/or charge shall be applicable on the effective date specified in such notice, whether the specified effective date is before or after the date of such notice.

11.2 Client shall pay or reimburse IISL forthwith on demand an amount equal to all commissions, brokerages, levies, fees, duties and taxes and all other charges and expenses incurred by IISL arising out of or in connection with any transaction effected by IISL as agent on behalf of Client or as principal or otherwise arising out of or in connection with the performance of the duties of IISL under this Agreement.

11.3 Without prejudice to other provisions of this Clause 11, IISL may deduct any amount contemplated in Clauses 11.1 and 11.2 above from the Account.

11.4 Client shall be responsible to IISL (and/or any other member of the Group as directed by IISL) for all losses and expenses resulting from Client's settlement failure, and shall be subject to such additional charges and interest therefor as IISL may determine.

11.5 Subject to applicable Laws, without limitation to and in addition to other rights and remedies of IISL and other members of the Group, Client agrees that:

11.5.1 without prejudice to any other provisions in this Agreement, IISL and the Group shall have a general lien over all or any part of any money, commodities or other properties of Client held by, or in the possession or safe-keeping of IISL for discharge of Client's obligations to IISL, any member of the Group or a third person;

11.5.2 IISL may at any time and from time to time without prior notice combine or consolidate all or any of Client's accounts with, and/or apply Client's commodities and/or other properties in or towards satisfaction of any liabilities to, IISL and/or other members of the Group;

11.5.3 IISL may at any time and from time to time without prior notice set-off transfer any sum in whatever currency standing to the credit of any of Client's accounts with IISL or other members of the Group in or towards satisfaction of any of Client's liabilities of whatever nature (including liabilities incurred as principal or surety and whether such liabilities be actual or contingent, primary or collateral, several or joint) to IISL and/or other members of the Group.

11.6 IISL may:

11.6.1 without further disclosure to Client, receive, accept and retain for IISL's own account(s) and benefit absolutely from any broker or underwriter or issuer or any other third parties (who may or may not act as an agent of Client in any respect), any profit, rebate, reallowance, brokerage, commission, fee, benefit, profit, discount and/or other advantage arising out of or in connection with the provision of services to or handling of transactions for Client. Client agrees that the consent given hereunder shall constitute a permission or lawful authority for the purpose of Section 9 of the Prevention of Bribery Ordinance (Cap. 201 of the Laws of Hong Kong); and

11.6.2 without further disclosure to Client, pay to any broker or underwriter or issuer or any other third parties (who may or may not act as an agent of Client in any respect), any profit, rebate, reallowance, brokerage, commission, fee, benefit, profit, discount and/or other advantage arising out of or in connection with the provision of services to or handling or transactions for Client. Client agrees that the consent given hereunder shall constitute a permission or lawful authority for the purpose of Section 9 of the Prevention of Bribery Ordinance (Cap.201 of the Laws of Hong Kong).

11.7 Without prejudice to and in addition to other rights and remedies of IISL and other members of the Group and without prejudice to the other provisions of this Agreement, IISL shall be entitled but not be obliged (and is hereby authorized by Client), at its discretion and without notice to Client, to dispose of Client's commodities and/or other properties for the purpose of settling any liability owed by Client to IISL for or in connection with:

11.7.1 dealing in commodities which remains after IISL has disposed of all other assets designated as collateral for securing settlement of that liability;

11.7.2 financial accommodation provided by IISL to Client which remains after IISL has disposed of all other assets designated as collateral for securing settlement of that liability; or

11.7.3 maintaining the Account(s) which has/have been designated by IISL as inactive or dormant account(s).

11.8 Subject to applicable Laws and without prejudice to and in addition to any general lien and other rights and remedies entitled by IISL and/or other member(s) of the Group, at any time when Client is indebted to IISL or any member of the Group in any respect, IISL or any member of the Group shall be entitled but not be obliged (and Client irrevocably and unconditionally authorizes IISL or any member of the Group), at its discretion and without prior notice to Client, at any time and from time to time:

11.8.1 to combine or consolidate all or any of Client's existing accounts with IISL or any member of the Group regardless of whether notice is required and the nature of the account (i.e. whether deposit, loan or any other nature); and

11.8.2 to set-off or transfer any sum standing to the credit of any one or more of such accounts wherever they are situated, in order to satisfy Client's liabilities to IISL and/or any member of the Group on any other account or other respect whatsoever.

11.9 IISL and any member of the Group are authorized to do the above without notice and notwithstanding any settlement of account or other matter whatsoever. The liabilities referred to above include present or future, actual or contingent, primary or collateral, and several or joint. In addition, IISL or any member of the Group shall have the right to sell such commodities, investments and property and utilize the proceeds to offset and discharge all the obligations of Client without any prior notice to Client, whether as principal or as surety, to IISL and/or any member of the Group regardless of:

11.9.1 whether any other person is interested in, or whether IISL has made advances in connection with, such commodities, investments or property; and

11.9.2 the number of accounts Client may carry with IISL or any member of the Group.

IISL is authorized to do all things as necessary in connection with such sale without any liability for any resulting loss. Without prejudice to the foregoing, Client shall not make any claim against IISL concerning the manner or timing of such sale.

11.10 Client agrees to pay interest on all overdue balances owing by Client to IISL and/or the relevant member(s) of the Group (after as well as before any judgment), at such rate(s) from day to day as IISL and/or the relevant member(s) of the Group shall in its/their absolute discretion determine with reference to the prevailing market rate(s) from the date(s) as determined by IISL and/or the relevant member(s) of the Group or forthwith upon any demand being made by IISL and/or the relevant member(s) of the Group. The aforesaid interest rate(s) may be changed by IISL and/or the relevant member(s) of the Group in its/their absolute discretion, at any time and from time to time and without notice to and without consent from Client or any third party. If any interest rate calculated under this clause would exceed the maximum lawful rate under the Money Lenders Ordinance (Cap.163 of the Laws of Hong Kong), then the maximum lawful interest rate under that Ordinance shall be applied instead. Client agrees that IISL shall be entitled (but not be obliged), at any time and from time to time, without prior notice, to debit any Account with IISL and/or any other account(s) of Client with other member(s) of the Group with any interest due and payable by Client in accordance with this Clause 11.10 and Client undertakes to, immediately upon demand by IISL, do such act(s) and/or execute such document(s) as may require by IISL at any time and from time to time in order to give full effect to each such debit.

11.11 Every Exchange Contract (as defined in the Rules of the HK Exchange) shall be subject to the change of an Investor Compensation Fund levy and a levy pursuant to the Securities and Futures Ordinance, the cost of both of which shall be borne by Client.

12. DEFAULT

12.1 IISL shall be entitled to exercise their powers under Clause 12.2 upon or at any time after the occurrence of any of the following Events of Default:

12.1.1 Non-payment: Client defaults in paying, further securing or satisfying on demand any monies or liabilities under this Agreement or any agreement between Client and any member of the Group;

12.1.2 Breach of representation: any statement, representation, warranty or undertaking made, repeated or deemed to have been repeated by Client in this Agreement or in any notice or other document delivered to IISL or any member of the Group in connection with this Agreement that is or proves to have been incorrect or misleading when made, repeated or deemed to have been repeated;

12.1.3 Breach of other obligations: Client fails to perform or comply with any of its other obligations under this Agreement or any agreement between Client and any member of the Group and, if that failure is capable of remedy, does not remedy such failure to the satisfaction of IISL immediately following the giving of notice by IISL (or any other member of the Group) requiring it to do so;

12.1.4 Winding-up, etc.: where Client is a corporation:

12.1.4.1 a petition is presented or an order is made or any effective resolution is passed or analogous proceedings are taken for the winding up of Client save for the purposes of an amalgamation, merger or reconstruction the terms whereof have previously been approved in writing by IISL; or

12.1.4.2 Client convenes a meeting for the purpose of making, or proposes and/or enters into, any arrangement or composition for the benefit of its creditors; or

12.1.4.3 an encumbrancer take possession or a receiver or other similar officer is appointed of the whole or any part of the assets or the undertaking of Client, or a distress or execution is levied or enforced upon or sued out against any of the chattels or property of Client and is not discharged within thirty days of being levied; or

12.1.4.4 Client, without the consent in writing of IISL, stops payment to creditors generally or (if applicable) Client (otherwise than for the purpose of such an amalgamation, merger or reconstruction as is referred to in Clause 12.1.4.1 above) ceases or threatens to cease to carry on its business or any substantial part thereof or be deemed, for the purposes of Section 178 of the Companies Ordinance (Cap. 32 of the Laws of Hong Kong), to be unable to pay its debts or disposes or threatens to dispose of the whole or a substantial part of its undertaking or assets;

12.1.5 Bankruptcy, etc.: Bankruptcy proceedings are commenced in respect of Client where Client is an individual, or a bankruptcy order is made against Client or Client makes any composition or arrangement with Client's creditors, dies, becomes of unsound mind and/or insane;

12.1.6 Material adverse change in Client's financial condition, etc.: there occurs a material adverse change in Client's business, assets or financial condition which would, in the opinion of IISL, prevent or hinder or tend to prevent or hinder Client from performing in any material respect its obligations;

12.1.7 Judgment or court order: where Client is a partnership or a sole proprietorship, any of its partners or the sole proprietor shall have any judgment or order of Court made or any execution levied against his goods chattels or property, dies, becomes of unsound mind and/or insane;

12.1.8 Incompetence, etc.: where the Client is an individual, a sole proprietor or a partnership, a judicial declaration of incompetence or mental incapacity is made in respect of the Client or any of the partners, or the Client or any of the partners dies;

12.1.9 Unlawfulness: where IISL in its sole opinion believes there may be a basis for suspicion that the Client has engaged or may be engaging in any market malpractice or any other activity which is prohibited by any Laws or Regulatory Rules or applicable terms and conditions of whatsoever nature; or it shall become unlawful for the Client to maintain the Account or to perform any of the Client's obligations under this Agreement; or any authorization, consent, approval or licence necessary for the Client to continue the Account or to perform any of its obligation under this Agreement is withdrawn, restricted, revoked or otherwise ceases to be in full force and effect;

12.1.10 Fraud, etc.: Client is convicted of an offence involving fraud, deception or dishonesty or any other serious criminal offence (other than a road traffic offence where a non-custodial sentence is imposed);

12.1.11 Regulatory requirements: in the discretion of IISL, the exercise by IISL of any powers conferred by Clause 12.2 is necessary for compliance with any Regulatory Rules or Laws;

12.1.12 Suspension of the Account: the Account or the trading of any commodities or instruments in the Account is for whatsoever reason suspended;

12.1.13 Illiquidity: in the absolute discretion of IISL, there occurs market conditions (for example, illiquidity) or a situation that may make it difficult or impossible to effect the relevant transactions or liquidate or offset the relevant positions; and

12.1.14 Others: in the sole discretion of IISL, when it regards it to be otherwise necessary or appropriate e.g. due to margin requirements or otherwise.

12.2 Upon or at any time after the occurrence of any of the Event of Default, all amounts owing by the Client to IISL shall become immediately payable on demand and IISL, without notice to the Client, may do any of the following in its discretion:-

12.2.1 terminate all or any part of this Agreement and close the Account, or otherwise suspend operation of the Account;

12.2.2 immediately require Client to repay or discharge any facility, if any;

12.2.3 cancel any or all outstanding orders or any other commitments made on behalf of the Client;

12.2.4 close any or all contracts between IISL and the Client, cover any short position of Client through the purchase of commodities on the relevant Exchange(s) or, liquidate any long position of the Client through the sale of commodities on the relevant Exchange(s);

12.2.5 sell or otherwise dispose of commodities held for the Client to settle any liability owed by the Client to IISL which remains after IISL has disposed of all client collateral for securing the settlement of that liability;

12.2.6 combine or consolidate any or all accounts of the Client and exercise right of set-off in accordance with this Agreement; and

12.2.7 Close Out, close, liquidate and/or give up any or all positions of Client in the Account.

12.3 In the event of any Closing Out sale pursuant to Clause 12.2:

12.3.1 IISL shall not be responsible for any loss occasioned thereby howsoever arising if IISL has already used reasonable endeavours to sell or dispose of the commodities or any part thereof at the then available market price;

12.3.2 IISL shall be entitled to appropriate to itself or sell or dispose of the commodities or any part thereof at the current price to IISL or any member of its Group without being in any way responsible for loss occasioned thereby howsoever arising and without being accountable for any profit made by IISL and/or any member of its Group;

12.3.3 any debit balance or margin deficiency in the Account resulting from Closing Out (including but not limited to Closing Out pursuant to

Clause 12.2) shall be charged with (Client shall pay) interest thereon (after as well as before any demand or judgment) at such rate as IISL shall in its absolute discretion determine with reference to the prevailing market rate, the aforesaid interest rate may be changed by IISL in its absolute discretion, at any time and from time to time and without notice to and without consent from Client or any third party, the Client undertakes to pay to IISL any deficiency if the net proceeds of sale shall be insufficient to cover all the outstanding balances owing by Client to IISL and Client agrees that IISL shall be entitled (but not be obliged), at any time and from time to time, without prior notice, to debit any Account with IISL and/or any other account(s) of Client with other member(s) of the Group) with any interest payable by Client in accordance with this Clause 12.3.3 and Client undertakes to, immediately upon demand by IISL, do such act(s) and/or execute such document(s) as may be required by IISL at any time and from time to time in order to give full effect to each such debit; and

12.3.4 it is understood that Client shall at all times be liable for the immediate payment of any debit balance owing in the Account howsoever caused and whether or not an Event of Default with respect to the Account has occurred and that Client shall be liable for the immediate payment of any deficiency remaining in the Account in the event the liquidation thereof in whole or in part by IISL or by Client. Any debit balance or deficiency in the Account shall be charged with (and Client shall pay) interest thereon (after as well as before any demand or judgment) at such rate as IISL shall in its absolute discretion determine with reference to the prevailing market rate. The aforesaid interest rate may be changed by IISL in its absolute discretion, at any time and from time to time and without notice to and without consent from Client or any third party. Client shall immediately settle, upon demand, all liabilities outstanding to IISL, together with all costs of collection (including, without limitation, reasonable legal fees) on a full indemnity basis. Client agrees that IISL shall be entitled (but not be obliged), at any time and from time to time, without prior notice, to debit any Account with IISL and/or any other account(s) of Client with other member(s) of the Group) with any interest payable by Client in accordance with this Clause 12.3.4 and Client undertakes to, immediately upon demand by IISL, do such act(s) and/or execute such document(s) as may be required by IISL at any time and from time to time in order to give full effect to each such debit.

12.4 Any proceeds of sale hereunder shall be applied in the following order of priority:

12.4.1 in satisfaction of all costs, levies, charges, expenses and payments (including, without limitation, legal or other professional fees, stamp duty, commission and brokerage) incurred by IISL on a full indemnity basis;

12.4.2 in or towards the satisfaction of the amount secured by this Agreement whether principal or interest or otherwise in such order as IISL may in its discretion decide;

12.4.3 in or towards the satisfaction of any other amount owing to IISL or any member of the Group; and the surplus if any shall be paid to Client or to its order. If there is any deficiency after the sale, Client shall pay such deficiency to IISL without the need for any demand.

12.5 A declaration, determination or decision by IISL that the power of sale has become exercisable under this Clause 12 shall be conclusive evidence of that fact in favour of any purchaser or other person deriving title under the sale.

12.6 Without prejudice to any other provision of this Agreement, when IISL exercises any of IISL's rights:

12.6.1 by closing or giving-up all or any positions in the Account; or

12.6.2 by closing-out all or any positions or sale or purchase of commodities in any accounts which IISL or any member of the Group may carry on Client's behalf or maintain with Client.

and such closing or giving-up or closing out or sale or purchase (in this Clause 12.6 referred to as "the transactions") may be made on an Exchange or market where the transactions are usually transacted or in such manner as shall be decided by IISL.

Client agrees that in respect of the transactions, IISL shall not be liable for any resulting loss. Without prejudice to the foregoing, Client shall not make any claim against IISL concerning the manner or timing of the transactions. Client understands that in all cases, IISL has the right to exercise closing out or giving up without demand or notice. A prior demand or call or notice of such closing out or giving up shall not be considered as a waiver of IISL's above-mentioned rights.

13 LIABILITY AND INDEMNITY

13.1 Client agrees that IISL or any member of the Group or any of their respective officers, employees or agents shall not have any liability whatsoever (other than those resulting from fraud or wilful default on IISL's part) for any loss, expense or damage which Client may incur as a result of the performance or failure to perform this Agreement or as a result of any act or omission of any third party (whether or not appointed by IISL or any member of the Group) or howsoever arising out of any cause beyond the control of IISL or any member of the Group. Further, IISL or any member of the Group or any of their respective officers, employees or agents accept no liability as a result of compliance with any applicable Regulatory Rules. This Clause 13.1, however, shall not be construed as in any way binding any member of the Group to comply with any provision of this Agreement unless otherwise explicitly agreed by such member of the Group.

13.2 Client undertakes to indemnify and to keep indemnified IISL and its officers, employees and agents on a full indemnity basis from and against all losses, damages, interest costs, actions, demands, claims, proceedings, expenses, costs and liabilities of any nature whatsoever (other than those resulting from fraud or wilful default on IISL's part) incurred, suffered or sustained by or made or brought against or threatened to be made or brought against each or any of them directly or indirectly arising out of or in connection with the performance of any act or exercise of any right or discretion or any inaction taken or chosen by or for IISL and/or any member of the Group pursuant to this Agreement, or arising directly or indirectly from an Event of Default, or any act or omission by Client whether or not constituting a breach of any of its obligations under this Agreement or directly or indirectly as a consequence of reliance on by IISL or any of its officers, employees or agents any representation stated in this Agreement or any information provided by or for Client or directly or indirectly as a result of acting on by IISL or any of its officers, employees or agents any instruction, signature, instrument, notice, resolution, request, certificate, report or other document believed to be signed or given by the proper party(ies), whether the same is given verbally or in written form and whether the same is an original, facsimiled or electronic copy.

13.3 If any claim is made against IISL or Client in connection with this Agreement, IISL may, without prejudice to Clause 13.1 above, take any such steps at its sole discretion, including the withholding of payment or delivery to Client of any money or commodities.

13.4 Client acknowledges that handling of Client's Account(s) by any person or party other than the Client must be properly documented as prescribed by IISL from time to time (for example, in relation to giving of trading instructions, by completion of the relevant prescribed form applicable to Authorized Person or Authorized Third Party, as the case may be). Discretionary handling of clients' accounts by IISL representatives is generally not permitted by IISL policy (and that if exception is granted it must be properly documented in a further IISL discretionary account agreement with a power of attorney). Client covenants not to hold IISL responsible in any way, and shall indemnify IISL, for all and any loss, damage, interest, cost, action, demand, claim, liability, expense or proceeding of any nature whatsoever relating to or resulting from the Client's instruction, permission, acquiescence or approval to, or arrangement or understanding with, any IISL representative or any person or party other than the Client (whether explicit or tacit) to conduct discretionary trading on the Account or other handling in respect of the Client's Account(s) or Client's money.

14 DISCLOSURE OF INFORMATION

14.1 Client warrants and undertakes to IISL that all information provided by Client from time to time in, under or pursuant to this Agreement is and will be accurate, complete and up-to-date. Client shall notify IISL forthwith of any change of such information. IISL shall be entitled to rely fully on all such information for all purposes until IISL is notified to the contrary in writing and any such written notification shall be duly signed by Client. Client understands and accepts that notwithstanding anything to the contrary which may be contained in this Agreement, any change to any such information shall not take effect until five (5) days after the actual receipt by IISL of the relevant written notification or until such shorter period of time as may be agreed by IISL in writing.

14.2 IISL shall notify Client of any material change to the information relating to IISL provided in, under or pursuant to this Agreement.

14.3 Client shall immediately on demand by IISL at any time and from time to time supply to IISL such financial and/or other information in connection with the subject matter of this Agreement, Client and/or the compliance of any Laws or Regulatory Rules as IISL may reasonably require. Client agrees that IISL may conduct a credit enquiry or check on Client for the purpose of ascertaining the financial situation of Client.

14.4 IISL may provide any information supplied by or relating to Client and/or any contract and/or any transaction and/or the Account to any Regulator or other person to comply with the lawful requirements or requests (whether such requirements and requests are mandatory or otherwise) or otherwise where in IISL's sole discretion, it deems it appropriate in the circumstances. Without limiting the foregoing, relevant information may be disclosed if there is reasonable ground for IISL to suspect that any Client may have committed a material breach or infringement of, or may not have complied with, any market misconduct provisions in Part XIII or XIV of the Securities and Futures Ordinance.

14.5 If Client shall at any time open one or more accounts with members of the HK Exchange other than IISL for the purpose of carrying out transactions relating to F/O Contracts, and Client's number of open F/O Contracts in aggregate amounts to a "Large Open Position" as determined by the board of the HK Exchange ("Board"), Client shall report to IISL immediately of such "Large Open Position" and provide IISL with such information as IISL may require in connection therewith, Client hereby confirms and acknowledges that IISL is obliged to report information relating to Client's "Large Open Position" to the HK Exchange as required by Rule 628 of the Rules of the HK Exchange and Client hereby consents to the release of such information by IISL to the HK Exchange.

14.6 IISL is subject to the Personal Data (Privacy) Ordinance (Cap. 486 of the Laws of Hong Kong) which regulates the use of personal data concerning individuals. IISL's policies and practices relating to the use of personal data are set out in Part 7 to this Agreement.

