

SINO-RICH SECURITIES & FUTURES LIMITED

Licensed Corporation under the Securities and Futures Ordinance (CE No. AFN604) and
Exchange Participant of The Stock Exchange of Hong Kong Limited

Margin Securities Account Terms and Conditions

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MARGIN SECURITIES ACCOUNT TERMS AND CONDITIONS

1. Margin Securities Account Terms and Conditions

- 1.1 These Terms and Conditions (as defined below) regulate the relationship between Sino-Rich (as defined below) and the Client (as defined below) with respect to the opening, maintenance and operation of the Account (as defined below). Sino-Rich agrees to provide, and the Client agrees to use, services in relation to the Account upon the terms and subject to the conditions contained in these Terms and Conditions.
- 1.2 The Client acknowledges and agrees that Sino-Rich may from time to time revise these Terms and Conditions by sending notice of the revised Terms and Conditions to it by e-mail or by post. The Client shall be bound by the revised Terms and Conditions unless Sino-Rich have received notice from it to terminate or close the Account with effect before the date on which the revised Terms and Conditions take effect.

2. Definitions and Interpretation

2.1 In these Terms and Conditions, the following defined terms shall, unless the context otherwise requires, have the meanings below:

- (1) **“Account”** means the Margin Securities Account opened and maintained by the Client with Sino-Rich for the purchase or sale of securities;
- (2) **“Business Day”** means a day on which licensed banks in Hong Kong are open or general banking business, excluding a Saturday, Sunday, public holiday or any day on which a typhoon no. 8 (or above) or a black rainstorm is hoisted at any time of that day;
- (3) **“Business Hours”** means the period on a Business Day during which Sino-Rich will be opened for business as may from time to time be prescribed by it;
- (4) **“Clearing House”** means HKSCC or any other clear house, whether in Hong Kong or elsewhere;
- (5) **“Client”** means the person or each person named or identified as the client in an account opening form and in whose name the Account is maintained;
- (6) **“Client Money Rules”** means the Securities and Futures (Client Money) Rules (Cap. 571I);
- (7) **“Client Securities Rules”** means the Securities and Futures (Client Securities) Rules (Cap. 571H);
- (8) **“Collateral”** means all monies and securities which the Client now or at any time hereafter deposits with, transfers to or held by Sino-Rich, or transfers to or held by any other person in circumstances where Sino-Rich accepts as security for the Client’s liabilities, including (but not limited to) monies and securities that come into the possession, custody or control of Sino-Rich from time to time for any purpose (including, but not limited to, any additional or substituted securities and all dividends or interest paid or payable, rights, interest, monies and/or properties accrued or at any time offered by way of redemption, bonus, preference shares, options or otherwise in respect of such securities or additional or substituted securities);
- (9) **“Credit Limit”** means the maximum amount of Margin Facility which could be granted by Sino-Rich to the Client irrespective of the amount of Collateral and the Margin Ratio of the Client;
- (10) **“Electronic Trading Services”** means the facility provided by a third party provider designated by Sino-Rich which enables the Client to give electronic instructions to purchase, sell or otherwise deal with securities, and other information services in relation to its Account;
- (11) **“Event of Default”** has the meaning given in Clause 17.1;
- (12) **“Exchange”** means the SEHK or any other stock exchange or market or over-the-counter market, whether in Hong Kong or elsewhere;
- (13) **“HKSCC”** means Hong Kong Securities Clearing Company Limited;
- (14) **“Hong Kong”** means the Hong Kong Special Administrative Region of the People’s Republic of China;
- (15) **“IPO Loan”** means financial assistance to finance subscriptions for IPO Securities;
- (16) **“IPO Securities”** means any securities being offered for sale or subscription through an initial public offering;

- (17) **"Margin Call"** has the meaning given in Clause 13.6;
- (18) **"Margin Facility"** means the revolving credit facilities made or to be made available from time to time by Sino-Rich to the Client subject to the other provisions of these Terms and Conditions and other specific terms as Sino-Rich and the Client may agree from time to time;
- (19) **"Margin Ratio"** means such percentage of the market value of the Collateral (as determined by Sino-Rich in its sole and absolute discretion) up to which the Client is permitted to borrow (or otherwise to secure other forms of financial accommodation) from Sino-Rich against the Collateral;
- (20) **"SEHK"** means The Stock Exchange of Hong Kong Limited;
- (21) **"SFC"** means the Securities and Futures Commission;
- (22) **"SFC Code of Conduct"** means the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission;
- (23) **"SFO"** means the Securities and Futures Ordinance (Cap. 571);
- (24) **"Sino-Rich"** means Sino-Rich Securities & Futures Limited, a corporation licensed by the SFC to carry on business in Types 1, 2, 4, 5 and 9 regulated activities (i.e. dealing in securities, dealing in futures contracts, advising on securities, advising on futures contracts and asset management) with CE No. AFN604 and an exchange participant of the SEHK; and
- (25) **"Terms and Conditions"** means these Margin Securities Account Terms and Conditions.

2.2 In these Terms and Conditions, unless the context otherwise requires:

- (1) words defined in the SFO, the Client Money Rules and the Client Securities Rule shall have the same meanings when used in these Terms and Conditions;
- (2) a reference to any statute or any statutory provision includes a reference to that statute or statutory provision as amended, extended, re-enacted or consolidated from time to time; and to all statutory instruments or orders made pursuant to it;
- (3) references in these Terms and Conditions to "these Terms and Conditions" or to any other document shall, unless otherwise expressly provided, include references to these Terms and Conditions or to such other document as amended, extended, novated, replaced and/or supplemented in any manner from time to time and/or to any document that amends, extends, novates, replaces or supplements these Terms and Conditions or any such other document;
- (4) words denoting the singular shall include the plural and vice versa;
- (5) words denoting any gender include all the genders and words denoting persons shall include firms and corporations;
- (6) references to clauses and schedules are to clauses of and schedules to these Terms and Conditions; and
- (7) the clause headings are for convenience only and shall not be taken into account in the interpretation of these Terms and Conditions.

3. **Applicable Laws and Regulations**

3.1 Any instruction given and any transaction effected by or on behalf of the Client (whether in Hong Kong or elsewhere) shall be: (a) in accordance with these Terms and Conditions; (b) subject to the then existing or effective constitutions, rules, regulations, practices, conventions, provisions and interpretations of the Exchange and the Clearing House in which the transaction is effected; (c) subject to any laws, rules or regulations applicable at the time laid down by any government agencies and statutory bodies having jurisdictions; and (d) compliance with the provisions, policies and procedures of business implemented by Sino-Rich from time to time for the operation and maintenance of the Account.

4. **Services**

4.1 The Client hereby instructs and authorizes Sino-Rich to open and maintain in its book an Account in the name of the Client for the purposes of purchasing, investing in, selling, exchanging, disposing of or dealing in and with all kinds of securities from time to time in accordance with these Terms and Conditions. Unless otherwise indicated by Sino-Rich or specified in these Terms and Conditions, Sino-Rich shall act as agent for the Client in effecting transactions pursuant to these Terms and Conditions.

4.2 The Client hereby authorizes Sino-Rich to, instead of acting personally, instruct, employ, engage and/or pay such agents and intermediaries (including, but not limited to, sub-brokers, sub-dealers, custodians, managers, advisors, sub-custodians, sub-managers, sub-advisors, administrators, lawyers, accountants and other professionals, whether in Hong Kong or elsewhere) as Sino-Rich may, in its absolute discretion, consider appropriate with respect to the performance of any of its functions, powers or obligations under these Terms and Conditions. The Client acknowledges that the terms of business of such agents and intermediaries shall apply to and be binding on the Client.

- 4.3 Sino-Rich may delegate to any person on any terms (including power to sub-delegate) all or any of its functions.
- 4.4 If Sino-Rich exercises due care in selecting any agent, intermediary or delegate under Clause 4.2 or 4.3, it will not have any obligation to supervise or monitor the agent, intermediary or delegate and will not be liable for any loss incurred by reason of any act or any omission (including any act or any omission amounting to fraud, wilful misconduct or gross negligence) of such agent, intermediary or delegate.
- 4.5 Where any securities are held in the name of Sino-Rich, the name of any associated entity of Sino-Rich or the name any nominee of Sino-Rich, prior to the occurrence of an Event of Default, Sino-Rich will not attend any meeting or exercise any voting or other rights (including, but not limited to, the completion of proxies), except in accordance with written instructions of the Client.
- 4.6 Nothing in these Terms and Conditions shall in any way impose upon Sino-Rich any duty to inform the Client or to take any action with respect to the attendance of any meeting and to vote at any such meeting. Sino-Rich has no duty with respect to notices, communications, proxies and other documents, relating to the securities received by Sino-Rich or to send such documents or to give any notice of the receipt of such documents to the Client.
- 4.7 Sino-Rich has the right to charge the Client for taking any action pursuant to the Client's instruction.
- 4.8 The Client acknowledges and agrees that nothing in these Terms and Conditions shall give rise to any fiduciary or other equitable duty on the part of Sino-Rich in favour of the Client or oblige Sino-Rich to accept responsibilities more extensive than those set out in these Terms and Conditions.

5. Client Instructions

- 5.1 Sino-Rich is hereby authorized to act upon the instructions of the Client to deposit, purchase and/or sell securities for the Account and otherwise deal with securities, receivable or monies held in or for the Account subject to the provisions of the Client Money Rules and the Client Securities Rules.
- 5.2 The Client will operate its Account by giving orders itself or if the Client will operate its Account by appointing another person to give orders on its behalf, then the Client will provide Sino-Rich with the name and address of the person appointed as well as such other documents and information as may be reasonably requested by Sino-Rich with respect to the person appointed, to be accompanied by an appointment in writing.
- 5.3 No employee or representative of Sino-Rich shall accept appointment by the Client as agent to operate its Account, unless a separate agreement is entered into in accordance with paragraph 7.1 of the SFC Code of Conduct.
- 5.4 All instructions shall be given by the Client orally either in person or by telephone, or in writing, delivered by post, by hand, by e-mail, by facsimile transmission or through any of the Electronic Trading Services in accordance with the provisions of Clause 21 or by any other means acceptable to Sino-Rich (including the use of communication applications such as WhatsApp and WeChat). All orders and instructions given by telephone, in writing or otherwise will only be valid and effective if received by Sino-Rich within the Business Hours on a Business Day.
- 5.5 Sino-Rich shall be entitled to rely on any instruction, direction, notice or other communication which Sino-Rich reasonably believes to be from the Client or from any person authorised to act on behalf of the Client and the Client (including, but not limited to, any instruction, direction, notice or other communication given through originated from any of the last known telephone numbers, e-mail addresses, facsimile numbers, WhatsApp accounts, WeChat accounts or other communication application accounts, whether of the Client or of a person appointed by the Client pursuant to Clause 5.2) shall be bound by such instruction, direction, notice or other communication. Sino-Rich shall not be under any duty or obligation to verify the identity or authority of the person giving or making or purporting to give or make the instruction, direction, notice or other communication. Sino-Rich shall be entitled to treat such instruction, direction, notice or other communication as fully authorized by and absolutely and conclusively binding upon the Client and Sino-Rich shall be entitled (but not bound) to act on or take such steps in connection with or in reliance upon such instruction, direction, notice or other communication as Sino-Rich may consider appropriate regardless of the nature of the transaction or agreement or the value, type and quantity of securities involved and notwithstanding any error whether apparent or actual, in the terms of such instruction, direction, notice or other communication. The Client agrees to indemnify Sino-Rich and hold Sino-Rich harmless from and against all losses, costs and expenses (including legal costs) reasonably and properly incurred by Sino-Rich in reliance thereupon.
- 5.6 Sino-Rich may record all telephone conversations with the Client in order to verify the instructions of the Client. The Client agrees to accept the contents of any such recording as final and conclusive evidence of the instructions of the Client in case of dispute.
- 5.7 Notwithstanding anything herein contained, Sino-Rich shall be entitled, at its sole and absolute discretion, to act on any instruction of the Client or to refuse to accept any order for sale or purchase of securities from the Client and shall not be obliged to give any reason for such refusal. Without prejudice to the generality of the foregoing, Sino-Rich may refuse to act on an instruction of the Client if at the time of such instruction, there are insufficient securities or, as the case may be, monies in the Account in order to effect settlement of the relevant transaction on the due settlement date. The Client agrees that Sino-Rich may take the opposite position to an order of the Client either for its own account or for the account of any other person. No failure on the part of Sino-Rich to execute any instruction shall give rise to any claim by the Client against Sino-Rich.

- 5.8 By reason of physical restraints on different Exchanges and rapid changes in the prices of securities that frequently take place, there may, on occasions, be a delay in quoting prices or in dealing. Sino-Rich may not after using reasonable endeavours be able to trade at the prices quoted at any specific time. Sino-Rich is not liable for any loss arising by reason of its failing, or being unable, to comply with any terms of any instruction from the Client. If Sino-Rich is unable after using reasonable endeavours to execute an instruction in full, Sino-Rich is entitled to effect partial performance only without prior reference to the Client for its confirmation. The Client shall in any event accept and be bound by the outcome when any instruction is fully or partially executed.
- 5.9 Any day order for purchase or sale of securities placed by Sino-Rich at the request of the Client that has not been executed before the close business of the relevant Exchange or such other expiration date required by the relevant Exchange or such other later time as the Client and Sino-Rich may agree shall be deemed to have been cancelled automatically (to the extent not executed if executed in part).
- 5.10 Sino-Rich may, for the purposes of carrying out any instruction given by the Client, contract with or otherwise deal with or through any other agent, including any person or party associated in any manner with Sino-Rich, on such terms and conditions as Sino-Rich may in its absolute discretion determine.
- 5.11 Sino-Rich shall have the overriding right to decline to act on instructions from the Client to effect any order which, in the sole judgment of Sino-Rich, is an order for short selling any securities.
- 5.12 The Client acknowledges that due to the trading practices of different Exchanges, it may not always be able to execute orders at the prices quoted "at best" or "at market" and the Client agrees in any event to be bound by transactions executed by Sino-Rich following instructions given by the Client.
- 5.13 Subject to applicable laws and regulations and market requirements, Sino-Rich may in its absolute discretion determine the priority in the execution of its clients' orders, having due regard to the sequence in which such orders were received, and the Client shall not have any claim of priority to another client in relation to the execution of any order received by Sino-Rich.

6. Transaction Settlement

- 6.1 Unless otherwise agreed, with respect to each sale and purchase transaction executed on behalf of the Client, save where Sino-Rich is already holding cash or securities on behalf of the Client to settle the transaction, the Client will by such time as Sino-Rich has notified (whether verbally or in writing) the Client in relation to the relevant transaction:
- (1) pay Sino-Rich cleared funds or deliver to it securities in deliverable form; or
 - (2) otherwise ensure that Sino-Rich has received such funds or securities.
- 6.2 Unless otherwise agreed, the Client agrees that should the Client fail to make such payment or delivery of securities by the due date as mentioned in Clause 6.1, Sino-Rich is hereby authorized to:
- (1) in the case of a purchase transaction, to transfer or sell any such purchased securities, or to convert any amount in any currency in the account into the due currency to satisfy the Client's obligations to Sino-Rich; or
 - (2) in the case of a sale transaction, to borrow and/or purchase such securities to satisfy the Client's obligations to Sino-Rich.
- 6.3 The Client hereby acknowledges that the Client shall be responsible to Sino-Rich for any loss, costs, fees and expenses incurred by Sino-Rich in connection with the Client's failure to meet its obligations by the due date as described in Clause 6.1.

7. Contract Notes, Statements of Account and Receipts

- 7.1 Sino-Rich will provide the Client with such contract notes, statements of account and receipts relating to the Account in accordance with the Securities and Futures (Contract Notes, Statements of Account and Receipts) Rules (Cap. 571Q) and other applicable legal and regulatory requirements.
- 7.2 Sino-Rich may provide contract notes, statements of account and receipts to the Client by e-mail or by post. Sino-Rich may charge reasonable fees for providing such contract notes, statements of account and receipts by post upon the request of the Client. Where the Securities and Futures (Contract Notes, Statements of Account and Receipts) Rules (Cap. 571Q) and other applicable legal and regulatory requirements do not oblige Sino-Rich to provide any report or other document in relation to the Account, Sino-Rich may nonetheless opt to provide the same to the Client, if Sino-Rich considers appropriate to do so in its absolute discretion.
- 7.3 The Client agrees and acknowledges that any contract note, statement of account or receipt prepared for and issued to it by Sino-Rich may contain errors and mistakes due to a variety of reasons. The Client acknowledges and agrees that Sino-Rich is entitled to rectify any error contained in any contract note, statement of account or receipt howsoever caused and may re-issue to the Client the rectified contract note, statement of account or receipt.
- 7.4 The Client shall have the obligation to examine all contract notes, statements of account and receipts prepared for and issued to it by Sino-Rich from time to time and must notify Sino-Rich in writing of any error or purported error in relation to any contract note, statement of account or receipt within 5 Business Days after the date of issue or re-issue of the relevant contract note, statement of account or receipt. If the Client has not done so within time specified above, then subject to Clause 7.3:

- (1) the content of the relevant contract note, statement of account or receipt shall, in the absence of any manifest error, be conclusive evidence of all of the particulars set out therein as against the Client;
- (2) the Client shall be conclusively presumed to have waived any right to make any claim or complaint in relation to any transaction which is or should have been mentioned in such contract note, statement of account or receipt; and
- (3) Sino-Rich shall be released from all claims by the Client in relation to any such transaction.

