

Tianda Securities Limited

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Tianda Securities Limited ("TSL" or the "Company") carries on the business of dealing in securities and futures contracts and is licensed to carry on Type 1 (dealing in securities) regulated activity under the Securities and Futures Ordinance (Cap. 571) (CE No. AVT666).

TERMS AND CONDITIONS

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SECTION I – TERMS AND CONDITIONS FOR SECURITIES CASH TRADING

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

1. Definitions

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

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

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

"Action Date" shall have the meaning as ascribed to and described in Clause 34.1;

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

"Amendment Notice" shall have the meaning as ascribed to and described in Clause 38.3;

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

"Business Day" means a day (other than Saturday and Sunday and a day on which a black rainstorm warning or a number 8 or higher typhoon signal is hoisted before 2:00 p.m. in Hong Kong) on which banks are open for business in Hong Kong;

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

"Clearing House" means (a) HKSCC in relation to SEHK; and (b) the clearing house providing services similar to those of HKSCC in relation to any other Foreign Stock Exchange;

"Clearing Rules" means (a) the general rules, operational procedures and other applicable rules, procedures and regulations of CCASS; and (b) the applicable rules, procedures and regulations of any other Clearing System, from time to time in force;

"Clearing System" means (a) CCASS and its appointed depository; and (b) any other clearing system from time to time used in connection with the Transactions and any depository for any such clearing system;

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

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

"Deficit" means the negative balance in the Client's Account whatsoever and howsoever arising;

"Designated Telephone" shall have the meaning as ascribed and defined in Clause 5.3(a);

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

"E-mail" shall have the meaning as ascribed to and defined in Clause 32.2;

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

"Event of Default" shall have the meaning as ascribed to and described in Clause 16.1;

"Exchange" means SEHK and any Foreign Stock Exchange;

"Foreign Stock Exchange" means a stock or securities exchange which is permitted to operate in a country or territory outside Hong Kong by the law of that country or territory;

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

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

"Hong Kong Regulators" means the SEHK, the SFC, the Hong Kong Monetary Authority and/or any other regulator in Hong Kong having jurisdiction over the Transactions;

"Instruction" means any instruction or order communicated by the Client or its Authorized Person to TSL in accordance with these Terms;

"Joint Client" shall have the meaning as ascribed to and described in Clause 26.1(a);

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

"Lien" shall have the meaning as ascribed to and described in Clause 14.1;

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

"Non-Designated Telephone Instruction" shall have the meaning as ascribed to and defined in Clause 5.3(b);

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

"Payment Evidence" shall have the meaning as ascribed to and described in Clause 7.6;

"Retained Properties" shall have the meaning as ascribed to and described in Clause 14.1;

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

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

and maintained in the name of the Client with TSL in accordance with the Agreement or other agreement or document;

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

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

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

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

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

"**TFL**" means Tianda Financial Limited, a company incorporated under the laws of Hong Kong and its successors in title and assigns;

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

"**Third Party**" shall have the meaning as ascribed to and described in Clause 7.5;

"**Tianda Group Companies**" means TSL, TFL and such other company, including their respective successors in title and assigns, as TSL may from time to time notify the Client;

"**Trading Accounts Terms**" means the consolidated terms and conditions for trading accounts of TSL, as from time to time amended and supplemented;

"**Transaction**" means any transaction, purchase, investment, sale, trading, exchange, acquisition, holding, deposit, transfer, disposal, clearing, settlement or dealing in, of and with any and all kinds of Securities;

"**TSL**" means Tianda Securities Limited, a company incorporated under the laws of Hong Kong and a licensed corporation (SFC-CE Number: AVT666) registered for Type 1 (dealing in securities) regulated activity and its successors in title and assigns; and

"**U.S. person**" includes any natural person who is a citizen of or resident in the United States; a corporation, partnership or other business organization organized or incorporated under the laws of the United States or any political subdivision thereof, any estate or trust which is administered by an executor or trustee who is a U.S. person or the income of which is subject to U.S. federal income taxation regardless of its source; any account (other than any estate or trust) held by a dealer or fiduciary for the benefit of a U.S. person and any partnership or corporation organized and incorporated under the laws of any foreign jurisdiction which was formed by a U.S. person principally for the purpose of investing in Securities not registered under the United States Securities Act of 1933. "U.S. person" shall not include any branch or agency of a United States bank or insurance company that is operating outside the

United States for valid business reasons as a locally regulated branch or agency engaged in the banking or insurance business and not formed primarily for the purpose of investing in Securities not registered under the United States Securities Act of 1933. For the purposes of this definition, the "**United States**" includes the United States of America, its states, territories and possessions and the District of Columbia.

1.2 In these Terms: -

- (a) "include(s)" and "including" mean respectively "include(s) but not limited to" and "including but not limited to";
- (b) "subsidiary" shall bear the meaning given by the Companies Ordinance (Cap. 32 of the Laws of Hong Kong) and "associated company" means, in respect of any person, any company (not being a subsidiary of that person) of which that person shall beneficially own twenty per cent (20%) or more of the issued share capital or in respect of which that person is entitled to appoint one or more directors or, in relation to any company, any company which is a subsidiary of a holding company of that first mentioned company;
- (c) reference to a Clause is to a clause of these Terms and reference to the Account Opening Form is to the Account Opening Form as completed by or on behalf of the Client and where the information in the Account Opening Form has been amended by subsequent notice to TSL means the Account Opening Form as amended by such notice;
- (d) reference to an Ordinance is to an Ordinance or laws of Hong Kong and any subsidiary legislation related thereto as from time to time amended, consolidated, extended, codified or re-enacted and for the time being in force;
- (e) words importing the singular include the plural and vice versa; words importing person include bodies corporate or unincorporated or other entity; words importing gender include every gender and the neuter gender;
- (f) the headings to the Clauses are for convenience only and do not affect their interpretation or construction; and
- (g) where it is necessary for the true construction or interpretation of any provision herein so that the indebtedness, liability or obligation of any of the Parties shall continue after the termination of the Agreement, such provision shall survive the termination of the Agreement.

2. **Applicable Rules and Regulations**

2.1 All the instructions and Transactions made or entered into by TSL on behalf of the Client shall be subject to, and in respect of the above, both TSL and the Client shall be bound by: -

- (a) these Terms;
- (b) TSL's rules, regulations, procedures and policies from time to time in force;
- (c) the memorandum and articles of association of the SEHK, SEHK Rules, Clearing Rules and the regulations, customs, usages, rulings and procedures of the SEHK;
- (d) the constitution, rules, regulations, customs, usages, policies, rulings and procedures of the Foreign Stock Exchange or Market (and their respective Clearing House, if any) where the Instructions and Transactions are executed, performed, cleared or settled;
- (e) the SFO and all applicable laws, rules and regulations of Hong Kong; and
- (f) all relevant laws, rules and regulations of the place or jurisdiction where the Instructions and Transactions are executed, performed, cleared or settled.

In the event of any conflict or discrepancy, the above applicable terms, laws, rules, regulations, procedures shall be governed in the order of prevalence of (a), (b), (c), (d), (e) and (f).

- 2.2 Notwithstanding the foregoing, if there shall be any conflict or inconsistency between any of the provisions of these Terms and anything contained in paragraphs (b), (c), (d), (e) and (f) of Clause 2.1, TSL may, in its absolute discretion, take or refuse to take any action, or demand the Client to take or refrain from taking any action to ensure compliance with the same.

3. **Appointment and Scope of Agency**

- 3.1 The Client appoints TSL and TSL agrees to act as the Client's agent to effect Transactions on the Client's behalf unless TSL indicates (in the contract note for the relevant Transaction or otherwise) that TSL is acting as principal. Nothing herein contained shall constitute TSL as trustee for the Client or a partnership between TSL and the Client.

- 3.2 Notwithstanding that TSL is acting as the Client's agent in effecting any Transaction, TSL may, in its absolute discretion, (a) decline to accept, carry out or effect any Instruction and/or any Transaction; or (b) decline to act on or stop carrying out any accepted Instruction and/or any Transaction without giving any reason therefor. TSL shall not, in any circumstances, be liable (including liability for negligence) in any way to the Client for any loss, damages, expenses or loss of profit whatsoever suffered and/or incurred by the Client arising out (directly or indirectly) of or in connection with its not accepting, carrying out, effecting or acting on such Instructions and/or Transactions or omitting to give notice therefor.

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

- 3.4 The Client is an independent third party not connected with or acting in concert with any directors, chief executive, substantial shareholders of TSL and/or any of their respective subsidiaries or an associate of any of them. The Client does not hold any interest in TSL.