14.7 Client acknowledges that any failure, delay or refusal to provide relevant information to IISL would constitute a breach, and that in accordance with Clause 14, the Client will fully indemnify IISL for such breach.

14.8 Client represents and warrants to IISL that Client has taken all action necessary to authorize the disclosure to IISL and other persons permitted hereunder of all information (including, without limitation, personal data as defined in the Personal Data (Privacy) Ordinance (Cap.486 of the Laws of Hong Kong) from time to time provided to IISL by or for Client in, under or pursuant to this Agreement and the use of such information for the purpose of this Agreement and/or any contract(s) and/or transaction(s) contemplated hereunder and/or the Account. This representation and warranty are taken to be also made by Client on each date that any information is provided to IISL.

14.9 Notwithstanding other provisions in relation to the disclosure of information and tax-related arrangement under this Agreement, the Client hereby agrees to comply with the provisions contained in the Part 9. The powers, rights, discretions of IISL under the Part 9 shall be without prejudice and in addition to the provisions in this Clause 14.

15 REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS

15.1 Client represents, warrants and undertakes to IISL (in this Clause 15, referred to as the "Warranties") that:

15.1.1 where Client is a corporation, it has been duly incorporated or established in accordance with all applicable laws and regulations and has the corporate power to enter into and perform this Agreement and has taken all necessary corporate and other action to authorize this Agreement upon these terms and conditions;

15.1.2 no consent or authority of any person (except, in the case of a corporate client, as already obtained as contemplated in Clause 15.1.1) is required for Client to enter into this Agreement including without limitation the power of borrowing and giving security over its assets, or as the case may be, Client has obtained all such necessary consent or authority (including without limitation, consent from its employer where applicable);

15.1.3 the entering into by Client of this Agreement or any trading or borrowing activity in connection with this Agreement will not place Client in breach of the terms of any other arrangement or document (including any constitutional documents such as Client's memorandum and articles of association if Client is a corporation and/or deed of trust if Client is a trustee or trust corporation), any staff dealing policies or rules of its employer (if any) or of any obligations under general law or imposed by Regulatory Rules, and Client undertakes to fully comply all relevant Laws, Regulatory Rules, terms, policies and rules;

15.1.4 no Event of Default or Potential Event of Default has occurred and is continuing;

15.1.5 no money, securities or other property received by IISL from Client in connection with this Agreement is subject to any restrictions on transfer or assignment, any lien, claim, charge or encumbrance or any other interest of any third party (other than a lien routinely imposed on all securities in a relevant clearance system);

15.1.6 Client has not taken any action nor has any step been taken or legal proceeding been started or threatened for the bankruptcy or liquidation of the Client. Nor has the Client entered into a compromise or scheme of arrangement with its creditors;

15.1.7 Client acknowledges that it is Client's duty to ascertain Client's nationality, citizenship, domicile or similar status. Client undertakes not to deal in, purchase or subscribe for any F/O Contracts, commodities or investments which by virtue of the Client's status or other characteristics Client is prohibited to deal in, purchase or subscribe. Client has taken all necessary professional advice including legal, accounting, estate planning or tax advice relating to its tax or other liability under any relevant jurisdiction; and

15.1.8 Client warrants and undertakes to IISL that if Client is not a member of the HK Exchange and the account which Client open with IISL is to be operated for a client or a number of clients of Client and not Client itself ("Omnibus Accounts"), Client shall notify IISL of the same and shall at all times:

15.1.8.1 in Client's dealings with the person(s) from whom Client receives instructions with respect to the Omnibus Account, comply with and enforce the margin and variation adjustment requirements and procedures as stipulated in the Rules of the HK Exchange and the rules of the clearing house of the HK Exchange as though Client were a member of the HK Exchange and as though the person(s) for whose account or benefit such instructions are given were the "Clients" as defined in the Rules of the HK Exchange;

15.1.8.2 cause Exchange Contracts (as defined in the Rules of the HK Exchange) to be entered into in fulfilment of such instructions 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 or in a manner which constitutes or involves betting, wagering, gaming or gambling with respect to such items; and

15.1.8.3 impose the requirements of Clauses 15.1.8.1, 15.1.8.2 and 15.1.8.3 upon, and ensure that they are complied with by, the person(s) from whom Client receives instructions.

15.2 Client further warrants and represents to IISL that each of the Warranties is true, accurate and not misleading.

15.3 Client acknowledges that IISL has entered into this Agreement on the basis of, and in reliance on, the Warranties. The Warranties are deemed to be repeated on each day up to and including the termination of this Agreement.

16. GOVERNING LAW AND DISPUTE RESOLUTION

16.1 This Agreement shall be governed by and construed in accordance with the laws of Hong Kong and Client hereby irrevocably submits to the non-exclusive jurisdiction of the courts of Hong Kong. This Agreement, all rights, obligations and liabilities under this Agreement and all contracts and all transactions contemplated hereunder shall enure to the benefit of, and bind IISL, IISL's successors and assigns, whether by merger, consolidation or otherwise, as well as Client and the heirs, executors, administrators, legatees, successors, personal representatives and permitted assigns of Client.

16.2 Any unresolved dispute between IISL and Client shall be settled by arbitration in accordance with the provisions of the arbitration rules of the board of arbitration (if any) of the organised market or board of trade or exchange upon which the transaction giving rise to such dispute was effected or (without limitation to the foregoing) in any other arbitral forum, provided that IISL only, in the sole discretion or IISL, may at any time before the hearing of the arbitration give notice to Client in writing that IISL veto either the arbitral forum or the arbitration of such dispute. The sole obligation of either IISL or Client under any claim in court of law by the other shall be to pay such sum as may be awarded under arbitration pursuant to this clause, except where IISL shall have vetoed such arbitration. Any award resulting from such arbitration shall be final, and a judgment upon the award rendered may be entered in any court having jurisdiction.

17. IISL'S ROLE, MATERIAL INTERESTS AND CONFLICTS OF INTERESTS

17.1 IISL's role

IISL may act as principal or as agent in relation to any transaction undertaken by IISL pursuant to this Agreement. Client is fully aware and hereby agrees that IISL may, subject to the applicable Laws and Regulatory Rules, contract as a principal in any transaction entered into between IISL and Client under this Agreement.

17.2 Material interests and conflicts of interest

Circumstances may arise in which IISL, another member of the Group or one of their respective officers, employees or agents (each, a "Relevant Party") has a material interest in a transaction with or for Client or where a conflict of interest arises between Client's interests and those of other clients or counterparties or of itself. However, if IISL acts in circumstances where it has a material interest or conflict of interest, IISL will take reasonable steps to ensure Client is treated fairly. IISL may, in its discretion, without giving any reason therefor, without notice and without incurring any liability of any nature to Client or any third party, decline to act for Client in such circumstances. Material interests and conflicts of interest that may arise include, without limitation, the matters described in the following Clauses 17.2.1 to 17.2.6.

17.2.1 IISL may make recommendations with respect to, effect or arrange a transaction with Client or on Client's behalf or for the Account in relation with which a Relevant Party may have direct or indirect material interests. In particular, a Relevant Party may:

17.2.1.1 deal with Client as principal for its own account;

17.2.1.2 deal with Client as agent for both Client and for any other person;

17.2.1.3 match any order by Client with the order of any other person, receiving, in some cases, a fee or commission from that other person;

17.1.1.4 otherwise make a profit in respect of a transaction pursuant to this Agreement; and

17.1.1.5 recommend that Client buy or sell an investment in which the Relevant Party has a long or short position.

17.2.2 In addition, a Relevant Party may also:

17.2.2.1 have interests or act as an adviser to clients in investment banking, financial advisory, underwriting, asset management and other capacities;

17.2.2.2 issue, underwrite or act in a proprietary capacity, as a market maker (or "principal trader") or liquidity provider, or for other clients in relation to investments of all types including those in which the Account or Client may invest or deal;

17.2.2.3 give advice to, and take action in relation to, any of its clients, companies or proprietary accounts that differs from advice given to Client, or involves different timing or actions taken;

17.2.2.4 make a market in and have a position in an investment held, purchased or sold for the Account; and

17.2.2.5 have an interest in, or serve as a director of, any company in which the Account or Client may invest or deal.

17.2.3 IISL may use any information Client provides in relation to an instruction or transaction to facilitate its execution and can take account of it in managing its market making positions or otherwise limiting the risks to which it is exposed in the course of its market making activities.

In particular, where that information relates to a proposed transaction for which Client has asked IISL to quote terms, and in which IISL would commit its capital, IISL may also use that information to enter into transactions for the purpose of executing the proposed transaction (or facilitating such execution) on terms that are competitive in the market at that time. Such transactions could be at a different price from the price at which IISL executes Client's transaction or instruction, which could result in IISL making a profit or loss. The effect of these and other trading activities of IISL may be to increase the market price of investments Client is buying or decrease the market price of investments Client is selling.

17.2.4 Subject to applicable Laws, IISL is not under any obligation to:

17.2.4.1 disclose that any Relevant Party has a material interest in a particular transaction with or for Client or that a conflict of interest or a conflict of duty has arisen or may arise, although IISL will generally manage such conflicts to ensure, with reasonable confidence, that risks of damage to Client's interests will be prevented; or

17.2.4.2 account to Client for any profit, commission or remuneration made or received in connection with transactions or circumstances in which a Relevant Party has a material interest, where a conflict of interest or a conflict of duty arises, or otherwise.

17.2.5 Client agrees and acknowledges that IISL may receive from, pay to or share with third parties (including other members of the Group) fees, commissions or other benefits. The amount or basis of any such fee, commission or other benefit will be disclosed to Client to the extent required by applicable Laws, and such disclosure may be in summary form only.

17.2.6 IISL may recommend to Client the services of (and may introduce Client to) any person (which may include a Relevant Party). These persons may not be regulated or subject to applicable Laws or Regulatory Rules for the protection of investors, including such rules and regulations in respect of clients' money held or received for clients by such persons, and accordingly such money may not be protected as effectively as if such rules and regulations applied.

17.3 No fiduciary relationship

Client and IISL acknowledge that neither:

17.3.1 the relationship between IISL and Client;

17.3.2 the services to be provided under this Agreement; nor

17.3.3 any other matter, gives rise to any fiduciary or equitable duties on IISL's part in favour of Client. In particular, there are no duties which would oblige IISL (or any other Relevant Party) to accept responsibilities more extensive than those set out in the Agreement or which would prevent or hinder IISL (or any other Relevant Party) in carrying out any of the activities contemplated by this Agreement.

18. MISCELLANEOUS

18.1 Trading by IISL

18.1.1 The Client acknowledges that IISL, its directors and/or employees may trade on its/their own account or on the account of any members of the Group subject to any applicable Laws and Regulatory Rules.

18.1.2 The Client consents that, without prior notice from IISL, when IISL executes sell or buy orders on behalf of the Client on the Exchange, IISL, its directors, officers, employees, agents, and/or any trader may buy or sell for an account in which any such person has a direct or indirect interest, subject to any applicable Laws and Regulatory Rules.

18.2 Open Positions

18.2.1 (i) Client acknowledges that the clearing house of the HK Exchange may do all things necessary to transfer any open positions held by IISL on behalf of Client and any money and security standing to the credit of Client's account with IISL to another exchange participant of the HK Exchange in the event the rights of IISL as an exchange participant of the HK Exchange are suspended or revoked. (ii) Client further acknowledges that the clearing house of any other relevant Exchange may do all things necessary to transfer any open positions held by or via IISL on behalf of Client and any money and security standing to the credit of Client's account maintained with IISL or an account held via IISL on behalf of Client to another exchange participant of such Exchange in the event the rights of the relevant exchange participant (which may be IISL itself or any other person appointed or agreed by IISL) of such Exchange are suspended or revoked.

18.2.2 (i) Client acknowledges that IISL is bound by the Rules of the HK Exchange which permits the HK Exchange or the Chief Executive of the HK Exchange to take steps to limit the positions or require the closing out of contracts on behalf of Client who in its or his opinion is accumulating positions which are or may be detrimental to any particular market or markets established and operated by the HK Exchange 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. (ii) Client further acknowledges that the rules of other relevant Exchanges are respectively binding on IISL and/or the relevant exchange participant(s) appointed or agreed by IISL. The rules of any such Exchange may permit itself or any person authorised by it to take steps to limit the positions or require the closing out of contracts on behalf of Client who in its or his opinion is accumulating positions which are or may be detrimental to any particular market or markets established and operated by it 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.

18.2.3 (i) Liquidation instructions for open futures positions maturing in the current month must be given to IISL prior to the first notice day in the case of long positions and, in the case of short positions, prior to the last trading day. (ii) Alternately, subject to Clause 18.2.3(iii) below, in respect of open futures positions maturing in the current month, sufficient clear funds to take delivery or the necessary delivery documents must be delivered to IISL at least five (5) Business Days prior to the first notice day in the case of long positions and, in the case of short positions, at least five (5) Business Days prior to the last trading day. (iii) Notwithstanding Clauses 18.2.3(ii) and 18.2.3(iv) or anything to the contrary which may be contained in this Agreement or other document, IISL shall be entitled, at any time and from time to time, without assigning any reason therefor and without any liability to Client or any third party, at its absolute discretion, to refuse to make or receive physical delivery of the underlying assets in relation to any transaction or contract contemplated hereunder or refuse to deliver or receive any certificate or document of title in respect of such underlying assets or refuse to procure the transfer or receipt of such underlying assets or of any certificate or document in title in respect of such underlying assets. (iv) Subject to Clause 18.2.3(iii) above, if neither the aforesaid liquidation instructions, nor the aforesaid clear funds, nor the aforesaid documents are received by IISL within the relative time period required under this Clause 18.2.3, IISL may without notice, either liquidate Client's position(s), or make or receive delivery, on behalf of Client upon such terms and by such methods which IISL shall in its absolute discretion deem appropriate.

PART 5 – INITIAL PUBLIC OFFERINGS

1. INTERPRETATION

1.1 Terms and expressions defined in this Agreement shall have the same meaning in this Part 5 unless the context otherwise required. References to clauses in this Part 5 shall refer to clauses contained in this Part 5, unless the context otherwise requires.

1.2 In the event of any inconsistency between the provision of this Agreement and this Part 5, the provisions of this Part 5 shall prevail.

2. INITIAL PUBLIC OFFERINGS

2.1 Client may request IISL to apply on Client's behalf for securities in a new issue for listing on Exchange (an "Application") and the provisions of this Part

5 shall apply.

2.1.1 Client authorizes IISL to complete such application form as may be required, and represents and warrants to IISL that all representations, warranties, confirmations and undertakings on the part of the applicant contained or incorporated in the application form are true and accurate in respect of Client.

2.1.2 Client agrees to be bound by the terms of the new issue and Client hereby:

2.1.2.1 warrants and undertakes that the Application shall be the only application made for Client's benefit in respect of the same issue of securities and that Client shall make no other application in that issue;

2.1.2.2 authorizes IISL to represent and warrant to the Exchange that no other application shall be made or shall be intended to be made by Client or for Client's benefit;

2.1.2.3 acknowledges that IISL will rely on the above warranties, undertakings and authorizations in making the application;

2.1.2.4 acknowledges that IISL accepts no responsibility to send Client the listing document which sets out the terms and conditions of the new issue of securities ("Prospectus"). By Client's application for subscriptions, Client confirms that Client has obtained such Prospectus from elsewhere, have read and understood the terms and conditions, and Client's application is not in breach of such terms and conditions. Client confirms that Client shall not request subscriptions for new issues of securities unless eligible to do so under the applicable securities legislation; and

2.1.2.5 represents and warrants that he is not a connected person (as such term is defined in the Regulatory Rules) of the issuer of securities that are subject of the new issue.

2.1.3 Client may at the same time request IISL to provide a loan for the purpose of the Application (the "Loan"), and the following provisions shall apply:

2.1.3.1 IISL has the discretion to accept or reject the request for the Loan;

2.1.3.2 Upon acceptance of a request for a Loan, IISL shall provide a term sheet or other document(s) ("Term Sheet") to Client confirming the terms of the Loan as agreed between Client and IISL, which shall be conclusive and binding on Client;

2.1.3.3 Prior to the provision of a Loan by IISL, Client shall provide to IISL a deposit for the Loan, which shall form part of the proceeds for the Application, in the amount and on or before such time as specified in the Term Sheet. Client authorizes IISL to debit from any of his accounts with IISL an amount representing the deposit, provided that IISL may, at its discretion, require Client to pay sufficient monies to IISL for the deposit;

2.1.3.4 Unless otherwise specified in the Term Sheet:

(i) The amount of the Loan shall be the total price of the securities applied for in the Application less the amount of deposit provided by Client pursuant to this clause 2.1.3.3;

(ii) Client shall have no right to repay the Loan, in part or in full, prior to the date of repayment specified in the Term Sheet.

2.1.3.5 The rate of interest applicable to the Loan shall be specified in the Term Sheet;

2.1.3.6 Where IISL receives any refund in respect of an Application, IISL shall have the right, at its discretion, to apply the same or any part thereof in or towards the discharge of the Loan including any interest accrued thereon or to return the same or any part thereof to Client, whether before or after the date of repayment specified in the Term Sheet.

2.1.3.7 In consideration of IISL granting to Client the Loan, Client charges to IISL, by way of fixed charge as a continuing security for the full repayment of the Loan and the accrued interest thereon, all the securities in or for the Account ("Interest in the Account"), which shall include, without limitation, all securities, all dividends and other distributions made or payable in respect of such securities, rights, monies or property of whatever nature accruing to or offered at any time by way of redemption, bonus, preference, options, purchase consideration or otherwise in right or in respect of the aforesaid securities and those securities acquired on behalf of Client by virtue of the Application in respect of which the Loan is provided. Subject to the Laws, Client authorises IISL, for so long as the security created hereby continues, at its discretion and without notice to Client, to dispose of such interest in the Account in settlement of Client's liability to repay or discharge any financial accommodation provided by IISL. Upon full repayment of the Loan and the accrued Interest thereon, IISL shall discharge in security created hereby.

2.1.3.8 IISL shall have the additional rights set out in Part 3 as if the Loan is granted under a Facility.

PART 6 – CLIENT IDENTIFICATION

1. INTERPRETATION

1.1 Terms and expressions defined in this Agreement shall have the same meaning in this Part 6 unless the context otherwise required. References to clauses in this Part 6 shall refer to clauses contained in this Part 6, unless the context otherwise requires.

1.2 In the event of any inconsistency between the provisions of this Agreement and this Part 6, the provisions of this Part 6 shall prevail.

2. Client shall immediately upon IISL's request and within one (1) day (or such other time period as may be specified by IISL) provide to IISL and/or a Regulator information (including, without limitation, details of identity, address, occupation, contact details and/or in the case of a corporate entity, nature and scope of business activities, source of funds, business structure, shareholdings and other information) relating to the ultimate beneficial owner(s) of the Account and/or the person(s) ultimately responsible for the giving of instructions in relation to any transaction or in relation to any dealings with any securities or investments in the Account.

3. If Client operates the Account or effects any transaction for a collective investment scheme, discretionary account or trust, Client shall:

3.1 immediately upon IISL's request and within one (1) day (or such other time period as may be specified by IISL) provide to IISL and/or a Regulator the name, address and contact details of such scheme, account or trust and, if applicable, the identity, address, occupation or business structure and contact details of the person who, on behalf of such scheme, account or trust, ultimately originated the instruction to Client to operate the Account and/or effect the transaction; and

3.2 as soon as practicable, inform IISL when Client's discretion or power to operate the Account or to invest on behalf of such scheme, account or trust has been overridden, revoked or terminated. In such case, Client shall, immediately upon IISL's request and within the time specified by IISL, provide to IISL and/or a Regulator the identity, address, occupation and contact details of the person who has given such overriding instruction or notice of revocation or termination.

4. If Client does not know the information referred to in clause 2 and 3 above, Client must confirm that:

4.1 Client has arrangements in place which would entitle Client to obtain and provide to IISL and/or Regulator upon its request all such information or to procure that such information be so obtained within one (1) day;

4.2 Client shall, upon IISL's request, immediately obtain all such information from any relevant third party, and provide that information to IISL and/or a Regulator within one (1) day or such other time period as may be specified by IISL and/or the Regulators; and

4.3 IISL may, pending receipt by it and/or by a Regulator of such information, or if such information is not received within one (1) day or such other the time period as may be specified by IISL and/or the Regulators, decide in its absolute discretion and at any time, not to act (even if such declining may result in any loss) or not to give effect to any of Client's instructions and/or to suspend or terminate the effecting of any transaction or the operation of the Account.

5. Client confirms that Client is not subject to any Regulatory Rules, or any law of any relevant jurisdiction, which prohibits Client's performance of the obligation under this Part 6 or, if Client is subject to such Regulatory Rules and/or such law, that Client or Client's own customers, as the case may be, has or have waived the benefit of such Regulatory Rules and/or such law or consented in writing to the performance by Client of the obligations under this Part 6. Client confirms that such waivers are valid and binding under the laws of all relevant jurisdictions.

6. The Client's obligation to provide information under this Part 6 shall continue in full force and effect notwithstanding the termination of this Agreement.

PART 7 – NOTICE TO CLIENTS RELATING TO THE PERSONAL DATA (PRIVACY) ORDINANCE

Imperium International Securities Limited is committed to the protection and privacy of the personal data of its clients or prospective clients or other individuals ("Clients") collected, held, processed or used by it. This notice is issued by Imperium International Securities Limited and is intended to notify the Clients of the purposes for which their personal data is collected, the intended uses of the collected data and other matters required under the Personal Data (Privacy) Ordinance (Cap.486 of the laws of Hong Kong) ("PD(P)O").