8. Commissions, Expenses and Interest

- 8.1 Each transaction executed in accordance with an instruction of the Client on any Exchange may be subject to a transaction levy and other levies which that Exchange may from time to time impose. Sino-Rich is authorised to collect all such levies in accordance with the rules prescribed in the relevant Exchange from time to time.
- 8.2 The Client shall on demand pay Sino-Rich commissions for any purchase, sale or other transaction executed by Sino-Rich for and on behalf of the Client through the Account and service fees for any other services provided by Sino-Rich to the Client with respect to the Account, at such rate as Sino-Rich may from time to time have notified the Client, together with all related stamp duties, bank charges, transfer fees, interest, custodial expenses and other expenses.
- 8.3 Unless otherwise indicated, the Client agrees to pay interest to Sino-Rich in respect of any debit balance on the Account or any amount otherwise owing to Sino-Rich at any time at such rate as may be specified from time to time by Sino-Rich or failing any such specification at a rate equivalent to 10% per annum above the Hong Kong Dollar prime rate quoted by The Hongkong and Shanghai Banking Corporation Limited from time to time. Such interest shall accrue on a day-to-day basis and shall be payable on the last day of each calendar month or upon any demand being made by Sino-Rich.
- 8.4 Where any transaction requires the conversion of one currency into another, Sino-Rich shall be entitled to effect such conversion at such rate and at such time as it considers, in its absolute discretion, appropriate. The Client shall be responsible for all such costs, expenses and bank charges incurred by Sino-Rich.
- 8.5 All fees and other amounts payable to Sino-Rich pursuant to these Terms and Conditions shall be free and clear of and without any deduction or withholding for or on account of any taxes imposed, levied, collected, withheld or assessed by any authority in Hong Kong or in any other jurisdiction.
- 8.6 The Client agrees and acknowledges that Sino-Rich shall be entitled to (a) deduct from the Account all fees, commissions and charges to which it is entitled to receive under these Terms and Conditions and all expenses in relation to the Account and/or any transaction effected through the Account and/or any securities in the Account (including all levies, trading fees, clearing fees, stamp duties, bank charges, transfer fees, interest, custodial expenses and other expenses); and (b) without any prior notice to the Client, sell all or any securities, investments and other assets in the Account in order to settle any such fees, charges and expenses.

9. Securities in the Account

- 9.1 The Client specifically authorizes Sino-Rich, in respect of all securities deposited by the Client with Sino-Rich in Hong Kong or purchased or acquired in Hong Kong by Sino-Rich on behalf of the Client, and held in Hong Kong by Sino-Rich for safe keeping, to register the same in the name of the Client or in the name of Sino Rich or an associated entity of Sino-Rich, or deposit in safe custody in a segregated account which is designated as a trust account or client account and established and maintained in Hong Kong by Sino-Rich or an associated entity of Sino-Rich with an authorized financial institution, an approved custodian or another intermediary licensed for dealing in securities. In relation to securities deposited with Sino-Rich outside of Hong Kong, purchased or acquired by Sino-Rich on behalf of the Client outside of Hong Kong, and held outside of Hong Kong for safekeeping, the Client acknowledges and agrees that Sino-Rich may pursuant to Clause 4.2 and/or Clause 4.3, instead of acting personally, instruct, employ, engage and/or pay such agents and intermediaries as Sino-Rich may, in its absolute discretion, consider appropriate (including, but not limited to, sub-brokers, sub-dealers, custodians, sub-custodians and other professionals, whether in Hong Kong or elsewhere) with respect to the performance of any of its functions, powers or obligations pertaining to such securities outside of Hong Kong. The Client further acknowledges and agrees that the terms of business of such agents and intermediaries shall apply to and be binding on the Client.
- 9.2 Any securities held by Sino-Rich, any associated entity of Sino-Rich, banker, institution, custodian or intermediary under Clause 9.1 shall be at the sole risk of the Client and Sino-Rich and the relevant associated entity, banker, institution, custodian and intermediary shall be under no obligation to insure the Client against any kind of risk, which obligation shall be the sole responsibility of the Client.
- 9.3 If in relation to any securities deposited with Sino-Rich which are not registered in the name of the Client, any dividends or other distributions or benefits accrue with respect to such securities, the Account shall be credited (or payment made to the Client as may be agreed) with the proportion of such benefit equal to the proportion of the securities held on behalf of the Client out of the total number or amount of such securities.
- 9.4 If in relation to any securities deposited with Sino-Rich but which are not registered in the name of the Client, and loss is suffered by Sino-Rich, the Account may be debited (or payment made by the Client as may be agreed) with the proportion of such loss equal to the proportion of the securities held on behalf of the Client out of the total number or amount of such securities.

- 9.5 Save as provided in Clauses 6.2 and 9.6, Sino-Rich shall not, without the oral or written direction of the Client or standing authority under the Client Securities Rules, deposit, transfer, lend, pledge, re-pledge or otherwise deal with any of the securities of the Client for any purpose.
- 9.6 Sino-Rich is authorized, pursuant to section 6(3) of the Client Securities Rules, to dispose or initiate a disposal by its associated entity of any securities or securities collateral of the Client (and Sino-Rich 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 the Client to Sino-Rich, the associated entity or a third person.
- 9.7 Sino-Rich's obligations to deliver, to hold in safe custody or otherwise or to register in the name of the Client, securities purchased or acquired by Sino-Rich on behalf of the Client shall be satisfied by the delivery, the holding or registration in the name of the Client or its nominee of securities of the same class, denomination and nominal amount as, and rank pari passu with, those originally deposited with, transferred to or acquired by Sino-Rich on behalf of the Client (subject always to any capital reorganization which may have occurred in the meantime) and Sino-Rich shall not be bound to deliver or return securities which are identical with such securities in terms of number, class denomination, nominal amount and rights attached thereto.

10. Monies in the Account

- 10.1 Sino-Rich shall be entitled to deposit all monies held in the Account and all monies received in Hong Kong for or on the account of the Client with one or more segregated accounts in Hong Kong, each of which shall be designated as a trust account or client account, at one or more authorized financial institutions or any other person approved by the SFC for the purposes of section 4 of the Client Money Rules. Unless otherwise agreed between the Client and Sino-Rich, any interest accrued on such monies shall belong to Sino-Rich absolutely. For the avoidance of doubt, the Client acknowledges and agrees that the Client Money Rules or any requirement provided thereunder do not apply to any money received or held by Sino-Rich outside of Hong Kong.

11. New Listings

- 11.1 Where the Client requests and authorizes Sino-Rich to apply for securities in respect of a new listing and/or issue of securities on an Exchange as his agent and for his benefit of any other person, the Client hereby warrants to and for the benefit of Sino-Rich that Sino-Rich shall have the authority to make such application on behalf of the Client.
- 11.2 The Client shall familiarize itself and comply with all the terms and conditions governing the securities of the new listing and/or issue and the application for such new securities as set out in the prospectus, offering document, application form and all other relevant documents in respect of such new listing and/or issue and the Client agrees to be bound by such terms and conditions in any such transaction the Client may have with Sino-Rich.
- 11.3 The Client hereby gives to Sino-Rich all the representations, warranties and undertakings which an applicant for securities in a new listing and/or issue is required to give (whether to the issuer, sponsors, underwriters or placing agents of the relevant securities, the SEHK or any other relevant regulator or person).
- 11.4 The Client hereby further declares and warrants, and authorizes Sino-Rich to disclose and warrant to the SEHK on any application form (or otherwise) and to any other person as appropriate, that any such application made by Sino-Rich as his agent is the only application made, and the only application intended to be made, by the Client or on behalf of the Client, to benefit the Client or the person for whose benefit the Client is applying. The Client acknowledges and accepts that the aforesaid declaration and warranty will be relied upon by Sino-Rich and by the issuer, sponsors, underwriters or placing agents of the relevant securities, the SEHK or any other relevant regulator or person in respect of any application made by Sino-Rich as the Client's agent.
- 11.5 The Client acknowledges that any application made by an unlisted company which does not carry on any business other than dealing in securities and in respect of which the Client exercises statutory control shall be deemed to be an application made for the benefit of the Client.
- 11.6 The Client recognizes and understands that the legal, regulatory requirements and market practice in respect of applications for securities may vary from time to time as may the requirements of any particular new listing or issue of securities. The Client undertakes to provide to Sino-Rich such information and take such additional steps and makes such additional representations, warranties and undertakings may be required in accordance with such legal, regulatory requirements and market practice as Sino-Rich may in Sino-Rich's absolute discretion determine from time to time.
- 11.7 In relation to a bulk application to be made by Sino-Rich or its agent on Sino-Rich's own account and/or on behalf of the Client and/or any other client of Sino-Rich, the Client acknowledges and agrees:
- (1) that such bulk application may be rejected for reasons which are unrelated to the Client and the Client's application and that neither Sino-Rich nor Sino-Rich's agent shall, in the absence of fraud, negligence or wilful default, be liable to the Client or any other person in consequence to such rejection; and
 - (2) that the Client shall indemnify Sino-Rich in accordance with Clause 29 if such bulk application is rejected either in circumstances where the representations and warranties have been breached or otherwise because of factors relating to the Client and that the Client may also be liable in damages to other persons affected by such breach or other factors.

11.8 Sino-Rich, upon receipt of a request from the Client to apply for IPO Securities, may provide an IPO Loan. As continuing security for the due and punctual payment by the Client of all principal, interest and other sums owed by the Client to Sino-Rich in respect of the IPO Loan, the Client as beneficial owner hereby charges, by way of first legal charge, the IPO Securities to Sino-Rich until full payment made by the Client to Sino-Rich of the IPO Loan; and hereby expressly authorises Sino-Rich to receive and apply all sums of whatever nature received by Sino-Rich (or its nominees) in respect of any part of the charged shares towards repayment of the IPO Loan in such manner and at such time as Sino-Rich may determine.

12. Over-the Counter Transactions

12.1 With respect to any over-the-counter transaction (including but not limited to any transaction in respect of new securities prior to their listing on an Exchange) which the Client has entered into or are to be entered into by the Client, the Client acknowledges and agrees that:

- (1) Sino-Rich acts as agent for the Client and is not responsible for and cannot guarantee the settlement of the transaction;
- (2) the Client's order may only be partially executed or not executed at all and if the relevant securities subsequently fail to list on the Exchange, the transaction will be cancelled or become void;
- (3) in the event that the securities fail to be delivered, Sino-Rich is entitled to purchase the relevant securities in the market at the prevailing market price in respect of the transaction for the Client in order to complete the settlement of the relevant transaction and the Client shall bear all losses arising from or incurred by such transaction;
- (4) Where (a) the Client buys securities from a seller that fails to deliver the relevant securities; and (b) either the purchase of the securities cannot be effected or Sino-Rich decides, in exercise of its absolute discretion, not to purchase the securities under sub-clause (3), the Client will not be entitled to obtain the securities at the matched price and will only be entitled to receive the money paid for the purchase of the securities;
- (5) in the event that the Client buying any securities fails to deposit the necessary settlement amount, Sino-Rich is entitled to sell any and all securities held in the Account and use the sale proceeds after deducting all costs in settlement of the transaction, provided that if the Client is the seller under such transaction and such transaction cannot be settled, the Client will only be entitled to the securities but not the sale proceeds of the securities; and
- (6) without prejudice to the sub-clauses above, the Client shall bear all its losses and be responsible to Sino-Rich for any losses suffered by Sino-Rich resulting from any settlement failure on the part of any counterparty.

13. Margin Facilities

13.1 Subject to other provisions contained in these Terms and Conditions, Sino-Rich agrees to grant Margin Facilities to the Client, and the Client agrees to use such Margin Facilities, only for the purposes of financing the acquisition or holding of securities through the Account.

13.2 Subject to Clause 13.4, Sino-Rich may grant to the Client an aggregate amount of the Margin Facilities not exceeding such Credit Limit as Sino-Rich may notify the Client from time to time. Sino-Rich may, by notice from time to time, vary the Credit Limit and the Margin Ratio available to the Client. Notwithstanding the Credit Limit which has been notified to the Client, Sino-Rich shall have absolute discretion to extend any Margin Facility exceeding such Credit Limit to the Client, and the Client agrees that the Client shall be liable to repay the aggregate amount of all Margin Facilities granted by Sino-Rich in accordance with these Terms and Conditions.

13.3 The Client instructs and authorises Sino-Rich to draw on the Margin Facilities to satisfy the amounts payable to Sino-Rich with respect to the Client's purchase of securities, performance of such margin obligations for any position as required by Sino-Rich, or payment of any fee, expenses or interest owing to Sino-Rich.

13.4 Sino-Rich shall be entitled at any time to refuse to provide any Margin Facility to the Client. Without prejudice to the generality of the foregoing, the Client fully understands that Sino-Rich will not provide any Margin Facility to the Client if any of the following circumstances arises:

- (1) the Client fails to perform any provisions of these Terms and Conditions; or
- (2) Sino-Rich is of the opinion that any material adverse change is occurring or has occurred to the financial condition of the Client or to the financial condition of any person, which might adversely affect the Client's liabilities under or in relation to these Terms and Conditions and/or the performance of the Client's obligations under these Terms and Conditions; or
- (3) the provision of any further advance would lead to the applicable Credit Limit being exceeded; or
- (4) Sino-Rich, in its absolute discretion, considers it prudent or desirable not to provide any Margin Facility.

13.5 As long as the Client has any indebtedness owing to Sino-Rich, Sino-Rich shall be entitled to refuse at any time and from time to time any withdrawal by the Client of any or all Collaterals from the Account; and without the prior written consent of Sino-Rich, the Client shall not withdraw any Collateral in part or in full from the Account.

- 13.6 If Sino-Rich, in its absolute discretion, decides that it is necessary to provide adequate guarantee in relation to the Margin Facilities it provides, the Client shall, on demand of Sino-Rich, pay a certain sum of deposit or margin in such amount and form as Sino-Rich may designate by way of cash, securities or other assets, and such deposit or margin shall be paid to the Account within such time as specified (a "Margin Call"). For the purpose of making a Margin Call, Sino-Rich shall use its best endeavours to contact the Client as soon as possible by telephone through the number provided by the Client to Sino-Rich, and/or make the Margin Call to the Client by post, facsimile, email or otherwise. The Client agrees that it shall be deemed to have been properly notified even if Sino-Rich fails to contact the Client by telephone or the Client does not receive such written notice.
- 13.7 The Client agrees to pay interest on the Margin Facilities it received at the rate(s) as Sino-Rich may specify from time to time. Such interest will be accrued on a daily basis and may be deducted by Sino-Rich from the Account.

14. Charge

- 14.1 The Client, as beneficial owner, charges in favour of Sino-Rich by way of first fixed charge to all the Client's rights, titles, benefits and interests whatsoever in and to the Collateral as a continuing security (the "Charge"), so that the Client could satisfy on demand all monies and liabilities (absolute or contingent) and perform now or in the future the obligations which may be due, owing or incurred under these Terms and Conditions or the liabilities which the Client owing to Sino-Rich on the Account or in any manner (whether alone or jointly with any other person and in whatever name style or firm), together with interest from the date of demand to the date of repayment as well as and any commissions, legal and other costs, charges and expenses as recorded in the records of Sino-Rich.
- 14.2 Sino-Rich will credit all dividends or other benefits arising from the Collateral received on behalf of the Client to the Account as Collateral.
- 14.3 Notwithstanding that the Client makes any intermediate payment to Sino-Rich or liquidates the Account or satisfies all or part of the debts, and notwithstanding that the Client (either alone or jointly with others) subsequently reopens another account with Sino-Rich after closure of the Account, the Charge shall be a continuing security and shall extend to cover all or any sum for the time being constitutes the debit balance of the Client in the Account or the debit balance of the Client due to Sino-Rich.
- 14.4 The Client represents and warrants that the Collateral is legally and beneficially owned by the Client, that the Client is entitled to deposit the Collateral with Sino-Rich, that the deposited Collateral is and will remain free from any liens, charges or encumbrances of any kind, and that any stocks, shares and other securities comprised in the Collateral are and will be fully paid up.