4. **Authorized Person**

- 4.1 Where the Client appoints an Authorized Person, the Client authorizes the Authorized Person to represent the Client in all matters in relation to all Instructions and Transactions, in particular, to give Instructions and execute all agreements and documents in relation to the Agreement and the Securities Account and its operation. All such Instructions, Transactions, agreements and documents shall be absolutely and conclusively binding on the Client. The Client agrees that TSL is entitled to act on

the Instructions of the Authorized Person until the Client notifies TSL in writing that the authority of the Authorized Person has been revoked or varied.

- 4.2 The Client undertakes with TSL from time to time and at all times to ratify and confirm any Instructions whatsoever given or purported to be given by the Authorized Person including but not limited to any Instructions which may be given or purported to be given between the revocation of the authority of the Authorized Person and the actual receipt of notice of such revocation by TSL. The Client agrees that any Instructions given or purported to be given by the Authorized Person after revocation of the Authorized Person's authority (but before the actual receipt of notice of such revocation by TSL) shall be absolutely and conclusively binding on the Client, and shall be valid and effectual in favour of TSL.
- 4.3 Notwithstanding anything herein contained, the Client acknowledges and confirms that the Authorized Person is neither an employee nor agent of TSL and there is no partnership or employment relationship between the Authorized Person and TSL. The Authorized Person is appointed by the Client as agent and shall have full authority to act on behalf of the Client under the Agreement as if he were the Client himself, and shall have the authority to give good and valid receipt to any payment, monies, funds, Securities, properties or assets comprised in the Securities Account made or given to the Authorized Person. All Instructions given by the Authorized Person shall be and be deemed to be the Instructions of the Client and all acts, omissions, default or breach by the Authorized Person (whether with or without the instructions or consent of the Client) shall be and be deemed to be the acts, omissions, default or breach by the Client. TSL shall not be in any way liable to the Client or any other parties for the acts, omissions, default or breach by the Authorized Person (whether with or without the instructions or consent of the Client). In the Agreement, the expression "Client" shall, where the context permits, include the Authorized Person.

5. **Form of Instructions**

- 5.1 Subject as provided herein, all Instructions in relation to Transactions shall be given by the Client or its Authorized Person direct to TSL (whether orally (in person or by telephone), by facsimile transmission or other means of communication accepted by TSL from time to time) in such manner as may be prescribed by TSL from time to time. If Instructions are given by telephone or facsimile transmission, TSL is entitled to rely upon and act in accordance with such Instructions without inquiry or verification by TSL of the authority or identity of the person making or giving or purporting to make or give such Instructions and regardless of the circumstances prevailing at the time of the giving of such Instructions or the amount of money involved in the Instructions, and notwithstanding any error, misunderstanding, lack of clarity, fraud, forgery or lack of authority in relation thereto.
- 5.2 TSL shall be entitled to treat an Instruction given as provided in Clause 5.1 as fully authorized by and binding upon the Client. TSL shall be entitled (but not bound) to act on or take such steps in connection with or in reliance upon such Instruction as TSL may in good faith consider appropriate, whether it be an Instruction to acquire, purchase, sell, dispose of or otherwise deal with Securities or transfer Securities from the Securities Account or withdraw moneys or funds from the Securities Account or purport to bind the Client to any agreement or other arrangement with TSL or with any other person or to commit the Client to any other type of Transaction or arrangement whatsoever, regardless of the nature of the Transaction or arrangement or the value, type and quantity of Securities involved or the amount of moneys or funds involved and notwithstanding any error, misunderstanding or lack of clarity in the terms of such

Instruction.

- 5.3 If Instructions are given by the Client or its Authorized Person by telephone: -
- (a) the Client or its Authorized Person must use the designated telephone number provided by TSL from time to time (the "**Designated Telephone**"). For the avoidance of doubt, any Instructions given by telephone without using the Designated Telephone, and any Instructions given by messages left at the voicemails of any telephone numbers of TSL or any personal mobile phone numbers of the employees or agents of TSL shall not be regarded as valid or effective Instructions to TSL. TSL shall not be liable to the Client for any loss whatsoever arising out of or in connection with the Client's or its Authorized Person's failure to comply with the terms of this Clause;
 - (b) Notwithstanding the designation of the Designated Telephone and the provisions in Clause 5.3(a) above, TSL (but not the Client) has the absolute discretion to accept, act on, carry out or effect any Instructions given by telephone other than the Designated Telephone (the "**Non-Designated Telephone Instruction**"). If TSL accepts, acts on, carries out or effects any Non-Designated Telephone Instruction, such Non-Designated Telephone Instruction shall be treated and deemed as an Instruction within the meaning of these Terms in all respects and all TSL's rights, protections, powers and remedies shall be applicable to such Non-Designated Telephone Instruction; and
 - (c) TSL has no responsibility for any delay, failure, error, interruption or suspension in the transmission or communication of Instructions or information on prices or the mistaken receipt of any Instructions by any other party. TSL is authorized to act upon any Instructions received by it (regardless of delay, failure, error, interruption or suspension as aforesaid) and TSL shall not be required to check the accuracy or authenticity of such Instructions with the Client, nor shall TSL be liable for any losses or costs suffered or incurred by the Client as a result of TSL acting upon the same. TSL shall be entitled to require the Client to enter into a further agreement if the Client wishes it to act on telephonic Instruction.
- 5.4 The Client recognizes the risks in giving Instructions by telephone or facsimile transmission including, without limitation, the risk of any Instruction being unauthorized or given by an unauthorized person. The Client accepts the risks in full if the Client chooses to give Instructions by such means.
- 5.5 Once the Client has given an Instruction, it may not be amended, rescinded or withdrawn without TSL's written consent.
- 5.6 TSL shall have no responsibility to procure compliance by the Client with any law or regulation governing the Client's conduct as a fiduciary (if applicable).
- 5.7 If the Client gives Instructions to TSL to effect any sale or purchase of Securities requiring a conversion from one currency to another, the costs thereof and any profit or loss arising as a result of fluctuations in the exchange rate of the relevant currency will be entirely for the account and risk of the Client. TSL may convert monies in the Securities Account into and from any currency at such rate of exchange as TSL shall in its sole discretion determine as being the then prevailing market rate of exchange. Such conversion may be made for the purpose of any Transaction or for the calculation of any debit balance due from the Client or credit balance owed to the Client. The Client authorizes TSL to debit the Securities Account for any expenses incurred in effecting any currency conversion. TSL reserves the right at any time to

refuse to accept any Instructions from the Client in relation to any currency conversion.

- 5.8 TSL may aggregate the Client's order with its own orders or with those of persons connected with TSL or with those of other clients. Such aggregation may on some occasions operate to the Client's disadvantage and on other occasions to the Client's advantage. The Client agrees that in the event of there being insufficient Securities available to satisfy the purchase/sell orders so aggregated, the number of Securities actually purchased/sold shall be attributed to the relevant clients in the order in which those purchase/sale orders were received by TSL.
- 5.9 Where the Client is acting as agent for and on behalf of any other person when giving Instructions to TSL pursuant to the Agreement, TSL shall be entitled to treat the Client (rather than any such other person) as its client for all purposes and in relation to all obligations, and the Client will be liable as such. This applies even if the Client is acting on behalf of a person whom the Client has notified TSL and no such person will be an "indirect client".
- 5.10 The Client understands that TSL is unable to know whether someone other than the Client has given, or is giving, instructions using the Client's name. The Client shall not permit or allow any other person to have access to the Securities Account for any purpose. The Client shall be responsible for the confidentiality and use of, and any order given or entered with, the Client's name. The Client shall remain responsible for all instructions using the Client's name.
- 5.11 The Client acknowledges that it will be responsible to and will indemnify and keep indemnified TSL for any loss, costs, fees and expenses arising directly or indirectly out of or in connection with the Client's Instructions and TSL acting thereon hereunder.