1. In this notice, "Imperium International Securities Limited" means the relevant company that is collecting the personal data of the Clients.
2. Personal data is collected from time to time by Imperium International Securities Limited/ Imperium Asset Management from the Clients in connection with the opening or continuation of accounts (including securities account (cash or margin), stock options account, futures account and discretionary account) ("Accounts"), the establishment or continuation of credit or margin facilities ("Facilities") and/or provision of securities, derivatives, futures, options, commodities, financial, investment, wealth management and related services and products (including but not limited to securities or futures brokerage, financial, nominee, custodian and investment advisory services and products) ("Brokerage Services & Products"). Provision of some of such data is necessary and failure to do so may result in Imperium International Securities Limited being unable to open or continue the Accounts or provide, establish or continue the Brokerage Services & Products or Facilities.
3. Personal data may also be collected from the Clients in the ordinary course of the continuation of the business relationship between the Clients and Imperium International Securities Limited or pursuant to laws, regulations, rules or codes which are binding on Imperium International Securities Limited.

Use and Transfer of Personal Data

4. The personal data relating to the Clients collected may be used by Imperium International Securities Limited for one or more of the following purposes:-
   (a) opening the Accounts for the Clients, processing the Clients' applications for such Accounts and conducting client identity due diligence or verification;
   (b) the daily operation of the Accounts and the provision of Brokerage Services & Products and Facilities to Clients;
   (c) conducting credit checks and assisting other financial institutions in conducting credit checks on Clients;
   (d) entering into, effecting, clearing and settling transactions on the instructions of Clients;
   (e) designing Brokerage Services & Products or Facilities for Clients' use;
   (f) analysing trends and behaviour as well as conducting customer surveys to continuously improve our services and products;
   (g) marketing the services, products, events and/or promotions of Imperium International Securities Limited to Clients (please refer to paragraph 6 below for details);
   (h) determining any liability and amount of indebtedness as between the Clients and Imperium International Securities Limited;
   (i) collection of debts or other sums owing to Imperium International Securities Limited by Clients and those providing security or guarantee for Clients' obligation;
   (j) matching and comparing the personal data collected with data from other sources for the purpose of verification to the extent legally permissible;
   (k) meeting the requirements of any laws, regulations and rules, codes, decisions, guidelines, requests, orders or recommendations of any governmental, regulatory or supervisory authority, exchange or court ("Rules") which is binding on or applicable to Imperium International Securities Limited and/or related companies (including without limitation to those relating to securities or futures trading, disclosure of interest or other information, anti-money laundering or terrorist financing); and
   (l) purposes directly related to any of the above.
5. Imperium International Securities Limited will keep the Clients' personal data collected or held confidential but it may provide such data to the following parties (whether within or outside Hong Kong) to the extent legally permissible:-
   (a) any agent, contractor, broker or third party service provider who provides administrative, telecommunications, market data, computer, payment, printing or securities or futures trading, execution, clearing or settlement services, or other services in connection with the ordinary business of Imperium International Securities Limited ;
   (b) any other related companies or offices with the Imperium International Securities Limited and any other person under a duty of confidentiality to Imperium International Securities Limited which has undertaken to keep such information confidential and their respective professional advisers;
   (c) any financial institution, broker or dealer with which a Client has or proposes to have dealings;
   (d) any actual or proposed assignee of the Imperium International Securities Limited or other related companies or participant or sub-participant or transferee of the Imperium International Securities Limited 's rights in respect of the Clients;
   (e) any credit reference agency and, in the event of default of the Clients, any debt collecting agency;
   (f) any person who provides or proposes to provide guarantee or security for the Client's obligations to Imperium International Securities Limited or other related company with the Imperium International Securities Limited;
   (g) any governmental, regulatory or supervisory authority, exchange or court or any other person in any jurisdiction if required by or pursuant to any Rules which are binding on or applicable to Imperium International Securities Limited or the relevant Client; and
   (h) any other person or entity with the relevant Client's consent or approval.

Use of Personal Data in Direct Marketing

6. Imperium International Securities Limited intends to use the Clients' personal data in direct marketing, and Imperium International Securities Limited may not use the personal data for such purpose unless the relevant Client's consent (or indication of no objection) has been obtained. In this connection, please note that:
   (i) the Client's name, email address, mobile phone number, residential phone number, facsimile number, correspondence address, postal code, age, nationality, date of birth, financial background, investment objectives, investment experience, risk tolerance profile, transaction pattern and behavior and product and service portfolio may be used by Imperium International Securities Limited in relation to direct marketing; and
   (ii) the following classes of products, services and facilities may be marketed:-
      - any of the Brokerage Services & Products or the Facilities;
      - Brokerage Services & Products, Facilities and banking, deposit, financial, trust, loan, insurance and related products and services of other related companies with the Imperium International Securities Limited;
      - customer reward, loyalty or privilege programmes of Imperium International Securities Limited and related services and products; and
      - promotional or social events in relation to any of the above.
7. Imperium International Securities Limited also intends to provide the Clients' personal data referred to in paragraph 6(i) to any other related companies for their use in direct marketing in relation to their products, services and facilities described in paragraph 6(ii), and Imperium International Securities Limited may not do so unless the relevant Client's written consent (or indication of no objection) has been obtained. Imperium International Securities Limited confirms that such data is not provided by Imperium International Securities Limited to the other related companies for gain.
8. If a Client objects to the use of his/her personal data in, or provision of the same for use in, direct marketing or wishes Imperium International Securities Limited to cease such use or provision, the Client may tick the boxes of objection below on signing of this notice, or otherwise notify Imperium International Securities Limited in writing by mailing or fax to the address or fax number provided in paragraph 10. Imperium International Securities Limited will then cease such use or provision without any charge. The Client's consent may also be given selectively (in relation to the kinds of personal data, classes of marketing subjects and classes of data transferees).

Rights of Clients

9. Under and in accordance with the provisions of PD(P)O, any individual has the right to:
   - to be informed whether Imperium International Securities Limited holds data about him/her and the right of access to such data (and Imperium International Securities Limited has the right to charge a reasonable fee for such data access request);
   - require Imperium International Securities Limited to correct any data relating to him/her which is inaccurate; and
   - to ascertain Imperium International Securities Limited 's policies and practices in relation to personal data.
10. The person to whom the requests mentioned in paragraphs 8 and 9 are to be addressed is as follows:
    The Data Protection Officer
    Imperium International Securities Limited
    Room 2603A, 26/F, One Harbour Square, 181 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong
    Fax No.: (852) 3585 2662
11. This notice may be revised, amended or supplemented from time to time by Imperium International Securities Limited. The most up-to-date version of this notice can be found in the official website of Imperium International Securities Limited or available from Imperium International Securities Limited on request.

PART 8 – THE ELECTRONIC TRADING SERVICE

1. INTERPRETATION

1.1 In this Part 8, unless the context otherwise requires, the following words and expressions have the meanings set out below:

1.1.1 "Access Codes" means together any Key File (if applicable), Password and the Login ID;

1.1.2 "E-Service" means the Internet or other facility provided by, and/or on behalf of, IISL which enables Client to give electronic Instructions in accordance with the terms of this Agreement, whether in Hong Kong or elsewhere, and to receive information and related services;

1.1.3 "Instruction" means any offer or acceptance in relation to any Securities or, where applicable, any instruction in relation to the Account and "Instruct" shall be construed accordingly;

1.1.4 "Internet Trading Policy" means the policy relating to the operations of the E-Service as amended from time to time;

1.1.5 "Key File" means a computer file, disk or other device which contains a file code which may be used in conjunction with the Login ID and the Password to gain access to the E-Service;

1.1.6 "Login ID" means personal identification used in conjunction with other Access Codes to gain access to E-Service; and

1.1.7 "Password" means Client's personal password, used in conjunction with other Access Codes to gain access to the E-Service.

1.2 Terms and expressions defined in this Agreement shall have the same meaning in this Part 8 unless the context otherwise requires. References to clauses in this Part 8 shall refer to clauses contained in this Part 8, unless the context otherwise requires.

1.3 In the event of any inconsistency between the provisions of this Agreement and this Part 8, the provisions of this Part 8 shall prevail.

2. IISL may at its discretion provide Client with the E-Service on the terms of this Agreement, and the provisions of this Part 8 apply if IISL provides Client with the E-Service. Client agrees to use the E-Service in accordance with the terms of this Agreement.

3. Client understands that E-Service is a semi-automated facility which enables it to send electronic Instructions and receive information services. Client acknowledges that notwithstanding anything to the contrary contained herein or in any other document (written form or otherwise), IISL shall have the absolute discretion to determine the functions of E-Services available to Client and such functions may be changed by IISL at any time and from time to time without notice to or consent from Client and without assigning any reason therefor. Client further acknowledges receipt of the Access Codes and agrees to be the sole user of the Access Codes and not to disclose the Access Codes to any other person; and to be solely responsible for the confidentiality, use and protection of the Access Codes and all Instructions entered through the E-Service using the Access Codes. Client agrees that neither IISL nor IISL's directors, officers or employees shall have any liability to Client, or to any other person whose claim may or may not arise through Client, for any claims with respect to the handling, mishandling or loss of, or loss of confidentiality of, any Instruction.

4. IISL may, at any time and from time to time, block Client's access to and/or use of the E-Service (or any part thereof) without prior notice to or any consent from Client and without assigning any reason therefor.

5. Client shall forthwith notify IISL if:

5.1 An Instruction has been placed through the E-Service and Client has not received an accurate acknowledgment receipt of the Instruction (whether by hard copy, electronic or verbal means) within one working day of the Instruction and the aforesaid "working day" means a day when IISL opens for business in Hong Kong;

5.2 Client has received notification (whether by hard copy, electronic or verbal means) of a transaction with Client did not Instruct;

5.3 Client becomes aware of any apparent unauthorized use of any of Client's Access Codes;

5.4 Client experiences any problems in accessing its Account through the E-Service; or

5.5 Client loses, fails or is otherwise unable to adequately protect confidentiality of the Access Codes.

6. Any risk, including (without limitation) the risk of transmission error, transmission failure, delay, unauthorized access and authorized use, arising from or related to the access to and/or use of the E-Service by Client and/or any software or equipment for accessing and/or using the E-Service (whether provided by IISL or otherwise), is at the risk of Client. Client shall provide and maintain, at Client's own risk and cost, the connection equipment (including personal computers, mobile trading devices and modems) and services for accessing and using the E-Service. Client shall be solely responsible for preventing anything which may be harmful to any such equipment (including , without limitation, computer virus, malicious program or harmful component) from entering into any such equipment, whether or not it is originated from IISL's websites (including, without limitation, the Group's Website and the website comprising E-Service), whether maintained or provided by or on behalf of IISL, (together, the "Websites") and, if applicable, whether or not originated from anything provided by IISL. Further, Client acknowledges that the Internet or other electronic medium (including E-Service or any part of the Websites) is an inherently unreliable medium of communication and that such reliability is beyond IISL's control. Client further acknowledges that such reliability any give rise to various consequences e.g. it may result in failure or delay in transmission of any Instruction or information or affect any function of E-Service or the timeliness, sequence, accuracy, adequacy or completeness of any Instruction or information transmitted or cause loss, or loss of confidentiality, of any Instruction or information transmitted or any transaction made on terms different from the relevant Instruction. Client understands that the aforesaid is not an exhaustive list of all consequences resulted from such unreliability. Client agrees that without limiting the generality of Clause 16.1 of Part 2 of this Agreement above, IISL shall not be responsible for any loss, damage, cost, expenses, claim or liability of whatsoever nature, directly or indirectly, arising out of or in connection with such unreliability or the public nature of the Internet or other electronic medium (including E-Service or any part of the Websites).

7. Client shall use information and materials available through the E-Service for its own needs and shall not resell to any third party or otherwise allow or permit any third party's access to or use of any such information or materials or otherwise deal with it/them in any way.

8. Client acknowledges that the E-Service, the Websites, information available via or on the E-Service and/or any part of the Websites and the software comprised in the E-Service and/or any part of the Websites are proprietary to IISL and/or its agents, partners or contractors. Client warrants and undertakes that it shall not, and shall not attempt to,

8.1 Tamper with, modify, de-compile, reverse-engineer or otherwise alter in any way, or

8.2 Gain unauthorized access to or make unauthorized use of,

Any part of the E-Service and/or any part of the Websites or any information available via or on the E-Service or any part of the Websites or any of the software comprised in the E-Service or any part of the Websites. Client acknowledges that IISL may take legal action against it, if Client at any time breaches this warranty and undertaking or if IISL at any time reasonably suspects that Client has breached the same. Client undertakes to notify IISL immediately if Client becomes aware that any action described in this clause 8 is being perpetrated or attempted by another person.

9. Client acknowledges that in providing the E-Service, IISL may use such authentication technologies as it deems appropriate. Client acknowledges that no authentication, verification or computer security technology is completely secure or safe and Client agrees to bear all risks of unauthorized access/use, hacking or identity theft.

10. Client understands that IISL shall be entitled to prepare the Internet Trading Policy (as amended from time to time) setting out the operation policy and procedures of the E-Service which shall be available on the Websites (or such part thereof as designed by IISL from time to time) and the terms of which shall be binding on Client in respect of its use of the E-Service. The Internet Trading Policy may be amended by IISL at any time and from time to time and each amended version shall be applicable on the effective date as specified in the relevant notice available on the Websites (or such part thereof as designated by IISL from time to time). In the event of inconsistencies between the terms of this Agreement and the Internet Trading Policy, the terms of this Agreement shall prevail.

11. Client acknowledges that the price quotation service (if any) available on any part of the Websites may be provided by a third party provider appointed by IISL from time to time. Client acknowledges and agrees that IISL shall not be responsible to Client or any other person for any losses, costs, expenses, damages, claims or liabilities of whatsoever nature which Client or such other person may suffer, directly or indirectly, as a result of or in connection with any aspect of such service including, without limitation, Client's or such other person's reliance on such service. Client shall use price quotation (if any) for its individual use only and shall not furnish such data to any other person or entity for any reason.

12. Client understands that any part of the Websites may provide, for informational purpose only, data regarding Securities and/or other investments published by third parties. Owing to market volatility and possible delay in the data-transmission process, the data may not be real-time market quotes for the relevant Securities or investment. Client understands that whilst IISL believes such data to be reliable, there is no independent basis for IISL to verify or contradict the accuracy or completeness of such data. Client understands that no recommendation or endorsement from IISL shall be inferred from such data.

13. Client acknowledges and agrees that IISL does not guarantee the timeliness, sequence, accuracy, adequacy or completeness of any information provided by or via the E-Service or on or via the Websites (or any part thereof) and any such information is provided on an "as is", "as available" basis. IISL gives no express or implied warranties (including but not limited to warranties of merchantability or fitness for a particular use) with respect to such information. Further, Client acknowledges that IISL gives no express or implied warranties, representations or undertakings with respect to the prices available from or via E-Service at which Client may make offers in respect of Securities (including, without limitation, any warranty, representation or undertaking that such prices are real-time market quotes or best available market prices).

14. Client accepts the risks of receiving or gaining access to services and communication and conducting transactions via the E-Service or over the Internet or by other electronic means or facilities.

15. Client shall, forthwith upon IISL's demand from time to time, pay to IISL such applicable costs, charges, expenses, fees, taxes, levies, duties, brokerages, commissions and other applicable remuneration and payments in respect of any transaction via the E-Service and/or the provision to Client of the E-Service (or any part thereof) as notified in writing by IISL to Client from time to time.

16. Client consents that any document (including, without limitation, any Advice), information, notice or communication may be given or presented to or exchanged with Client electronically on, via or over the Internet, the E-Service and/or any part of the Websites. Any document (including, without limitation, any Advice), information, notice or communication so given or presented to or exchanged with Client as aforesaid shall be deemed to have received by it immediately upon despatch. However, all notices and communications given or delivered to IISL electronically on, via or over the Internet, the E-Service and/or any part of the Websites shall be deemed to have been given or delivered to IISL on the day of actual receipt by it.

17. Client agrees that should it experience any problems in accessing to and/or using the E-Service, it shall attempt to use the alternative method to communicate with IISL (whether or not for the purpose of any transaction) and inform IISL of the difficulty it is experiencing.

18. Client understands that each association/entity asserts a proprietary interest in all of the market data it furnishes to the parties who disseminate such data. Client also understands that no party guarantees the timeliness, sequence, adequacy, accuracy or completeness of market data or any other market information. Client agrees that neither IISL nor any disseminating party shall be liable in any way for any loss or damage arising from or caused by any inaccuracy, error or delay in or omission from any such data, information or related message, or the transmission or delivery of the same, or non-performance or interruption of any such data, message or information due to any negligent act of IISL or any disseminating party, or to any force majeure event, or any other cause beyond IISL's control or the reasonable control of any disseminating party.

19. Client acknowledges and agrees that there are risks of misunderstanding or errors in any communication (including any communication or Instruction via the E-Service) and that such risks shall be absolutely and solely borne by Client.

20. Client acknowledges and agrees that each Instruction once given cannot be revoked and if acted on by IISL, such Instruction shall be binding on Client. For the avoidance of doubt, any Instruction in relation to any Securities given via E-Service shall constitute an irrevocable offer which, if accepted by IISL, shall become a binding contract between IISL and Client. Notwithstanding anything to the contrary which may be contained in this Agreement or any other document, IISL may, at any time and from time to time, in its absolute discretion without notice and without notice and without giving any reason therefor, decline to accept any Instruction. Client acknowledges that without prejudice to the foregoing in this clause 20, any trade confirmation issued from or via E-Service shall be merely an acknowledgement of the receipt of the relevant Instruction.

21. Client understands that the order management engine used in processing Client's Instructions is, generally speaking, handled on a "First-in-First-Out" order and accordingly, IISL does not guarantee that any of Client's Instructions will be processed even though it may have been received.

22. If Client gives any Instruction to IISL outside Hong Kong, Client agrees to ensure and represent that such Instruction is given, and Client further agrees that it shall, when in doubt, consult legal advisers and other professionals of the relevant jurisdiction. Client accepts that there may be taxes and/or charges payable to relevant authorities in respect of any Instruction given outside Hong Kong, and Client agrees to pay such taxes and/or charges as applicable.

23. Without limiting the generality of Clause 16.1 of this Agreement of Part 2, Client agrees that IISL shall not be responsible for any loss, damage, cost, expenses, claim or liability of whatsoever nature, directly or indirectly, arising out of or in connection with:

23.1 Client's access to and/or use of the Internet or other electronic medium (including E-Service or any part of the Websites) notwithstanding that such access and/or use is for accessing any website operated by IISL and/or on IISL's behalf and/or using any service provided by IISL and/or on IISL's behalf;

23.2 Any reliance on any information obtained via Client's use of the Internet or other electronic medium (including E-Service or any part of the Websites) notwithstanding that such information is obtained from any website operated by IISL and/or on IISL's behalf ; and

23.3 Any other cause beyond IISL's control or anticipation including, without limitation, any delay in the transmission, receipt or execution of any Instruction due to a breakdown or failure of transmission of communication facilities.

24. Client agrees that notwithstanding anything to the contrary contained herein or in any other document, should there be any inconsistency between the information (including any document but not any Advice) available from or via the E-Service, the Websites, the Internet or other electronic medium (whether or not the same being available in accordance with this Agreement) and the information on IISL's records, the information on IISL's records shall prevail save for any manifest error and that IISL shall accept no liability as a result of the unreliable nature of the Internet or other electronic medium (including E-Service or any part of the Websites) or other reason beyond the control of IISL.

25. Client understands and accepts the following risks in using the E-Service:

25.1 Risk in relation to the use of the Internet or other electronic medium

(a) The Internet or other electronic media (including without limitation, where applicable, electronic devices, services of third party telecom service providers such as mobile phones or other handheld trading devices) is/are inherently unreliable form(s) of communication, and that such unreliability is beyond IISL's control.

(b) Transactions over the Internet or though other electronic media (including without limitation, where applicable, electronic devices, services of third party telecom service providers such as mobile phones or other handheld trading devices) may be subject to interruption (including, without limitation, stoppage of price data feed), transmission blackout, delayed transmission due to data volume, incorrect data transmission due to the public nature of the Internet or other electronic media or loss of information or loss of confidentiality.

(c) As a result of such unreliability, there may be time-lags or delays in the transmission of data and receipt of Instructions and Client has to solely bear any loss resulting from any such time-lag or delay.

25.2 Risk of Electronic Trading System

Trading on one electronic trading system may differ from trading on other electronic trading systems. If Client undertakes transactions on an electronic system, Client shall be exposed to risks associated with the system including the failure of hardware and software. The result of any system failure may be that in respect of Client's Instructions, there may be transmission error, failure or delay.

25.3 Risk of Trading Facilities

Electronic trading facilities are supported by computer-based component systems. As with all facilities and systems, they are vulnerable to temporary disruption or failure. 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: Client should ask the firm with which Client deals for details in this respect.

Client understands and acknowledges that the risks above disclosed do not purport to disclose or discuss all of the risks associated with using E-Service and that Client should consult Client's own independent legal and other advisors prior to entering into any transaction via E-Service.