15. Power of Attorney

- 15.1 The Client, by way of guarantee, irrevocably appoints Sino-Rich as an attorney to the Client act on behalf of the Client as well as do all acts and things and sign, seal, execute, deliver, perfect and enter into all deeds, instruments, documents, acts and things in the name of the Client, so that the Client could perform the obligations imposed on the Client pursuant to these Terms and Conditions, and so that Sino-Rich could generally exercise the rights and powers conferred on it under these Terms and Conditions, including (but without limitation):
- (1) to execute any transfer or guarantee in respect of any Collateral;
 - (2) to perfect its title in respect of any Collateral;
 - (3) to ask for, require, demand, receive, settle and satisfy in full any and all monies and amounts claimed due or to become due under or arising out of any Collateral;
 - (4) to give valid receipt and to discharge and endorse any cheque or other instrument or draft in relation to any Collateral;
 - (5) generally to file any claim or take any legal action or proceedings as it considers necessary and advisable in order to protect the security created under these Terms and Conditions.

16. Termination of Margin Facilities

- 16.1 All Margin Facilities are repayable on demand and may be varied or terminated in the absolute discretion of Sino-Rich. In particular, all Margin Facilities will be terminated upon the occurrence of any one or more of the following events:
- (1) the withdrawal or non-renewal of the Client's authorization to Sino-Rich as required by section 7 of the Securities and Futures (Client Securities) Rules; or
 - (2) the termination of the parties' agreement to abide by these Terms and Conditions in accordance with Clause 33 and any notice of termination shall also be deemed to be a notice of termination in respect of all Margin Facilities.
- 16.2 Upon termination of the Margin Facilities, any outstanding indebtedness of the Client shall forthwith be repaid to Sino-Rich.

17. Event of Default

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

- (1) the Client’s failure to pay any deposit or any other sum payable to Sino-Rich or submit to Sino-Rich any document or deliver any securities to Sino-Rich under these Terms and Conditions, when called upon to do so or on due date;
- (2) default by the Client in the due performance of any provision of these Terms and Conditions and the observance of any by-laws, rules and regulations of the relevant Exchange and/or Clearing House;
- (3) the filing of a petition in bankruptcy, winding up or the commencement of other analogous proceedings against the Client;
- (4) the death of the Client (being an individual);
- (5) the levy or enforcement of any attachment, execution or other process against the Client;
- (6) any failure to comply with a Margin Call;
- (7) any representation or warranty made by the Client to Sino-Rich in these Terms and Conditions and/or in any document being or becoming incorrect or misleading;
- (8) any consent, authorization or board resolution required by the Client (being a corporation or a partnership) to enter into these Terms and Conditions being wholly or partly revoked, suspended, terminated or ceasing to remain in full force and effect;
- (9) the occurrence of any event which, in the sole opinion of Sino-Rich, might jeopardize any of its rights under these Terms and Conditions;
- (10) Sino-Rich has made at least two attempts to demand from the Client any sum of money, but for whatever reason, has not been able to communicate directly with the Client;
- (11) the refusal or failure on the part of the Client to provide, renew or continue the Client Money Standing Authority or the Client Securities Standing Authority under Clause 20; and
- (12) the receipt by Sino-Rich of notice of any dispute as to the validity of any order or instruction from the Client.

17.2 If an Event of Default occurs, without prejudice to any other rights or remedies that Sino-Rich may have as against the Client and without further notice to the Client, Sino-Rich shall be entitled to:

- (1) immediately close the Account;
- (2) terminate all or any part of the parties’ agreement to abide by these Terms and Conditions;
- (3) cancel any or all outstanding orders or any other commitments made on behalf of the Client;
- (4) close any or all contracts between Sino-Rich and the Client, cover any short position of the Client through the purchase of securities on the relevant Exchange or (subject to Clauses 6.2 and 9.6) liquidate any long position of the Client through the sale of securities on the relevant Exchange;
- (5) subject to Clauses 6.2 and 9.6, dispose of any or all securities held for or on behalf of the Client and to apply the proceeds thereof and any cash deposit to settle all outstanding balance owing to Sino-Rich; and
- (6) combine, consolidate and set-off any or all account of the Client in accordance with Clause 19.

17.3 In the event of any sale or liquidation pursuant or this Clause:

- (1) Sino-Rich shall not be responsible for any loss occasioned thereby howsoever arising if it has already used reasonable endeavours to sell or dispose of the securities or any part thereof at the then available market price;
- (2) Sino-Rich will exercise its own judgment in determining the time to sell or dispose of the securities and Sino-Rich shall not be responsible for any loss occasioned thereby;
- (3) Sino-Rich shall be entitled to appropriate to itself the securities (or any part thereof) at the current price without being in any way responsible for loss occasioned thereby howsoever arising and without being accountable for any profit made by Sino-Rich; and
- (4) the Client undertakes to pay to Sino-Rich any deficiency if the net sale proceeds or net liquidation proceeds shall be insufficient to cover all the outstanding balances owing by the Client to Sino-Rich.

18. Proceeds of Sale

- 18.1 Subject to Clauses 6.2 and 9.6, the sale or liquidation proceeds of the Account made under Clause 17 shall be applied in the following order of priority and any residue shall be paid to the Client or to its order:
- (1) payment of all costs, charges, legal fees and expenses properly incurred by Sino-Rich (including stamp duties, commissions and brokerage fees) in transferring and/or selling any of the securities or properties in the Account and/or in perfecting title to such securities or properties;
 - (2) payment of all interest due; and
 - (3) payments of all monies and liabilities due, owing or incurred by the Client, to Sino-Rich.
- 18.2 Subject to the Client Money Rules, any dividends, interest or other payments which may be received or receivable by Sino-Rich in respect of any of the securities may be applied by Sino-Rich as though they were sale proceeds under these Terms and Conditions notwithstanding that the power of sale may not have arisen and notwithstanding that Sino-Rich may have paid the said dividends, interest or other payments to the Client after the Client's agreement to abide by these Terms and Conditions.

19. Rights of Set-off and Lien

- 19.1 In addition and without prejudice to any general liens, rights of set-off or other similar rights to which Sino-Rich may be entitled under law or these Terms and Conditions, all securities, receivable, monies (in any currency) and other property of the Client (held by the Client either individually or jointly with others) held by or in the possession of Sino-Rich at any time (including, but not limited to, all securities, receivables, monies and other property of the Client in the Account as well as those in any other securities and/or futures accounts maintained by the Client with Sino-Rich) shall be subject to general lien in favour of Sino-Rich as continuing security to offset and discharge all obligations of the Client, arising from the business of dealing in securities or otherwise, to Sino-Rich.
- 19.2 In addition and without prejudice to any general liens or other similar rights which Sino-Rich may be entitled under law or these Terms and Conditions and subject to applicable rules and regulations, including without limitation, the Client Money Rules and the Client Securities Rules, Sino-Rich may, at any time without notice to the Client, combine or consolidate any or all accounts, of any nature whatsoever and either individually or jointly with others, with Sino-Rich. Sino-Rich may set off or transfer any monies (in any currency), securities or other property in any such accounts to satisfy obligations or liabilities of the Client to Sino-Rich, whether such obligations and liabilities are actual or contingent, primary or collateral, secured or unsecured, or joint or several.
- 19.3 Without limiting or modifying the general provisions of these Terms and Conditions and subject to applicable rules and regulations, including without limitation, the Client Money Rule and the Client Securities Rules, Sino-Rich may, without notice, transfer all or any sum or properties interchangeably between any of the accounts maintained at any time by the Client with Sino-Rich.
- 19.4 In exercising its rights under this Clause 19, if Sino-Rich suffers any loss in relation to any securities which are deposited with Sino-Rich but which are not registered in the name of the Client, the Account may be debited (or payment made by the Client as may be agreed) with the proportion of such loss equal to the proportion of the securities held on behalf of the Client out of the total number or amount of such securities.

20. Client Money Standing Authority and Client Securities Standing Authority

- 20.1 The Client Money Standing Authority covers money held or received by Sino-Rich in Hong Kong (including any interest derived from the holding of the money which does not belong to Sino-Rich) in one or more segregated accounts on behalf of the Client ("**Client Money**" in this Clause 20), with such authority to be subject to applicable rules and regulations.
- 20.2 The Client authorises Sino-Rich as follows:
- (1) to combine or consolidate any or all segregated accounts, of any nature whatsoever and whether individually or jointly with others, maintained by Sino-Rich and Sino-Rich may transfer any Client Money to and between such segregated accounts to satisfy the Client's obligations or liabilities to Sino-Rich, whether such obligations and liabilities are actual or contingent, primary or collateral, secured or unsecured, or joint or several;
 - (2) to transfer any Client Money interchangeably between any of the segregated accounts maintained by Sino-Rich and/or any of the segregated accounts opened and maintained by Sino-Rich with any brokers and/or clearing firms outside Hong Kong at any time for the purpose of satisfying any margin requirement or any dealing, clearing or settlement requirement applicable to securities, futures contract and/or other financial products (where applicable);
 - (3) to keep any Client Money with brokers and/or clearing firms outside Hong Kong after trading to facilitate any future dealing, clearing or settlement of securities, futures contract and/or other financial product (where applicable); and
 - (4) to convert any Client Money into any other currency for any of the above purposes (where applicable).
- 20.3 The Client hereby agrees to provide Sino-Rich with the Client Securities Standing Authority as set out in Clause 20.4 in respect of the Client's securities and securities collateral, subject to its right to revoke such Client Securities Standing Authority at any time under

Clause 20.10. The Client understands and acknowledges the risks to the Client associated with giving the Client Securities Standing Authority.

20.4 The Client hereby authorizes Sino-Rich as follows:

- (1) to apply any of the Client's securities or securities collateral, including but not limited to shares, bonds, notes and other types of fixed income securities, pursuant to a securities borrowing and lending agreement and/or a securities repurchase agreement between Sino-Rich and a third party, subject to compliance with the Client Securities Rules;
- (2) subject to the Client Securities Rules regarding repledging limits, to deposit any of the Client's securities collateral with an authorized financial institution as collateral for financial accommodation provided to Sino-Rich;
- (3) to deposit any of the Client's securities collateral with HKSCC as collateral for the discharge and satisfaction of Sino-Rich's settlement obligations and liabilities; and the Client understands that HKSCC will have a first fixed charge over the Client's securities to the extent of Sino-Rich's obligations and liabilities;
- (4) to deposit any of the Client's securities collateral with any other recognized clearing house, or another intermediary licensed or registered for dealing in securities, as collateral for the discharge and satisfaction of Sino-Rich's settlement obligations and liabilities; and
- (5) to apply or deposit any of the Client's securities collateral in accordance with any of the foregoing paragraphs if Sino-Rich provides financial accommodation to the Client in the course of dealing in securities and also provides financial accommodation to the Client in the course of any other regulated activity for which Sino-Rich is licensed or registered.

20.5 The Client acknowledges and agrees that Sino-Rich may do any of the things stated in Clause 20.2 or 20.4 without giving any further notice to the Client.

20.6 The Client also acknowledges that:

- (1) the Client has been informed of the repledging practice of Sino-Rich and the Client has provided Sino-Rich with a standing authority to repledge the Client's securities or securities collateral;
- (2) the Client Money Standing Authority is given without prejudice to other authorities or rights which Sino-Rich may have in relation to dealing in Client Money in the segregated accounts; and
- (3) the Client Securities Standing Authority shall not affect Sino-Rich's right to dispose of the Client's securities or securities collateral in settlement of any liability owed by or on behalf of the Client to Sino-Rich or a third person.

20.7 The Client understands that a third party may have rights to the Client's securities, which Sino-Rich must satisfy before the Client's securities can be returned to the Client, and the Client also understands, acknowledges and agrees that there is risk that pursuant to a securities borrowing and lending agreement and/or a securities repurchase agreement between Sino-Rich and a third party, the third party may have rights over the Client's securities, including but not limited to certain rights over any dividend payment, coupon or interest payment distribution or any similar rights attached to or derived from the Client's securities, and in such cases, the Client may not be entitled to exercising those rights, and the Client further acknowledges and agrees that Sino-Rich shall not be liable for nor responsible for returning, repaying or compensating the Client regarding the aforesaid rights attached to or derived from such Client's securities.

20.8 The Client understands that there is risk that in the event of Sino-Rich becoming subject to insolvency, bankruptcy, liquidation, administration, moratorium, reorganisation and/or similar laws generally affecting the rights of creditors, the Client may become an unsecured creditor of Sino-Rich with respect to the said securities borrowing and lending agreement and/or the securities repurchase agreement which may result in the Client receiving either only a small percentage or none of (i) the Client's securities, and/or (ii) any cash sum equal to the value of the Client's securities which may be owed to the Client by Sino-Rich.

20.9 Each of the Client Money Standing Authority and the Client Securities Standing Authority shall be valid for 12 calendar months from the date on which the Client agrees to abide by these Terms and Conditions, subject to renewal by the Client or deemed renewal under the Client Money Rules or the Client Securities Rules (as the case may be). The Client acknowledges and agrees that both the Client Money Standing Authority and the Client Securities Standing Authority shall be deemed to be renewed for a period of 12 calendar months on a continuing basis without any written consent from the Client if Sino-Rich issues to it a written reminder at least 14 calendar days prior to the expiration date of the Client Money Standing Authority and the expiration date of the Client Securities Standing Authority, and the Client does not object to such deemed renewal before such expiry date.

20.10 The Client may revoke the Client Money Standing Authority or the Client Securities Standing Authority by giving a written notice addressed to Sino-Rich. Such notice shall take effect upon the expiry of 14 calendar days from the date of actual receipt of such notice by Sino-Rich.

21. Electronic Trading Services

21.1 The provisions of this Clause 21 shall apply to the Client who uses the Electronic Trading Services.

- 21.2 The Client may from time to time instruct Sino-Rich, acting as its agent, to deposit, purchase and/or sell securities for the Account or otherwise deal with securities, receivables or monies on behalf of the Client through the Electronic Trading Services.
- 21.3 The Client agrees that the Client shall be the only authorized user of its Electronic Trading Services. The Client shall be wholly and solely responsible for the confidentiality, security and use of any access code issued to it by Sino-Rich with respect to the Electronic Trading Services.
- 21.4 The Client acknowledges and agrees that the Client shall be wholly and solely responsible for all instructions entered through the Electronic Trading Services and that the Client shall indemnify Sino-Rich from any loss and/or damage which Sino-Rich may incur in connection with any use by the Client of the Electronic Trading Services.
- 21.5 The Client further acknowledges that the Electronic Trading Services, the website of Sino-Rich and the software comprised in them, are proprietary to Sino-Rich. The Client undertakes and warrants that the Client shall not, and shall not attempt to, tamper with, modify, decompile, reverse engineer, damage, destroy or otherwise alter in any way, and shall not attempt to gain unauthorized access to, any part of the Electronic Trading Services, the website of Sino-Rich and any of the software comprised in it.
- 21.6 The Client agrees that Sino-Rich shall be entitled to close the Account immediately without any notice to the Client, and the Client acknowledges that Sino-Rich may take legal action against the Client, if the Client is at any time in breach of this Clause 21 or if Sino-Rich at any time reasonably suspects that it has breached the same. The Client undertakes to notify Sino-Rich immediately, if the Client becomes aware that any of the actions described above this Clause 21 is being perpetrated by any other person.
- 21.7 The Client acknowledges and agrees that, as a condition of using the Electronic Trading Services to give instructions, the Client shall immediately notify Sino-Rich if:
- (1) an instruction has been placed through the Electronic Trading Services and the Client has not received an instruction number or has not received an accurate acknowledgement of the instruction or of its execution (whether by hard copy, electronic or verbal means);
 - (2) the Client has received acknowledgement (whether by hard copy, electronic or verbal means) of a transaction which the Client did not instruct or any similar conflict;
 - (3) the Client becomes aware of any of the acts stated in Clause 21.4 being done or attempted by any person;
 - (4) the Client becomes aware of any unauthorized use of its access code; or
 - (5) the Client has difficulties with regard to the use of the Electronic Trading Services.
- 21.8 The Client agrees to review every order before entering it as it may not be possible to cancel an instruction once given.
- 21.9 The Client acknowledges and agrees that Sino-Rich makes no representation or warranty that:
- (1) the Electronic Trading Services will meet any requirement of the Client;
 - (2) the Electronic Trading Services will be uninterrupted, timely, secure or error-free;
 - (3) the Electronic Trading Services are fit for any particular purpose;
 - (4) the Electronic Trading Services do not infringe any third party proprietary rights; or
 - (5) any errors in the technology will be detected or corrected.
- 21.10 The Client further acknowledges and agrees as follows:
- (1) The Electronic Trading Services are provided to the Client by a third-party service provider. Sino-Rich owes no responsibility to the Client in relation to any act or omission of such third-party service provider (including, but not limited to, any act or omission amounting to fraud, wilful misconduct or gross negligence on the part of such third-party service provider) and will not be involved in any dispute as between the Client and such third-party service provider.
 - (2) Where any guidelines have been issued by and/or on behalf of the third-party service provider in relation to the Electronic Trading Services, the Client shall strictly follow such guidelines. Sino-Rich shall not be responsible for any loss suffered by the Client as a result of its failure to do so.
 - (3) The Electronic Trading Services may be unavailable or may not function properly due to routine system upgrades, routine maintenance, excess demand on the systems and circumstances not within the control of Sino-Rich. Sino-Rich shall not be responsible for any loss or damage suffered by the Client due to the unavailability or improper functioning of the Electronic Trading Services at any time.
 - (4) Where the Client has been provided with the software for the purposes of operating the Electronic Trading Services through a computer or mobile device, the Client shall have the sole responsibility to ensure that the software can be installed in, and be fully compatible with, its computer or mobile device and Sino-Rich shall have no responsibility whatsoever for any

loss or damage suffered by the Client as a result to any incompatibility between the software and the Client's computer or mobile device.