6. **Transactions**

- 6.1 TSL has the absolute discretion to select the Market to which to route, execute, perform or fulfill the Client's Instructions.
- 6.2 The Client authorizes TSL to instruct such executing brokers, agents, custodians, nominees, overseas brokers and dealers (including branches or associates of TSL) as TSL may in its absolute discretion deem fit to execute any Instructions and Transactions, such persons shall have the benefit of all of TSL's rights, powers and remedies hereunder. The Client acknowledges that the terms of business of such persons and the applicable rules of any relevant Exchange and/or Clearing System on and through which such Instructions and Transactions are executed and settled shall apply to such Instructions and Transactions.
- 6.3 All Transactions which TSL effects on the Client's Instructions shall be effected in accordance with all laws, rules and regulatory directions of government agencies and statutory bodies of competent jurisdiction applying to TSL. All actions taken by TSL in accordance with such laws, rules and directions shall be binding on the Client. In the absence of wilful misconduct or fraud of TSL, TSL shall not be liable to the Client as a result of any action or omission taken by TSL or any of the persons specified in Clause 6.2 to comply with such laws, rules and directions.
- 6.4 By reason of the environment of or physical restraints on any Exchange or Market and the volatility of prices of Securities, there may, on occasions and despite TSL's, executing brokers', overseas brokers' or dealers' reasonable endeavours, be a delay in executing Instruction or dealing at any specific time. The Client accepts that TSL

may not be able to execute the Client's order at the price specified by the Client, and that TSL may not be able to execute the Client's order at the price quoted at any specific time or "at best", "at the best quoted or posted" or "at market". The Client agrees in any event to accept and be bound by Transactions executed by TSL following Instructions, and agrees that TSL shall not be liable for any loss arising by reason of its failing, or being unable, to comply with any terms of an order of the Client.

- 6.5 Where TSL or the persons specified in Clause 6.2 are unable to perform any of the Client's orders in full, TSL or such persons are entitled to effect partial performance only without prior reference to or confirmation from the Client. The Client shall be bound by such part of the Client's orders so performed by TSL. TSL shall not have any obligation or liability whatsoever in respect of such part of the Client's orders which has not been performed.
- 6.6 Unless the Client gives specific Instructions to TSL to the contrary, the Client acknowledges that all orders or requests are good for the day only and that, to the extent unfulfilled, they will lapse at the end of the official trading day of the Market in respect of which they are given.
- 6.7 In the event that TSL shall have effected a purchase of any Securities on behalf of the Client which transaction is recorded in accordance with the SEHK Rules and accordingly recognized by the SEHK, and the selling broker (other than TSL) fails to deliver such Securities on the due date in accordance with the SEHK Rules, the Client shall be responsible for any difference in price and all incidental expenses incurred by TSL in obtaining such Securities in the open market.
- 6.8 Subject to the applicable laws and regulations and Market requirements, TSL 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 TSL.
- 6.9 The Client acknowledges that TSL will not accept an Instruction to sell for short account on behalf of the Client. TSL shall not be responsible to the Client for identifying whether or not an Instruction is to sell for short account. The Client undertakes that it will not give any Instruction to sell for short account and will notify TSL whenever any sale order relates to a short sale of Securities and such notification shall be given at the same time as notification of the sale order. In case of a "covered" short selling order, the Client must inform TSL where the Client places a "covered" short selling order and it is the absolute discretion of TSL whether or not to accept Instruction to effect such order.
- 6.10 The Client acknowledges that it will be responsible to and will indemnify and keep indemnified TSL for any loss, costs, fees and expenses in connection with the Client's failure to meet its obligations by the settlement dates or to pay any other sum due to TSL hereunder.
- 6.11 The Client shall pay interest on all overdue balances on the Securities Account or any amount otherwise owing to TSL at any time (including interest arising after a judgment debt is obtained against the Client) at such rates and on such other terms as TSL notifies the Client from time to time or failing such notification at a rate equivalent to five per cent (5%) above the prevailing prime or best lending rate for Hong Kong dollars of The Hongkong and Shanghai Banking Corporation Limited (or such other bank as designated by TSL from time to time). Interest shall be payable

on the last day of each calendar month or forthwith upon demand by TSL.

- 6.12 The Client acknowledges that all telephone conversations between the Client and TSL may be taped without an automatic tone-warning device in order to enable TSL to verify the Instructions of the Client. The Client agrees to accept the recordings on relevant tapes as final and conclusive evidence of the contents of the Instructions in case of dispute. Whilst such tapes will always remain the property of TSL, TSL will provide to the Client, on the Client's request and at the Client's expense, a copy of such tapes.
- 6.13 The Client acknowledges that the books and records of TSL in respect of any Instruction or Transaction shall be conclusive evidence (save for manifest error) against the Client in all courts of law and for all purposes. In this connection, a documentation signed by an authorized officer of TSL certifying any matter in respect of any Instruction or Transaction, save for manifest error, shall be conclusive and binding against the Client.
- 6.14 Where TSL knows of or suspects a breach of security or other suspicious circumstances in respect of or in connection with the operation of one or more of the Client's Accounts or any service to the Client generally, TSL may, in its absolute discretion and without any liability, refuse to act on or delay acting on the Instruction and in that event, TSL will, to the extent possible, inform the Client as soon as practicable.
- 6.15 In the event of death or liquidation of the Client or in the event of the Client being rendered incapable or disabled from managing and administering the Client's property or affairs, then prior to the actual receipt by all the Tianda Group Companies of the written notice of death, liquidation or incapacity or disability of the Client, all the Tianda Group Companies may, but not obliged to, continue to act upon the Instructions of the Client or the Authorized Person as if the Client were still alive, existing or capable of managing and administering the Client's property or affairs.
- 6.16 TSL may not have access to every Market at which a particular Security may trade. Exchanges or Market makers may fail or refuse to honour their quoted or posted prices. Exchanges may re-route Client's orders out of automated execution systems for manual handling (in which case execution or representation of Client's order may be substantially delayed). Exchange rules, policies, procedures or decisions or system delays or failures may prevent Client's order from being executed, may cause a delay in the execution or performance of Client's Instruction or may cause Client's Instruction not to be executed at the best price. In no event shall TSL be liable to the Client for any action, inaction, decision or ruling of any Exchange, Market, Clearing House or regulatory authority.
- 6.17 If TSL cannot execute or carry out any Instruction of the Client, TSL may take any other action as TSL shall think fit. The Client understands that the Client will be responsible for all the consequences or expenses of TSL in connection with the above and that TSL will not be liable for any loss that may thereby be incurred.
- 6.18 TSL may trade or execute trading on its own account or on the account of any associated company of TSL, even though TSL may simultaneously hold unexecuted Client's Instructions for the same Securities which could be executed at the same price. Any directors, officers or employees of TSL and/or the Tianda Group Companies may trade on his/their own accounts.
- 6.19 TSL may elect to confirm the execution or cancellation of any Client's Instruction by

the sole methods of transmitting an electronic confirmation to the Client via electronic mail, or for security purposes, by posting the information on the website of TSL and/or Tianda Group Companies, with a notification sent to the Client to login and retrieve the information. The Client agrees to accept electronic trade confirmations in lieu of printed confirmations.

- 6.20 Confirmations may be subject to delays. The Client understands that reports and confirmations of Instruction executions or cancellations may be erroneous for various reasons, including, but not limited to, cancellation, modification or adjustment by the Exchange or Clearing House. Confirmations are also subject to change by TSL, in which case the Client shall be bound by the actual Instruction execution, so long as it is consistent with Client's Instruction. In the event that TSL confirms an execution or cancellation in error and the Client unreasonably delays in reporting such error, TSL reserves the right to require the Client to accept the Transaction, or remove the Transaction from the Securities Account.
- 6.21 The Client agrees to notify TSL immediately if: (a) the Client fails to receive an accurate confirmation of an execution or cancellation; (b) the Client receives a confirmation that is not consistent with Client's Instruction; (c) the Client receives confirmation of execution or cancellation of an Instruction that the Client did not place; or (d) the Client receives an account statement, confirmation, or other information reflecting inaccurate Instructions, orders, trades, account balances, Securities or futures positions, funds, margin status, or Transaction history.
- 6.22 The Client understands and agrees that TSL may adjust the Securities Account to correct any error. The Client agrees to promptly return to TSL any assets distributed to the Client to which the Client was not entitled.