26. Client consents and authorizes IISL to deliver the Password to Client by email ("Authorization") to the email address specified in the Account Opening Form and agrees to bear all risks associated with such email delivery, including but not limited to the risks of transmission error, delay, unauthorized disclosure and unauthorized use. Client agrees that the Password will be deemed to be received by Client immediately upon despatch. Client acknowledges that once the Password is deemed to be received by Client, Client shall be the sole user of the Password and be solely responsible for the confidentiality, protection and use of the Password as well as all instructions/offers placed by using the Password. IISL shall not have any liability to Client or any third party for any loss, damages, expense, cost, claim or liability of whatsoever nature, directly or indirectly, arising out of or in connection with any such instruction/offer and/or the handling, inaccurate or incomplete transmission, delay in transmission, loss or loss of confidentiality, or the same. Client agrees at all times on demand to indemnify and keep indemnified IISL from and against all liabilities, costs and expenses of any nature whatsoever reasonably incurred by it arising from or in any way related to its reliance and/or acting on this Authorization (including any email address provided by Client). Client acknowledges that this Authorization will become effective on the date of IISL's approval of sending the Password in accordance with the terms hereof, which approval may or may not be given by IISL in its absolute discretion.

27. Client acknowledges and agrees that the fees set forth in the Websites (or any part thereof) appropriately reflect the allocation of risks set forth in this Agreement. Accordingly, based on the foregoing, Client acknowledges as reasonable the exclusions of warranties and limitations on liability set forth in this Agreement. As such, Client acknowledges and agrees that if any of the exclusions or limitation of warranties or liabilities set forth in this Agreement should be deemed to be invalid, ineffective or unenforceable, or in the event IISL is found liable for any claim arising out of or in connection with this Agreement or this Part 8, then, the entire collective liability of IISL and/or any member of the Group shall in no circumstance exceed two (2) times the amount of fees paid by Client to IISL in the month immediately preceding the act or omission or circumstance giving rise to a claim.

PART 9 – FOREIGN LAW REQUIREMENTS

1. INTERPRETATION

1.1 Definitions

In this Part 9, unless the context otherwise requires, the following words and expressions have the meanings set out below:

"Close-Out Amount" means, unless otherwise specifically provided for in the transaction documentation applicable to a particular transaction or group of transactions, with respect to each terminated transaction, the amount of the losses or costs of IISL that are or would be incurred under then prevailing circumstances (expressed as a positive number) or gains of IISL that are or would be realized under then prevailing circumstances (expressed as a negative number) in replacing, or in providing for IISL the economic equivalent of the material terms of that terminated transaction. Any Close-Out Amount will be determined by IISL (or its agent), which will act in good faith and use commercially reasonable procedures in order to produce a commercially reasonable result. Unpaid Amounts in respect of a terminated transaction and legal fees and out-of pocket expenses are to excluded in all determinations of Close-out Amounts. In determining a Close-out Amount, IISL may consider any relevant information, including, without limitation, quotations (either firm or indicative) for replacement transactions supplied by one or more third parties and market data in the relevant market. When it commercially reasonable to do so, IISL may in addition consider in calculating a Close-out Amount any loss or cost (or gain) incurred in connection with its terminating, liquidating or re-establishing any hedge related to a terminated transaction. Commercially reasonable procedures used in determining a Close-out Amount may include the application of pricing or other valuation models that are, at the time of the determination of the Close-out Amount, used by IISL in the regular course of its business in pricing or valuing transactions.

"AEOI" means Automatic Exchange of Financial Account Information, means one or more of the following, as the context requires: (i) FATCA; (ii) the OECD Standard for Automatic Exchange of Financial Account Information in Tax Matters – the Common Reporting Standard and any associated guidance; (iii) any intergovernmental agreement, treaty, regulation, guidance, standard or any other arrangement between Hong Kong and any other jurisdiction (including between any government bodies in each relevant jurisdiction), entered into to facilitate, implement, comply with or supplement the legislation, regulations, guidance or standards described in (i) and (ii) above; and (iv) any legislation, regulations or guidance implemented in Hong Kong to give effect to the matters outlined above.

"FATCA" means

(a) Section 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (as amended) or any amended or successor version thereof;
(b) Any intergovernmental agreement, memorandum of understanding, undertaking and other arrangement between governments and regulators in connection with item (a) including as entered into by the government of Hong Kong;
(c) Agreements between IISL and the IRS or other regulator or government agency pursuant to or in connection with item (a); and
(d) Any laws, rules, regulations, interpretations or practices adopted in the U.S., Hong Kong or elsewhere pursuant to any of the foregoing.

"Foreign Law Requirement" means any obligation imposed on IISL pursuant to any future or present:

(a) Foreign laws (including foreign laws in respect of which IISL considers itself bound);
(b) Hong Kong laws that implement Hong Kong's obligations under an agreement with a foreign government (including the government of the PRC) or regulator;
(c) Agreements entered into between IISL and a foreign government (including the government of the PRC) or regulator;
(d) Agreements entered into between IISL and any counterparty or between IISL and any issuer of securities or other investment products under or pursuant to or in connection with which IISL is required to comply with any foreign laws or any guidelines or guidance mentioned in item (e) below; or
(e) Guidelines or guidance issued by any legal, regulatory, government, tax or law enforcement body within or outside of Hong Kong in respect of items (a) to (c).

For the avoidance of doubt, this definition includes any obligation or requirement applying to IISL as amended or introduced from time to time, including pursuant to AEOI.

"Government Authority" means any government, government body, government agency or regulator, in or outside of Hong Kong, including the Inland Revenue Department of Hong Kong and the IRS.

"Hong Kong" means the Hong Kong Special Administrative Region of the PRC.

"IRS" means the U.S. Internal Revenue Services.

"PRC" means the People's Republic of China (excluding Hong Kong, Macau and Taiwan).

"Relevant Information" means any information, document or certification given by or relating to Client, any Ultimate Owner, any authorized representatives of the Client, any Account with IISL or any transaction and shall include where the context permits identity information and personal data including Client's name, address, tax payer identification number, Account numbers, Account balances or value and any payments made in respect to the Accounts.

"Ultimate Owner" means any ultimate beneficial owner of any Account with IISL, the person ultimately responsible for giving of instructions of any transaction, any person who act on Client's behalf in receiving payment or any other person identified by IISL in its sole and absolute discretion as being connected with Client.

"Unpaid Amounts" mean any unpaid amounts and the value of unsettled transactions together with interest thereon as determined by IISL in good faith and a commercially reasonable manner.

"U.S." means the United States of America.

1.2 Terms and expressions defined in this Agreement shall have the same meaning in this Part 9 unless the context otherwise requires. References to clauses in this Part 9 shall refer to clauses contained in this Part 9, unless the context otherwise requires.

1.3 In the event of any inconsistency between the provisions of this Agreement and this Part 9, the provisions of this Part 9 shall prevail; provided, however, that this Part 9 in no way seeks to limit any of IISL's rights under this Agreement and should be interpreted accordingly.

2. UNDERTAKING TO PROVIDE INFORMATION

2.1 Client agrees that IISL may disclose Relevant Information to any person or Government Authority, whether or not established under Hong Kong law, as required under any Foreign Law Requirement (including but not limited to AEOI) as determined by IISL.

2.2 Client undertakes to provide IISL with information, documents and certifications as reasonably required by IISL in order to meet IISL's obligations under any Foreign Law Requirement (including but not limited to AEOI). Client acknowledges and agrees that this may include information, documents or certifications in connection with Client, its authorized representatives, or the Ultimate Owner.

2.3 Client will, promptly and from time to time, supply IISL with identity information and personal data in connection with the establishment or continuation of any Account with IISL or provision of services. Client further acknowledges that failure to supply Relevant Information may result in IISL being unable to effect a transaction, provide the services under this Agreement or operate or maintain any Account with IISL; or may result in IISL terminating the Account. It may also result in IISL having to withhold or deduct amounts as required under any Foreign Law Requirement (including but not limited to AEOI).

2.4 Client shall notify IISL forthwith of any change to the Relevant Information. IISL shall be entitled to rely fully on all such Relevant Information for all purposes until IISL is notified to the contrary in writing and any such written notification shall be duly signed by Client. Client understands and accepts that notwithstanding anything to the contrary which may be contained in this Agreement including this Part 9, any change to any such information shall not take effect until five (5) days after the actual receipt by IISL of the relevant written notification or until such shorter period of time as may be agreed by IISL in writing.

2.5 For the avoidance of doubt, to the extent that applicable non-disclosure, confidentiality, bank secrecy, data privacy or other law imposes non-disclosure requirements on transaction and similar information required or permitted to be disclosed as contemplated herein but permits a party to waive such requirements by consent, the consent and acknowledgements provided herein shall be a consent by Client for purposes of such law.

3. INDEMNITY

Without limiting any other indemnity provided by Client, Client will indemnify IISL and its directors, employees and representatives against any liability, reasonable loss or expense (including tax or levy)arising from Client's instructions, Account or the provision of a service to Client, including as a result of any failure by Client to comply with this Agreement, including this Part 9, Client or other agent of Client providing misleading or false information in respect of Client or any other person or matter in connection with this Agreement, unless IISL is guilty of wilful misconduct.

4. CONSENT TO DEDUCT, WITHHOLD AND BLOCK

4.1 Client acknowledges and agrees that notwithstanding any other provisions of this Agreement:

(a) any payments by IISL under this Agreement will be subject to taxes, levies, imposts, duties or other charges, withholding and/or deduction of a similar nature, at present or in the future, as required under any Foreign Law Requirement (including but not limited to AEOI), including but not limited to value added taxes, stamp duties, fines, penalties or interest payable in connection with any failure to pay or any delay in paying any of the above.
(b) any amount withheld under paragraph (a) above may be held in whatever Account or in whatever manner determined by IISL; and
(c) IISL is not liable for any gross up, loss or damage suffered as a result of the exercising of our rights under this Clause 4.1.

4.2 Client further acknowledges and agrees that

(a) IISL has the right to refuse to carry out any instruction or perform any service under this Agreement if such instruction or service, in IISL's opinion, is in contradiction with or constitutes a breach of any Foreign Law Requirement (including but not limited to AEOI) and/or IISL's policies in relation thereof;

(b) any transaction, payment or instruction under this Agreement may be delayed, blocked, transferred or terminated as required for IISL to meet its obligations including those under any Foreign Law Requirement (including but not limited to AEOI) as determined by IISL; and

(c) Client waives any rights to claim for any loss, damage, cost or expenses suffered as a result IISL exercising its rights under this Part 9.

5. TERMINATION

5.1 IISL may take such action that it deems in its sole discretion as appropriate, in respect of the Account, including without limitation suspending or closing the Account if Client fails to comply with any requirement of this Part 9 in respect of any Foreign Law Requirement (including but not limited to AEOI), including failing to provide information, documents and supporting materials as required by IISL or closure is otherwise necessary or convenient for compliance with any Foreign Law Requirement (including but not limited to AEOI).

5.2 If IISL terminates the services under this Agreement and close the Account(s) of Client, then IISL shall have the right, by termination notice to Client, to designate a day not earlier than the day such termination notice is effective as a close-out date (the "Close-Out Date") and close out some or all of the outstanding transaction(s) in relation to the terminated Account(s) of Client at IISL's sole and absolute discretion. For the avoidance of doubt, when exercising its right to close out the transactions pursuant to this Clause 5, IISL is not liable for any losses or damages arising therefrom.

5.3 IISL shall calculate in good faith, with respect to such terminated transaction(s) as of the Close-Out Date or as soon thereafter as reasonably practicable, the early termination amount (the "Early Termination Amount") as follows:

(a) for each such terminated transaction or each group of such terminated transactions, calculate a Close-Out Amount.

(b) calculate the Early Termination Amount being an amount equal to (1) the sum of (A) the aggregate sum of the Close-Out Amount (whether positive or negative) for each terminated transaction, (B) the Unpaid Amounts owing to IISL and (C) any legal cost and out-of-pocket expenses incurred by IISL in good faith less (2) the Unpaid Amounts owing to Client; and

(c) if the Early Termination Amount is a positive number, Client will pay it to IISL; if the Early Termination Amount is a negative number, IISL will pay the absolute value of the Early Termination Amount to Client.

PART 10 – CHINA CONNECT TERMS AND CONDITIONS

1. INTERPRETATIONS

1.1 Definitions

In this Part 10, unless the context otherwise requires, the following words and expressions have the meanings set out below:

"**Mainland China Resident**" means a person who is a citizen of the PRC and does not have permanent right of abode in a jurisdiction outside the PRC.

"**Trading Day**" means a day on which SEHK is open for Northbound trading, where "**T day**" denotes the Trading Day on which a transaction is executed and "**T+1 day**" denotes the day which is one Trading Day, or in the context of the settlement of funds, one business day (on which banks in Hong Kong and Shanghai are generally open for business) after T day.

"**You**" means Client.

2. ELIGIBLE INVESTORS

2.1 Eligible investors

You represent and undertake on a continuing basis, including without limitation on the first date that these China Connect Terms and Conditions are effective and on each date that you place an order or give an Instruction in respect of China Connect securities under these China Connect Terms and Conditions, that:

(a) (i) you are not a Mainland China Resident or an entity incorporated or registered under the laws of Mainland China, (ii) if you are a Mainland China Resident, you are using funds lawfully owned by you and located outside Mainland China to make investments in China Connect Securities or (iii) if you are an entity incorporated or registered under the laws of Mainland China, your investment in China Connect Securities has been conducted pursuant to any program (including the Qualified Domestic Institutional Investor Program, if applicable) approved by, or any other approval of, any competent Mainland China regulator; and

(b) your investment in China Connect securities does not violate the laws and regulations of the PRC, including those in relation to foreign exchange control and reporting; and

(c) unless you are Institutional Professional Investor and such status have been confirmed by IISL, you will not place any order with IISL or give IISL any instruction to buy or sell ChiNext Shares under China Connect (other than Special China Connect Securities which are eligible for sell orders only).

3. CHINA CONNECT TRADING RESTRICTIONS

3.1 Day trading and naked short selling

Day trading and naked short selling are not allowed.

3.2 No OTC

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

3.3 Institutional Professional Investors

SZSE ChiNext Shares will be limited to Institutional Professional Investors.

4. COMPLIANCE WITH CHINA CONNECT LAWS

4.1 Compliance

Any trading in China Connect Securities must comply with all China Connect Laws and relevant rules.

4.2 No advice

You shall be fully responsible for understanding and complying with all China Connect Laws (including but not limited to laws and regulations on short-term trading profits and disclosure obligations) and for any consequences of Northbound trading. We will not, and do not intend to, advise you on any China Connect Laws. For further information, please refer to the web pages on the HKEx website and the SFC website relating to China Connect from time to time and other relevant sources.

4.3 Further Requirements

We shall have the right to apply any procedures or requirements in respect of any trading of China Connect securities through China Connect which we determine in our absolute discretion to be necessary or desirable for the purpose of any China Connect Laws or market practice. Neither we nor any Related Person shall have any liability for any losses or risks which may result directly or indirectly from such procedures or requirements.

4.4 Discretion to Refuse

IISL may, in its absolute discretion, refuse to execute any instruction given by you, if (for example, and without limitation):

(a) such instruction is not compliant with any China Connect Laws or if we reasonably believe that such instruction may not be complaint with any China Connect Laws or if we are required by SEHK not to accept such instruction;

(b) without prejudice to your obligations in Clause 8 (Compliance with Pre-Trade Checking Requirements), in respect of any instruction to make a Northbound sell order, we determine in our absolute discretion that you do not have sufficient securities at the time of such order instruction to settle the delivery obligation or if submission of the order would cause us to be in breach of the Pre-Trade Checking requirements or related requirements under the China Connect Laws;

(c) in respect of any instruction to make a Northbound buy order, we determine in our absolute discretion that you do not have sufficient funds to settle the payment obligations in respect of such order on the settlement day; or

(d) you do not satisfy the relevant eligibility requirements as set out in Clause 3 (China Connect Trading Restrictions). Neither we nor any Related Person shall have any liability for any losses or risks which may result directly or indirectly from such refusal.

4.5 Change of Professional Investor Status

With respect to Clause 4.4(d) and the eligibility requirements as set out in Clause 3 (China Connect Trading Restrictions), if we determine in our sole and absolute discretion that you are not an Institutional Professional Investor since a certain date ("**Determination Date**"), you agree to unwind any positions of ChiNext Shares acquired by you through us since the Determination Date as soon as possible after our notification to you in relation to your change of Professional Investor categorization status.

4.6 Absolute Discretion

Without limitation to the foregoing, we may in our absolute discretion suspend, terminate or limit your ability to access the China Connect through us without advance notice to you, including but not limited to where requested or directed by a China Connect Authority.

5. RISK DISCLOSURES AND ACKNOWLEDGEMENT

5.1 Risk Disclosure Statements

You acknowledge that you have read and understood the risk disclosures, the obligations and other information set out in Part 11 (Risk Disclosure Statements).

5.2 Prohibition

You acknowledge that there is a risk of prohibition from trading China Connect Securities and that your instructions to trade China Connect securities may not be accepted.

5.3 Limitation of Liability

You acknowledge that neither IISL nor any Related Person shall be liable for any loss, liability or third party claim or demand that you may suffer directly or indirectly as a result of any action or inaction by IISL or any Related Person in connection with the provision of trading services in respect of China Connect securities to you by us.

5.4 SEHK's Discretion

You acknowledge that SEHK has the power not to extend the China Connect Service to you, and the power to require IISL not to accept instructions from you, if it is found that you, IISL or any of our clients have or may have committed any abnormal trading conduct set out in the Operator Rules or failed to comply with any China Connect Rules.

5.5 Breach

You acknowledge that if the Operator Rules are breached, or the disclosure and other obligations referred to in any China Connect Laws are breached, (i) the relevant China Connect Market Operator has the power to carry out investigations, and may, through SEHK (or through any other governmental or regulatory body), require IISL or a Related Person to (a) provide relevant information and materials relating to you including, without limitation, in relation to your identity, personal data and trading activity; and (b) to assist in a China Connect Authority's investigation in relation to you and/or your trading activity; and (ii) you may be subject to regulatory investigations and legal and regulatory consequences if you are in breach of, or fail to comply with, such laws, rules and regulations.

5.6 Investigations

You acknowledge that SEHK may (for the purpose of assisting a China Connect Market Operator in its regulatory surveillance of the relevant China Connect Market and enforcement of the relevant Operator China Connect Rules and as part of the regulatory cooperation arrangement between SEHK and the relevant China Connect Market Operator), at the request of the relevant China Connect Market Operator, require us to provide information (including, without limitation, in relation to your identity, personal data and trading activity) in relation to you and any other persons referred to in the SEHK Rules with respect to any China Connect orders placed or China Connect transactions made or entered into by us on your or their behalf.

SEHK may on-forward to SSE or SZSE for surveillance and investigation purposes.

5.7 Serious Breach
You acknowledge that where a China Connect Authority considers that there is a serious breach of any Operator Rules, IISL may be required by a China Connect Authority to (a) issue warning statements (verbally or in writing) to you; and (b) cease providing you with any service relating to trading China Connect Securities through China Connect.

5.8 No Concurrent Sell and Buy Orders
You acknowledge that, prior to us informing you that a Northbound buy order instructed by you has been settled, you shall not instruct a Northbound sell order in respect of the China Connect Securities which are the subject of such Northbound buy order.

5.9 Provision of Information
You acknowledge and consent to IISL and/or any Related Person providing information relating to you and your profile, including the type and value of Northbound buy and sell orders and transactions executed on your behalf to a China Connect Authority at such intervals and in such form as such China Connect Authority may specify from time to time including in relation to an enquiry, investigation or surveillance by a China Connect Authority.

5.10 Fees etc.
You acknowledge and accept responsibility for paying all fees, charges, levies and taxes and shall comply with any filing or registration obligations as may be required under any China Connect Authority or China Connect Laws relating to any China Connect securities;

5.11 Record Keeping
You acknowledge and accept that we will be subject to recordkeeping requirements under the China Connect Rules and may therefore retain records (including telephone and electronic communications and account information) in relation to your Northbound orders and trading for 20 years or as otherwise required under the China Connect Laws.

5.12 Rejection
You acknowledge and accept that SEHK may upon a request by a China Connect Market Operator requires IISL to reject any order made on your behalf.

5.13 China Connect Authorities' Liability
You acknowledge and accept that none of the China Connect Authorities or their respective directors, employees and agents shall be responsible or held liable for any loss or damage directly or indirectly suffered by IISL or any Related Person, you or any other third party arising from or in connection with (i) the trading of China Connect securities or the operation of the CSC in respect of China Connect securities, or (ii) any amendments, making or enforcement of the China Connect Rules; or (iii) any action taken by a China Connect Authority in discharge of its supervisory or regulatory obligations or functions (including any action taken in respect of abnormal trading activities); and

5.14 Circuit Breaker
You acknowledge and accept that the imposition of a Circuit Breaker by a China Connect Market Operator on any Trading Day of the relevant China Connect Market will result in suspension of trade execution on the relevant China Connect Market and the risks associated with such imposition of Circuit Breaker.

6. REPRESENTATIONS

6.1 Continuing
You make the representations set out in this Clause to IISL on a continuing basis:
(a) that you are aware of and shall comply with all China Connect Laws and other Applicable Regulations to which you may be subject;
(b) that the execution of any Instruction you give to us shall not result in any breach of any China Connect Laws; and
(c) that you understand and have assessed the risks relating to China Connect and you are willing to undertake the risks relating to China Connect.