- (5) The Client shall not access the Electronic Trading Services using any computer or mobile device not owned by it or which it is not licensed or authorised to use and shall take all measures to ensure that any computer or mobile device from which it access the Electronic Trading Services is free of and adequately protected against any computer virus or other malicious software.
 - (6) The Electronic Trading Services are accessible through the Internet, other communication channels or public systems over which Sino-Rich has no control. Sino-Rich shall not be liable for any loss or damage suffered by the Client as a result of any computer viruses, Trojan horses, worms, software bombs, malware or similar processes arising from the use by the Client of the Electronic Trading Services through the internet or those other communication channels or public systems.
- 21.11 The Client agrees that Sino-Rich shall not be liable for any loss or damage the Client or any other person may suffer as a result of using or attempting to use the Electronic Trading Services unless such loss or damage are caused by any fraud, wilful default or gross negligence on the part of Sino-Rich. The Client further undertakes to indemnify Sino-Rich, on a full indemnity basis, on demand, for any loss or damage Sino-Rich may suffer as a result of the use of the Electronic Trading Services, except to the extent that such loss or damage is outside the Client's control.
- 21.12 The Client acknowledges and agrees that Exchanges and certain associations may assert proprietary interests and rights over all market data they furnish to parties who disseminate such data. The Client further acknowledges and agrees that it will not furnish such market data to any other person or entity or do any act which would otherwise constitute any infringement of such rights or interests. The Client also understands that Sino-Rich does not guarantee the timeliness, sequence, accuracy or completeness of market data or any market information (including any information provided to the Client through the Electronic Trading Services). Sino-Rich shall not be liable in any way for any loss arising from or caused by (1) any inaccuracy, error in or omission from any such data, information or message; (2) any delay in the transmission or delivery thereof; (3) any suspension or congestion in communication; (4) any unavailability or interruption of any such data, message or information whether due to any act of Sino-Rich; or (5) by any forces beyond the control of Sino-Rich.

22. China Connect Securities (if applicable)

22.1 In this Clause 22, unless the context otherwise requires, the expressions below shall have the following meanings:

- (1) **"Applicable Stock Connect Requirements"** means the laws, rules, regulations, policies, interpretations, guidelines, requirements and other regulatory documents promulgated from time to time by Stock Connect Authorities with respect to any Stock Connect Programme (including, but not limited to, the Stock Connect Rules and other requirements and/or restrictions of any governmental or regulatory body, exchange or clearing house as may be published and/or amended from time to time);
- (2) **"A Shares"** means shares of and in corporations incorporated in Mainland China which are accepted for listing and admitted for trading on any stock exchange in Mainland China from time to time;
- (3) **"CCASS"** means the Central Clearing and Settlement System operated by HKSCC for the clearing of securities listed or traded on the SEHK and/or any system established for the purposes of any Stock Connect Program;
- (4) **"CCASS Rules"** means the general rules of CCASS as amended, supplemented, modified and/or varied from time to time;
- (5) **"China Connect Securities"** means securities listed on the Shanghai Stock Exchange or the Shenzhen Stock Exchange or any other stock exchange or market in Mainland China which are from time to time accepted as eligible stocks for trading by Offshore Investors pursuant to a Stock Connect Programme, including (unless the context otherwise requires) Special China Connect Securities;
- (6) **"Mainland China"** means the People's Republic of China, excluding (for the purposes of this Clause 22 only) Taiwan, Hong Kong, the Special Administrative Region of Macao;
- (7) **"Northbound Trading"** means the trading of China Connect Securities by Offshore Investors pursuant to a Stock Connect Programme.
- (8) **"Offshore Investor"** means any investor not based in Mainland China;
- (9) **"Special China Connect Securities"** means any securities listed in a stock market in Mainland China acceptable to the SEHK which are from time to time accepted as eligible stocks for sale only but not for purchase by Offshore Investors under any Stock Connect Programme;
- (10) **"Special Segregated Account"** has the meaning set out in the general rules of the CCASS;
- (11) **"SPSA Order"** means a sale order for China Connect Securities held in a Special Segregated Account;
- (12) **"Stock Connect Authorities"** means the exchanges, clearing systems and regulators which provide services for any Stock Connect Programme or regulate any Stock Connect Programme or activities in relation thereto, including (but not limited

to) the Hong Kong Monetary Authority, the SFC, the SEHK and its associated companies, the HKSCC, the People's Bank of China, China Securities Regulatory Commission, State Administration of Foreign Exchange, the Shanghai Stock Exchange, Shenzhen Stock Exchange, China Securities Depository and Clearing Corporation Limited and any other regulator, agency or authority with the jurisdiction or responsibility in respect of any Stock Connect Programme;

- (13) **"Stock Connect Programme"** means the Shanghai-Hong Kong Stock Connect, the Shenzhen-Hong Kong Stock Connect or any other securities trading and clearing link programme developed or to be developed between the SEHK and a trading platform in Mainland China as applicable.
- (14) **"Stock Connect Rules"** means, in the context of any Stock Connect Programme, any laws, rules, regulations, policies, interpretations, guidelines, requirements and/or other regulatory documents promulgated, published or applied by any of the Stock Connect Authorities in relation to the relevant market from time to time in respect of that Stock Connect Programme or any activities arising from that Stock Connect Programme; and
- (15) **"Trading Day"** means a day on which trading is conducted through the system for receiving and routing Northbound Trading orders on the SEHK.

22.2 The Client acknowledges that Northbound Trading is available only to Offshore Investors and undertakes on a continuing basis:

- (1) the Client is not a legal entity incorporated or registered in Mainland China;
- (2) the Client will use assets located outside of Mainland China only for its investments through Northbound Trading;
- (3) unless the Client is an Institutional Professional Investor (as defined in the SFC Code of Conduct) and such status has been confirmed by Sino-Rich, the Client will not place any order or give any instruction to buy or sell A Shares listed and admitted for trading on the ChiNext market of the Shenzhen Stock Exchange or the Sci-Tech Innovation Board of the Shanghai Stock Exchange (save and except Special China Connect Securities which are eligible for sale orders only); and
- (4) in the case where the Client is acting as agent on behalf of its own clients, the Client will not place any order or give any instruction to buy or sell A Shares listed and admitted for trading on the ChiNext market of the Shenzhen Stock Exchange or the Sci-Tech Innovation Board of the Shanghai Stock Exchange (save and except Special China Connect Securities which are eligible for sale orders only), unless the Client is reasonably satisfied that its own clients are Institutional Professional Investors.

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

22.4 Sino-Rich is not obliged to do any act until it has received all instructions, funds, property and documents necessary to comply with the Applicable Stock Connect Requirements but it may do so. If Sino-Rich elects to do so, it has the right to apply any procedures or requirements in respect of any trading of China Connect Securities through a Stock Connect Programme which it determines in its discretion to be necessary or desirable for the purpose of complying with any Applicable Stock Connect Requirements, its policies and/or market practice. Sino-Rich's rights will not be affected if it does not do so or as a consequence of anything done or omitted to be done by it acting in good faith.

22.5 Sino-Rich may, in its sole and absolute discretion, refuse to execute any instruction provided by the Client, if such instruction is not, or Sino-Rich reasonably believes it may not be, in compliance with any Applicable Stock Connect Requirements or its policies. Sino-Rich is not liable for any loss incurred by the Client which may directly or indirectly result from such refusal.

22.6 Sino-Rich only accepts orders for Northbound Trading which comply with the Applicable Stock Connect Requirements. Sino-Rich is not liable for any loss that the Client may suffer as a result of any attempt by the Client to place an order for Northbound Trading that does not comply with any Applicable Stock Connect Requirements.

22.7 Sino-Rich will not accept what it (in its sole and absolute opinion) considers to be a short selling order or an uptick long sale order in respect of any China Connect Securities. The Client represents and undertakes on a continuing basis on each date that any order that the Client places with Sino-Rich in relation to China Connect Securities is not, and will not be, a short selling order or an uptick long sale order in contravention of any Stock Connect Rules.

22.8 Sino-Rich will not accept any buy order from the Client in respect of A Shares listed and admitted for trading on the ChiNext market of the Shenzhen Stock Exchange or the Sci-Tech Innovation Board of the Shanghai Stock Exchange unless it determines in its absolute discretion that the Client is an Institutional Professional Investor.

22.9 To the extent that the Client instructs Sino-Rich to execute an SPSA Order on behalf of the Client, the provisions set out in this Clause 22.9 shall apply:

- (1) Prior to instructing Sino-Rich to execute any SPSA Order, the Client will provide to Sino-Rich all information or document in the manner as may be required by Sino-Rich from time to time in order for Sino-Rich to place an SPSA Order on behalf of the Client.
- (2) The Client authorises, and the Client has appropriate arrangements in place to authorise, the reproduction, replication and transmission of the stock holding records of the Special Segregated Account at any time for the purposes of enabling the SEHK and its associated companies to carry out their pre-trade checking procedures.

- (3) Where the Client instructs Sino-Rich to execute an SPSA Order on behalf of the Client and an investor identification number other than the Client's investor identification number is used to execute such order, the Client acknowledges and confirms that Sino-Rich may settle such SPSA Order using China Connect Securities from the Special Segregated Account pursuant to the Client's original instructions. Where the Client's investor identification number is used by Sino-Rich to execute an SPSA order on behalf of another client of Sino-Rich, the Client acknowledges and confirms that Sino-Rich may settle such SPSA order using China Connect Securities from the Special Segregated Account of that other client pursuant to that other client's original instructions.
- (4) The Client represents and undertakes on a continuing basis, including at each time when the Client places an SPSA Order, or otherwise give an instruction in relation to the China Connect Securities held in a Special Segregated Account, that with respect to any SPSA Order which the Client instructs Sino-Rich to execute, at all relevant times:
- (a) the Client has been designated such Special Segregated Account and CCASS has assigned the investor identification number to such Special Segregated Account that the Client has provided to Sino-Rich in respect to any such SPSA Order, in each case in accordance with the CCASS Rules and any applicable Stock Connect Rules;
 - (b) the Client unconditionally authorises Sino-Rich to execute the sale of the relevant China Connect Securities in the specified Special Segregated Account on behalf of the Client;
 - (c) there are, and will be, sufficient China Connect Securities in the Special Segregated Account for the Client to settle the delivery obligations in respect of such SPSA Order on the settlement day as required under the Stock Connect Rules; and the Client will ensure that the China Connect Securities that are the subject of the SPSA Order will be delivered to Sino-Rich or the account specified by Sino-Rich no later than the cut-off time for delivery as may be specified by Sino-Rich from time to time or, if earlier, as may be specified by any relevant Stock Connect Authority, on the settlement day specified by Sino-Rich and in compliance with any other requirements for settlement which may be specified by Sino-Rich to the Client or the Client's agent for settlement from time to time;
 - (d) the total number of China Connect Securities subject to SPSA Orders, in respect of China Connect Securities in that Special Segregated Account on any relevant Trading Day will not exceed the total stock holding position in respect of the same China Connect Securities as shown against the investor identification number for the relevant Special Segregated Account immediately prior to the commencement of operation of the relevant Stock Connect Programme on that Trading Day or as at such other time as may be specified by Sino-Rich or by any relevant Stock Connect Authority from time to time;
 - (e) to the extent that (i) the Client is a fund manager and (ii) the Client aggregates SPSA Orders across more than one Special Segregated Account (whether they are maintained with one or more custodian participant registered pursuant to the CCASS Rules), the Client has authority from all relevant parties (including the relevant funds or sub-funds) so to aggregate such SPSA Orders and allocate China Connect Securities across the relevant Special Segregated Accounts at the Client's discretion; and any such actions taken or to be taken comply with all Applicable Stock Connect Requirements and do not involve any misappropriation of client assets;
 - (f) the relevant number of China Connect Securities recorded in the relevant Special Segregated Account will be used by the Client for stock settlement of such SPSA Order in accordance with the CCASS Rules and any other relevant Stock Connect Rules; and
 - (g) to the extent that an SPSA Order is a short selling order, the relevant borrowed securities are held in the relevant Special Segregated Account and the SPSA Order is in compliance with the Stock Connect Rules applicable to SPSA Orders. For the avoidance of doubt, Sino-Rich does not accept any short selling orders.
- (5) The Client must forthwith inform Sino-Rich if any of the representations set out in sub-clause (4) above are no longer correct or have become misleading or the Client has not complied, or will not comply, with any of the obligations under this Clause 22 or under the Stock Connect Rules in a way which may affect the ability of Sino-Rich to execute an SPSA Order in compliance with the Stock Connect Rules.
- (6) In the event that there is a breach of any of the terms of this Clause 22.9 which results in a failure by Sino-Rich to deliver any China Connect Securities held in the relevant Special Segregated Account to CCASS with respect to any SPSA Order as required by the Stock Connect Rules:
- (a) the Client acknowledges that Sino-Rich is entitled to inform HKSCC that the failure to deliver was the result of the failure to deliver from a Special Segregated Account and, as a result, any overdue short stock position quantities will be deducted from the sellable balances of the relevant Special Segregated Account; and
 - (b) the Client agrees to provide any information or any other assistance as may be required by Sino-Rich to ensure that SEHK and/or HKSCC is satisfied that the overdue short stock position was a result of a failure to deliver the China Connect Securities from a Special Segregated Account.

22.10 Northbound Trading is traded and settled in Renminbi. If the Client does not have sufficient offshore Renminbi in the Account for any purchase order of China Connect Securities through Northbound Trading or other payment obligation with respect to any Stock Connect Programme, the Client authorises Sino-Rich to convert any funds in another currency in any Account into offshore Renminbi for the purposes of settlement in connection with any Stock Connect Programme. If there are no such funds (or all or any part of

such funds cannot be converted into sufficient offshore Renminbi) before any such settlement, settlement may be delayed and/or fail and the Client may not be able to purchase or transfer the relevant China Connect Securities.