7. **Funds for Settlement**

- 7.1 In respect of each Transaction, unless otherwise agreed or where TSL is already holding cash or Securities on the Client's behalf to settle the Transactions, the Client will, by such time as TSL has notified the Client in relation to the Transactions, pay TSL cleared funds (including payment in a currency other than Hong Kong dollars) or deliver to TSL Securities which are fully paid with valid and good title and in deliverable form. The Client will be responsible to and will indemnify and keep indemnified TSL for any loss, costs, fees and expenses arising directly or indirectly out of or in connection with the Client's settlement failures.
- 7.2 If the Client fails to do so, TSL will be entitled, in its absolute discretion and without prior notice to the Client: -
- (a) in the case of a purchase or subscription Transaction, to sell the purchased or subscribed Securities; or
 - (b) in the case of a sale Transaction, to borrow and/or purchase sold Securities in order to settle the Transaction,
- or, in addition or as an alternative to (a) or (b) above, to have recourse to its rights of combination and set-off as set out in Clause 30 (Combination and Set-off) in order to settle the Transactions.
- 7.3 The Client shall on demand put TSL in moneys or funds or arrange for TSL to be put in moneys or funds in time to enable it to discharge any liability incurred or to be incurred in connection with Transactions effected in relation to the Securities Account and shall on demand reimburse TSL for all costs and expenses incurred by it in connection therewith and settle any debit balance on the Securities Account.

- 7.4 The Client shall pay moneys or funds personally to TSL or deposit directly into the bank accounts designated by TSL, and the Client shall collect and deposit his share certificates with TSL in person.
- 7.5 For the avoidance of doubt, TSL may, at its absolute discretion, refuse to accept deposits of moneys, funds or share certificates by any person other than the Client or its Authorized Person (the "**Third Party**").
- 7.6 The Client or the Third Party (as the case may be) shall immediately notify TSL after payment of funds to TSL by delivering to TSL the pay-in slips and/or other documentary evidence of such payment accepted by TSL from time to time (the "**Payment Evidence**") with the Client's name, Securities Account number and signature thereon either by fax or in person within the business hours on the day of deposit for verification. The Client acknowledges that payment of funds to TSL (whether by the Client or the Third Party) may not be credited to the Securities Account or reflected in any statement of account until such notification is actually received by TSL. The Client agrees that any interest payable to or receivable by the Client under these Terms shall be calculated on this basis.
- 7.7 The Client acknowledges that the Client or the Third Party (as the case may be) is under a duty for the safekeeping of the Payment Evidence before delivering the same to TSL. TSL shall not be liable to the Client for any loss whatsoever arising out of or in connection with the Client's or the Third Party's (as the case may be) failure to deliver the Payment Evidence to TSL in time or at all, or the use of the Payment Evidence by any person other than the Client or the Third Party (whether with or without the instructions or consent of the Client).
- 7.8 The Client shall retain the originals of Payment Evidence for at least one (1) month from the day of deposit. TSL will send a statement of account to the Client as soon as possible following the deposit for record and verification. If the Client does not receive the relevant statement of account after the deposit, the Client shall immediately inform TSL.
- 7.9 All the deposits of moneys or funds shall have been cleared and actually received by TSL before such money or funds can be used or applied for the Securities Account.
- 7.10 In the event that the Client shall fail to comply with any part of this Clause 7 (Funds for Settlement), the Client shall be wholly responsible for all Liabilities and obligations whatsoever in connection with the deposit and shall fully indemnify TSL against all costs, claims, liabilities and expenses directly or indirectly arising out of or in connection therewith.

8. **Payment for Transaction Money**

- 8.1 The Client may give Instructions and TSL may accept Instructions to buy and sell Securities for delivery and payment on any Exchange or Market where permitted.
- 8.2 The Client shall provide Securities to TSL for delivery against sale of Securities or provide cleared funds to TSL for the payment of Securities purchased, by the due settlement date or payment date and at such place as TSL has notified the Client. The settlement date shall be the date on which TSL receives the Securities for the relevant Transaction, and the payment date shall be the date on which TSL receives cleared funds in the currency for the relevant Transaction. Any failure by the Client to provide such Securities or cleared funds to TSL by the due settlement date or payment date shall entitle TSL, without further notice or demand, to forthwith: -

- (a) borrow and/or buy the Securities required for the delivery at a price as TSL shall in its absolute discretion determine, charge any Client's Account maintained with TSL or any of the Tianda Group Companies for the cost thereof, deliver the Securities to satisfy the Client's obligation, and credit any Client's Account with the payment received for delivery; or
 - (b) accept delivery of the Securities, charge any Client's Account maintained with TSL or any of the Tianda Group Companies for the payment to satisfy the Client's obligation, transfer and/or sell the Securities at a price as TSL shall in its absolute discretion determine, and credit any Client's Account for the proceeds thereof;
- or, in addition or as an alternative to (a) or (b) above, to have recourse to its rights of combination and set-off as set out in Clause 30 (Combination and Set-off) in order to settle the Transactions.

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

8.4 The Client irrevocably authorizes TSL to transfer, debit or deduct any money in the Securities Account and/or the Account so as to pay, discharge or satisfy the Client's indebtedness, obligations and Liabilities to TSL arising from, incurred under and relating to the Agreement, including but not limited to the outstanding purchase moneys, fees, charges, expenses, commissions and interests payable by the Client under and pursuant to the Agreement.

9. **Settlement Account**

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

10. **Safekeeping of Securities**

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

- (a) (in the case of registrable Securities) be registered in the name of the Client or in the name of TSL or its nominee; or
- (b) be deposited in safe custody in a designated account of TSL or its designated account with another institution which provides facilities for the safe custody of Securities and documents relating thereto.

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

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

common with the other clients to its proportionate share of such cash or Securities or the rights thereto as are held by TSL for the account of its clients.

- 10.4 Subject to Clause 10.7, TSL shall as soon as reasonably practicable after having been required to do so by Instructions from the Client: -
- (a) procure the registration of any Securities from time to time in the Securities Account in the name of the Client or a person notified by the Client as being the nominee of the Client, or if so instructed, deliver the documents representing or evidencing the Securities to the Client or such nominee whereupon such Securities shall cease to be in the Securities Account; and
 - (b) transfer any sum specified in the Instructions of the Client from the Securities Account to the Settlement Account or such bank account of the Client as the Client may advise and such transfer shall be deemed to be a good discharge of the obligation to make payment to the Client.
- 10.5 Any obligation of TSL to deliver, to hold in safe custody or otherwise or to register in the name of the Client Securities or document evidencing any Securities purchased, acquired or retained by it on behalf of the Client shall be satisfied by the delivery, the holding or registration in the name of the Client or its nominee Securities or equivalent document evidencing such Securities of the same number, class, denomination and nominal amount as, and rank *pari passu* with, those originally deposited with, transferred to or acquired by TSL on behalf of the Client (subject always to any capital reorganization which may have occurred in the meantime) and TSL shall not be bound to deliver or return such original document evidencing such Securities or the Securities being identical with such Securities in terms of number, class, denomination, nominal amount and rights attached thereto.
- 10.6 Where foreign listed Securities are accepted in jurisdictions restricting foreign ownership of Securities, TSL shall have no duty to ascertain the nationality of the owner of Securities or whether the Securities deposited are approved for foreign ownership unless specifically instructed by the Client.
- 10.7 The obligations of TSL in Clause 10.4 shall be subject to the other provisions of the Agreement and to the right of TSL to require that prior to any withdrawal by the Client, the Client discharges in full all the Liabilities. TSL may, without notice to the Client, discharge any or all the Liabilities out of monies standing to the credit of the Securities Account or any Account prior to implementing any registration or transfer pursuant to Clause 10.4 or otherwise may require payment thereof to be made by the Client prior to implementing any registration or transfer pursuant to Clause 10.4.
- 10.8 The Client hereby expressly waives any or all rights attached to the Client's Securities, including any rights issues, take-over offers, capitalisation issues, exercises of conversion or redemption or subscription rights, voting rights.
- 10.9 TSL will pay all dividends, distributions, interest, coupons or benefits relating to the Securities of the Client into the Securities Account. If the Securities in respect of which the dividend, interest, coupons, distribution or other benefit accrues form part of a larger holding of identical Securities held by TSL for its clients, then the Client shall be entitled to the share and proportion of such dividend, distribution, interest, coupons or benefit arising on the larger holding as equals the share or proportion of the Client's holding of Securities to the total larger holding of those Securities.
- 10.10 The Client hereby authorizes TSL or its nominee in connection with TSL's or its nominee's custodial services to take all such actions as may be required to comply with applicable laws, Clearing Rules, regulations and rules of Exchanges, including

withholding and/or making payment of tax or duties payable in respect of cash or Securities in the Securities Account. The Client acknowledges that neither TSL nor its nominee shall be liable in respect of any call, instalment or other payment in relation to the Securities held by TSL or its nominee in the Securities Account.