6.2 Placing an order
You make the following representations to IISL on each date you instruct an order to sell China Connect Securities:
(a) that you do not know any fact that might impair the validity of such China Connect Securities that you have full authority to receive, deal with and give instructions, authorizations or declarations in respect of the same;
(b) that there is no restriction on the transfer of such China Connect securities other than those expressly provided for under the SEHK rules or CCASS rules.

7. ORDER HANDLING

7.1 Aggregation
IISL may aggregate your northbound orders with the northbound orders of any other Client or of its Affiliates when IISL process such orders. This may sometimes operate to your disadvantage and, because of the quota restrictions described in Part 11 (Risk Disclosure Statements), may result in your order only being partially executed or not at all.

7.2 Fair and Equal Opening
All client orders and transactions to be undertaken for clients ("Client Orders") which are for submission to the applicable open auction or start of continuous trading session (the "Opening") shall be handled by us in a way that seeks to ensure that all such Client Orders have a fair and equal opportunity to participate in the Opening. We will regard all such Client Orders as having been received by us only at the point at which our system submits Client Orders into the applicable opening auction or start of continuous trading session.

7.3 Sufficient Shares
You acknowledge and agree that you must ensure you have sufficient shares in your Account when placing sell orders. If the shares are kept in an account opened with another exchange participant or a custodian, investors must first transfer the shares to an Account with the Company on T-1 in order to sell their shares on T day.

7.4 Cancellation
IISL has the right to cancel the client's orders in case of contingency such as hoisting of Typhoon Signal No 8 in Hong Kong.

8. COMPLIANCE WITH PRE-TRADE CHECKING REQUIREMENTS

8.1 Compliance
You undertake that you will comply with any requirements relating to Pre-Trade Checking mandated by the China Connect Authorities or as notified to you by IISL.

8.2 Sufficient China Connect Securities
You further undertake to ensure there are sufficient and available China Connect securities in your Account by the applicable cut-off time (including any pre-trade cut-off time, as notified to you by us from time to time) to cover any proposed sell order given on the relevant Trading Day.

8.3 Non-compliance
If you fail to comply with this Clause, IISL may:
(a) reject your sell order (in whole or in part); and/or
(b) perform any other act which IISL considers necessary or desirable to comply with the Pre-Trade Checking and/or relevant China Connect Laws and to cover your shortfall (including but not limited to applying any other China Connect securities available to us from other sources).

9. SETTLEMENT AND CURRENCY CONVERSION

9.1 Conversion
As all Northbound trading is effected and settled in Renminbi, if IISL does not receive sufficient Renminbi before settlement of a Northbound buy order to settle such purchase of China Connect securities, settlement may be delayed and/or fail and you may not acquire title to, or become entitled to sell or transfer the relevant China Connect securities. Where IISL holds any funds on your behalf, if there are insufficient Renminbi funds to settle any Northbound buy order or other payment obligation in connection with China Connect, then, without prejudice to clause 9.1 (Currency Conversion) of the Terms, you authorise IISL to convert any funds in any other currency which IISL holds on your behalf into Renminbi for the purposes of settlement thereof.

9.2 Automatic Conversion
Notwithstanding any other provisions of the Agreement, where it is necessary to convert one currency to another pursuant to these China Connect Terms and Conditions, such conversion may be carried out automatically by us in a commercially reasonable manner without prior notice to you. Any risk, loss or cost (including fees, charges and/or commissions) in connection with or resulting from any conversion of one currency into another currency pursuant to these China Connect Terms and Conditions shall be borne by you.

9.3 Further Action
You agree that in the event that you fail to settle in a timely manner any payment obligation in relation to an instruction to purchase China Connect securities, IISL has the right to immediately and without prior notice to you take such action as IISL considers appropriate to reduce or eliminate any loss or liability that IISL suffers or may suffer (including but not limited to taking any steps to sell, realize, dispose of or otherwise deal with the relevant China Connect securities) and that you shall indemnify and hold IISL harmless for any liabilities, expenses or other losses IISL may incur in exercising the foregoing right. You further agree that IISL shall have no liability to you for any loss, diminution in value or other damages whatsoever for any action or inaction of IISL or our agents pursuant to this Clause.

9.4 Insufficient Liquidity of RMB
Notwithstanding any other provisions of the Agreement, where IISL determines that there is insufficient liquidity in RMB to settle any buy orders, IISL may, in our sole and absolute discretion, reject your instructions to place such buy order.

9.5 Contingency
IISL may not be able to send in the Client's order cancellation requests in case of contingency such as when SEHK loses all its communication lines with SSE, etc. and the client should still bear the settlement obligations if the orders are matched and executed.

10. SALE, TRANSFER AND DISGORGEMENT

10.1 Forced-sale
Where, under the terms of the China Connect Rules, IISL receives notice (a "**Forced-sale Notice**") from a China Connect Authority requiring IISL to sell and liquidate a specified number of China Connect securities, IISL shall be entitled to issue a corresponding notice (a "**Client Forced-sale Notice**") to you requesting you to sell and liquidate any number of such China Connect securities that you hold in your account with us (as determined by us in our sole discretion) within the period specified by the relevant China Connect Authority, and you undertake to comply with any such Client Forced-sale Notice.

10.2 Discretion pursuant to Forced-sale Notice
In relation to any Forced-sale Notice, you authorise us to sell or arrange for the sale of such China Connect Securities on your behalf at such price and on such terms as we may determine in our absolute discretion if you fail to comply in a timely manner with a Client Forced-sale Notice, to the extent necessary to comply with all China Connect Laws.

10.3 Recipient Agent
Where China Connect securities owned by you that are the subject of a Client Forced-sale Notice have been transferred from the holding of the Clearing Participant that settled the relevant Northbound buy order (the "**Original CP**") to another Clearing Participant or custodian (the "**Recipient Agent**"), you authorize us to give instructions to the Recipient Agent on your behalf to return the relevant China Connect securities to the Original CP for sale and liquidation in accordance with all China Connect Laws. You also undertake to inform the Recipient Agent of such authorization and, where required, you undertake to instruct the Recipient Agent to act accordingly.

10.4 Disgorgement
You authorize IISL to sell or arrange for the sale of any amount of China Connect securities owned by you if we receive notice from any China Connect Authority requiring you to disgorge any profits as a result of the "short swing profit rule".

10.5 Further Action
In addition to the above, you authorize us to sell, transfer or carry out any other action in relation to China Connect securities owned by you if we are instructed to do so by any China Connect Authority or if we otherwise determine in our absolute discretion that it is necessary or desirable to do so in order to comply with any China Connect Laws.

10.6 No Liability
Neither IISL shall nor any Related Person have any liability for any losses or risks which may result directly or indirectly from any actions taken by us or a Related Person in respect of this Clause.

11. CUSTODY

11.1 Applicability
This Clause 11 is only applicable when you have delivered to IISL the China Connect securities in relation to Pre-Trade Checking under the China Connect Laws.

11.2 Nature of custodial services
You acknowledge that:
(a) the primary or sole reason that IISL is offering you custodial services in relation to Pre-Trade Checking under the China Connect Laws, and that the provision of custodial services is not part of our normal business activities. Accordingly, any custodial services offered by IISL are limited in their nature. The provisions in this Clause 11 are without prejudice to any agreements you may have with IISL or our affiliates providing you with custodial services.
(b) we conduct business in China Connect securities for other clients and for our own account; and
(c) you shall be solely responsible for all filings, tax returns and reports of any transactions in respect of or relating to China Connect securities held under this Clause 11, as may be required by any relevant authority, whether government or otherwise.

11.3 Establishment of custody account
You authorize us to establish on our books a custody account or accounts (the "Custody Account") for the receipt, safekeeping and maintenance of China Connect securities. We will determine in our reasonable discretion whether to accept in the Custody Account any proposed delivery of China Connect securities.

11.4 Custodial Procedures
(a) We will be under no obligation to credit China Connect securities to the Custody Account before our receipt of such China Connect securities by final settlement.
(b) If we receive one or more Instructions to deliver from the Custody Account an amount of China Connect securities exceeding those credited to the Custody Account, we may reject any such Instruction or elect to perform any Instruction in whole or in part, and in any order.
(c) You acknowledge that deliveries of China Connect securities and payments therefor may not be simultaneous. Accordingly, if we receive an Instruction to deliver China Connect securities against payment or to pay for China Connect securities against delivery, we may make or accept payment for or delivery of China Connect securities in accordance with relevant market practices and/or rules and/or Application Regulations.
(d) We shall make payment for and/or receive or deliver China Connect securities only upon receipt of and in accordance with specific Instructions (except as otherwise specifically provided in these China Connect Terms and Conditions).
(e) Unless we have received and accepted a contrary Instruction, we may carry out the following without any Instruction:
(i) in your name or on your behalf, sign any document relating to China Connect securities which may be required to (i) obtain receipt of any China Connect securities or funds or (ii) by any tax or regulatory authority; and
(ii) collect and/or execute and/or take other necessary or appropriate action in relation to any payment or distribution in respect of China Connect securities (whether pursuant to a stock dividend, bonus issue, share sub-division or reorganization, capitalization of reserves or otherwise).
(f) You acknowledge that we may re-deliver to you or to your usual custodian, at such time as we may determine in our absolute discretion, any China Connect securities which have not been utilized by us in the settlement of any Transaction on your behalf. You acknowledge that we may, within one trading day of receipt, deliver or pay to you or your usual custodian or bank (net of any fees or other expenses payable by you to us) any distribution or payment received by us in respect of China Connect securities for your account. You will promptly on our request, give such authorizations or instructions (to us and/or your usual custodian and/or any other person) as we may require to pre-authorize any such re-delivery or payment.
(g) In circumstances where we have not, after using reasonable endeavours, been able to (a) re-deliver to you or to your usual custodian any such China Connect securities, or (b) deliver or pay to you or your usual custodian or bank any such distribution or payment, including, for example, and without limitation, where (a) you fail to provide such Instructions upon our reasonable request and/or (b) your usual custodian refuses to accept any such delivery of China Connect Securities or payment, you authorize us in our absolute discretion to sell, liquidate or otherwise dispose of the relevant China Connect securities and to transfer the sale, liquidation and/or disposal proceeds and/or any distribution or payment to your usual bank account or, if there is no bank account, to an account established for you by us with a third party bank selected by us in our absolute discretion pending instructions for payment to your preferred account.
(h) We shall have no obligation whatsoever to collect or receive or take any other action (including attending any general meeting and/or exercising any voting rights) in relation to any payment or distribution in respect of China Connect securities for your account or to notify you of the existence of or the terms of any notice, circular, report, announcement or similar corporate action in respect of China Connect Securities. You acknowledge that in certain circumstances, including, without limitation, as a result of any China Connect Laws, it may be difficult, impracticable or impermissible for HKSCC or its nominee (and for us or you) to exercise any rights or entitlements or to participate in any actions, transactions or other matters in respect of China Connect securities. If we make any such collection or receipt, take any such action or give you any such notification or take any action pursuant to any such notification, we shall not have：(i) any liability in respect of any inaccuracies or delays; and(ii) any obligation to continue or repeat any such action.

11.5 Pooling/sub-custodians/clearance systems
(a) we may pool China Connect securities and treat them as fungible with the same China Connect securities of other clients. We may at any time allocate equivalent China Connect securities to you and shall not be bound to return to you the original China Connect securities delivered to us.
(b) we may deposit China Connect securities with any sub-custodian or with any clearance system as required by law, regulation or market practice, and are not responsible for performance by or monitoring of any sub-custodian or by any clearance system or its practices. In addition, we shall not be liable for any act or omission by, or the insolvency of, any clearance system. In the event you incur a loss due to the negligence, wilful

default, or insolvency of any clearance system, we will make reasonable endeavours, in our discretion, to seek recovery from the relevant clearance system, but we will not be under any obligation to institute legal proceedings, file any proof of claim in any insolvency proceeding, or take any similar action.

11.6 Confirmations by you

(a) you confirm that during the subsistence of these China Connect Terms and Conditions:

(i) you have authority to deposit and hold China Connect securities in the Custody Account and there is no claim or encumbrance that will or may adversely affect any delivery of China Connect securities; and

(ii) if you act as an agent of any of your own clients, whether or not expressly identified to us at any time, no such client shall be or be considered as a client or indirect client of IISL, and your obligations under these China Connect Terms and Conditions are as principal.

(b) you will, promptly on our request, execute such documents and do such acts and things as we may require in order to perform our obligations under these China Connect Terms and Conditions or otherwise to comply with the China Connect Laws.

11.7 Custodial duties and liabilities

(a) we shall have only those duties expressly provided in these China Connect Terms and Conditions. We shall have no fiduciary duties or other implied duties or obligations whatsoever.

(b) the performance by us of our duties is subject to:

(i) all relevant local laws, regulations, decrees, orders and government acts;

(ii) the rules, operating procedures and practices of any relevant stock exchange, clearance system or market; and

(iii) any event or circumstances beyond our reasonable control.

(c) In respect of any custodial services described in this Clause 11:

(i) we will not be liable for any loss or damage suffered by you unless such loss or damage results from our gross negligence, willful misconduct or fraud;

(ii) we shall not be liable for consequential loss or damage (including, without limitation, lost profits) in any circumstances, whether or not foreseeable and regardless of the type of action in which such a claim may be brought, with respect to the Custody Account or our services hereunder; and

(iii) in the case of gross negligence or wilful misconduct our liability shall not exceed the replacement cost or the market value of the relevant China Connect securities at the relevant time (whichever is lower).

(d) We may establish cut-off times for receipt of instructions. If we receive an Instruction after an established cut-off time, we may regard the Instruction as having been received on the following Trading Day and act on it accordingly.

11.8 Interest

No interest will be payable on your Custodian Account.

12. CLIENT INFORMATION

12.1 Retention of Records

If you instruct us to effect a Northbound transaction in China Connect securities on behalf of your client (a "**Client Transaction**"), you shall retain for a period of not less than 20 years (or such other period as we may instruct you in accordance with China Connect Laws or China Connect Rules) records of any client instructions and account information in relation to the Client Transaction (such records the "**Client Information**").

12.2 Your Client acting as Intermediary

If you instruct us to effect a Client Transaction and you are aware that your client is acting as an intermediary (either directly or indirectly through other intermediaries) for another person who is the beneficial owner of the Client Transaction, you undertake and confirm that you have arrangements in place:

(a) requiring your client to retain or procure the retention of the Client Information in relation to the beneficial owner of the Client Transaction for the period specified in Clause 12.1 (Retention of Records); and

(b) which entitle you to obtain and disclose the Client Information in relation to the beneficial owner upon request and within the required time limit specified by us, or procure that it be so obtained and disclosed.

12.3 Disclosure of Information to China Connect Authority

If we receive an enquiry from any China Connect Authority in relation to a Client Transaction, you shall, upon request and within the time limit specified by us, disclose to us or to the relevant China Connect Authority the Client Information, or procure such disclosure, in relation to the beneficial owner of the Client Transaction.

12.4 5% Rule

According to the Law of the PRC on Securities, when an investor holds or controls up to 5% of the issued shares of a Mainland listed company, the investor is required to report in writing to the CSRC and the relevant exchange, and inform the listed company within three working days. The investor is not allowed to continue purchasing or selling shares in that listed company during the three days. For such investor, every time when a change in his shareholding reaches 5%, he is required to make disclosure (in the same manner as mentioned above) within three working days. From the day the disclosure obligation arises to two working days after the disclosure is made, the investor may not buy or sell the shares in the relevant Mainland listed company. If a change in shareholding of the investor is less than 5% but results in the shares held or controlled by him falling below 5% of the relevant Mainland listed company, the investor is required to disclose the information within three working days. If you have any questions about disclosure obligations, please seek professional advice. The Company is not responsible for your disclosure obligations.

13. INDEMNITY

In addition and without prejudice to any of our rights under other sections of the Agreement, you will indemnify IISL and any Related Persons (together, the "**Indemnified Parties**") on a full indemnity basis against any claims, demands, actions, proceedings, damages, costs, expenses, losses and all other liabilities whatsoever arising directly or indirectly from us or any Related Persons providing any services to you in respect of your trading or investment in China Connect securities, including, without limitation, to (a) any Taxes resulting from any trading or holding of China Connect securities in relation to China Connect, (b) the materialization of any risk referred to in Part 11 (Risk Disclosure Statements), (c) any legal costs which any of the Indemnified Parties may incur in connection with any instruction given by you, (d) any fees or expenses payable to any clearance systems arising from the holding of China Connect Securities or (e) any costs incurred in connection with Clause 10 (Sale, Transfer and Disgorgement).

14. FEES AND TAXATION

14.1 Fees

You will pay fees, charges and expenses in respect of these China Connect Terms and Conditions in accordance with our fee scale from time to time in force.

14.2 Taxes

You shall be responsible for paying all Taxes, and you shall be required to comply with any filing or registration obligations, in each case as may be required under any China Connect Laws relating to any China Connect securities and any dividends or entitlements in respect of such China Connect securities.

14.3 Further Information

In the event we are required under China Connect Laws or China Connect Rules to pay any taxes, we may notify you whenever necessary and request that you provide us with relevant information as we made deem necessary to fulfil our obligations. You must provide to us, promptly on such request, such information and documents such as but not limited to costs of your purchase of the China Connect securities, your and/or any underlying beneficial owner's tax status or residence. We may withhold or deduct relevant Taxes from any amount due to you and you will remain liable for any shortfall.

14.4 Non-receipt of Information

In the event we do not receive any requested information from you within a reasonable period of time to fulfil our obligations, we shall be forthwith entitled in our absolute discretion, without further notice or demand to you, to satisfy any obligation of us or you to pay or account for any amounts in respect of any taxes by selling, realizing or otherwise dealing with, in such manner as we in our absolute discretion may determine, all or part of any property held by us for any purpose in any of your accounts held with us, and to apply the proceeds in reduction of all or part of your liability to any tax authority or us.

14.5 Accuracy

We shall have no responsibility to verify the accuracy of the information provided by you and is entitled to rely on such information to fulfil our obligations.

14.6 Tax Relief

We shall have no liability whatsoever for the lack of any tax relief, or any failure to obtain the benefit of any tax credit.

15. LIABILITY

Notwithstanding any other provision in these China Connect Terms and Conditions, neither IISL nor any Related Person shall be responsible for or

have any liability to you for any damage, liability or loss (including loss of profit) unless such damage, liability or loss is a direct result of IISL's or a Related Person's fraud, wilful default or gross negligence.

16. TERMINATION

Without limiting any other rights IISL may have, these China Connect Terms and Conditions may be terminated by either party upon not less than 30 days' written notice to the other or automatically upon termination of the Agreement. Clauses 4 (Compliance with China Connect Laws), 5 (Risk Disclosures and Acknowledgement), 10 (Sale, Transfer and Disgorgement), 13 (Indemnity), 15 (Liability) and 17.3 (Amendment) shall survive termination of these China Connect Terms and Conditions. On the termination of these China Connect Terms and Conditions, IISL shall deliver China Connect securities and cash in accordance with your Instructions. If you fail to give Instructions, IISL shall continue to hold China Connect securities and/or cash for such fee(s) as we may in our sole discretion determine. IISL shall in any event be entitled to retain such China Connect securities and/or cash as IISL may in its sole discretion determine in order to complete any Transaction required to be settled on your behalf.

17. MISCELLANEOUS

17.1 Further Assurance

You will execute any further documents and provide any materials and/or information as we may reasonably request to enable us to perform our duties and obligations under these China Connect Terms and Conditions which it deems necessary as and when the China Connect Laws are amended or supplemented from time to time.

17.2 Information Request

You will provide all information (including translations into Chinese, if required) to us which we request if such information is requested by any China Connect Authority or any exchange, regulatory authority or any organization (whether within or outside Hong Kong) with which HKEx or SEHK has entered into an information sharing arrangement or agreement. You acknowledge that, your failure to comply with this provision may, amongst other things, result in a suspension of the provision of the China Connect Service to you.

17.3 Amendment

IISL reserves the right to vary any of the terms of these China Connect Terms and Conditions by written notice to you in accordance with Clause 20.12.2 of the Agreement.

17.4 Investor Compensation Fund

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

18. GOVERNING LAW AND JURISDICTION

Clause 20.1 of the Agreement shall apply to these China Connect Terms and Conditions mutatis mutandis.

19. PROCESSING OF PERSONAL DATA AS PART OF THE STOCK CONNECT NORTHBOUND TRADING

19.1 BCAN/CID

You acknowledge and agree that in providing the Stock Connect Northbound Trading Services to you, IISL will be required to:

(a) tag each of your orders submitted to the CSC with Broker-to-Client Assigned Number ("**BCAN**") that is unique to you (where your Account is not a joint account) or the BCAN that is assigned to your joint account, as the case may be; and

(b) provide to SEHK your assigned BCAN and such identification information ("**CID**") relating to you as the SEHK may request from time to time.