- 22.11 The Client waives any of its rights in any jurisdiction to pay any amount other than in the currency in which it is due. Where Sino-Rich receives an amount in a currency other than that in which it is due:
- (1) Sino-Rich may convert the amount into the due currency on such date and at such rates as Sino-Rich reasonably considers appropriate without prior notice to the Client and Sino-Rich may deduct its costs incurred in the conversion; and
 - (2) the Client satisfies its obligations to pay in the due currency only to the extent of the amount of the due currency obtained from the conversion after deducting the costs of the conversion.
- 22.12 The Client must comply with all applicable exchange control laws and requirements in connection with Northbound Trading.
- 22.13 Sino-Rich may in its discretion reject any sale order from the Client if it considers that the Client does not have sufficient available China Connect Securities in the Account by the applicable cut-off time (as notified to the Client by Sino-Rich from time to time) or if for any other reason Sino-Rich considers that there is or may be non-compliance with any Applicable Stock Connect Requirement. The Client indemnifies Sino-Rich for any loss incurred in connection with any non-compliance or potential non-compliance with pre-trade checking and/or any Applicable Stock Connect Requirement.
- 22.14 Sino-Rich may reject the Client's purchase order or sale order upon a request from SEHK, the Shanghai Stock Exchange, the Shenzhen Stock Exchange, or any other Stock Connect Authority. Sino-Rich is not liable for any loss incurred by the Client in connection with any such request from SEHK, the Shanghai Stock Exchange, the Shenzhen Stock Exchange, or any other Stock Connect Authority.
- 22.15 If Sino-Rich is unable to effect an order cancellation request received from the Client due to the occurrence of a contingency (such as a breakdown or failure of all communication links between SEHK and the Shanghai Stock Exchange, the Shenzhen Stock Exchange or the operator of any other exchange or market under a Stock Connect Programme), the Client shall remain liable for his settlement obligations if the relevant order has already been matched and executed.
- 22.16 Sino-Rich is not liable for any loss incurred by the Client in connection with any trading based on the Client's instructions. Sino-Rich is not able to unwind any trade, and the Client should also take note of the settlement arrangements in respect of China Connect Securities under a Stock Connect Programme, the pre-trade checking requirement and the restriction on day (turnaround) trading which may affect the Client's ability to mitigate the consequences of his own error trades.
- 22.17 The Client authorises Sino-Rich to sell or arrange for the sale of any quantity of China Connect Securities held on the Client's behalf at such price and on such terms as Sino-Rich may determine in its absolute discretion if: (a) Sino-Rich receives an instruction directly or indirectly from any Stock Connect Authority requiring the Client to sell and liquidate any specified China Connect Securities; (b) Sino-Rich is of the view that the Client is in breach or may be in breach of any Applicable Stock Connect Requirements; or (c) Sino-Rich has held on the Client's behalf such China Connect Securities for a period longer than Sino-Rich's prescribed period as notified to the Client from time to time.
- 22.18 Save where an Applicable Stock Connect Requirement prohibits Sino-Rich from excluding or limiting its liability or where the loss is directly caused by Sino-Rich's fraud, wilful misconduct or gross negligence, Sino-Rich is not liable for any loss incurred in connection with this Clause 22 or any Northbound Trading (including in connection with the provision, unavailability or improper functioning of any services in connection with any Stock Connect Programme, delay or error in the transmission of any electronic payment transfer, failure or delay in the execution of any instruction, breakdown or failure of any communications system, delay in providing funds to the Client, or any other thing Sino-Rich does or does not do). This applies where the loss arises for any reason and even if the loss was reasonably foreseeable or Sino-Rich had been advised of the possibility of the loss.
- 22.19 To the maximum extent permitted by the Applicable Stock Connect Requirements, the Client indemnifies Sino-Rich against, and must pay Sino-Rich on demand for, any loss Sino-Rich reasonably incurs in connection with all proceedings and/or taxes howsoever arising, directly or indirectly, out of or resulting from the Client's trading of China Connect Securities pursuant to any Stock Connect Programme.
- 22.20 For the avoidance of doubt, Clauses 22.18 and 22.19 are in addition to Clause 29 and all other exclusions or limitations of Sino-Rich's liability and indemnities set out in these Terms and Conditions.
- 22.21 The Client acknowledges and agrees as follows:
- (1) Sino-Rich does not provide any Margin Facilities, short selling or stock borrowing and lending services with respect to China Connect Securities.
 - (2) The Client must comply with all Applicable Stock Connect Requirements applicable to its trading of China Connect Securities from time to time through any Stock Connect Programme.
 - (3) The SEHK has the power not to extend any services relating to trading China Connect Securities through any Stock Connect Programme to the Client and the power to require Sino-Rich not to accept instructions from the Client if it is found that the Client, Sino-Rich and/or any of Sino-Rich's clients has or may have committed any abnormal trading conduct set out in the Stock Connect Rules or failed to comply with any Stock Connect Rules.
 - (4) The Shanghai Stock Exchange, the Shenzhen Stock Exchange and the operators of other exchanges and/or markets under any Stock Connect Programme have the power to carry out investigations and may, through the SEHK or any other

governmental or regulatory body, require Sino-Rich to provide relevant information and materials relating to the Client; and assist in any Stock Connect Authority's investigation on the Client and/or its trading activities.

- (5) Where a Stock Connect Authority considers that there is a serious breach of the Applicable Stock Connect Requirements, Sino-Rich may be required by the Stock Connect Authority to issue warning statements (verbally or in writing) to the Client; and cease to provide any services to the Client with respect to the trading of China Connect Securities through any Stock Connect Programme.

23. Monetary Benefits, Trading Profits and Soft Dollar Arrangements

- 23.1 The Client agrees that Sino-Rich shall be entitled to, whether directly or indirectly, earn, receive and/or retain (a) monetary benefits for effecting transactions in investment products for the Client; and (b) trading profits for effecting sales and purchases of investment products to or from third parties for the Client. Set out below are the monetary benefits and trading profits which may be earned, received and retained by Sino-Rich (which may be varied upon notice to the Client):

<u>Type of Investment Product</u>	<u>Monetary Benefits and/or Trading Profits</u>
Bonds	Up to 1.5% of the investment amount of the transaction
Equities	Up to 1.5% of the investment amount of the transaction
Unit Trusts or Mutual Funds	Initial commission rebate up to 3% of the subscription amount Trailer fee up to 60% of the trust or fund's annual management fee
Other Investment Products	Up to 1.5% of the investment amount of the transaction

- 23.2 The Client further agrees that Sino-Rich is also entitled to receive non-monetary benefits, including (without any limitation) research reports, market analysis data, portfolio analysis, training and seminars from product issuers.

- 23.3 Further disclosure is hereby made by Sino-Rich to the Client that to the extent permitted by the applicable laws and regulations, Sino-Rich may do (and the Client hereby gives its express written consent for it to do) any of the following things:

- (1) solicit, receive and retain goods and services, other soft dollar benefits, brokerage commission rebates and other cash or money rebates from any service provider (including, but not limited to, any sub-broker, sub-dealer, custodian, manager, advisor, administrator or other intermediary) arising out of (a) effecting any transaction for, on behalf of or with the Client; or (b) any customer referral to such service provider;
- (2) offer, pay and give goods and services, other soft dollar benefits and cash or money rebates to any service provider (including, but not limited to, any sub-broker, sub-dealer, custodian, manager, advisor, administrator or other intermediary) arising out of (a) effecting any transaction for, on behalf of or with the Client; or (b) any customer referral from such service provider; and
- (3) solicit, make and retain gains by entering into any transaction for, on behalf of or with the Client at a price different from that at which Sino-Rich has entered into with any other person (including any of its associates).

24. Conflicts of Interest

- 24.1 Services provided to the Client under these Terms and Conditions are not provided by Sino-Rich on an exclusive basis. The Client acknowledges that Sino-Rich may act as a broker, dealer, custodian, administrator, investment advisor, investment manager, intermediary or service provider for or to other clients from time to time. The Client acknowledges and accepts that there may, in the course of the business of Sino-Rich, be potential conflicts between its interests and those of its other clients.

- 24.2 Where Sino-Rich or any of its other clients has or may have a conflict of interest with the Client, it shall take reasonable steps to ensure fair treatment of the Client, the steps which it takes being in the absolute discretion of Sino-Rich, provided that Sino-Rich shall at all times act in accordance with the applicable laws and regulations.

- 24.3 The Client agrees and acknowledges that Sino-Rich (including any of its directors, officers, employees and agents, any of its associated companies (as the term is defined under the Companies Ordinance (Cap. 622)) and any director, officer, employee or agent of any such associated company) may invest in, directly or indirectly, or provide services to other clients (including collective investment schemes) who invest in, the same securities or other assets which the Client holds, intends to purchase or intends to sell. Sino-Rich shall be under no obligation to (a) offer any investment opportunity to the Client; (b) inform the Client of any such opportunity; or (c) share with the Client of any benefit received by Sino-Rich (including any of its directors, officers, employees and agents, any of its associated companies (as the term is defined under the Companies Ordinance) or any director, officer, employee or agent of any such associated company) in relation to such opportunity.

25. Solicitations and Recommendations

- 25.1 The Client acknowledges and agrees that the Client retains full responsibility for all decisions made with respect to all instructions given or transactions executed for or through the Account and that the Client makes its own decisions and judgments in respect of such instructions and transactions.
- 25.2 Sino-Rich has no responsibility or obligation in relation to any conduct, action, representation or statement of any introducing firm, investment advisor or other third party that is not acting on behalf of Sino-Rich in connection with the Account or any transaction made or to be made through the Account.
- 25.3 The availability of investment research reports or other data from third parties does not constitute any advice, recommendation or opinion from Sino-Rich to buy or sell any securities or any investment product. Any investment decisions based on such reports or data from third parties will be based on the Client's own evaluation based on its own financial circumstances and investment objectives.
- 25.4 The Client acknowledges and agrees that where it requests Sino-Rich to contact it in respect of investment opportunities that may be of interest to it, Sino-Rich is not obliged to provide it with any financial, market or investment information, suggestion or recommendation, but if Sino-Rich elects to do so, Sino-Rich does not act as its investment adviser. Notwithstanding the foregoing provisions, nothing in this Clause 25.4 shall derogate from Clause 25.5.
- 25.5 Subject to Clause 25.6, if Sino-Rich solicits the sale of, or recommends, any financial product to the Client, the financial product must be reasonably suitable for the Client having regard to its financial situation, investment experience and investment objectives. No other provision of these Terms and Conditions or any other document Sino-Rich may ask the Client to sign and no statement Sino-Rich may ask the Client to make derogates from this Clause 25.5. For the purposes of this Clause 25.5, the term "financial product" means any securities, futures contracts or (to the extent applicable) leveraged foreign exchange contracts as defined in the SFO.
- 25.6 Clause 25.5 shall not apply where (a) the Client is an Institutional Professional Investor (as the term is defined in the SFC Code of Conduct) or (b) a Corporate Professional Investor (as the term is defined in the SFC Code of Conduct) eligible for exemptions or disapplication from the requirements set out in paragraph 15.5 of the SFC Code of Conduct; and the Client accepts to be treated as a professional investor (as the term is defined in the SFO) under the SFC Code of Conduct.

26. Confidentiality

- 26.1 Sino-Rich and the Client shall, at all times, respect and protect the confidentiality of information acquired under or in relation to these Terms and Conditions save and except where Sino-Rich or the Client (as the case may be) may be entitled or bound to disclose information under compulsion of law or pursuant to any requirement of any regulatory authority. Nothing in this Clause 26 shall prevent the disclosure of information by any party to its auditors or legal or other professional advisers in the proper performance of their duties.
- 26.2 Save with the written consent of Sino-Rich, the Client shall not (except under compulsion of law) disclose to any person any confidential information relating to Sino-Rich or to its affairs whether before or after termination of these Terms and Conditions. The Client shall use all reasonable endeavours to prevent any disclosure of any such confidential information.

27. Client Identity

- 27.1 If any transaction was effected through the Account by the Client, not for itself, but for the account of another person:
- (1) the Client shall, upon any investigation or request by any regulatory authority in relation to the transaction, immediately provide, and authorise Sino-Rich to provide, all documents and information relating to such investigation or request, including (but not limited to) the names, addresses, occupations and contact details of that other person and (if different) all persons who gave Instructions for effecting the transaction in question as well as all ultimate beneficiaries of such transaction; and
 - (2) the Client shall have arrangements in place with that other person, whereby that other person will be required to immediately provide the Client with all documents and information pertinent to any investigation or any request by any regulatory authority in relation to the transaction and the Client will be authorised to provide all such documents and information to the relevant regulatory authority.

28. Representations, Warranties, Undertakings and Acknowledgements

- 28.1 The Client hereby represents and warrants to Sino-Rich on a continuing basis that:
- (1) (in the case of an individual) it is of full age and sound mind and fully understands these Terms and Conditions;
 - (2) (in case of a corporation) it is validly incorporated and existing pursuant to the laws of its place of incorporation and has full power and capacity to accept, and perform its obligations under, these Terms and Conditions; its agreement to abide

by these Terms and Conditions has been duly authorized by its governing body and is in accordance with the constitutional documents of the Client;

- (3) the agreement to abide by, and performance of, these Terms and Conditions and any instruction given under these Terms and Conditions will not contravene or constitute a default under any existing applicable law, statute, ordinance, rule or regulation or judgment or cause to be exceeded any limit by which the Client or any of the Client's asset is bound;
- (4) save as otherwise disclosed to Sino-Rich in writing, all transactions to be effected under these Terms and Conditions are for the benefit of the Client and no other party has any interest therein;
- (5) subject to any security interest of Sino-Rich created pursuant to any agreement between the Client and Sino-Rich, all securities provided by the Client for selling or crediting into the Account are fully paid with valid and good title and whose legal and beneficial titles are owned by the Client;
- (6) the information contained in the Client Information Form or other information supplied by or on behalf of the Client to Sino-Rich in connection with the Account(s) is complete, true and correct and Sino-Rich is entitled to rely on such information until written notice from the Client of any changes therein has been received by Sino-Rich;
- (7) the Client has read and understood the Risk Disclosure Statement in Schedule 1 and other similar risk disclosure statements provided and updated from time to time by Sino-Rich; and will fully accept all of the risks as set out therein, with Sino-Rich having no responsibility whatsoever for any loss which the Client may suffer as a result of the maturation of any of those risks; and
- (8) the Client has read and understood the Privacy Policy in Schedule 2 as the same may be revised and/or supplemented from time to time by Sino-Rich.

28.2 Without prejudice to the generality of the provisions contained in the Privacy Policy, the Client acknowledges and agrees that Sino-Rich may collect, store, process, use, disclose and transfer personal data with respect to the Client (including the Broker-to-Client Assigned Number for the Account (the BCAN) and client identification information (the CID), with both the terms "BCAN" and "CID" having the meanings as defined in paragraph 5.6 of the SFC Code of Conduct) as required for Sino-Rich to provide services to the Client in relation to securities listed or traded on SEHK and for complying with the rules and requirements of the SEHK and the SFC in effect from time to time. Without limiting the foregoing, such purposes include:

- (1) disclosing and transferring personal data relating to the Client (including its BCAN and CID) to the SEHK and/or the SFC in accordance with the rules and requirements of SEHK and the SFC in effect from time to time and (if the Client conducts any trading of China Connect Securities (as defined in Clause 22.1) in accordance with the provisions contained in Clause 22) to any other Stock Connect Authorities (as defined in Clause 22.1) in accordance with the Applicable Stock Connect Requirements (as defined in Clause 22.1) in effect from time to time;
- (2) allowing the SEHK to (i) collect, store, process and use personal data relating to the Client (including its BCAN and CID) for market surveillance and monitoring purposes and enforcement of the rules of the exchange of the SEHK; and (ii) disclose and transfer such information to the relevant regulators and law enforcement agencies in Hong Kong (including, but not limited to, the SFC) so as to facilitate the performance of their statutory functions with respect to the Hong Kong financial markets and (if the Client conducts any trading of China Connect Securities in accordance with the provisions contained in Clause 22) to any other Stock Connect Authorities in accordance with the Applicable Stock Connect Requirements in effect from time to time; and (iii) use such information for conducting analysis for the purposes of market oversight;
- (3) allowing the SFC to (i) collect, store, process and use personal data relating to the Client (including its BCAN and CID) for the performance of its statutory functions including monitoring, surveillance and enforcement functions with respect to the Hong Kong financial markets; and (ii) disclose and transfer such information to relevant regulators and law enforcement agencies in Hong Kong in accordance with applicable laws or regulatory requirements and (if the Client conducts any trading of China Connect Securities in accordance with the provisions contained in Clause 22) to any other Stock Connect Authorities in accordance with the Applicable Stock Connect Requirements in effect from time to time;
- (4) providing the Client's BCAN to the HKSCC allowing HKSCC to: (i) retrieve from SEHK (which is allowed to disclose and transfer to HKSCC), process and store its CID and transfer its CID to any issuer's share registrar to enable the HKSCC and/or the issuer's share registrar to verify that the Client has not made any duplicate applications for the relevant share subscription and to facilitate the balloting and settlement of any IPO Securities; and (ii) process and store the Client's CID and transfer its CID to any issuer, any issuer's share registrar, the SFC, the SEHK and any other parties involved in any new listing and/or issue of securities on an Exchange for the purposes of processing any subscription application or for any other purposes as set out in the prospectus, offering document, application form and all other relevant documents with respect to such new listing and/or issue; and
- (5) (if the Client conducts any trading of China Connect Securities in accordance with the provisions in Clause 22) allowing all other Stock Connect Authorities collect, store, process and use personal data relating to the Client (including its BCAN and CID) for the performance of their functions under and/or in relation to the Stock Connect Rules and other Applicable Stock Connect Requirements.

28.3 The Client further agrees that despite any subsequent purported withdrawal of consent by it, its personal data may continue to be stored, processed, used, disclosed or transferred for any of the purposes specified in Clause 28.2 after its purported withdrawal of consent.