- 10.11 TSL or its nominee shall levy charges as determined by TSL or its nominee from time to time for TSL's or its nominee's custodian services together with all costs, expenses and disbursements incurred by TSL or its nominee in connection with the custodian service provided hereunder. Such charges, costs, expenses and disbursements may be deducted by TSL from the Securities Account or other Accounts maintained by the Client with any of the Tianda Group Companies.
- 10.12 TSL shall provide the Client with statements of the Securities Account on a monthly basis or at such intervals as TSL shall decide in its absolute discretion. The Client agrees that the Client must examine and verify such statements and will inform TSL of any mistake, omission, disagreement or unauthorised Transactions within seven (7) days from the date the said statement was sent. If the Client fails to do so, the Client shall not be entitled to dispute any Transactions or entry recorded in such statements and accepts such statements as final and conclusive and the same shall be binding on the Client for all purposes. Likewise, confirmations of the execution of the Client's orders and all other documents relating to the Securities Account shall be conclusive of the matters stated therein and shall be deemed to have been accepted by the Client if not objected to in writing by the Client within seven (7) days from the date the said documents were sent.
- 10.13 TSL shall issue to the Client contract notes and authorised documents as evidence of execution of sale or purchase of Securities or additional investments in Securities on behalf of the Client. Where several documents relating to a series of Transactions are involved, these will normally be held until the series is completed, when they will be forwarded to the Client.
- 10.14 Any notice to be given by the Client pursuant to Clause 28.1 shall specify the names of the persons to whom TSL shall deliver the Securities or monies in the Securities Account. If notice of termination is given by TSL, the Client shall, within seven (7) days or such longer period as TSL may agree following the giving of such notice, deliver to TSL a written notice specifying the names of the persons to whom TSL shall deliver the Securities or monies in the Securities Account. In either case, TSL shall deliver such Securities and monies to the persons so specified, after deducting therefrom all Liabilities. If after seven (7) days or such longer period as TSL may agree following the giving of a notice of termination by TSL, TSL does not receive from the Client any written notice as aforesaid, TSL shall continue to hold such Securities and monies until a written notice as aforesaid is delivered to TSL, but without being subject to the obligations imposed on TSL hereunder and the Client is liable for all costs, expenses, fees and charges as imposed by TSL for such purpose until actual delivery of the Securities and monies to the Client or other person specified by the Client.
- 10.15 Without prejudice to the rights and powers conferred to TSL under the Agreement, TSL shall not, without the Client's prior written consent, deposit any of the Client's Securities as security for loans or advances or lend or otherwise part with the possession of any such Securities for any purpose.

11. **Charges and Expenses**

- 11.1 The Client shall pay TSL's or its nominee's commissions, charges, brokerage or other

remuneration as determined by TSL or its nominee in its absolute discretion on all Transactions from time to time and upon all payments to the Client, as well as all applicable levies imposed by any relevant Clearing System or Market and all applicable stamp duties. All such commissions, charges, levies and duties may be deducted by TSL from the Securities Account and any other Accounts maintained by the Client with any of the Tianda Group Companies.

- 11.2 Without prejudice to TSL's right to terminate the Securities Account in accordance with Clause 28 (Termination), TSL may charge a monthly maintenance fee to be notified by TSL to the Client on the Client's dormant Account if the Client has no trading activity for six months or more. Payment of such fees (if any) will be automatically deducted from the Securities Account or any other Accounts maintained by the Client with any of the Tianda Group Companies.
- 11.3 The Client shall be liable on a full indemnity basis for all fees and expenses of any brokers, agents and nominees including TSL's nominee engaged in respect of the Securities Account, all transfer fees, registration fees, stock settlement fees, interest and other handling costs or expenses incurred in respect of or connected with the Transactions, the Securities Account or any Securities receivables or monies held in or for account of the Securities Account, services rendered to the Client or otherwise.
- 11.4 TSL may, at its option, withdraw cash from the Client's Accounts maintained with any of the Tianda Group Companies to pay any amounts due to TSL under the Agreement.
- 11.5 The Client agrees and authorizes TSL to accept from any brokers and dealers engaged in the purchase or sale of, or other dealing with, Securities for the account of the Client any rebate or reallowance or soft commission as may be authorized from time to time by the Hong Kong Association of Brokers and/or the rules of any applicable Markets and Clearing Systems on and through which such Transactions are executed and settled provided always that: -
- (a) TSL and/or its nominee may enter into soft commission arrangements with brokers through which Transactions are executed for the Client. TSL and/or its nominee will enter into such an arrangement only where the goods or services are of demonstrable benefit to the clients of TSL and/or its nominee as applicable. In allocating business to the broker concerned TSL and/or its nominee is under an obligation to ensure that the quality of Transaction execution is consistent with best execution standards and that brokerage rates are not in excess of customary full-service rates. For this purpose, such goods and services may include: research and advisory services; economic and political analysis; portfolio analysis, including valuation and performance measurement; market analysis, data and quotation services; computer hardware and software incidental to the above goods and services; clearing and custodian services and investment-related publications; and
 - (b) TSL and/or its nominee may receive cash or money rebates on Transactions executed for the Client's account. Such rebates will be retained by TSL and/or its nominee for their own account absolutely without prior disclosure to Client. If TSL and/or its nominee retains such rebates it is under an obligation to ensure that brokerage rates are not in excess of customary full service rates.

12. **Client's Money**

- 12.1 TSL shall be entitled to deposit all moneys or funds held in the Securities Account and all moneys received for or on account of the Client with one or more accounts at

one or more licensed banks. Unless otherwise agreed between the Client and TSL, any interest accrued on such moneys or funds shall belong to TSL absolutely.

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

12.3 The Client agrees that TSL shall be entitled to receive for its own account benefit all sums derived by way of interest from the payment into and retention of: -

- (a) all amounts in any trust account; and
- (b) all amounts received for or on account of the Client for the purchase of Securities in any trust account maintained by TSL under section 149 of the SFO.

The Client hereby expressly waives any or all rights, claims and entitlements whatsoever to such interest.

12.4 Whilst the Client's money remains in the segregated account of TSL, interest shall be payable and credited to the Securities Account by TSL. The interest shall be TSL's rate at its sole discretion which shall be notified to the Client from time to time. TSL may aggregate all monies received from its clients in the segregated account of TSL to achieve an overall interest rate higher than the rate being offered to the Client as aforesaid. The Client hereby agrees that TSL is entitled to retain such amount of money as may be produced by the difference in interest rates.

13. **Disclosure**

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

14. **Lien**

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

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

Companies;

((a) and (b) above are collectively referred to as the "**Retained Properties**") are subject to a lien in favour of all the Tianda Group Companies as continuing security (the "**Lien**") for : (i) the due and punctual performance and fulfillment of all obligations or Liabilities of the Client under the Agreement, and (ii) the payment, repayment, satisfaction and/or discharge on demand of the moneys, funds, indebtedness, obligations and Liabilities (whether past, present or future, or whether absolute or contingent) which are now or at any time hereafter shall be due, owing or incurred from or by the Client or the Client Group Company to or in favour of TSL and/or the Tianda Group Companies under or pursuant to the Agreement, other agreement with any of the Tianda Group Companies or any other agreement or document, or on any account or in any manner whatsoever (whether alone or jointly with any other person and in whatever name, style or firm) together with interest thereon and legal costs and expenses of TSL or the Tianda Group Companies.

- 14.2 The Client shall not, without TSL's prior written consent, assign, transfer, mortgage, pledge, charge, or create or permit to arise or exist any lien, securities or other form of Encumbrances of any nature on or over his right, title, interest and claim in or to any investment products held by TSL for account of the Client.
- 14.3 At any time as TSL shall determine appropriate and/or upon the occurrence (in the sole and subjective judgment of TSL) of any Event of Default, the Lien shall be immediately enforceable and/or TSL, without prejudice to any of the rights or powers of TSL under the Agreement or other documents, shall have the right, without notice to the Client, to: (i) appropriate, pay, deduct, transfer or set-off the whole or any part of any funds or moneys comprised in the Retained Properties at any time and from time to time in or towards payment, satisfaction or discharge of any money, fund, indebtedness, obligation or liability secured by the Lien, and/or (ii) sell, dispose of, liquidate, transfer, trade or deal with (and TSL is authorized to do all such things necessary in connection with such sale, disposal, liquidation, transfer, trading or dealing) the Retained Properties or any part thereof (to be selected by TSL in its absolute discretion) at any time and from time to time either together or in parcels and either by dealings at any broker's board through SEHK or other Exchange or by public or private means or in such other manner and for such consideration (whether payable or deliverable immediately or by instalments and whether for cash or other valuable consideration or both) and on such terms and conditions as TSL shall think fit in its absolute discretion without being in any way liable to the Client for any loss occasioned thereby however arising. Without limiting the generality of the foregoing, TSL is hereby specifically authorized to dispose of, liquidate, transfer, trade and/or deal with the Securities Account and all Securities comprised in the Retained Properties or held in the Securities Account without notice to the Client.
- 14.4 In any sale, disposal, liquidation, transfer, trading or dealing pursuant to this Clause 14 (Lien) or the Agreement, if less than all the Retained Properties are to be sold, disposed of, liquidated or transferred, TSL shall in its absolute discretion select which part of the Retained Properties are to be sold, disposed of, liquidated, transferred, traded or dealt with at any time and from time to time.
- 14.5 The Client agrees that TSL shall have the full and absolute right and discretion to determine at what time and day to exercise or enforce its right and power to carry out or execute the sale, disposal, appropriation, liquidation, transfer, trading or dealing pursuant to this Clause 14 (Lien) or the Agreement. The Client shall not have any right to claim against TSL in respect of any loss arising out of any sale, disposal, appropriation, liquidation, transfer, trading or dealing pursuant to the Agreement, howsoever such loss may have been caused, and whether or not a better price or