19.2 Personal Data

Notwithstanding anything to the contrary, you acknowledge and agree that IISL may collect, store, use, disclose and transfer personal data relating to you as follows:

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

(b) to allow the SEHK to:

(i) collect, use and store your BCAN, CID and any consolidated, validated and mapped BCANs and CID information provided by the relevant China Connect Clearing House (in the case of storage, by any of them or via HKEX) for market surveillance and monitoring purposes and enforcement of the Rules of the SEHK;

(ii) transfer such information to the relevant China Connect Market Operator (directly or through the relevant China Connect Clearing House) from time to time for the purposes set out in paragraphs (c) and (d) below; and

(iii) disclose such information to the relevant regulators and law enforcement agencies in Hong Kong so as to facilitate the performance of their statutory functions with respect to the Hong Kong financial markets;

(c) to allow the relevant China Connect Clearing House to:

(i) collect, use and store your BCAN and CID to facilitate the consolidation and validation of BCANs and CID and the mapping of BCANs and CID with its investor identification database, and provide such consolidated, validated and mapped BCANs and CID information to the relevant China Connect Market Operator and the SEHK;

(ii) use your BCAN and CID for the performance of its regulatory functions of securities account management; and

(iii) disclose such information to the Mainland regulatory authorities and law enforcement agencies having jurisdiction over it so as to facilitate the performance of their regulatory, surveillance and enforcement functions with respect to the Mainland financial markets; and

(d) to allow the relevant China Connect Market Operator to:

(i) collect, use and store your BCAN and CID to facilitate their surveillance and monitoring of securities trading on the relevant China Connect Market through the use of the China Connect Service and enforcement of the rules of the relevant China Connect Market Operator; and

(ii) disclose such information to the Mainland regulatory authorities and law enforcement agencies so as to facilitate the performance of their regulatory, surveillance and enforcement functions with respect to the Mainland financial markets.

19.3 Personal Data for Compliance with SEHK's Requirements

By instructing IISL in respect of any Transaction relating to China Connect securities, you acknowledge and agree that IISL may use your personal data for the purposes of complying with the requirements of the SEHK and its rules as in force from time to time in connection with the Stock Connect Northbound Trading Services. You also acknowledge that despite any subsequent purported withdrawal of consent by you, your personal data may continue to be stored, used, disclosed, transferred and otherwise processed for the above purposes, whether before or after such purported withdrawal of consent.

19.4 Consequences of Failing to Provide Personal Data or Consent

Failure to provide IISL with your personal data or consent as described in this Clause 19 may mean that IISL will not, or no longer be able, as the case may be, to carry out your trading Instructions or provide you with the IISL's Stock Connect Northbound Trading Services or any part thereof. For example, IISL may only be able to input your China Connect sell order (but not any buy order) Instructions into the CSC for your account. You should also note that SEHK may impose such criteria, conditions and requirements as it may in its sole discretion consider appropriate from time to time to determine the China Connect orders which may be allowed to be inputted into the CSC for you under such circumstances.

PART 11 – RISK DISCLOSURE STATEMENTS

This risk disclosure statement does not purport to disclose or discuss all of the risks, or other significant aspect, of conducting transaction or of the transactions conducted. In light of the risks involved, you (i.e. Client) should undertake a transaction only if you understand its nature, the contractual relation into which you are entering, and the nature and extent of your exposure to risk. You should also consider whether a transaction is appropriate for you in light of your experience, objectives, financial resources and other relevant circumstances. While Imperium International Securities Limited ("IISL") proposes to give this general risk warning, it is not acting as your financial advisor and you must not regard IISL as so acting. You should consult your own independent legal, tax or financial advisors prior to entering into any transaction.

RISK OF SECURITIES TRADING

1. The prices of securities fluctuate, sometimes dramatically, and that the price of a security may move up or down, and may become valueless. It is as likely that losses will be incurred rather than profit made as a result of buying and selling securities.
2. The price of securities, including without limitation, bonds, interests in unit trusts, mutual funds or other collective investment schemes fluctuates, sometimes dramatically, and may move up or down or even become valueless. It is as likely that losses will be incurred rather than profit made as a result of buying and selling securities.
3. Any representation of past performance is not necessarily a guide to future performance.
4. Where investments involve exposure to foreign currencies, changes in rates of exchange may cause the value of the investments to fluctuate up or down.
5. Investments in emerging markets need careful and independent assessment by you of each investment and the risks (including without limitation sovereign risk, issuer risk, price risk, liquidity risk, legal and tax risks). Further, you should be aware that, while such investments can yield high gains, they can also be highly risky as the markets are unpredictable and there may be inadequate regulations and safeguards available to investors.
6. IISL is entitled to act upon your instructions and you cannot assume that IISL will warn you if your instructions are will-timed or inadvisable for any reason or if the instructions are likely to cause you loss.
7. Before you make any investment, you should obtain a clear explanation of all commission, fees and other charges for which you will be liable. These charges will affect your net profit (if any) or increase your loss.

RISK OF TRADING FUTURES AND OPTIONS

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

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

1. Futures

(a) 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 you have deposited or will have to deposit: this may work against you as well as for you. You may sustain a total loss of initial margin funds and any additional funds deposited with IISL to maintain your position. If the market moves against your position or margin levels are increased, you may be called upon to pay substantial additional funds on short notice to maintain your position. If you fail to comply with a request for additional funds within the time prescribed, your position may be liquidated at a loss and you will be liable for any resulting deficit.

(b) Risk-reducing orders or strategies

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.

2. Options

Variable degree of risk

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. Some options may only be exercised on an expiry day (European-Style Exercise) and other options may be exercised at any time before expiration (American-Style Exercise).

You should calculate the extent to which the value of the options must increase for your position to become profitable, taking into account the premium and all transaction costs.

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

Under some circumstances it may be difficult to trade the option due to lack of liquidity in the market. You acknowledge that IISL has no obligation either to exercise a valuable option in the absence of your instruction, or to give to you prior notice of the expiration date of the option.

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

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

Additional risks common to futures and options

(a) Terms and conditions of contracts

You should ask IISL about the terms and conditions of the specific futures or options which you are trading and associated obligations (e.g. the circumstances under which you may become obliged to make or take delivery of the underlying interest of a futures contract and, in respect of options, expiration dates and restrictions on the time for exercise). Under certain circumstances the specifications of outstanding contracts (including the exercise price of an option) may be modified by the exchange or clearing house to reflect changes in the underlying interest.

(b) Suspension or restriction of trading and pricing relationships

Market conditions (e.g. illiquidity) and/or the operation of the rules of certain markets (e.g. the suspension of trading in any contract or contract month because of price limits or "circuit breakers") may increase the risk of loss by making it difficult or impossible to effect transactions or liquidate/offset positions. You acknowledge that if you have sold options, this may increase the risk of loss.

Further, normal pricing relationships between the underlying interest and the futures, and the underlying interest and the option may not exist. This can occur

when, for example, the futures contract underlying the option is subject to price limits while the option is not. The absence of an underlying reference price may make it difficult to judge "fair" value.

(c) Deposited cash and property

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

(d) Commission and other charges

Before you begin to trade, you should obtain a clear explanation of all commission, fees and other charges for which you will be liable. These charges will affect your net profit (if any) or increase your loss. By commencing any trading activities with IISL, you acknowledge that you have been so informed by IISL.

(e) Trading facilities

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

(f) Electronic trading

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

(g) Transactions in other jurisdictions

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

(h) Currency risks

The profit or loss in transactions in foreign currency-denominated contracts (whether they are traded in your own or another jurisdiction) will be affected by fluctuations in currency rates where there is a need to convert from the currency denomination of the contract to another currency.

(i) Off-exchange transactions

In some jurisdictions, and only then in restricted circumstances, firms are permitted to effect off-exchange transactions. The firm with which you deal may be acting as your counterparty to the transaction. It may be difficult or impossible to liquidate an existing position, to assess the value, to determine a fair price or to assess the exposure to risk. For these reasons, these transactions may involve increased risks. Off-exchange transactions may be less regulated or subject to a separate regulatory regime. Before you undertake such transactions, you should become familiarised with applicable rules and attendant risks. (Please also see the section on "Generic Risks Associated with OTC Derivative Transactions" below.)

RISK OF TRADING GROWTH ENTERPRISE MARKET STOCKS

Growth Enterprise Market ("GEM") stocks involve a high investment risk. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. GEM stocks may be very volatile and illiquid.

You should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Current information on GEM stocks may only be found on the internet website operated by The Stock Exchange of Hong Kong Limited. GEM Companies are usually not required to issue paid announcements in gazetted newspapers.

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

RISKS OF CLIENT ASSETS RECEIVED OR HELD OUTSIDE HONG KONG

Client assets received or held by IISL or its nominee(s) outside Hong Kong are subject to the applicable laws and regulations of the relevant overseas jurisdiction which may be different from the Securities and Futures Ordinance (Cap.571) and the rules made thereunder. Consequently, such client assets may not enjoy the same protection as that conferred on client assets received or held in Hong Kong.

RISKS OF TRADING RENMINBI SECURITIES OR INVESTING IN RENMINBI INVESTMENTS

1. **Exchange risks and Daily Conversion Limit, etc.**
   Renminbi ("RMB") is currently not freely convertible and there may at any given time be limited availability of RMB outside Mainland China. There is conversion risk in RMB denominated securities, and daily or other limits may apply to conversion amounts. If converting to or from RMB in Hong Kong, you may have to allow sufficient time to avoid exceeding such limits. In addition, there is a liquidity risk associated with RMB denominated securities, especially if such securities do not have an active secondary market and their prices have large bid/offer spreads.
   Investment in RMB denominated securities is subject to exchange rate risks. The value of the RMB against any other foreign currencies fluctuates and is affected by changes in Mainland China and international political and economic conditions and by many other factors. The value of RMB settlement amounts compared to other currencies will vary with the prevailing exchange rates in the market.
   For RMB products which are not denominated in RMB or with underlying investments which are not RMB-denominated, such products will subject to multiple currency conversion costs involved in marking investments and liquidating investments, as well as the RMB exchange rate fluctuations and bid/offer spreads when assets are sold to meet redemption requests and other capital requirements (e.g. settling operating expenses).
2. **Limited availability of underlying investments denominated in RMB**
   For RMB products that do not have access to invest directly in Mainland China, their available choice of underlying investments denominated in RMB outside Mainland China may be limited. Such limitation may adversely affect the return and performance of the RMB products.
3. **Projected returns which are not guaranteed**
   If the RMB investment product is attached with a statement of illustrative return which is (partly) not guaranteed, you should pay particular attention to any disclosure relating to the return (or the part of the return, as the case may be) which is not guaranteed and the assumptions on which the illustrations are based, including, e.g., any future bonus or dividend declaration.
4. **Long term commitment to investment products**
   For RMB products which involve a long period of investment, you should pay particular attention to the fact that if you redeem your investment before the maturity date or during the lock-up period (if applicable), you may incur a significant loss of principal where the proceeds may be substantially lower than their invested amount. You should beware of the early surrender/withdrawal fees and charges, if any, as well as the loss of bonuses (where applicable) as a result of redemption before the maturity date or during the lock-up period.
5. **Credit risk of counterparties**
   You should pay particular attention to the credit risk of counterparties involved in the RMB products. To the extent that the RMB products may investment in RMB debt instruments not supported by any collateral, such products are fully exposed to the credit risk of the relevant counterparties. Where a RMB product may invest in derivative instruments, counterparty risk may also arise as the default by the derivative issuers may adversely affect the performance of the RMB product and result in substantial loss.
6. **Interest rate risk**
   For RMB products which are, or may invest in, RMB debt instruments, you should pay attention to the fact that such instruments may be susceptible to interest rate fluctuations, which may adversely affect the return and performance of the RMB products.
7. **Liquidity Risk**
   You should pay attention to the liquidity risk associated with the RMB products, and where applicable, the possibility that the RMB products may suffer significant losses in liquidating the underlying investments, especially if such investments do not have an active secondary market and their prices have large bid/offer spreads.
8. **Possibility of not receiving RMB upon redemption**
   For RMB products with a significant portion of non-RMB denominated underlying investments, you should pay attention to the possibility of not receiving the full amount in RMB upon redemption. This may be the case if the issuer is not able to obtain sufficient amount of RMB in a timely manner due to the exchange controls and restrictions applicable to the currency.

9. **Additional risks associated with leveraged trading**
   Prior to conducting leveraged trading of RMB products, you should make sure that you understand and accept the risks and the terms and conditions of the borrowing arrangement. Leveraging heightens the investment risk by magnifying prospective losses. You should pay attention to the circumstances under which you will be required to place additional margin deposits at short notice and that your collateral may be liquidated without your consent. You should

beware of the risk that market conditions may make it impossible to execute contingent orders, such as "stop-loss" orders. In addition, you should be mindful of your exposure to interest rate risk, and in particular, your cost of borrowing may increase due to interest rate movements."

RISK OF TRADING NASDAQ-AMEX SECURITIES AT THE SEHK

The securities under the Nasdaq-Amex Pilot Program ("PP") are aimed at sophisticated investors. You should consult the licensed or registered person and become familiarised with the PP before trading in the PP securities. You should be aware that the PP securities are not regulated as a primary or secondary listing on the Main Board or the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited.

RISK OF PROVIDING AN AUTHORITY TO REPLEDGE YOUR SECURITIES COLLATERAL, ETC.

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

If your securities or securities collateral are received or held by the licensed or registered person in Hong Kong, the above arrangement is allowed only if you consent in writing. Moreover, unless you are a professional investor, your authority must specify the period for which it is current and be limited to not more than 12 months. If you are a professional investor, these restrictions do not apply.

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

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

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

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

RISK OF PROVIDING AN AUTHORITY TO HOLD MAIL OR TO DIRECT MAIL TO THIRD PARTIES

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

RISK IN RELATION TO AUTHORIZED THIRD PARTY

There are substantial risks in allowing an Authorized Third Party to trade or operate your account, and it is possible that instructions could be given by persons not properly authorized. You accept all of the risks of such an operation and irrevocably releases IISL from all liabilities arising out of or in connection with such instructions, whether taken by IISL or otherwise.

RISK IN LEAVING MONEY OR OTHER PROPERTY IN THE CUSTODY OF IISL OR ITS NOMINEES OR AGENTS

You acknowledge that there are risks in leaving money or other property in the custody of IISL or its nominees or agents. For example, if IISL is holding your money or other property becomes insolvent, you may experience significant delay in recovering the same. These are risks that you are prepared to accept.

RISK OF MARGIN TRADING

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

RISKS ON BONDS

1. The price of bonds can and does fluctuate, sometimes dramatically. The price of a bond may move up or down, and may become valueless. It is as likely that losses will be incurred rather than profit made as a result of buying and selling of bonds. Also, there may be risks in leaving bonds in our safekeeping. The holder of bonds bears the credit risk of the issuer and/or guarantor (if applicable) and has no recourse to us unless we are the issuer or guarantor (if applicable).
2. Not all bonds provide for repayment of 100% of the face value of the bond. The return on a bond depends on the terms of issue and reference should be made to the corresponding prospectus or term sheet for detail and there may be circumstances that the money and/or value of shares that you receive at maturity may be substantially less than the value of your original investment. If there is any fractional share(s) or other Securities or underlying assets deliverables on maturity, it/they may not be physical delivered.
3. In situations where any bond is a product combining note with financial or other derivatives, such as options, its return may be linked to the performance of other financial instruments, such as underlying stocks, commodities, currencies, companies, and indices. Unless such bond is listed on Exchange or other regulated stock exchanges, you will only be able to sell such bond on the over-the-counter market, if at all. The prices of bonds in secondary markets are affected by a wide range of factors, including without limitation, the performance of the underlying stocks, commodities, currencies, companies, indices, the market view of the credit quality of the reference company and interest rates. You must be aware that secondary markets do not always exist and even where a secondary market exists, it may not be liquid. You must accept any associated liquidity risk.
4. Transactions in options carry a high degree of risk (including products that have options embedded in them such as bonds). Purchasers and sellers of options should familiarize themselves with the type of option (i.e. put or call) which they contemplate trading and the associated risks.
5. The profit or loss in transactions in foreign currency-denominated contracts (whether they are traded in your own or another jurisdiction) will be affected by fluctuations in currency exchange rates where there is a need to convert from the currency denomination of the contract to another currency.

RISK OF TRADING IN DERIVATIVES AND STRUCTURED PRODUCTS GENERALLY

Derivative transactions ("Derivative Transactions") can involve a range of products (including some more generally known as structured notes and also including products known as structured deposits). Such products can either be apparently simple (such as forwards or options) or highly (and perhaps individually) structured. These products can have substantial benefits for users but they carry with them substantial risks which must be clearly understood by their users. Considering the possible risks, you should ensure that you have all necessary information you require to assess a Derivative Transaction before deciding on its appropriateness for you. You should consider what you intend to achieve from the Derivative Transaction, including your financial and operational resources, and any tax and accounting considerations. You should be aware of any general framework for Derivative Transactions established by any governing body. There may also be significant regulatory or other legal considerations to be taken into account.

For the sake of simplicity, Derivative Transactions can be divided into four basic forms, although the forms can be overlapping and one deal can be a combination of those four forms. The basic forms are swaps, options, forwards and hybrid instruments (which are asset, liability, equity or debt obligations with an embedded transaction from one of the other three categories). Derivative Transactions can be settled in cash, by delivery of property against other property or cash, or by normal hold to maturity with no cash settlements. No matter what form is involved, a common feature of all derivatives is that the obligations of one or both of the parties are based on price movements in an underlying financial asset from which the transaction is derived. This financial asset may be, for example, securities (including shares and bonds), interest rates, indices, currencies or the creditworthiness of a reference entity.

You should not enter into a Derivative Transaction unless you fully understand:

- The nature and fundamentals of a derivative and the financial asset underlying such derivative;
- The legal terms and conditions of the documentation for such derivative;
- The extent of the economic risk to which you are exposed as a result of entering into such Derivative Transaction (and you have determined that such risk is suitable for you in light of your specific experience in relation to such Derivative Transaction and/or the relevant derivative and your financial objectives, circumstances and resources);
- The tax treatment of such derivative (which can be complex and/or uncertain); and
- The regulatory treatment of such derivative.

GENERIC RISKS ASSOCIATED WITH OVER-THE COUNTER ("OTC") DERIVATIVE TRANSACTIONS

OTC derivative transactions, like other financial transactions, involve a variety of significant risks. The specific risks presented by a particular OTC derivative transactions involve some combination of market risk, credit risk, funding risk and operational risk.

1. Market risk is the risk that the value of a transaction will be adversely affected by fluctuations in the level or volatility of or correlation or relationship between

one or more market prices, rates or indices or other market factors or by illiquidity in the market for the relevant transaction or in a related market.

2. Credit risk is the risk that a counterparty will fail to perform its obligations to you when due.
3. Funding risk is the risk that, as a result of mismatches or delays in the timing of cash flows due from or to your counterparties in OTC derivative transactions or related hedging, trading, collateral or other transactions, you or your counterparty will not have adequate cash available to fund current obligations.
4. Operational risk is the risk of loss to you arising from inadequacies in or failures of your internal systems and controls for monitoring and quantifying the risks and contractual obligations associated with OTC derivative transactions, for recording and valuing OTC derivative and related transactions, or for detecting human error, systems failure or management failure.

There may be other significant risks that you should consider based on the terms of a specific transaction. Highly customised OTC derivative transactions in particular may increase liquidity risk and introduce other significant risk factors of a complex character. Highly leveraged transactions may experience substantial gains or losses in value as a result of relatively small changes in the value or level of an underlying or related market factor.

Because the price and other terms on which you may enter into or terminate an OTC derivative transaction are individually negotiated, these may not represent the best price or terms available to you from other sources.

In evaluating the risks and contractual obligations associated with a particular OTC derivative transaction, you should also consider that an OTC derivative transaction may be modified or terminated only by mutual consent of the original parties and subject to agreement on individually negotiated terms. Accordingly, it may not be possible for you to modify, terminate or offset your obligations or your exposure to the risks associated with a transaction prior to its scheduled termination date.

Similarly, while makers and dealers generally quote prices or terms for entering into terminating OTC derivative transactions and provide indicative or mid-market quotations with respect to outstanding OTC derivative transactions, they are generally not contractually obligated to do so. In addition, it may not be possible to obtain indicative or mid-market quotations for an OTC derivative transaction from a market maker or dealer that is not a counterparty to the transaction. Consequently, it may also be difficult for you to establish an independent value for an outstanding OTC derivative transaction. You should not regard your counterparty's provision of a valuation or indicative price at your request as an offer to enter into or terminate the relevant transaction at that value or price, unless the value or price is identified by the counterparty as firm or binding.

The above does not purport to disclose all of the risks and other material considerations associated with OTC derivative transactions. You should not construe this generic disclosure statement as business, legal, tax or accounting advice or as modifying applicable law. You should consult your own business, legal, tax and accounting advisers with respect to proposed OTC derivative transactions and you should refrain from entering into any OTC derivative transaction unless you have fully understood the terms and risks of the transaction, including the extent of your potential risk of loss.