- 28.4 The Client acknowledges and agrees that its failure to provide Sino-Rich with its personal data or consent as stated in Clause 28.2 may mean that Sino-Rich will not (or will no longer be able to) carry out its instructions or provide it with services under these Terms and Conditions (other than to sell, transfer out or withdraw the Client's existing holdings of securities, if any).
- 28.5 The Client undertakes to perform such acts, sign and execute all such agreements or documents whatsoever as may be required by Sino-Rich for the performance or implementation of these Terms and Conditions or any part thereof.
- 28.6 The Client must notify Sino-Rich 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). Without prejudice to the overriding right of the Sino-Rich under Clause 5.11 to decline to act on instructions from the Client to effect any order which, in the sole judgment of Sino-Rich, is an order for short-selling any securities, no short selling order will be accepted by Sino-Rich unless the Client provides Sino-Rich with such confirmation, documentary evidence and assurance as Sino-Rich in its opinion considers necessary to show that the Client has a presently exercisable and unconditional right to vest such securities in the purchaser before placing any short selling order. For the purposes of this Clause 28.6, Sino-Rich will not treat the Client as having a presently exercisable and unconditional right to vest securities in the purchaser by virtue of the Client having an option to acquire such securities to which the short selling order relates.
- 28.7 Without prejudice to Clauses 5.11 and 28.6, the Client acknowledges and agrees as follows:
- (1) Sino-Rich shall owe no responsibility whatsoever to the Client for identifying whether or not an instruction placed by the Client would amount to a short selling order.
 - (2) Where the Client gives an instruction which would amount to a short selling order and Sino-Rich, in its sole and absolute discretion, accepts such an instruction, the Client confirms that it understands and would comply with all of the provisions contained in sections 170 and 171 of the SFO and all other applicable laws and regulations.
 - (3) Sino-Rich may (but is not obliged to) execute an instruction amounting to a short selling order if it (in its sole and absolute discretion) is satisfied (a) that the Client has a presently exercisable and unconditional right to vest the relevant securities in the purchaser of them by virtue of having under a securities borrowing and lending agreement (i) borrowed the relevant securities; or (ii) obtained a confirmation from the counterparty to such securities and borrowing and lending agreement that the counterparty has the relevant securities available to lend to the Client; and (b) the Client has delivered to Sino-Rich such assurance and documents in relation to the securities borrowing and lending agreement as Sino-Rich may, in its sole and absolute discretion, consider necessary or desirable.
 - (4) Sino-Rich will not effect a short selling order on the SEHK unless the underlying securities is on the list of designated securities eligible for short shorting as may be published and updated by the SEHK from time to time.
 - (5) Where Sino-Rich, in its sole and absolute discretion, agrees to effect a short selling order, it may effect such a short selling order upon such conditions as it considers, in its sole and absolute discretion, appropriate.
 - (6) Where Sino-Rich is unable to borrow the relevant securities to enable the Client to effect delivery on any short-selling order or where Sino-Rich is unable to re-borrow the relevant securities in order to satisfy a re-call notice from the lender of such securities, then Sino-Rich may be subject to a buy-in pursuant to the applicable laws or regulations. In such circumstances, Sino-Rich shall not be liable for any losses, costs or expenses of the Client arising from such borrowing, re-borrowing or buy-in.
- 28.8 The Client agrees not to pledge or charge any securities or monies forming part of the Account without the prior consent of Sino-Rich, or to sell, grant an option over, or otherwise deal in any securities or monies forming part of the Account.
- 28.9 Sino-Rich and the Client undertake to inform each other of any material change to the information provided in accordance with these Terms and Conditions. In particular, Sino-Rich and the Client agree that:
- (1) Sino-Rich will notify the Client of any material change to any of the following information: (a) its name, its address, its licensing status with the SFC or its CE number; (b) the nature of services to be provided to or made available to the Client; and (c) provisions of these Terms and Conditions in relation to its remuneration (including, but not limited to, the basis of such remuneration); and
 - (2) the Client will on its own initiative notify Sino-Rich of any change to its name, address, phone number, nationality and identification document and will provide supporting documents and such other documents as reasonably required by Sino-Rich from time to time.
- 29. Liabilities and Indemnity**
- 29.1 Nether Sino-Rich nor any of its directors, officers, employees and agents shall have any liability whatsoever (whether in negligence or otherwise) for any loss, expense or damage suffered by the Client as a result of:
- (1) Sino-Rich acting or relying on any instruction given by the Client; or

- (2) any condition or circumstances which are beyond the reasonable control of Sino-Rich, its directors, officers, employees and agents, including (but not limited to) any delay in the transmission of any order due to any disruption, breakdown, failure and/or unauthorized use of the Electronic Trading Services, any prevailing market condition, any action of any Exchange or any governmental agency, theft, war (whether declared or not), severe weather, earthquakes and strikes; or
 - (3) Sino-Rich exercising any or all of its rights conferred by the provisions of these Terms and Conditions.
- 29.2 Without limiting the generality of Clause 29.1, neither Sino-Rich nor any of its directors, officers, employees or agents shall have any liability whatsoever (whether in negligence or otherwise) for and loss, expenses or damage suffered by the Client arising out of or alleged to arise out of or in connection with any inconvenience, delay or loss of use of the Electronic Trading Services or any delay or alleged delay in acting or any failure to act on any instruction given by the Client to Sino-Rich, even if Sino-Rich has been advised of the possibility of any costs, claims, damage.
- 29.3 The Client undertakes to indemnify and keep indemnified Sino-Rich in respect of any costs, claim, demands, damages and expenses whatsoever which may be reasonably and properly suffered or incurred by Sino-Rich directly or indirectly arising out of or in connection with any transaction entered into by Sino-Rich as agent on behalf of the Client or otherwise whatsoever or howsoever arising out of anything done or omitted to be done by Sino-Rich in accordance with the provisions of these Terms and Conditions or pursuant to any Client's instruction or communication. The Client also agrees to pay promptly to Sino-Rich, on demand, all damages, costs and expenses (including legal expenses on a full indemnity basis) reasonably and properly incurred by Sino-Rich in the enforcement of any of the provisions of these Terms and Conditions.
- 29.4 The Client undertakes to indemnify and keep indemnified Sino-Rich and its directors, officers, employees and agents from any loss, cost, claim, liability or expense arising out of or in connection with any breach by the Client of its obligations under these Terms and Conditions, including any costs reasonably and necessarily incurred by Sino-Rich in collecting any debts due to Sino-Rich or in connection with the closure of the Account.
- 29.5 The Client acknowledges and agrees that the provision of services by Sino-Rich and its performance of other obligations under these Terms and Conditions may be interrupted or rendered impossible by contagious diseases (including, but not limited to, a virus known as covid-19 and its variants) or preventive or control measures imposed or recommended by public authorities in response to such contagious diseases. The Client agrees to hold harmless and indemnify Sino-Rich and waives, releases, discharges and covenants not to sue (or take any other action) against Sino Rich from or in respect of any and all claims, damages, expenses, liabilities or losses arising as a result of or in relation to such contagious diseases or such preventive or control measures imposed or recommended by public authorities in response to such contagious diseases.

30. Joint and Several Liability

- 30.1 Where the Client comprises two or more persons (whether in the form of partnership, joint account holders or in any other form), the following provisions shall apply:
- (1) Each of the partners or persons making up the Client (each a "joint client") shall be jointly and severally liable for the obligations and liabilities under these Terms and Conditions and/or in relation to any instruction given or any transaction effected under these Terms and Conditions.
 - (2) Any instruction given or purported to be given by any one or more of the joint clients shall be treated as a valid Instruction given by all joint clients. Sino-Rich may accept instructions from, provide receipts to, and deal for any purposes with any one of the joint clients.
 - (3) Any demand, statement, notice, document or information served, sent or given by Sino-Rich on or to any one joint client shall be deemed to be served, sent or given on or to all other joint clients.
 - (4) Any sum paid, or any chattel, securities or other chose in action delivered, by Sino-Rich to any one of the joint clients shall be a valid and complete discharge of its payment or delivery obligation with respect to such sum, chattel, securities or chose in action, towards all other joint clients, regardless of whether such payment or delivery is made before or after the death of any one or more joint clients.
 - (5) The death of any one joint client shall not result in the termination of these Terms and Conditions. Sino-Rich shall be entitled to treat the interests of the deceased joint client under these Terms and Conditions (including interests in the monies, securities, investments and other assets in the Account) as being vested in or inure to the benefit of the surviving joint clients, provided that Sino-Rich shall be entitled to enforce against the deceased joint client's estate any liabilities assumed by the deceased joint client. Surviving joint clients shall notify Sino-Rich in writing of the death of the deceased joint client immediately upon becoming aware of his / her death.
 - (6) If the Client is a partnership, these Terms and Conditions shall continue to be binding on the Client, notwithstanding any change in its constitution, name or membership, whether by reason of death, bankruptcy, retirement or disability of any of the partners, admission of any new partner or occurrence of any other event which would or may lead to the dissolution of the partnership at law.

31. Anti-Money Laundering and Sanctions

- 31.1 Notwithstanding any other provision contained in these Terms and Conditions to the contrary, Sino-Rich is not obliged to do or omit to do anything if it would, or might in its reasonable opinion, constitute a breach of any applicable laws or regulations in relation to anti-money laundering, counter-terrorist financing, non-proliferation of weapons of mass destruction or economic sanctions or other restrictive measures imposed by the United Nations Security Council, Hong Kong, the United States of America, the European Union and/or any of its member states non-proliferation of weapons of mass destruction (“**AMLCFT**” collectively in this Clause 31).
- 31.2 Upon request from Sino-Rich, the Client must provide Sino-Rich with all requested documents and information which are within its possession, custody or control to enable Sino-Rich to comply with any applicable laws or regulations and Sino-Rich’s internal policies and procedures. The Client undertakes to notify Sino-Rich of all matters as may be prescribed and/or accepted by Sino-Rich of any change of contact details (including, but not limited to, address, telephone number, email address and fax number) or any change or addition of material information (including, but not limited to, directors, partners, beneficial owners, shareholders, controllers, legal status and constitutional documents).
- 31.3 If the Client or any other person in connection with the Client and/or these Terms and Conditions refuses or fails to promptly provide any document or information reasonably requested by Sino-Rich, Sino-Rich may be unable to provide new, or continue to provide all or part of the Services to the Client and Sino-Rich reserves its right to terminate the business relationship with the Client; and to block or close the Account at its sole discretion to enable Sino-Rich to comply with any applicable laws or regulations and Sino-Rich’s internal policies and procedures.
- 31.4 Sino-Rich is required to act in accordance with applicable laws and regulations and requests made from time to time by regulatory authorities in Hong Kong or in any other jurisdiction, including (but not limited to) those relating to AMLCFT. The Client agrees that Sino-Rich may take such action it considers, in its sole and absolute discretion, appropriate (including, but not limited to, disclosing any information relating to the Client, any other persons connected with the Client and/or these Terms and Conditions) to any law enforcement, regulatory or other authorities (whether in Hong Kong or in any other jurisdiction) where required by such laws and regulations or requests. Such action may include, but is not limited to, the interception and investigation of any payment messages and other information or communications sent to or by the Client or for and on behalf of the Client and making further inquiries as to whether a name which might refer to a person or entity subject to economic sanctions or other restrictive measures and whether that name actually refers to that person or entity.
- 31.5 The Client agrees that Sino-Rich may take sufficient time to consider, investigate, verify or to intercept a transaction, if the Client or any other person in connection with the Client and/or these Terms and Conditions becomes a person subject to economic sanctions or other restrictive measures, or upon the occurrence of a match on Sino-Rich’s AMLCFT related filters. In some circumstances, the actions taken by Sino-Rich may prevent or cause a delay in the process of certain information, instructions and/or transactions.
- 31.6 Sino-Rich will not be liable for any loss (whether direct or consequential and including, without limitation, loss of profit or interest) or damage suffered by any party arising in connection with this Clause 31. The Client further acknowledges and agrees that Sino-Rich is not required to provide reasons for any decisions it makes, including (but not limited to) actions taken or not taken, or unless expressly required by applicable laws or regulations.
- 31.7 The Client agrees to exercise its rights and perform its duties under these Terms and Conditions in accordance with all applicable laws and regulations relating to AMLCFT.
- 31.8 The Client declares that it is acting on its own behalf and not in a trustee or agency capacity, unless otherwise disclosed to Sino-Rich with details of the ultimate beneficiary for whom the Client is trading, and agrees to provide evidence of due authority and specimen signatures for each person authorised to give instructions to Sino-Rich on behalf of the Client.

32. Foreign Account Tax Compliance Act and Common Reporting Standard

- 32.1 The Client hereby irrevocably authorises Sino-Rich to disclose and submit such information provided by the Client, including without limitation to personal information, to the competent governmental or regulatory bodies in the relevant jurisdiction (including without limitation to U.S. Internal Revenue Service, U.S. Department of the Treasury and the Hong Kong Inland Revenue Department) for the purpose of compliance with the requirements under the US Foreign Account Tax Compliance Act (“**FATCA**” in this Clause 32), the Common Reporting Standard and other related laws, regulations, codes and rules.
- 32.2 The Client further acknowledges that Sino-Rich may not notify the Client such disclosure or submission as required by the applicable laws or regulations; and agrees that it will not require Sino-Rich to make such notification to the Client before or after the disclosure or submission of the information to the relevant governmental or regulatory bodies.
- 32.3 The Client undertakes that it will promptly provide Sino-Rich with such information as Sino-Rich may request from time to time for the purposes of complying with any requirement under FATCA, the Common Reporting Standard and other related laws, regulations, codes and rules. The Client shall ensure that the information so provided to Sino-Rich shall always be true, complete and accurate without misleading in all material aspects.
- 32.4 The Client further undertakes that it will promptly notify Sino-Rich whenever any information provided by it to Sino-Rich pursuant to Clause 32.3 is changed or becomes untrue, incomplete, inaccurate or misleading and provide Sino-Rich the necessary updated information.

- 32.5 Upon request from Sino-Rich, the Client shall promptly provide Sino-Rich such additional or substitute certificates, forms and other documentary evidences as may be requested by Sino-Rich, including (but not limited to) the substitute tax forms of expired tax forms (if any), the Client's written nationality statement, certificate of loss of US nationality and privacy waivers.
- 32.6 The Client acknowledges and agrees that failing to provide any information requested by Sino-Rich will entitle Sino-Rich to change the FATCA or the Common Reporting Standard status of the Account, suspend the trading activities through the Account, withhold the assets in the Account, close the Account or sell the assets in the Account to produce withholdable payments at the sole and absolute discretion of Sino-Rich.
- 32.7 The Client hereby authorises Sino-Rich to withhold any part of or all assets in the Account (in cash or other forms) or to sell assets in the Account to produce withholdable payments if, at the sole and absolute discretion of Sino Rich:
- (1) the Client does not provide Sino-Rich with the information or documents requested in a timely manner or if any information or documents provided are not up-to-date, accurate or complete such that Sino-Rich is unable to ensure its ongoing compliance or adherence with the requirements under FATCA;
 - (2) the FATCA status of the Client is identified as a recalcitrant or non-participating foreign financial institution;
 - (3) there is no reliable evidence to treat the Client as exempted from withholding requirement under FATCA or other relevant regulations;
 - (4) the withholding is required by competent governmental or regulatory bodies in the relevant jurisdiction; or
 - (5) the withholding is otherwise necessary or appropriate for the compliance of the requirements under FATCA, the Common Reporting Standard and other related laws, regulations, codes and rules.

33. Term and Termination

- 33.1 The parties' agreement to abide by these Terms and Conditions shall come into effect on the account opening date specified in the account opening form for the Account and shall continue in full force and effect until terminated pursuant to the provisions of these Terms and Conditions.
- 33.2 Any party may terminate the parties' agreement to abide by these Terms and Conditions at any time and for any reason upon serving a written notice of not less than 14 Business Days on the other party.
- 33.3 Notwithstanding anything stated in Clause 33.2, Sino-Rich shall have the right to terminate the parties' agreement to abide by these Terms and Conditions without notice upon occurrence of an Event of Default in accordance with the provisions Clause 17.
- 33.4 Termination of the parties' agreement to abide by these Terms and Conditions shall not affect any right of any party accrued before such termination. In addition to this Clause 33, Clauses 2, 3, 14 to 20, 26, 27, 29 to 32 and 34 shall survive the termination.

34. General Provisions

- 34.1 Notices: All notices, demands, communications and documents required to be given by Sino-Rich to the Client or by the Client to the Sino-Rich with respect to these Terms and Conditions may be given by letter, telex, facsimile transmission, e-mail or telephone to the appropriate address or numbers.
- 34.2 Understanding of these Terms and Conditions: The Client confirms that it has read, understood and agrees to abide by the provisions of these Terms and Conditions, which have been explained to it in a language (English or Chinese) which it understands.
- 34.3 Complaints: Any complaint from the Client should be directed to the Complaint Handling Officer in accordance with the instructions shown on Sino-Rich's website from time to time. Sino-Rich shall attempt to resolve all issues with the Client internally, failing which the Client may wish to raise its issues to Financial Dispute Resolution Centre.
- 34.4 Assignment: All of the Client's rights and obligations under these Terms and Conditions are personal to the Client and shall not be capable of assignment by the Client without the written consent of Sino-Rich. The Client agrees that Sino-Rich may transfer its rights and obligations under these Terms and Conditions without the Client's consent.
- 34.5 Third Party Rights: Save and except that a director, officer, employee or agent of Sino-Rich may rely upon, and enforce, the provisions in Clause 29, no other person who is not a party to these Terms and Conditions shall have any right under the Contracts (Rights of Third Parties) Ordinance (Cap. 623) to enforce any term of these Terms and Conditions.
- 34.6 Governing law and Jurisdiction: These Terms and Conditions shall be governed by and construed in accordance with the laws of Hong Kong. The parties to these Terms and Conditions irrevocably submit to the non-exclusive jurisdiction of the courts of Hong Kong, provided that Sino-Rich may enforce these Terms and Conditions in such other courts having jurisdiction as it selects.
- 34.7 Language Versions: If there is any conflict between the English version and the Chinese version of these Terms and Conditions, the English version shall prevail.