position could or might have been obtained on the sale, disposal, appropriation, liquidation, transfer, trading or dealing of any of the Retained Properties by either deferring or advancing the time or date of such sale, disposal, appropriation, liquidation, transfer, trading or dealing or otherwise howsoever.

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

15.1 The Client represents and warrants for so long as the Client maintains the Securities Account with TSL and on the giving of each Instruction to TSL in relation to a Transaction that: -

- (a) the Client will be the ultimate originator of all Transactions and is dealing on its own account as beneficial owner of the relevant Securities and the Securities Account and that no one other than the Client has any interest in the relevant Securities in or held for the Securities Account save that where the Securities Account is opened by the Client acting as an agent, and the same is disclosed in the Account Opening Form, the Client shall not be taken to warrant or represent that it is the beneficial owner and shall in lieu represent and warrant that the beneficial owner is as advised in the Account Opening Form;
- (b) the information provided in the Account Opening Form is true and correct;
- (c) the Client has or will have good and unencumbered title as beneficial owner to all Securities which the Client instructs TSL to sell or otherwise dispose of for the Securities Account in accordance with the Agreement and undertakes to deliver such Securities in time for TSL to comply with the rules of the relevant Exchange applicable thereto save that where the Securities Account is opened by the Client acting as an agent and the same is disclosed in the Account Opening Form, the Client shall not be taken to warrant or represent that it is the beneficial owner, but instead that the beneficial owner is as advised in the Account Opening Form;
- (d) all necessary consents or authorisations which may be required for the execution of the Agreement and for the carrying out of any Transaction on any Market have been obtained and are in full force and effect;
- (e) the Client has the authority and power and legal capacity to open the Securities Account and to perform its obligations under the Agreement and the Agreement constitute valid and legally binding obligations of the Client;
- (f) all written or oral answers to any questionnaire completed by the Client or any other person or other information provided to TSL or any of the Tianda Group Companies are true, accurate and complete, and all the Tianda Group Companies are entitled to rely on such information;
- (g) the Client will forthwith notify TSL in writing of any change (material or not) in any of the aforesaid information and such change shall only take effect after receipt of such notice by TSL;
- (h) the Client has determined that trading in Securities is appropriate for the Client, is prudent in all respects, and does not and will not violate any statute, rule, regulation, judgment, or decree, agreement or undertaking to which the Client is subject or bound; and
- (i) the Client is not a U.S. person and will not acquire or hold Securities beneficially owned by or for a U.S. person or in violation of any applicable law.

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

Account.

- 15.3 The Client undertakes to TSL to do or execute any act, deed, document or thing which TSL requires the Client to do being in the reasonable opinion of TSL necessary or desirable in connection with the implementation and enforcement of the Agreement including the execution by the Client of an irrevocable power of attorney appointing TSL as the lawful attorney of the Client to do and execute all such acts, deeds, documents or things on behalf of the Client as TSL considers necessary or desirable in connection with such implementation and enforcement. The Client agrees to ratify or confirm all such acts, deeds, documents or things by TSL.
- 15.4 The Client agrees to do such acts and things and to execute such documents as are necessary or are in the reasonable opinion of TSL desirable to ratify or confirm anything done by TSL, its nominee, subsidiary or associated company, or any other entity instructed by any of them in the proper exercise of any right or power conferred by the Agreement or any agreement entered into pursuant to the Agreement or relating to the Securities Account.
- 15.5 If the Client is a corporation, the Client represents, warrants and undertakes with TSL that: -
- (a) the Client is duly incorporated, validly existing and in good standing under the laws of its place of incorporation and has full power and authority to conduct the business and operations which it now conducts or proposes to conduct, and the business under the Agreement, and to own, acquire or hold Securities, property and assets;
 - (b) the Client has full power and authority to enter into, sign and execute the Agreement, to perform and fulfill its duties and obligations under the Agreement, and to carry out any Transaction on any Market under the terms of the constitutional document(s) by which the Client is established or constituted;
 - (c) all necessary corporate and other action have been taken, and all necessary shareholder and other consent have been given to authorize the entering, signing, execution, performance and fulfillment of the Agreement. The Agreement when signed or executed by the Client will constitute valid and legally binding obligations of the Client;
 - (d) the financial statement and accounts of the Client supplied to TSL have been prepared in accordance with accounting policies consistently applied, and present a true, fair and accurate view on the operation of the Client for the relevant accounting period and the financial position of the Client at the end of such accounting period; and
 - (e) the certified copy resolutions provided by the Client to TSL with the Agreement were duly passed at a meeting of its directors duly convened and held on or prior to the date hereof in accordance with its constitutional documents and were entered in its minutes book and are in full force and effect.
- 15.6 Where the Client effects Transactions for the account of its clients, whether on a discretionary or non-discretionary basis, and whether as agent or by entering into matching Transactions as principal with its clients, the Client hereby agrees that where TSL has received an enquiry from the Hong Kong Regulators, the following provisions shall apply: -
- (a) subject as provided below, the Client shall, immediately upon request from TSL (which request shall include the relevant contact details of the Hong Kong Regulators), inform the Hong Kong Regulators (i) the information on the identity, address, occupation, contact and other details of its client for whose

- account was effected; (ii) the person or entity (legal or otherwise) ultimately responsible for originating the Instruction to effect the relevant Transaction; and (iii) the person or entity (legal or otherwise) that stands to gain the commercial or economic benefit of the relevant Transaction and/or bear its commercial or economic risk;
- (b) if the Client effected the Transaction for a collective investment scheme, discretionary account or discretionary trust, the Client shall immediately upon request from TSL (which request shall include the relevant contact details of the Hong Kong Regulators), inform the Hong Kong Regulators of the name of the relevant scheme, account or trust and, if applicable, the identity, address, occupation, contact and other details of the person who, on behalf of the scheme, account or trust, ultimately originates the Instruction to effect relevant Transaction;
 - (c) if the Client is acting as an investment manager for any collective investment schemes, discretionary accounts or trusts, the Client shall immediately inform TSL when any Transactions in which its investment discretion to invest on behalf of the scheme, account or trust is overridden. In the case where the Client's investment discretion is overridden, the Client shall immediately upon request by TSL (which request shall include the relevant contact details of the Hong Kong Regulators) inform the Hong Kong Regulators of the identity, address, occupation and contact details of the person(s) who has or have ultimately originated the Instruction to effect the Transaction;
 - (d) if the Client is aware that its client is acting as intermediary for its underlying clients, and the Client does not know the identity, address, occupation and contact details of the underlying clients for whom the Transaction was effected, the Client confirms that: -
 - (i) it has arrangements in place with its client which entitle the Client to obtain the information set out in paragraphs (a), (b) and/or (c) above from its client immediately upon request or procure that it be so obtained; and
 - (ii) it will, on request from TSL in relation to a Transaction, promptly request the information set out in paragraphs (a), (b) and/or (c) above from its clients on whose instructions the Transaction was effected, and provide the information to the Hong Kong Regulators as soon as it received from its clients or procure that it be so provided;
 - (e) the Client confirms that, where necessary, it has obtained all relevant consents or waivers from its clients, collective investment schemes, discretionary accounts or discretionary trusts for whose account Transactions may be effected and (where appropriate) complied with the requirements of the Personal Data (Privacy) Ordinance such that it is able to release information to the Hong Kong Regulators of the identity and contact details of such clients, collective investment schemes, discretionary accounts or discretionary trusts, and of the person(s) with the ultimate beneficial interest in any such Transaction, and (if different from the Client/ultimate beneficiary) of the person(s) who originated the Transaction;
 - (f) the Client agrees and undertakes to provide the client identity information set out in paragraphs (a), (b) and/or (c) above direct to the Hong Kong Regulators within two (2) Business Days of written request from TSL (which request shall include the relevant contact details of the Hong Kong Regulators);
 - (g) for any intermediary in a jurisdiction with client secrecy laws, the Client confirms that agreements have been entered into by the Client's ultimate clients that waive the benefit of the secrecy laws in respect of providing the client identity information to the Hong Kong Regulators; and such agreements are binding under the relevant law; and
 - (h) TSL and the Client hereby agree that the provisions of this Clause 15.6 shall

continue in effect notwithstanding the termination of the Agreement.