RISKS OF TRADING IN EXCHANGE-TRADED STRUCTURED PRODUCTS ("STRUCTURED PRODUCTS") E.G. DERIVATIVE WARRANTS ("WARRANTS"), CALLABLE BULL/BEAR CONTRACTS ("CBBC")

1. Issuer default risk
   In the event that a Structured Product issuer becomes insolvent and defaults on their listed securities, investors will be considered as unsecured creditors and will have no preferential claims to any assets held by the issuer. Investors should therefore pay close attention to the financial strength and credit worthiness of structured product issuers.
   Note: "Issuers Credit Rating" showing the credit ratings of individual issuers is now available under the Issuer and Liquidity Provider Information sub-section under Derivative Warrants and under CBBCs section on the HKEx corporate website.
2. Uncollateralized product risk
   Uncollateralized Structured Products are not asset backed. In the event of issuer bankruptcy, investors can lose their entire investment. Investors should read the listing documents to determine if a product is uncollateralized.
3. Gearing risk
   Structured Products such as Warrants and CBBCs are leveraged and can change in value rapidly according to the gearing ratio relative to the underlying assets. Investors should be aware that the value of a Structured Product may fall to zero resulting in a total loss of the initial investment.
4. Expiry considerations
   Structured Products have an expiry date after which the issue may become worthless. Investors should be aware of the expiry time horizon and choose a product with an appropriate lifespan for their trading strategy.
5. Extraordinary price movements
   The price of a Structured Product may not match its theoretical price due to outside influences such as market supply and demand factors. As a result, actual traded prices can be higher or lower than the theoretical price.
6. Foreign exchange risk
   Investors trading Structured Products with underlying assets not denominated in Hong Kong dollars are also exposed to exchange rate risk. Currency rate fluctuations can adversely affect the underlying asset value, also affecting the Structured Product price.
7. Liquidity risk
   The Exchange requires all Structured Product issuers to appoint a liquidity provider for each individual issue. The role of liquidity providers is to provide two way quotes to facilitate trading of their products. In the event that a liquidity provider defaults or ceases to fulfil its role, investors may not be able to buy or sell the product until a new liquidity provider has been assigned. There is no guarantee that investors will be able to buy or sell their Structured products at their target price any time they wish.

SOME ADDITIONAL RISKS INVOLVED IN TRADING WARRANTS

1. Time decay risk
   All things being equal, the value of a Warrant will decay over time as it approaches its expiry date. Warrants should therefore not be viewed as long term investments.
2. Volatility risk
   Prices of Warrants can increase or decrease in line with the implied volatility of underlying asset price. Investors should be aware of the underlying asset volatility.
3. Market Risk and Turnover
   Other than basic factors that determine the theoretical price of a Warrant, Warrant price are also affected by all prevailing market forces including the demand for and supply of the Warrants. The market forces will be greatest when a Warrant issue is almost sold out and when issuers make further issues of an existing Warrant issue. High turnover should not be regarded as an indication the price of a Warrant will go up. The price of a Warrant is affected by a number of factors in addition to market forces, such as the price of the underlying assets and its volatility, the time remaining to expiry, interest rates and the expected dividend on the underlying assets.

SOME ADDITIONAL RISKS INVOLVED IN TRADING CBBCS

1. Mandatory call risk
   Investors trading CBBCs should be aware of their intraday "knockout" or mandatory call feature. A CBBC will cease trading when the underlying asset value equals the mandatory call price/level as stated in the listing documents. Investors will only be entitled to the residual value of the terminated CBBC as calculated by the product issuer in accordance with the listing documents. Investors should also note that the residual value can be zero.
2. Funding costs
   The issue price of a CBBC includes funding costs. Funding costs are gradually reduced over time as the CBBC moves towards expiry. The longer the duration of the CBBC, the higher the total funding costs. In the event that a CBBC is called, investors will lose the funding costs for the entire lifespan of the CBBC. The formula for calculating the funding costs are stated in the listing documents.
3. Trading of CBBC Close to Call Price
   When the underlying asset is trading close to the call price, the price of a CBBC may be more volatile with wider spreads and uncertain liquidity. CBBC may be called at any time and trading will terminate as a result. However, the trade inputted by the investor may still be executed and confirmed by the Exchange participants after the Mandatory Call Event ("MCE") since there may be some time lapse between the MCE time and suspension of the CBBC trading. Any trades executed after the MCE will not be recognized and cancelled. Therefore, investors should be aware of the risk and ought to apply special caution when the CBBC is trading close to the call price.

For more information on Warrants and CBBCs, please visit the HKEx corporate website:
Derivative Warrants, Products & Services Section
(http://www.hkex.com.hk/eng/prod/secprod/dwrc/dw.htm)

Callable Bull/Bear Contracts, Products & Services Section
(http://www.hkex.com.hk/eng/prod/secprod/cbbc/Intro.htm)

RISKS OF TRADING IN SYNTHETIC EXCHANGE TRADED FUNDS ("ETFs")

Unlike traditional Exchange Traded Funds ("ETFs"), Synthetic ETFs do not buy the assets in their benchmark. Instead, they typically invest in financial derivative instruments to replicate the benchmark's performance. Investment in Synthetic ETFs involves high risk and is not suitable for every investor. Investors should understand and consider the following risks before trading Synthetic ETFs.

Market Risk
ETFs are typically designed to track the performance of certain indices, market sectors, or group of assets such as stocks, bonds, or commodities. Investors are exposed to the political, economic, currency and other risks related to the ETF's underlying index/assets it is tracking. Investment must be prepared to bear the risk of loss and volatility associated with the underlying index/asset.

Counterparty Risk
Where a Synthetic ETF invests in derivatives to replicate the index performance, investors are exposed to the credit risk of the counterparties who issued the derivatives, in addition to the risks relating to the index. Further, potential contagion and concentration risks of the derivatives issuers should be taken into account (e.g. since derivative issuers are predominantly international financial institutions, the failure of one derivative counterparty of Synthetic ETF may have a "knock-on" effect on other derivative counterparties of the Synthetic ETFs). Some Synthetic ETFs have collateral to reduce the counterparty risk, but there may be a risk that the market value of the collateral has fallen substantially when the Synthetic ETF seeks to realize the collateral.

Liquidity Risk
There is no assurance that a liquid market exists for an ETF. A higher liquidity risk is involved if a Synthetic ETF involves derivatives which do not have an active secondary market. Wider bid-offer spreads in the price of derivatives may result in losses. Therefore, they can be more difficult costly to unwind early, when the instruments provide access to a restricted market where liquidity is limited.

Tracking Error Risk
There may be disparity between the performance of the ETFs and the performance of the underlying index due to, for instance, failure of the tracking strategy, currency differences, fees and expenses.

Trading at a Discount or Premium
Where the index/market that the ETF tracks is subject to restricted access, the efficiency in unit creation or redemption to keep the price of the ETFs in line with its net asset value (NAV) may be disrupted, causing the ETF to trade at a higher premium or discount to its NAV. Investors who buy an ETF at a premium may not be able to recover the premium in the event of termination.

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

RISK IN RELATION TO THE USE OF THE INTERNET OR OTHER ELECTRONIC MEDIUM
Any communication or transaction via or information (including any document) transmitted via the Internet or other electronic medium involves risks and you understand and accept the following risks:

1. The internet or other electronic media (including without limitation electronic devices, services of third party telecom service providers such as mobile phones or other handheld trading devices) are an inherently unreliable form of communication, and that such unreliability is beyond IISL's control.
2. Information (including any document) transmitted or communication or transactions over the internet or through other electronic media (including without limitation electronic devices, services of third party telecom service providers such as mobile phones or other handheld trading devices) may be subject to interruption, transmission blackout, delayed transmission due to data volume or incorrect data transmission (including without limitation incorrect price quotation) or stoppage of price data feed due to the public nature of the Internet or other electronic media.
3. As a result of such unreliability, there may be time-lags or delays or failures or loss of data or loss of confidentiality in the transmission of data and receipt of instructions may be executed at prices different from those prevailing at the time the instructions were given.

Disclaimer
DISCLAIMER delivered pursuant to Regulation 020 of the Regulations for Trading Stock Index Futures Contracts developed by Hang Seng Indexes Company Limited.

Disclaimer in Relation to Trading of Stock Index Futures Contracts
Hang Seng Indexes Company Limited ("HSIL") currently publishes, compiles and computes a number of stock indexes and may publish, compileand compute such additional stock indexes at the request of Hang Seng Data Services Limited ("HSDS") from time to time (collectively, the "Hang Seng Indexes"). The marks, names and processes of compilation and computation of the respective Hang Seng Indexes are the exclusive property of and proprietary to HSDS. HSIL has granted to Hong Kong Futures Exchange Limited (the "Exchange") by way of licence the use of the Hang Seng Indexes solely for the purposes of and in connection with the creation, marketing and trading of futures contracts based on any of the Hang Seng Indexes respectively (collectively, "Futures Contracts"). The process and basis of compilation and computation of any of the Hang Seng Indexes and any of the related formula or formulae, constituent stocks and factors may at any time be changed or altered by HSIL without notice and the Exchange may at any time require that trading in and settlement of such of the Futures Contracts as the Exchange may designate be conducted by reference to an alternative index or alternative indexes to be calculated. Neither the Exchange nor HSDS nor HSIL warrants or represents or guarantees to any participant or any third party the accuracy or completeness of the Hang Seng Indexes or any of them and the compilation and computation thereof or any information related thereto and no such warranty or representation or guarantee of any kind whatsoever relating to the Hang Seng Indexes or any of them is given or may be implied. Further, no responsibility or liability whatsoever is accepted by the Exchange, HSDS or HSIL in respect of the use of the Hang Seng Indexes or any of them for the purposes of and in connection with the Futures Contracts or any of them and/or dealings therein, or for any inaccuracies, omissions, mistakes, errors, delays, interruptions, suspension, changes or failures (including but not limited to those resulting from negligence) of HSIL in the compilation and computation of the Hang Seng Indexes or any of them or for any economic or other losses which may be directly or indirectly sustained as a result thereof by any participant or any third party dealing with the Futures Contracts or any of them. No claims, actions or legal proceedings may be brought by any participant or any third party against the Exchange and/or HSDS and/or HSIL in connection with or arising out of matters referred to in this disclaimer. Any participant or any third party deals in the Futures Contracts or any of them in full knowledge of this disclaimer and can place no reliance whatsoever on the Exchange, HSDS and/or HSIL. For the avoidance of doubt, this disclaimer does not create any contractual or quasi-contractual relationship between any participant or third party and HSIL and/or HSDS and must not be construed to have created such relationship.

Disclaimer in Relation to Trading of Stock Index Option Contracts
Hang Seng Indexes Company Limited ("HSIL") currently publishes, compiles and computes a number of stock indexes and may publish, compile and compute such additional stock indexes at the request of Hang Seng Data Services Limited ("HSDS") from time to time (collectively, the "Hang Seng Indexes"). The marks, names and processes of compilation and computation of the respective Hang Seng Indexes are the exclusive property of and proprietary to HSDS. HSIL has granted to Hong Kong Futures Exchange Limited (the "Exchange") by way of licence the use of the Hang Seng Indexes solely for the purposes of and in connection with the creation, marketing and trading of option contracts based on any of the Hang Seng Indexes respectively (collectively, the "Option Contracts"). The process and basis of compilation and computation of any of the Hang Seng Indexes and any of the related formula or formulae, constituent stocks and factors may at any time be changed or altered by HSIL without notice and the Exchange may at any time require that trading in and settlement of such of the Option Contracts as the Exchange may designate be conducted by reference to an alternative index or alternative indexes to be calculated. Neither the Exchange nor HSDS nor HSIL warrants or represents or guarantees to any participant or any third party the accuracy or completeness of the Hang Seng Indexes or any of them and the compilation and computation thereof or any information related thereto and no such warranty or representation or guarantee of any kind whatsoever relating to the Hang Seng Indexes or any of them is given or may be implied. Further, no responsibility or liability whatsoever is accepted by the Exchange, HSDS or HSIL in respect of the use of the Hang Seng Indexes or any of them for the purposes of and in connection with the Option Contracts or any of them and/or dealings therein, or for any inaccuracies, omissions, mistakes, errors, delays, interruptions, suspension, changes or failures (including but not limited to those resulting from negligence) of HSIL in the compilation and computation of the Hang Seng Indexes or any of them or for any economic or other losses which may be directly or indirectly sustained as a result thereof by any participant or any third party dealing with the Option Contracts or any of them. No claims, actions or legal proceedings may be brought by any participant or any third party against the Exchange and/or HSDS and/or HSIL in connection with or arising out of matters referred to in this disclaimer. Any participant or any third party deals in the Option Contracts or any of them in full knowledge of this disclaimer and can place no reliance whatsoever on the Exchange, HSDS and/or HSIL. For the avoidance of doubt, this disclaimer does not create any contractual or quasi-contractual relationship between any participant or third party and HSIL and/or HSDS and must not be construed to have created such relationship.

HK EXCHANGE DISCLAIMER
Stock indices and other proprietary products upon which contracts traded on Hong Kong Futures Exchange Limited (the "Exchange") may be based may from time to time be developed by the Exchange. The HKFE Taiwan Index is the first of such stock indices developed by the Exchange. The HKFE Taiwan Index and such other indices or proprietary products as may from time to time be developed by the Exchange (the "Exchange Indices") are the property of the Exchange. The

process of compilation and computation of each of the Exchange Indices is and will be the exclusive property of and proprietary to the Exchange. The process and basis of compilation and computation of the Exchange Indices may at any time be changed or altered by the Exchange without notice and the Exchange may at any time require that trading in and settlement of such futures or options contracts based on any of the Exchange Indices as the Exchange may designate be conducted by reference to an alternative index to be calculated. The Exchange does not warrant or represent or guarantee to any member of the Exchange or any third party the accuracy or completeness of any of the Exchange Indices or their compilation and computation or any information related thereto and no such warranty or representation or guarantee of any kind whatsoever relating to any of the Exchange Indices is given or may be implied. Further, no responsibility or liability whatsoever is accepted by the Exchange in respect of the use of any of the Exchange Indices or for any inaccuracies, omissions, mistakes, errors, delays, interruptions, suspensions, changes or failures (including but not limited to those resulting from negligence) of the Exchange or any other person or persons appointed by the Exchange to compile and compute any of the Exchange Indices in the compilation and computation of any of the Exchange Indices or for any economic or other losses which may be directly or indirectly sustained as a result thereof by any member of the Exchange or any third party dealing with futures or options contracts based on any of the Exchange Indices. No claims, actions or legal proceedings may be brought by any member of the Exchange or any third party against the Exchange in connection with or arising out of matters referred to in this disclaimer. Any member of the Exchange or any third party engages in transactions in futures and options contracts based on any of the Exchange Indices in full knowledge of this disclaimer and can place no reliance on the Exchange in respect of such transactions.

SPECIFIC RISKS OF TRADING CHINA CONNECT SECURITIES

The following describes some of the risks of trading the SSE and/or SZSE securities via China Connect through IISL.

1. PRC-related risks
   As an emerging market, investment in the PRC involves special considerations and risks, including but not limited to greater price volatility, less robust regulatory and legal framework, economic and social and political instability.

2. Equity risk
   Investing in China Connect securities may offer a more attractive rate of return than other securities. However, the risks associated in investments in China Connect securities may also be higher, because the investment performance of China Connect securities depends upon factors which are difficult to predict. Such factors include the possibility of sudden or prolonged market declines and risks associated with individual companies.

3. Liquidity risks
   There can be no assurance that an active trading market for China Connect securities will develop or be maintained. If spreads on China Connect securities are wide, the Customer's ability to dispose of China Connect securities at the desired price may be adversely affected.

4. General legal and regulatory risk
   You must comply with all China Connect Laws and China Connect Rules. Furthermore, any change in any China Connect Laws or China Connect Rules may have an impact on the market sentiment which may in turn affect the performance of China Connect securities. It is impossible to predict whether such an impact caused by any such change will be positive or negative for China Connect securities. In the worst case scenario, you may lose a material part of your investments in China Connect securities. In addition, any litigation or other legal actions brought before the courts in the PRC will be subject to the laws, rules and procedures of the PRC, which are not the same as those which apply to the courts in Hong Kong.

5. Currency risk
   RMB is subject to foreign exchange controls and restrictions. It may be difficult for investors to convert RMB into other currencies or vice versa at any specific time, and conversion will be subject to conversion costs and such costs and timings for conversion may not be of your preference. The value of RMB against Hong Kong dollars or other foreign currencies may be affected by a wide range of factors. There is no guarantee that RMB will not depreciate. A depreciation of RMB may result in a decrease in the market value of RMB securities and the realization price of RMB securities. There are also significant restrictions on the remittance of RMB into and out of the PRC. The liquidity and trading price of China Connect Securities may be adversely affected by the limited availability of RMB outside the PRC and restrictions on the conversion of RMB. These factors may affect the liquidity of RMB for investors and accordingly adversely affect the market demand for China Connect securities.

6. Home market rules
   In respect of China Connect securities, PRC is the home market and thus the general principle is that investors in China Connect securities should observe PRC securities laws and regulations. Nevertheless, certain Hong Kong legal and regulatory requirements will also continue to apply to Northbound trading.

7. Pre-Trade Checking
   SEHK is required to check that in respect of any Northbound sell orders given by an exchange participant, the relevant exchange participant holds sufficient and available China Connect securities to be able to fill such Northbound sell orders. Pre-trade checking will be carried out prior to the start of each Trading Day. Accordingly, you may be unable to execute Northbound sell orders due to Pre-Trade Checking related requirements. Your attention is drawn to the provisions set out in Clause 8 (Compliance with Pre-Trade Checking Requirements) of the China Connect Terms and Conditions. Note in particular that you may be unable to execute a sell order of China Connect securities if there has been a delay or failure for whatever reason in the transfer of the relevant China Connect securities to any clearing account of us or if for any other reason we consider that there is or may be non-compliance with any China Connect Laws. Any risk, loss or cost resulting from non-compliance or potential non-compliance with Pre Trade Checking and/or the relevant China Connect Laws or China Connect Rules shall be borne by you.

8. Settlement
   Northbound trades will follow the A Share settlement cycle. For settlement of China Connect securities trades, ChinaClear will debit or credit the securities accounts of its participants (including HKSCC as clearing participant) on T day free of payment. We may have settlement arrangements in place different from the ChinaClear settlement arrangements. Unless we agree to prefund settlement, settlement of funds relating to such trading will be effected on T+1 day. We may, in our absolute discretion, decide to prefund settlement. In the event we agree to prefund the settlement of China Connect Securities trades, (a) we shall retain the funds received from HKSCC on T+1 day; and (b) you shall reimburse us with respect to any 'excess' pre-funding provided by us. You acknowledge that there is no guarantee that we will offer prefunding settlement and that if we decide to offer prefunding settlement, we may decide to terminate such service at any time.

9. Quota restrictions
   Purchases of China Connect securities through China Connect are subject to certain quota controls as described below. As a result, there is no assurance that a buy order can be successfully placed through China Connect. There is a daily quota that limits the maximum value of all Northbound buy trades that can be executed by exchange participants on each Trading Day ("Daily Quota"). The Daily Quota may change from time to time without prior notice and investors are advised to refer to the HKEx website and other information published by the HKEx for up-to-date information. If the Daily Quota has been reached, we will be unable to carry out any buy orders and any instruction to buy submitted but not yet executed will be restricted or rejected. However, investors may continue to sell their China Connect securities regardless of whether there is a breach of the Daily Quota.

10. Restriction on day trade
    Unless SEHK otherwise determines, day (turnaround) trading is not permitted on the PRC A Share market. If you buy China Connect securities on T day, you may be able to sell the shares only on or after T+1 day. Due to Pre-Trade Checking related requirements, we may accept an instruction to sell China Connect securities that were bought on T day only on or after the applicable cut-off time (as notified to you by us from time to time) on T+1 day.

11. No off-exchange trading and transfers
    You, IISL and any Related Person shall not conduct or provide off-exchange services to facilitate trading of any China Connect securities otherwise than through the relevant China Connect Market System, except in the circumstances or as otherwise provided by a relevant China Connect Authority:
    (a) stock borrowing and lending of China Connect securities which are eligible for covered short selling and with a tenor of no more than one month;
    (b) post-trade allocation of China Connect securities by a fund manager; and
    (c) any other situations specified by the China Connect Market Operators and ChinaClear.

12. Placing order
    Only limit orders with a specified price are allowed pursuant to the China Connect Laws, whereby buy orders must not be lower than at the current best price and sell orders may be executed at or higher than the specified price. Market orders will not be accepted.

13. Price limits of the China Connect Market
    China Connect Securities are subject to a general price limit of a ±10% based on the previous trading day's closing price. In addition, China Connect securities

which are on the risk alert board are subject a ±5% price limit based on the previous trading day's closing price. The price limit may be changed from time to time. All orders in respect of China Connect securities must be within the price limit. Any orders with a price beyond the price limit will be rejected by the relevant China Connect Market Operator.

14. China Connect securities eligible for Northbound trading
SEHK will include and exclude securities as China Connect securities based on the prescribed criteria under the China Connect Laws. We shall not be under any obligation to inform you of any changes to the eligibility of shares for Northbound trading. You should refer to the HKEx website and other information published by the HKEx for up-to-date information.

According to the SSE Rules and SZSE Rules, if any SSE-listed or SZSE-listed company is in the delisting process, or its operation is unstable due to financial or other reasons such that there is a risk of being delisted or exposing investors' interest to undue damage, the SSE-listed or SZSE-listed company will be earmarked and traded on the risk alert board. Any change to the risk alert board may occur without prior notice. If a China Connect securities which is eligible for China Connect trading at launch of the programme is subsequently moved to the risk alert board, investors under China Connect will be allowed only to sell the relevant China Connect securities and will be prohibited from further buying.

15. Account information of beneficial owner
The identity of the beneficial owner of China Connect securities which are the subject of a sell order may need to be disclosed to HKSCC and/or the relevant PRC authorities.

16. No manual trade or block trade
There will be no manual trade facility or block trade facility for Northbound trading under China Connect.

17. Amendment of orders and loss of priority
Consistent with the current practice in the PRC, if an investor engaged in Northbound trading wishes to amend an order, the investor must first cancel the original order and then input a new one. Accordingly, order priority will be lost and, subject to the Daily Quota restriction, the subsequent order may not be filled on the same Trading Day.