SCHEDULE 1 – RISK DISCLOSURE STATEMENT

Risk of securities trading

The prices of securities fluctuate, sometimes dramatically. The price of a security may move up or down, and may become valueless. It is as likely that losses will be incurred rather than profit made as a result of buying and selling securities.

Risk of trading 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.

Risk of trading in leveraged foreign exchange contracts

The risk of loss in leveraged foreign exchange trading can be substantial. You may sustain losses in excess of your initial margin funds. Placing contingent orders, such as "stop-loss" or "stop-limit" orders, will not necessarily limit losses to the intended amounts. Market conditions may make it impossible to execute such orders. You may be called upon at short notice to deposit additional margin funds. If the required funds are not provided within the prescribed time, your position may be liquidated. You will remain liable for any resulting deficit in your account. You should therefore carefully consider whether such trading is suitable in light of your own financial position and investment objectives.

Risk of trading Growth Enterprise Market stocks

Growth Enterprise Market (GEM) stocks involve a high investment risk. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. GEM stocks may be very volatile and illiquid. You should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors. Current information on GEM stocks may only be found on the internet website operated by The Stock Exchange of Hong Kong Limited. GEM Companies are usually not required to issue paid announcements in gazetted newspapers. You should seek independent professional advice if you are uncertain of or have not understood any aspect of this risk disclosure statement or the nature and risks involved in trading of GEM stocks.

Risks of client assets received or held outside Hong Kong

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

Risks of Securities in the Custody of Sino-Rich

There are risks in leaving securities in the custody of Sino-Rich or its agents. For example, if Sino-Rich becomes insolvent, you may experience significant delay in recovering your securities.

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.

Compensation fund

If Sino-Rich commits a default as defined in Part XII of the SFO and a qualifying client thereby suffers any pecuniary loss, the qualifying client shall have a right to claim under the compensation fund established under the SFO, subject to the terms of the compensation fund from time to time. The qualifying client's right to claim under the compensation fund shall be subject to such restrictions and limitations as provided in the SFO and its rules and regulations.

Risk of electronic trading

If you place any order on an electronic trading system, you will be exposed to risks associated with that electronic trading system, including (but not limited to) the risk of any failure of hardware and software. The result of any system failure may be that your order is not executed according to your instructions or that your order is not executed at all.

Risk of providing an authority to hold mail or to direct mail to third parties

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

Risk of margin trading

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

Risk of trading Nasdaq-Amex securities at The Stock Exchange of Hong Kong Limited

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

Risk of investment in unit trusts and mutual funds

The Client appreciates that (1) the value of any unit trust or mutual fund and the income from it can fluctuate (including, without limitation, as a result of exchange rate changes) and is not guaranteed in full or at all, (2) past performance of a unit trust or mutual fund is not necessarily a guide to future performance and (3) the amount invested in any unit trust or mutual fund may not be recovered in full or at all.

Certain private funds involved specific risks. The purpose of capital contributions in private funds is usually to provide such funds with capital in order to finance projects or investments that are expected to generate higher returns involving higher risks. The capital contributions are either made by a single payment or in other cases by several payments over a certain period of time, which is generally known as "capital calls". Private funds are less liquid than other securities and in certain cases, fund holdings cannot be sold or transferred freely. An investment in private funds will involve significant risks due, among other things, to the nature of the fund's investments. You should have the financial ability and willingness to accept the risks and lack of liquidity that are characteristic of the investments. No assurance can be given that the private fund's investment objective will be achieved or that you will receive a return of your capital. There can be no guarantee that any appreciation in the value of the private fund's investments will occur and you may not get back the full value, indeed any, of your investments.

Risk of odd lot trading

Under certain situation (for example, right shares issue, share split, shares allocation from master account), investors may be holding odd lot shares. Odd lot shares are usually trade at a discount price.

Additional risk disclosure for futures and options trading

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.

Futures

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 the firm 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.

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.

Options

Variable degree of risk: Transactions in options carry a high degree of risk. 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. 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 (see the section on Futures above). If the purchased options expire worthless, you will suffer a total loss of your investment which will consist of the option premium plus transaction costs. If you are contemplating purchasing deep-out-of-the-money options, you should be aware that the chance of such options becoming profitable ordinarily is remote. Selling (“writing” or “granting”) an option generally entails considerably greater risk than purchasing options. Although the premium received by the seller is fixed, the seller may sustain a loss well in excess of that amount. The seller will be liable for additional margin to maintain the position if the market moves unfavourably. The seller will also be exposed to the risk of the purchaser exercising the option and the seller will be obligated to either settle the option in cash or to acquire or deliver the underlying interest. If the option is on a futures contract, the seller will acquire a position in a futures contract with associated liabilities for margin (see the section on Futures above). If the option is “covered” by the seller holding a corresponding position in the underlying interest or a futures contract or another option, the risk may be reduced. If the option is not covered, the risk of loss can be unlimited. 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

Terms and conditions of contracts: You should ask the firm with which you deal 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.

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. 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”.

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

Commission and other charges: Before you begin to trade, you should obtain a clear explanation of all commission, fees and other charges for which you will be liable. These charges will affect your net profit (if any) or increase your loss.

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

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

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

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

Off-exchange transactions: In some jurisdictions, and only then in restricted circumstances, firms are permitted to effect off-exchange transactions. The firm with which you deal may be acting as your counterparty to the transaction. It may be difficult or impossible to liquidate an

existing position, to assess the value, to determine a fair price or to assess the exposure to risk. For these reasons, these transactions may involve increased risks. Off-exchange transactions may be less regulated or subject to a separate regulatory regime. Before you undertake such transactions, you should familiarize yourself with applicable rules and attendant risks.

Risk relating to securities borrowing and lending

Securities Borrowing and Short Selling: The risk of loss in stock borrowing and short selling is substantial, also may be involved in lender requiring delivery of securities lent within specific time. In some circumstances, the Client may sustain losses in excess of its initial margin funds. Even if the Client has set an alternate instruction, such as “stop-loss” or “stop-limit” orders, it may still not be able to avoid loss since market conditions may make such directions cannot be performed. The Client may be called upon at short notice to deposit additional margin funds. If the required funds are not provided within the prescribed time, part of or all securities the Client short sold may have to be bought back without its prior consent. The Client should closely monitor its positions, as in extreme conditions the Company may not be able to contact you or provide you with sufficient time to make the required deposits, and forced bought back may be necessary. The Client will remain liable for any resulting deficit in its account. The Client should therefore carefully consider whether stock borrowing and short selling is suitable for it in the light of its own financial position and investment objectives before it trades.

Risk of failure to return the securities lent: The borrower may default on its obligation and fails to return the securities lent in a timely manner or at all.

Risk of delay in the return of securities lent: Any delay in the return of securities lent may restrict the ability of the lender to meet delivery or payment obligations arising from its counterparty's redemption request and may trigger claims.

Market risk: If the borrower defaults, there is a risk that the collateral held by the lender may be realised at a value lower than the value of the securities lent. This may be due to adverse market movements in the value of the collateral, intra-day increase in the value of the securities lent, a deterioration in the credit rating of the collateral issuer, default or insolvency of the collateral issuer or the illiquidity of the market in which the collateral is traded.

Operational risk: Securities lending activities entail operational risks such as settlement failure or delays in the settlement of instructions.

Risk of not achieving its objective: There can be no assurance that the objective sought to be obtained from use of stock lending (such as to increase return for the lender and/or to reduce its tracking error) will be achieved.

Risk of Trading in Derivatives and Structured Products

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;
- the tax treatment of such derivative; and
- the regulatory treatment of such derivative.

Risks of 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 transaction necessarily depend upon the terms of the transaction and your circumstances. In general, however, all OTC derivative transactions involve some combination of market risk, credit risk, funding risk and operational risk.

- 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.
- Credit risk is the risk that a counterparty will fail to perform its obligations to you when due.

- 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.
- 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 customized 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 market makers and dealers generally quote prices or terms for entering into or terminating OTC derivative transactions and provide indicative or midmarket 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 counter party 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 relating to Trading in US Exchange-listed or OTC Securities or Derivatives

You should understand the US rules applicable to trades in security or security-like instrument in markets governed by US law before undertaking any such trading. US law could apply to trading in US markets irrespective of the law applicable in your home jurisdiction. Many (but by no means all) stocks, bonds and options are listed and traded on US stock exchanges. NASDAQ, which used to be an OTC market among dealers, has now also become a US exchange.

For exchange-listed stocks, bonds and options, each exchange promulgates rules that supplement the rules of the US Securities & Exchange Commission ("SEC") for the protection of individuals and institutions trading in the securities listed on the exchange. OTC trading among dealers can continue in exchange-listed instruments and in instruments that are not exchange-listed at all.

For securities that are not listed on any exchange, trading can continue through the OTC bulletin board or through the inter-dealer "pink sheets" that carry representative (not actual) dealer quotes. These facilities are outside of NASDAQ. Options on securities are subject to SEC rules and the rules of any securities exchange on which the options are listed. Options on futures contracts on commodities like wheat or gold are governed by rules of the US Commodity Futures Trading Commission ("CFTC").

There are also commercial options, like options on real estate, that are governed neither by SEC nor CFTC rules. Whether you are intending to trade in US exchange-listed securities, OTC securities or derivatives (such as Options or Futures), you should understand the particular rules that govern the market in which you are intending trade. An investment in any of these instruments tends to increase the risk and the nature of markets in derivatives tends to increase the risk even further.

Market makers of OTC bulletin board are unable to use electronic means to interact with other dealers to execute trades. They must manually interact with the market, i.e. use standard phone lines to communicate with other dealers to execute trades. This may cause delays in the time it takes to interact with the market place. This, if coupled with increase in trade volume, may lead to wide price fluctuation in OTC bulletin board securities as well as lengthy delays in execution time. You should exercise extreme caution when placing market orders and fully understand the risks associated with trading in OTC bulletin board. Market data such as quotes, volume and market size may or may not be as up-to-date as expected with NASDAQ or listed securities. As there may be far fewer market makers participating in OTC securities markets, the liquidity in that security may be significantly less than those in listed markets. As such, you may receive a partial execution or the order may not be executed at all. Additionally, the price received on a market order may be significantly different from the price quoted at the time of order entry. When fewer shares of a given security are being traded, larger spreads between bid and ask prices and volatile swings in price may result. In some cases, the liquidation of a position in an OTC security may not be possible within a reasonable period of time. Issuers of OTC securities have no duty to provide any information to investors, maintain registration with the SEC or provide regular reports to investors.

Taxation Risks

Any income or profit from trading in any securities or securities-like instrument in markets governed by US law may be subject to withholding taxes, capital gains taxes, net investment income taxes, estate duties or other taxes, levies, duties or other fees or charges imposed by the

authorities of the country of the issuer or the US in which such securities or securities-like instruments are traded. In such event, unless the issuer agrees to gross-up the income or profit received by you, you will only receive the interest payment or proceeds of sale or redemption of the securities or securities-like instruments less the taxes, levies, duties and/or other fees or charges required to be withheld. Such income or profit may further be subject to other applicable capital gains taxes, net investment income taxes, estate duties or other taxes, levies, duties or other fees or charges imposed by the authorities.

Please also note that Sino-Rich does not offer tax advice of any nature and whilst Sino-Rich may provide information or express opinions from time to time, such information or opinions are not offered as tax advice. You should decide upon any dealing only after having made all such enquiries and assessments as you consider appropriate, and you should place no reliance on us to give advice or make recommendations. If you are in any doubt as to your tax position, you should consult your own independent tax advisers.

Risks of Exchange-Traded Structured Products (“Structured Products”)

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 creditworthiness of structured product issuers. You should note that “Issuers Credit Rating” showing the credit ratings of individual issuers is now on the SEHK corporate website.

Uncollateralised product risk

Uncollateralised 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 uncollateralised.

Gearing risk

Structured Products 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.

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.

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.

Liquidity risk

The SEHK 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.

Risks Involved in Trading Equity Linked Instruments

Not principal protected

An ELI is not principal protected. Investors may suffer a loss if the prices of the reference asset go against their view. In extreme cases, investors could lose their entire investment.

Exposure to equity market

The potential return on the ELI may be capped at a predetermined level specified by the issuer.

Credit risk of the issuer

When investors purchase an ELI, investors rely on the credit-worthiness of the issuer to fulfil its obligation to deliver the nominal amount or shares at maturity. In case of default or insolvency of the issuer, investors will have to rely on their distributor, an unsecured creditor, to act on its behalf and file a claim with the issuer, regardless of the performance of the reference asset. At worst, investors may get nothing back and lose their entire investment.

Limited market making

Issuers may provide limited market making arrangement for their ELIs. For instance, bid prices are offered only on a biweekly basis. Therefore, if investors try to terminate an ELI before maturity under such a market-making arrangement, investors may end up with an amount less than their original investment.

Investing in an ELI is not the same as investing in the reference asset

Changes in the market price of the reference asset may not lead to a corresponding change in the market value and/or potential pay-out of the ELI. Moreover, during the investment period, investors have no rights in the reference asset.

Risks of Trading Exchange-traded funds (“ETFs”)

Market risk

ETFs are typically designed to track the performance of certain indices, market sectors, or groups of assets such as stocks, bonds, or commodities. ETF managers may use different strategies to achieve this goal, but in general they do not have the discretion to take defensive positions in declining markets. Investors must be prepared to bear the risk of loss and volatility associated with the underlying index/assets.

Tracking errors

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

Trading at discount or premium

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

Foreign exchange risk

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

Liquidity risk

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

Counterparty risk involved in ETFs with different replication strategies

Full replication and representative sampling strategies: An ETF using a full replication strategy generally aims to invest in all constituent stocks/assets in the same weightings as its benchmark. ETFs adopting a representative sampling strategy will invest in some, but not all of the relevant constituent stocks/assets. For ETFs that invest directly in the underlying assets rather than through synthetic instruments issued by third parties, counterparty risk tends to be less of concern.

Synthetic replication strategies: ETFs utilising a synthetic replication strategy use swaps or other derivative instruments to gain exposure to a benchmark. Currently, synthetic replication ETFs can be further categorized into two forms:

- Swap-based ETFs. Total return swaps allow ETF managers to replicate the benchmark performance of ETFs without purchasing the underlying assets. Swap-based ETFs are exposed to counterparty risk of the swap dealers and may suffer losses if such dealers default or fail to honor their contractual commitments.
- Derivative embedded ETFs. ETF managers may also use other derivative instruments to synthetically replicate the economic benefit of the relevant benchmark. The derivative instruments may be issued by one or multiple issuers. Derivative embedded ETFs are subject to counterparty risk of the derivative instruments' issuers and may suffer losses if such issuers default or fail to honour their contractual commitments.

Even where collateral is obtained by an ETF, it is subject to the collateral provider fulfilling its obligations. There is a further risk that when the right against the collateral is exercised, the market value of the collateral could be substantially less than the amount secured resulting in significant loss to the ETF. It is important that investors understand and critically assess the implications arising due to different ETF structures and characteristics.

Risks Relating to Leveraged & Inverse Products ("L&I Products")

Investment Risks

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

Volatility Risks

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

Unlike conventional ETFs

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

Long-term Holding Risks

L&I Products are not intended for holding longer than the rebalancing interval, typically one day. Daily rebalancing and the compounding effect will make the L&I Product's performance over a period longer than one day deviate in amount and possibly direction from the leveraged/inverse performance of the underlying index over the same period. The deviation becomes more pronounced in a volatile market. As a result of daily rebalancing, the underlying index's volatility and the effects of compounding of each day's return over time, it is possible that the leveraged product will lose money over time while the underlying index increases or is flat. Likewise, it is possible that the inverse product will lose money over time while the underlying index decreases or is flat.

Risks of Rebalancing Activities

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

Liquidity Risks

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

Intraday Investment Risks

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

Portfolio Turnover Risks

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

Correlation Risks

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

Termination Risks

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

Leverage Risks (for leveraged products only)

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

Unconventional Return Pattern (for inverse products only)

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

Inverse Products vs Short Selling (for inverse products only)

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

Risks involved in Trading Callable Bull/Bear Contracts ("CBBC")

Mandatory call

CBBC are not suitable for all types of investors and investors should consider their risk appetite prior to trading. In any case, one should not trade in CBBC unless he/she understands the nature of the product and is prepared to lose the total amount invested since a CBBC will be called by the issuer when the price of the underlying asset hits the call price and trading in that CBBC will expire early. Payoff for category N CBBC will be zero when they expire early. When category R CBBC expire early the holder may receive a small amount of residual value payment, but there may be no residual value payment in adverse situations. Brokers may charge their clients a service fee for the collection of the Residual Value payment from the respective issuers. In general, the larger the buffer between the call price and the spot price of the underlying asset, the lower the probability of the CBBC being called since the underlying asset of that CBBC would have to experience a larger movement in the price before the CBBC will be called. However, at the same time, the larger the buffer, the lower the leverage effect will be. Once the CBBC is called, even though the underlying asset may bounce back in the right direction, the CBBC which has been called will not be revived and investors will not be able to profit from the bounce-back. Besides, the mandatory call event ("MCE") of a CBBC with overseas assets as underlying may be triggered outside the SEHK's trading hours.