15.7 The Client covenants to notify TSL forthwith of any material change in the information supplied in the Account Opening Form. The Client agrees and undertakes to report any loss or theft of, or any unauthorized access to the Securities Account immediately.

16. **Default**

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

- (a) at any time when TSL shall, in its sole discretion, consider it necessary for the protection of TSL or any of the Tianda Group Companies;
- (b) the Client fails or refuses to pay or settle any outstanding amount, money, fund, purchase price or other payment becoming due or payable under the Agreement or any other agreement with any of the Tianda Group Companies;
- (c) the Client fails or refuses, to settle or pay any outstanding amount, money or Deficit on any of the Client's Account(s) with TSL or any of the Tianda Group Companies;
- (d) the Client violates or fails to perform on a timely basis any term, undertaking, agreement, covenant or condition on its part to be performed under the Agreement;
- (e) the Client fails or refuses to discharge, pay, satisfy or perform any of the Client's Liabilities, obligation or indebtedness under the Agreement or any other agreement with any of the Tianda Group Companies;
- (f) breach, refusal, failure or default of or by the Client in complying with, fulfilling, performing or observing any terms or conditions of the Agreement or the Trading Accounts Terms or any other agreement with any of the Tianda Group Companies;
- (g) any representation or warranty made in the Agreement or in any document delivered to TSL or any of the Tianda Group Companies being or becoming incomplete, untrue or incorrect;
- (h) any consent or authorization required by the Client to enter into the Agreement being wholly or partly revoked, suspended, terminated or ceasing to remain in full force and effect;
- (i) the filing or commencement of a petition or application in bankruptcy, liquidation or winding up, petition or application for the appointment of a receiver, or the commencement of other similar proceedings against the Client;
- (j) the Lien or any security created or any part thereof respectively in relation to the indebtedness, obligations or Liabilities under the Agreement being avoided or discontinued;
- (k) any deterioration or impairment (in TSL's opinion) or any decline or depreciation (in TSL's opinion) in the value or market price (whether actual or reasonably anticipated) of the Retained Properties or any security or any part thereof respectively;
- (l) the levying of attachment or charge against the Securities Account or any Account(s) of the Client with TSL or any of the Tianda Group Companies;
- (m) any third party asserts a claim, right or interest in respect of any moneys or funds in the Securities Account or any Accounts of the Client with TSL or any of the Tianda Group Companies;
- (n) the Client takes advantage of any bankruptcy, liquidation, reorganization, moratorium, insolvency or similar law or makes or proposes to make any arrangements or compositions for the benefit of any of the Client's creditors, or is the subject of any order, judgment or decree entered by any court providing for the winding up, reorganization, liquidation or appointment of a

- liquidator, trustee in bankruptcy or receiver of the Client or a substantial part of the Client's business or assets;
- (o) the Client becomes insolvent or dissolved for any reason whatsoever, merges or becomes consolidated with any non-affiliated party, or sells all or a substantial portion of the Client's business or assets;
- (p) the death, liquidation or judicial declaration of incompetence of the Client;
- (q) any action or proceeding is commenced or any claim or demand is made by any person against the Client in connection with any matter herein contained or the Retained Properties or any part thereof or against TSL in connection with any matter herein contained or the Retained Properties or any part thereof;
- (r) any adverse change (in the sole and subjective opinion of TSL) in the corporate structure, business, assets, financial condition, and general condition or prospects of the Client;
- (s) at any time when TSL and/or any of the Tianda Group Companies is or becomes under any obligation imposed by any relevant Exchange and/or Clearing House and/or broker or any applicable laws, rules and regulations to do any of the acts mentioned in this Clause 16 (Default); and
- (t) the occurrence of any event which, in the sole and subjective opinion of TSL, may or shall jeopardize, prejudice or affect any of the rights, interests or benefits of TSL or any of the Tianda Group Companies.

16.2 If an Event of Default (in the sole and subjective judgment of TSL) occurs, then all amounts owing by the Client to TSL shall become immediately payable on demand, and interest will accrue, at the rate specified in Clause 6.11, on the amounts outstanding from time to time, the further performance by TSL of any of its outstanding obligations to the Client under the Agreement (whether for payment of money or otherwise) shall be conditional upon the Client having fully discharged all its obligations to TSL under the Agreement, and TSL or any of the Tianda Group Companies shall be entitled at their absolute discretions, without further notice or demand and in addition to and without prejudice to any other rights or powers conferred under the Agreement, to forthwith:-

- (a) satisfy any obligations the Client may have to TSL (either directly or by way of guarantee or other security) by selling, realizing or otherwise dealing with, in such manner as TSL in its absolute discretion may determine, all or part of any property held by any of the Tianda Group Companies for any purpose in any of the Client's Accounts maintained with any of the Tianda Group Companies, and to apply the proceeds in reduction of all or part of any Liabilities of the Client to TSL;
- (b) set-off, combine or consolidate any of the Client's Accounts (of any nature) maintained with TSL or any of the Tianda Group Companies or any obligations of TSL to the Client under the Agreement against any obligations of the Client to TSL under the Agreement;
- (c) suspend TSL's obligations to perform pursuant to the Agreement;
- (d) revise, change, withdraw, stop or cancel the facilities, advances, credits or loans made or granted to the Client, or any part thereof respectively;
- (e) liquidate the Securities Account or any Account of the Client with any of the Tianda Group Companies;
- (f) where applicable, sell any Securities in the Securities Account and/or any Account of the Client with any of the Tianda Group Companies;
- (g) where applicable, buy Securities previously sold as a short sale in the Securities Account and/or any Account of the Client with any of the Tianda Group Companies;
- (h) liquidate or terminate any open contract held by TSL on behalf of the Client, and make or take delivery of the Securities in respect of such contract;

- (i) borrow or purchase any Security required to make delivery on behalf of the Client;
 - (j) exercise any options held by TSL on behalf of the Client;
 - (k) transfer in, transfer out, settle, clear all or any Securities;
 - (l) call upon or enforce any security which may have been issued, made or created in favour of TSL or any of the Tianda Group Companies as security for the indebtedness, Liabilities or obligations of the Client under the Agreement;
 - (m) exercise any or all the rights and powers of TSL under the Agreement;
 - (n) cancel any or all outstanding instructions, orders or any other commitments made on behalf of the Client;
 - (o) take any actions, or do any acts, matters or things as authorized, instructed, directed, appointed or empowered under the Agreement;
 - (p) take such actions, or do such acts, matters or things as TSL shall think fit in relation to the Retained Properties; and/or
 - (q) take or not to take any actions, or do or not to do any acts, matters or things as TSL shall think fit.
- 16.3 TSL may at its absolute discretion apply the net proceeds (after deduction of all fees, costs and expenses incurred in connection with the exercise of the powers conferred on TSL by this Clause 16 (Default)) actually received by TSL pursuant to the exercise of powers under this Clause 16 (Default) in reduction of the Client's then outstanding obligations to TSL in such order or manner as TSL considers fit.
- 16.4 TSL shall have absolute discretion in all matters relating to the exercise of its rights under this Clause 16 (Default), and may sell any Securities on a single or collective basis. The Client hereby waives all claims and demands (if any) against TSL in respect of any loss, involuntary or otherwise, directly arising from the exercise by TSL of the powers conferred by this Clause 16 (Default), howsoever such loss may have been caused (other than through wilful default of TSL, or the reckless disregard of the obligations of TSL under this Clause 16 (Default)), whether in relation to the timing or manner of the exercise of such powers or otherwise.
- 16.5 In the event that any of the events set out in Clause 16.1 shall occur, then the Agreement may be terminated by TSL forthwith without notice to the Client. Any such termination shall be without prejudice to the accrued rights and obligations of the Parties contained in any provision hereof which shall remain in full force and effect and shall be enforceable notwithstanding such termination.
- 16.6 The Client shall be liable for any Deficit that may exist after TSL has exercised any or any combination of rights in this Clause 16 (Default), and any cost or expense (including legal costs) incurred by TSL, on a full indemnity basis, related to such exercise.
- 16.7 TSL shall be entitled at all times to employ debt collecting agent(s) to collect any sum due but unpaid by the Client hereunder and for doing so, TSL may and is hereby authorized to disclose to such agent(s) any or all information available in relation to the Client and TSL shall not be howsoever liable or responsible (whether in contract or tort) for such disclosure or for any default negligence act conduct misconduct and/or deeds of such agent(s). The Client is hereby warned that the Client shall indemnify and keep TSL indemnified on a full indemnity basis against all reasonable costs and expenses which TSL may reasonably incur in employing debt collecting agent(s).
- 16.8 In the event that TSL or its associated person commits a default in relation to