18. Special China Connect Securities
SEHK will accept or designate securities which cease to meet the eligibility criteria for China Connect securities as Special China Connect Securities (provided that they remain listed on a China Connect Market). In addition, any securities or options (which are not eligible for China Connect trading) received by you as a result of any distribution of rights or entitlements, conversion, takeover, other corporate actions or abnormal trading activities will be accepted or designated by SEHK as Special China Connect Securities. You will only be able to sell, but not buy, any Special China Connect Securities.

19. Disclosure of Interests
Under the laws, rules and regulations of the PRC, if you hold or control shares on an aggregate basis, i.e., including both domestically and overseas issued shares of the same Mainland China Listco (as defined below), whether the relevant holdings are through Northbound trading, QFII/RQFII regime or other investment channels) in a Mainland China incorporated company which is listed on a Mainland China stock exchange (a "**Mainland China Listco**") above a certain threshold as may be specified from time to time by the relevant China Connect Authorities, you must disclose such interest within the period specified by the relevant China Connect Authority, and you must not buy or sell any such shares within the period specified by the relevant China Connect Authority. You must also disclose any substantial change in your holding as required by the relevant China Connect Authority. Where a Mainland China incorporated company has both H Shares listed on the SEHK and A Shares listed on the SSE and/or SZSE, if an investor is interested in more than a certain threshold (as may be specified from time to time) of any class of voting shares (including A Shares purchased through China Connect) in such Mainland China incorporated company, the investor is under a duty of disclosure pursuant to Part XV of the SFO. Part XV of the SFO does not apply where the Mainland China incorporated company has not listed any shares on the SEHK. It shall be your responsibility to comply with any disclosure of interest rules from time to time imposed by the relevant China Connect Authorities and arrange for any relevant filings.

20. Short swing profit rule
Under the laws, rules and regulations of the PRC, the "short swing profit rule" requires you to give up/return any profits made from purchases and sales in respect of China Connect securities of a particular Mainland China Listco if (a) your shareholding in that Mainland China Listco exceeds the threshold prescribed by the relevant China Connect Authority from time to time and (b) the corresponding sale transaction occurs within the six months after a purchase transaction, or vice versa. You (and you alone) must comply with the "short swing profit rule".

21. Foreign ownership limits
Under the laws, rules and regulations of the PRC, there is a limit to the number of shares a single foreign investor is permitted to hold in a single Mainland China Listco, and also a limit to the maximum combined holdings of all foreign investors in a single Mainland China Listco. Such foreign ownership limits may be applied on an aggregate basis (i.e. across both domestically and overseas issued shares of the same issuer, whether the relevant holdings are through Northbound Trading, QFII/RQFII regime or other investment channels). It shall be your responsibility to comply with all foreign ownership limits from time to time imposed by the China Connect Laws. Such legal and regulatory restrictions or limitations may have an adverse effect on the liquidity and performance of an investment in China Connect Securities due to factors such as limitations on fund repatriation, dealing restrictions, adverse tax treatments, higher commission costs, regulatory reporting requirements and reliance on services of local custodians and service providers. As a result, you may suffer losses through your trading or investment in China Connect Securities.

If we become aware that you have breached (or reasonably believes that you may breach upon execution of further Northbound buy orders) any foreign ownership limits, or if we are so required by any China Connect Authority, including, without limitation, as a result of any Forced-sale Notice issued by a China Connect Market Operator, we will sell any China Connect securities pursuant to Clause 10 (Sale, Transfer and Disgorgement) of the China Connect Terms and Conditions if you fail to comply with the corresponding Client Forced-sale Notice in order to ensure compliance with all applicable China Connect Laws. In such case, no Northbound buy orders for the relevant China Connect securities will be accepted until SSE or SZSE informs SEHK that the relevant aggregate foreign ownership limit has fallen below a certain percentage. SEHK may determine in its absolute discretion which exchange participants and what quantity of China Connect securities should be subject to a Forced-sale Notice (this is likely to be on a "last-in, first-out" basis), and SEHK's own records shall be final and conclusive. Moreover, under the laws of the PRC, where the aggregate holdings of foreign investors exceed a specified percentage (the "**Cautionary Level**") of the issued shares of a single Mainland China Listco, upon notification by the SSE or SZSE to the SEHK it is required as soon as practicable thereafter to suspend accepting China Connect securities buy orders in respect of the relevant China Connect securities. In such circumstances, we may reject your buy orders until the aggregate shareholding of foreign investors has fallen below the specified percentage (the "**Permitted Level**") as advised by SSE or SZSE. As of the date of these China Connect Terms and Conditions, the single foreign investor limit is set at 10% of the shares of a Mainland China Listco and the aggregate foreign investor limit is set at 30% of the shares of a Mainland China Listco (while the Cautionary Level and the Permitted Level are set at 28% and 26% respectively of the shares of a Mainland China Listco). Such limits are subject to change from time to time and we shall not be under any obligation to inform you of any such changes to foreign ownership limits.

22. Taxation
Prior to investing in China Connect securities, you are strongly urged to consult your own tax advisers and counsel with respect to the possible Hong Kong and/or Mainland China tax consequences to you of such investment since such tax consequences may differ in respect of different investors. You will be fully responsible for any taxes in respect of China Connect securities and will indemnify us and any Related Person from and against all Hong Kong and/or Mainland China taxes which we or any Related Person may incur arising in connection with any China Connect securities which you hold, trade or otherwise deal in. We assume no responsibility for advising on or handling any tax issues, liabilities and/or obligations in connection with China Connect, nor will we provide any service or assistance in this regard.

23. Insider dealing, market manipulation and other market conduct rules
Northbound trading through the China Connect will be subject to laws and regulations of the PRC prohibiting activities that constitute market manipulation, insider dealing and related offences. The scope of these restrictions may not be the same as equivalent requirements under Hong Kong law. In particular, defenses applicable under Hong Kong market misconduct rules may not be applicable under the laws and regulations of the PRC. If you are unfamiliar with Mainland China market conduct requirements and restrictions, you should seek specialist advice before engaging in trading through the China Connect. You confirm that you are not in possession of inside information when trading China Connect securities or procuring others to do so.

24. Client Securities Rules not applied

The Securities and Futures (Client Securities) Rules (Cap 571H of the Laws of Hong Kong) ("**Client Securities Rules**") prescribe how client assets are to be dealt with by all intermediaries and their associated entities. However, as the China Connect securities traded through China Connect are not listed or traded on SEHK, the Client Securities Rules will not apply unless otherwise specified by the SFC or any other relevant China Connect Authority.

25. Ownership of China Connect securities
Hong Kong law recognizes the proprietary interest of investors in shares held for them by their broker or custodian in CCASS. Such recognition should apply equally to China Connect securities held for Hong Kong and overseas investors by the Clearing Participant through HKSCC. In addition, in Mainland China (where China Connect securities are registered in a securities account opened with ChinaClear in the name of HKSCC), it is expressly stipulated in the CSRC China Connect Rules that HKSCC acts as the nominee holder and the Hong Kong and overseas investors are the beneficial owners of the China Connect securities. Accordingly, the regulatory intention appears to be that Hong Kong and overseas investors should also have proprietary rights over China Connect securities under the laws of the PRC. You should conduct your own review of the materials published by HKEx on China Connect in relation to the ownership of China Connect securities and the applicable China Connect Rules as they may be amended and supplemented from time to time. You should also consult your own legal advisers to make your own assessment of your rights as a Northbound investor in China Connect securities. You should also note that as China Connect is a recent initiative there may be some uncertainty surrounding such arrangements. In addition, while Hong Kong and overseas investors may have proprietary rights over China Connect securities, HKSCC as nominee is not obliged to enforce such rights in the PRC on behalf of such investors.

26. Risk of default of ChinaClear
ChinaClear has established a risk management framework and measures that are approved and supervised by the CSRC. If ChinaClear (as the host central counterparty) defaults, HKSCC has stated that it may (but shall have no obligation to) take any legal action or court proceeding to seek recovery of the outstanding China Connect securities and monies from ChinaClear through available legal channels and through ChinaClear's liquidation process, if applicable. HKSCC will in turn distribute the China Connect securities and/or monies recovered to clearing participants on a pro-rata basis as prescribed by the relevant China Connect Authorities. IISL in turn will be distributing China Connect securities and/or monies to the extent recovered directly or indirectly from HKSCC. Although the likelihood of a default by ChinaClear is considered to be remote, investors should be aware of this arrangement and of this potential exposure before engaging in Northbound trading.

27. Risk of default of HKSCC
The provision of services by IISL pursuant to these China Connect Terms and Conditions also depends upon the performance by HKSCC of its obligations. Any action or inaction of the HKSCC or a failure or delay by the HKSCC in the performance of its obligations may result in a failure of settlement of China Connect Securities and/or monies in connection with them and you may suffer losses as a result. Neither IISL nor any Related Persons shall have any responsibility or liability for any such losses.

28. Scripless securities
China Connect Securities are traded in scripless form and accordingly, China Connect securities may not be physically deposited into and/or withdrawn from CCASS.

29. Company announcements and corporate actions
Any corporate action in respect of China Connect securities will be announced by the relevant issuer through the SSE or SZSE website (as applicable) and certain appointed newspapers. HKSCC will also record all corporate actions relating to China Connect securities in CCASS and inform its clearing participants of the details via the CCASS terminals as soon as practicable on the announcement date. Investors engaged in Northbound trading may refer to the SSE or SZSE website and the relevant newspapers for the latest listed company announcements or, alternatively, the HKEx website's China Stock Markets Web (or such other replacement or successor web page from time to time) for corporate actions in respect of China Connect securities issued on the previous trading day. Investors should note that SSE-listed and SZSE-listed issuers publish corporate documents in Chinese only, and English translations will not be available. In addition, HKSCC will endeavour to collect and distribute cash dividends relating to China Connect securities to clearing participants in a timely manner. Upon receipt of the dividend amount, HKSCC will to the extent practicable arrange to distribute to relevant clearing participants on the same day. Following existing market practice in the PRC, investors engaged in Northbound trading will not be able to attend shareholder meetings by proxy or in person, unlike the current practice in Hong Kong in respect of SEHK-listed shares. IISL does not and cannot ensure the accuracy, reliability or timeliness of any company announcements of corporate actions and neither IISL nor any Related Person accept any liability (whether in tort or contract or otherwise) for any loss or damage arising from any errors, inaccuracies, delays or omissions or any actions taken in reliance thereon. We expressly disclaim all warranties, expressed or implied, as to the accuracy of any company announcement or as to the fitness of the information for any purpose.

30. Disclosure of Information and Publication of Trade Information
SEHK may require IISL to provide information on your profile, and the type and value of your orders in relation to Northbound trading of China Connect securities and the trades which IISL executed for you at such intervals and in such form as SEHK may specify from time to time for purposes of the publication, dissemination or public distribution of aggregated information in respect of China Connect securities trades under China Connect, trading volumes, investor profiles and other related data.

31. Client error trade
Neither IISL nor any Related Person shall be liable for any loss, damage or expense or consequential loss, damage or expense suffered by an investor as a result of any trading based on the investor's instructions. We will not be able to unwind any trade, and investors should also take note of the settlement arrangements in respect of China Connect securities under China Connect, including but not limited to quota restrictions. The China Connect Rules generally prohibit any off-exchange trading or transfers. However transfers may be permitted between you and us to rectify a trade in limited circumstances, although there is a lack of clarity as to the circumstances in which such transfers may be permitted. We shall have absolute discretion to determine whether to conduct any transfer to rectify any error trade and shall have no obligation to do so. Neither IISL nor any Related Person shall have any liability for any losses which may result directly or indirectly from such errors or any refusal to conduct a transfer to correct an error trade.

32. Retention of information
You acknowledge and accept that we will be required under the China Connect Rules to keep records for a period of no less than 20 years of (a) all orders and trades executed on your behalf, (b) any instructions received from you; (c) your account information in relation to Northbound trading; and (d) all relevant information concerning margin trading and stock borrowing and lending of any China Connect securities (including, without limitation, in respect of any such margin trading, the relevant securities margin trading arrangement and the funds provided.

33. China Connect Market System
SEHK may under certain circumstances as specified in the SEHK rules and/or whenever the SEHK determines that it is appropriate and in the interest of a fair and orderly market to protect investors, temporarily suspend or restrict all or part of the order-routing and related supporting services with regard to all or any Northbound trading of China Connect securities, and for such duration and frequency as SEHK may consider appropriate. You will not be able to buy or sell China Connect securities on SEHK through China Connect during any period in which trading of China Connect securities is suspended. In particular, you should note that while trading of China Connect securities is suspended by the SEHK, trading of such China Connect Securities may continue on SSE and/or SZSE. You may remain exposed to fluctuations in the price of China Connect securities caused by trading on SSE and/or SZSE during the period when trading of such China Connect securities is suspended by SEHK.SEHK has absolute discretion to change the operational hours and arrangements of the China Connect Service at any time and without advance notice, whether on a temporary basis, due to operational needs, adverse weather conditions, under emergency situations or otherwise. Moreover, SEHK may cease the provision of the China Connect Northbound trading service permanently. Such suspension, restriction or cessation will affect our ability to accept and process your orders and you are advised to refer to the HKEx website and other information published by the HKEx for up-to-date information. There can be no assurance that your orders will be accepted or processed, notwithstanding that China Connect securities may be traded through other channels including, without limitation, by PRC investors on the SSE and/or SZSE. Further, the SEHK rules state that where any H Shares with corresponding A Shares eligible as China Connect securities are suspended from trading on SEHK, but the corresponding A Shares are not suspended from trading on the SSE, the service for routing the China Connect sell orders and China Connect buy orders for such A Shares to the SSE for execution will normally remain available. However, SEHK may, in its discretion, restrict or suspend such service without prior notice and your ability to place sell orders and buy orders may be affected.

The China Connect Market Systems are new platforms for trading of China Connect securities under China Connect. We provide trading services based on the China Connect Market System which is operated by the relevant China Connect Market Operator. We are not responsible for any delay or failure caused by the China Connect Market Systems and investors accept all risks arising from trading China Connect securities through the China Connect Market Systems. Neither IISL nor any Related Person shall be responsible or held liable for any loss or damage directly or indirectly suffered by you arising from or in connection with the China Connect Service or the CSC through Northbound trading including, without limitation, the following:

(a) A suspension, restriction or cessation of the China Connect Service, or any inability to access or use the China Connect Service;

(b) any special arrangement put in place or any action, step or measure taken or not taken to deal with an emergency or contingencies, including but not limited to the cancellation of any or all China Connect orders input by exchange participants;
(c) any suspension, delay, interruption or cessation of trading of any China Connect securities on SSE or SZSE;
(d) any delay, suspension, interruption or order cancellation of any China Connect securities as a result of the hoisting of a Typhoon Signal No. 8 or above or the issuance of the Black Rainstorm Warning in Hong Kong;
(e) any delay or failure to route any China Connect orders or any delay or failure to send any order cancellation requests or to provide the China Connect Service due to any system, communication or connection failure, power outage, software or hardware malfunction or other events beyond our control or the control of SEHK, us or a Related Person;
(f) any China Connect order which we have requested to be cancelled not being cancelled for any reason whatsoever;
(g) in the event that SEHK or SSE or SZSE requires that we reject any order for China Connect Services;
(h) any delay, failure or error of any China Connect Market System or any system upon which IISL, the SEHK or a Related Person is reliant in providing the China Connect Service; and
(i) any delay or failure to execute, or any error in matching or executing, any China Connect order due to reasons beyond the control of SEHK, HKEx, IISL or any Related Person, including but not limited to any action or decision taken or made, or not taken or made, by any China Connect Authority or any other relevant governmental or regulatory body. If there is any delay or failure to send any order cancellation requests in any circumstance described in paragraph (e) above, you shall, in the event such order is matched and executed, remain responsible for fulfilling any settlement obligations in respect of such transaction. You acknowledge that HKEx, SEHK, SSE, the subsidiary of SSE and their respective directors, employees and agents are not responsible or held liable for any such losses.

34. Operational hours
SEHK has absolute discretion to determine from time to time the operational hours of the China Connect service, and will have absolute discretion to change the operational hours and arrangements of the China Connect service at any time and without advance notice whether on a temporary basis or otherwise. IISL shall not be under any obligation to inform you of any such determinations by the SEHK as to the operational hours of the China Connect Service. Moreover, SEHK may cease the provision of China Connect Northbound trading service permanently. Such suspension, restriction or cessation will affect our ability to accept and process your orders and you are advised to refer to the HKEx website and other information published by the HKEx for up-to-date information.

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

36. Rights issuances
Where you receive any form of entitlement securities from the issuer of a China Connect Securities, if such entitlement securities:
(a) is a China Connect Securities, you will be permitted to buy and sell the entitlement securities through China Connect;
(b) is not a China Connect securities but is a RMB denominated securities listed on the SSE or SZSE, you may be allowed to sell the entitlement securities through China Connect but will not be permitted to buy such entitlement securities;
(c) is an SSE-listed securities or SZSE-listed securities but is not trade in RMB, you will not be allow to buy or sell the entitlement securities through China Connect; and
(d) is not listed on the SSE or SZSE, you will not be allowed to buy or sell the entitlement securities on China Connect unless and until appropriate arrangement (if any) have been provided by the HKSCC. It is possible that no such alternative arrangements will be provided.

37. Odd lot trading
Odd lot trading in China Connect securities is available only for sell orders and all odd lots must be sold in one single order. A board lot order may be matched with different odd lot sell orders, resulting in odd lot trades. Board lot and odd lot orders are matched on the same platform on China Connect and subject to the same share price. The maximum order size is 1 million shares and the tick size is uniformly set at RMB0.01.

38. Short selling
Covered short selling of China Connect securities may become available in due course provided such covered short selling satisfies the requirements specified by the relevant China Connect Authorities, including that short selling orders are only in respect of China Connect securities designated as eligible for short selling, are appropriately flagged as such and that they are subject to an uptick rule. Naked short selling of China Connect securities is prohibited. The China Connect Authorities may also suspend the ability to engage in short selling of any China Connect securities if the volume of short selling activity exceeds thresholds prescribed by SSE or SZSE. You will be fully responsible for understanding and complying with short selling requirements as in effect from time to time and for any consequences of non-compliance.

39. Stock borrowing and lending
Stock borrowing and lending will be permitted for eligible China Connect securities as specified by the China Connect Market Operators for the purposes of (a) covered short selling, (b) satisfying the Pre-Trade Checking requirement and (c) in any other circumstances as SEHK or the China Connect Market Operators may specify from time to time. Stock borrowing and lending of eligible China Connect securities will be subject to restrictions set by SEHK and the China Connect Market Operators, including but not limited to the following:
(a) stock borrowing and lending agreements for the purpose of covered short selling shall have a duration of not more than one month;
(b) stock borrowing and lending agreements for the purpose of satisfying the Pre-Trade Checking requirement shall have a duration of not more than one day (and rollover is not permitted);
(c) stock lending will be restricted to certain types of persons to be determined by the China Connect Market Operators; and
(d) stock borrowing and lending activities will be required to be reported to SEHK.

The China Connect Market Operators will determine a list of China Connect securities eligible for stock borrowing and lending. Special China Connect securities are not eligible for stock borrowing and lending for the purpose of covered short selling (but are eligible for the purpose of satisfying the Pre-Trade Checking requirement).We will be required to file a monthly report to the SEHK providing details of our stock borrowing and lending activities with respect to China Connect Securities. This may include (amongst others) details of the borrower, lender, amount of shares borrowed/lent, amount of shares outstanding and date of borrowing/returning. Investors are advised to refer to the relevant provisions from time to time applicable in the SEHK China Connect Rules (as and when these are published) and in the China Connect Laws and China Connect Rules.

40. RMB Conversion
Any conversion of any currency into RMB pursuant to Clause 9 (Settlement and Currency Conversion) of the China Connect Terms and Conditions may be subject to conversion limits. Settlement of a Northbound buy order may be delayed and/or fail if there is a delay in converting the relevant currency into RMB. Any risk, loss or cost resulting from any such delay or failure of settlement shall be borne by you.

41. Risk associated with trading of ChiNext Shares
The trading of ChiNext Shares is subject to the risks associated with the SZSE ChiNext market, including but not limited to such risks arising from the following:
(a) volatility and overvaluation of the share prices;
(b) the less stringent requirements on profitability and share capital of the ChiNext market (compared to the main board markets in Mainland China);
(c) given the technological focus of the companies listed on the ChiNext market, such companies are more susceptible to technical failures in their respective business areas; and
(d) conventional valuation methods may not be entirely applicable to companies listed on the ChiNext market due to the high-risk nature of the relevant industries. Presently only Institutional Professional Investors are allowed to place orders to exchange participants to buy or sell ChiNext Shares which are accepted as China Connect Securities (other than Special China Connect Securities which are eligible for sell orders only) through the use of the China Connect Service.

42. Risks associated with the Circuit Breaker Mechanism
The execution of trades in China Connect securities is subject to the China Connect Rules including the Circuit Breaker Provisions. Although the Circuit Breaker mechanism has been currently suspended, you should note that any imposition of a Circuit Breaker on any trading day will result in the suspension of the execution of trades through SSE or SZSE for such period or periods as set out in the Circuit Breaker Provisions.

43. Investor Compensation Fund
Trading in China Connect securities does not enjoy the protection afforded by the Investor Compensation Fund established under the Securities and Futures Ordinance. Accordingly, when you trade in China Connect securities, unlike the trading of SEHK listed securities, you will not be covered by the Investor Compensation Fund in respect of any loss you may sustain by reason of a default by SFC licensed or registered persons.