Gearing effects

Since a CBBC is a leveraged product, the percentage change in the price of a CBBC is greater compared with that of the underlying asset. Investors may suffer higher losses in percentage terms if they expect the price of the underlying asset to move one way but it moves in the opposite direction.

Limited life

A CBBC has a limited life, as denoted by the fixed expiry date, with a lifespan of three (3) months to five (5) years. The life of a CBBC may be shorter if called before the fixed expiry date. The price of a CBBC fluctuates with the changes in the price of the underlying asset from time to time and may become worthless after expiry and in certain cases, even before the normal expiry if the CBBC has been called early.

Movement with underlying asset

Although the price of a CBBC tends to follow closely the price of its underlying asset, but in some situations it may not (i.e. delta may not always be close to one). Prices of CBBC are affected by a number of factors, including its own demand and supply, funding costs and time to expiry. Moreover, the delta for a particular CBBC may not always be close to one, in particular when the price of the underlying asset is close to the call price.

Liquidity

Although CBBC have liquidity providers, there is no guarantee that investors will be able to buy/sell CBBC at their target prices any time they wish.

Funding costs

The issue price of a CBBC includes funding costs and issuers will specify the formula for calculating the funding costs of their CBBC at launch in the listing documents. Since the funding costs for each CBBC issue may be different as it includes the issuer's financing /stock borrowing costs after adjustment for expected ordinary dividend of the stock (if the underlying is a Hong Kong stock since the CBBC will not be adjusted for ordinary dividend) plus the issuer's profit margin, investors are advised to compare the funding costs of different issuers for CBBC with similar underlying assets and terms. The funding costs will gradually be reduced over time along with the CBBC in the secondary market as the CBBC moves towards expiry. In general, the longer the duration of the CBBC, the higher the total funding costs will be since it is similar to investors borrowing for a longer tenure to trade in the underlying asset. When a CBBC is called, the CBBC holders (investors) will lose the funding cost for the full period since the funding cost is built into the CBBC price upfront at launch even though with the MCE, the actual period of funding for the CBBC turns out to be shorter. In any case, investors should note that the funding costs of a CBBC after launch may vary during its life and the Liquidity Provider is not obliged to provide a quote for the CBBC based on the theoretical calculation of the funding costs for that CBBC at launch.

Trading of CBBC close to Call Price

When the underlying asset is trading close to the Call Price, the price of a CBBC may be more volatile with wider spreads and uncertain liquidity. CBBC may be called at any time and trading will terminate as a result. However, the trade inputted by the investor may still be executed and confirmed by the investors after the MCE since there may be some time lapse between the MCE time and suspension of the CBBC trading. Any trades executed after the MCE (i.e. Post MCE Trades) will not be recognized and will be cancelled. Therefore, investors should be aware of the risk and ought to apply special caution when the CBBC is trading close to the Call Price. Issuers will announce the exact call time within 1 hour after the trigger of MCE, and SEHK will also send the list of Post MCE Trades to the relevant exchange participants (brokers) who in turn will inform their clients accordingly. For avoidance of doubt on whether their trades have been cancelled (i.e. whether they are Post MCE Trades), the investors may check with their brokers.

CBBC with overseas underlying assets

Investors trading CBBC with overseas underlying assets are exposed to an exchange rate risk as the price and cash settlement amount of the CBBC are converted from a foreign currency into Hong Kong dollars. Exchange rates between currencies are determined by forces of supply and demand in the foreign exchange markets which are affected by various factors. Besides, CBBC issued on overseas underlying assets may be called outside the SEHK's trading hours. In such case, the CBBC will be terminated from trading on the SEHK in the next trading session or soon after the issuer has notified the SEHK about the occurrence of the MCE. There will be no automatic suspension of the CBBC by AMS/3. For Category R CBBC, valuation of the residual value will be determined on the valuation day according to the terms in the listing documents.

Risks involved in trading Derivative Warrants

Derivative warrant trading involves high risks and is not suitable for every investor. Investors should understand and consider the following risks before trading in derivative warrants.

Issuer Risk

Derivative warrant holders are unsecured creditors of an issuer and have no preferential claim to any assets an issuer may hold. Therefore, investors are exposed to credit risk in respect of the issuer.

Gearing Risk

Although derivative warrants may cost a fraction of the price of the underlying assets, a derivative warrant may change in value more or less rapidly than the underlying asset. In the worst case the value of the derivative warrants falls to zero and holders lose their entire purchase price.

Limited Life

Unlike stocks, derivative warrants have an expiry date and therefore a limited life. Unless the derivative warrants are in-the-money, they become worthless at expiration.

Time Decay

One should be aware that other factors being equal the value of derivative warrants will decrease over time. Therefore, derivative warrants should never be viewed as products that are bought and held as long-term investments.

Volatility

Other factors being equal an increase in the volatility of the underlying asset should lead to a higher warrant price and a decrease in volatility lead to a lower derivative warrant price.

Market Forces

In addition to the basic factors that determine the theoretical price of a derivative warrant, derivative warrant prices are also affected by all other prevailing market forces including the demand for and supply of the derivative warrants. Supply and demand forces may be greatest when a derivative warrant issue is almost sold out and when issuers make further issues of an existing derivative warrant issue.

Specific risks relating to securities trading through a Stock Connect Programme

Not protected by Investor Compensation Fund

You should note that any Northbound trading under a Stock Connect Programme will not be covered by Hong Kong's Investor Compensation Fund. As far as investors participating in Northbound Trading are concerned, as they are carrying out Northbound trading through securities brokers in Hong Kong and these brokers are not Mainland brokers, they are not protected by China Securities Investor Protection Fund in Mainland China.

Quotas used up

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

Difference in trading day and trading hours

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

The recalling of eligible stocks and trading restrictions

A stock which is on the list of eligible stocks for trading via a Stock Connect Programme may be recalled from the list for various reasons and, in such event, the stock can only be sold but cannot be bought. This may affect the investment portfolio or strategies of the investor. The investor should therefore pay close attention to the list of eligible stocks as provided and updated from time to time by Hong Kong Exchanges and Clearing Limited, the Shanghai Stock Exchange, the Shenzhen Stock Exchange and/or such other operators of exchanges and markets in Mainland China pursuant to other Stock Connect Programmes.

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

Transaction costs

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

Mainland China's laws and regulations, foreign shareholding restrictions and disclosure obligations

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

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

According to existing Mainland practices, Offshore Investors as beneficial owners of A-shares traded via a Stock Connect Programme cannot appoint proxies to attend shareholders' meetings on their behalf.

SCHEDULE 2 – PRIVACY POLICY

1. This Policy sets out the personal data policy of Sino-Rich with respect to its data subjects.
2. The term “data subject”, wherever mentioned in this Policy, shall have the meaning given in the Personal Data (Privacy) Ordinance (Cap. 486) (the “**Ordinance**”) and shall include (but is not limited to) individuals who are clients of Sino-Rich and (if clients are bodies corporate) individual directors, officers, managers, employees and shareholders of such clients. The term “data subject” does not extend to any body corporate.
3. The contents of this Policy shall apply to all data subjects and form part of any contract that a data subject has or may enter into with Sino-Rich from time to time. If there is any inconsistency between this Policy and the relevant contract, this Policy shall prevail insofar as it relates to the protection of data subjects’ personal data. Nothing in this Policy shall limit the legal rights of the data subjects under the Ordinance.
4. From time to time, it may be necessary for data subjects to supply Sino-Rich with personal data in connection with the provision of products and/or services by Sino-Rich. Failure to supply such data may result in Sino-Rich being unable to provide products and/or services.
5. Data relating to data subjects are collected or received by Sino-Rich from various sources from time to time. Such data may include, without any limitation, data collected from data subjects in the ordinary course of the continuation of their relationship with Sino-Rich and data from any other source.
6. The purposes for which data relating to data subjects may be used are as follows:
 - (a) assessing the merits and suitability of data subjects as actual or potential users for products and/or services offered and/or provided by Sino-Rich;
 - (b) facilitating Sino-Rich to provide its products and/or services and facilitating its business and daily operation;
 - (c) conducting investigation into (i) any complaint made by data subjects; (ii) any suspicious transaction; or (iii) any suspected criminal or irregular activity;
 - (d) ensuring ongoing creditworthiness of data subjects;
 - (e) marketing services, products and other matters;
 - (f) determining amounts owed to or by data subjects;
 - (g) exercising Sino-Rich’s rights as against data subjects and/or enforcing obligations on the part of data subjects;
 - (h) complying with the obligations, requirements or arrangements for disclosing and using data that apply to Sino-Rich or that it is expected to comply according to (i) any law binding or applying to it from time to time in Hong Kong, Mainland China or elsewhere; and/or (ii) any guideline or guidance given or issued from time to time by any legal, regulatory, governmental, law enforcement or other authority in Hong Kong, Mainland China or elsewhere;
 - (i) using data for compliance with obligations, requirements, arrangements, procedures, measures or policies relating to sanctions, prevention and detection of money laundering, terrorist financing or any other unlawful activity;
 - (j) any other purpose as consented to, approved or authorised by data subjects from time to time; and
 - (k) any other purpose incidental, associated or relating to any of the purposes specified in sub-paragraphs (a) to (j) above.
7. Data held by Sino-Rich in relation to data subjects will be kept confidential but Sino-Rich may provide and disclose such data to the following parties for any of the purposes set out in paragraph 6:
 - (a) any agent, contractor or other service provider (whether in Hong Kong or elsewhere) who provides administrative, tele-communications, computer, electronic fund transfer services, debt collection, settlement, clearing and/or other services to Sino-Rich in connection with the operation of its business;
 - (b) any associated company (as defined in the Companies Ordinance (Cap. 622)) of Sino-Rich;
 - (c) any other person under a duty of confidentiality to Sino-Rich;
 - (d) any person making any payment into any account of the data subjects;
 - (e) any person receiving any payment from the data subjects, the banker of such person and any intermediary which may handle or process such payment;
 - (f) any financial institution, insurance company or securities and investment company with which data subjects have or propose to have dealings; and
 - (g) any person to whom Sino-Rich is under an obligation or otherwise required to make (i) disclosure under the requirements of any law binding on or applying to Sino-Rich; and/or (ii) disclosure under and for the purposes of any guideline or guidance

given or issued by any legal, regulatory, governmental, law enforcement or other authorities with which Sino-Rich is expected to comply.

8. Sino-Rich may from time to time transfer the data relating to the data subjects to a place outside Hong Kong for any of the purposes set out in paragraph 6.
9. Without prejudice to the generality of paragraphs 6 to 8 above, Sino-Rich may collect, store, process, use, disclose and transfer personal data with respect to a data subject who has opened and maintained a securities account with Sino-Rich (including, but not limited to the Broker-to-Client Assigned Number for the securities account (the BCAN) and client identification information (the CID), with both the terms "BCAN" and "CID" having the meanings as defined in paragraph 5.6 of the SFC Code of Conduct) as required for Sino-Rich to provide services to the data subject in relation to securities listed or traded on the SEHK and for complying with the rules and requirements of the SEHK and the SFC in effect from time to time. Without prejudice to the generality of the foregoing, such purposes include:
 - (a) disclosing and transferring personal data relating to the data subject (including its BCAN and CID) to the SEHK and/or the SFC in accordance with the rules and requirements of SEHK and the SFC in effect from time to time and (if the data subject conducts any trading of China Connect Securities (as the term is defined in the Cash Securities Account Terms and Conditions Margin Securities Account Terms and Conditions)) to any other Stock Connect Authorities (as the term is defined in the Cash Securities Account Terms and Conditions or the Margin Securities Account Terms and Conditions) in accordance with the Applicable Stock Connect Requirements (as the term is defined in the Cash Securities Account Terms and Conditions or the Margin Securities Account Terms and Conditions) in effect from time to time;
 - (b) allowing the SEHK to (i) collect, store, process and use personal data relating to the data subject (including its BCAN and CID) for market surveillance and monitoring purposes and enforcement of the rules of the exchange of the SEHK; and (ii) disclose and transfer such information to the relevant regulators and law enforcement agencies in Hong Kong (including, but not limited to, the SFC) so as to facilitate the performance of their statutory functions with respect to the Hong Kong financial markets and (where the data subject conducts any trading of China Connect Securities) to any other Stock Connect Authorities in accordance with the Applicable Stock Connect Requirements in effect from time to time ; and (iii) use such information for conducting analysis for the purposes of market oversight;
 - (c) allowing the SFC to (i) collect, store, process and use personal data relating to the data subject (including its BCAN and CID) for the performance of its statutory functions including monitoring, surveillance and enforcement functions with respect to the Hong Kong financial markets; and (ii) disclose and transfer such information to relevant regulators and law enforcement agencies in Hong Kong in accordance with applicable laws or regulatory requirements and (where the data subject conducts any trading of China Connect Securities) to any other Stock Connect Authorities in accordance with the Applicable Stock Connect Requirements in effect from time to time;
 - (d) providing the data subject's BCAN to the HKSCC allowing HKSCC to: (i) retrieve from SEHK (which is allowed to disclose and transfer to HKSCC), process and store its CID and transfer its CID to any issuer's share registrar to enable the HKSCC and/or the issuer's share registrar to verify that the data subject has not made any duplicate applications for the relevant share subscription and to facilitate the balloting and settlement of any IPO Securities; and (ii) process and store the data subject's CID and transfer its CID to any issuer, any issuer's share registrar, the SFC, the SEHK and any other parties involved in any new listing and/or issue of securities on an Exchange for the purposes of processing any subscription application or for any other purposes as set out in the prospectus, offering document, application form and all other relevant documents with respect to such new listing and/or issue; and
 - (e) (if the data subject conducts any trading of China Connect Securities) allowing all other Stock Connect Authorities collect, store, process and use personal data relating to the data subject (including its BCAN and CID) for the performance of their functions under and/or in relation to the Stock Connect Rules and other Applicable Stock Connect Requirements.
10. Despite any subsequent purported withdrawal of consent by the data subject, personal data relating to it may continue to be stored, processed, used, disclosed or transferred for any of the purposes specified in paragraph 9 after its purported withdrawal of consent.
11. Any failure on the part of a data subject to provide Sino-Rich with its personal data or consent as stated in paragraph 9 may mean that Sino-Rich will not (or will no longer be able to) carry out any instruction from the data subject or to provide any services to the data subject (other than to sell, transfer out or withdraw its existing holdings of securities, if any).
12. Subject to the consent (which includes an indication of no objection) indicated by a data subject in a separate form and/or notice returned to Sino-Rich, Sino-Rich intends to use the personal data of the data subject for direct marketing. In this connection, the data subject should note the following:
 - (a) The name, contact details, products and other services portfolio information, transaction pattern and behaviour, financial background and demographic data of a data subject held by Sino Rich from time to time may be used by Sino-Rich in direct marketing.
 - (b) The following classes of services, products and subjects may be marketed: (i) securities, futures contracts, investments and other assets; products and services offered by brokers, dealers, custodians, managers and/or advisors; other securities or financial services; services and products relating to any of the above; (ii) other services and/or products offered by Sino-Rich and any of its associated companies; (iii) other services and/or products offered by any business partner of Sino-Rich; and (iv) donations and contributions for charitable and/or non-profit making purposes.
 - (c) The above services, products and subjects may be provided or solicited by (i) Sino-Rich; (ii) any associated company of Sino-Rich; (iii) any third party financial institutions, insurers, card companies, securities and futures service providers; (iv) any business partner of Sino-Rich; and/or (v) any charitable or non-profit making organisation.
 - (d) In addition to marketing the above services, products and subjects, Sino-Rich further intends to provide personal data described in sub-paragraph (a) above to all or any of the person prescribed in sub-paragraph (c) above for use by them in

marketing those services, products and subjects, and Sino-Rich requires the data subject's written consent (which includes an indication of no objection) for that purpose.

- (e) Sino-Rich may receive money or other property in return for providing personal data to any other persons above and, when requesting the data subject's consent or no objection as described in sub-paragraph (d) above, Sino-Rich will inform the data subject if it will receive any money or other property in return for providing the data to the other persons.
13. Under and in accordance with the terms of the Ordinance, any data subject has the right:
- (a) to check whether Sino-Rich holds data about him / her and has access to such data;
 - (b) to require Sino-Rich to correct any data relating to him which is inaccurate; and
 - (c) to ascertain Sino-Rich's policies and practices in relation to data and to be informed of the kind of personal data held by Sino-Rich.
14. In accordance with the Ordinance, Sino-Rich has the right to charge a reasonable fee for the processing of any data access request.
15. Any request to Sino-Rich for access to data, correction of data or information relating to its policies and practices and kinds of data held by it shall be made to the Data Protection Officer as follows:

Data Protection Officer
Units 3310-18, 33/F, 41 Heung Yip Road, Wong Chuk Hang, Hong Kong
Telephone: +852 3107-3180