Securities listed or traded, or to be listed or traded, on a recognized stock market, and the related assets of such Securities, and the Client thereby suffers a pecuniary loss, the Client acknowledges and accepts that the right to claim compensation will be restricted to the extent provided for therein under the SFO. For Transactions which are effected in an Exchange other than a recognized stock market, the Client acknowledges and accepts that any right to compensation in the event of any default on the part of TSL or its associated person will be subject to the rules of the relevant Exchange.

17. **Client's Responsibility for Disclosure of Interests**

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

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

18. **Trading Recommendation**

18.1 The Client acknowledges and agrees that: (a) the Client assumes full responsibility for all trading decisions in the Securities Account and TSL is responsible only for the execution, clearing, and carrying out of the Instructions of the Client and trading, dealing or Transactions in the Securities Account; (b) TSL has no responsibility or obligation regarding any conduct, action, representation or statement of any introducing firm, trading advisor or other third party in connection with the Securities Account or any trading, dealing or Transaction therein.

19. **Disclaimer**

19.1 Neither TSL nor any of the Tianda Group Companies nor any of its directors, employees or agents shall have any liability whatsoever (whether in negligence or otherwise) for any loss, expense or damages suffered by the Client as a result of TSL's delay or failure to perform or execute the Client's Instruction or its obligations hereunder by the following reasons: (i) any disruption, breakdown, malfunction or failure of transmission, communication or computer facilities, (ii) any postal or other strikes or similar industrial action, (iii) any disruption, closure, breakdown or failure of any relevant Exchange and/or Clearing House and/or broker and/or any other person or firm or company whatsoever, (iv) any prevailing Market conditions, or (v) any action of government, governmental agency, Exchange and/or Clearing House.

19.2 Without limiting the generality of Clause 19.1, neither TSL nor any of the Tianda Group Companies nor any of its directors, employees or agents shall have any liability

whatsoever (whether in negligence or otherwise) for any loss, expense or damages suffered by the Client arising out of or in connection with any TSL's and/or any of the Tianda Group Companies' delay, omission or failure to execute any of the Client's Instruction, unless due to fraud or willful default on the part of TSL or any of the Tianda Group Companies.

20. **Client Information**

- 20.1 The Client shall provide such information as TSL may from time to time request, such information shall include without limitation financial data concerning the Client. Failure to supply such information may result in TSL being unable to open or continue the Securities Account or establish, continue or provide services in Securities trading or dealing. It is also the case that information is collected from the Client in the ordinary course of the continuation of Securities trading or dealing relationship.
- 20.2 The Client agrees promptly (a) to furnish appropriate financial statements to TSL; (b) to disclose to TSL any material change in the financial position of the Client; (c) to furnish such other information concerning the Client as TSL may reasonably request; (d) to notify TSL in writing if any of the representations contained in the Agreement cease to be true, accurate and correct in any respects; and (e) to notify TSL of the occurrence of any event specified in Clause 16.1 upon its occurrence.

21. **Use of Client Information**

- 21.1 The Client acknowledges that the laws of the relevant jurisdictions, the rules or regulations of Exchanges on which TSL or Tianda Group Companies enters into Transactions for and on behalf of the Client may require the disclosure of information relating to the Client and/or the Client's Accounts. The Client hereby irrevocably authorizes TSL and Tianda Group Companies, without notice or consent from the Client, to disclose to and provide the relevant authorities with all such information and documents of the Clients as may be required for such purpose, including without limitation, the name and identity of the Client or the ultimate beneficial owner of the Securities Accounts, and the financial position of the Client as may be known to TSL or Tianda Group Companies. The Client shall not hold TSL or Tianda Group Companies liable for any consequences arising from such disclosure, and the Client shall reimburse TSL and Tianda Group Companies on demand for all costs and expenses (including legal costs) incurred by TSL and Tianda Group Companies in complying with requests for such disclosure.
- 21.2 TSL will keep information relating to the Client and the Securities Account confidential, but is authorized to use such information for the following purposes including but not limited to: (a) the daily operation of the Securities Account and the services provided to the Client; (b) conducting credit enquiries on the Client; (c) ensuring ongoing credit worthiness of the Client; (d) designing and marketing services or related products; (e) collection of amounts outstanding from the Client and those providing security for the Client's obligations; (f) make disclosure under the requirements of any law binding on TSL; and (g) purposes relating thereto. TSL may provide any such information to the following persons including but not limited to (i) its auditors, legal advisers, brokers or dealers instructed by TSL on behalf of the Client, (ii) the SEHK or other regulatory bodies, (iii) any other Market in which Securities are traded for the Securities Account, (iv) the Hong Kong Regulators or any other regulatory authority to comply with their requirements or requests for information, (v) any employee, agent, contractor, sub-contractor or third party service provider who provides administrative, telecommunications, computer, payment, clearing or other services to TSL in

connection with the operation of its business; and (vi) any other person under a duty of confidentiality to TSL including but not limited to all the Tianda Group Companies which have undertaken to keep such information confidential. TSL shall not be liable in any way to the Client for any disclosure made pursuant to this Clause.

- 21.3 Where the Client is an individual, the Client agrees to be bound by TSL's "Notice to Clients relating to the Personal Data (Privacy) Ordinance", and to the use of his/her personal data in the manner specified in the said Notice.
- 21.4 Under and in accordance with the Personal Data (Privacy) Ordinance any individual: (a) has the right to check whether TSL holds data about him and the right of access to such data; (b) has the right to require TSL to correct any data relating to him which is inaccurate; and (c) has the right to ascertain TSL's policies and practices in relation to data and to be informed of the kind of personal data held by TSL.
- 21.5 TSL may, whether during the continuance or after the termination of the Agreement, without notice to the Client, disclose to any of the Tianda Group Companies or any agent, or to any actual or proposed assignee or participant or sub-participant or transferee of any of TSL's rights or obligations under the Agreement, any information relating to the Client.

22. **Liability and Indemnity**

- 22.1 The Client shall indemnify and keep TSL indemnified against all costs, claims, demands, actions, proceedings, damages, losses and expenses whatsoever which may be suffered or incurred by TSL directly or indirectly arising out of or in connection with anything done or omitted pursuant to any Instruction of the Client, anything lawfully done or omitted by TSL, any Transaction entered into by TSL on behalf of the Client, or any action by TSL in accordance with the Agreement.
- 22.2 The Client shall indemnify TSL, all the Tianda Group Companies and their respective directors, officers, delegates, agents, employees, nominees, correspondents or representatives from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, legal expenses and other expenses or disbursements of any kind or nature whatsoever (other than those resulting from fraud or wilful default on the part of TSL) which may be imposed on, incurred by or asserted against TSL or any of the Tianda Group Companies (or any of their respective directors, officers, delegates, agents, employees, nominees, correspondents or representatives) in the performance or exercise of their duties or discretion under the Agreement or arising out of or in connection with the default or breach by the Client of any provision of the Agreement or any of the Client's obligations to TSL or any of the Tianda Group Companies, or any representation or warranty by the Client becoming untrue or inaccurate, including but not limited to any costs incurred by any of them in the collection of debts owed by the Client to any of them.
- 22.3 The Client shall indemnify TSL, all the Tianda Group Companies and their respective directors, officers, delegates, agents, employees, nominees, correspondents or representatives against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, legal expenses and other expenses or disbursements of any kind or nature whatsoever arising out of or in connection with any act of omission of the Authorized Person of the Client.
- 22.4 The Client shall further indemnify TSL against any claim which may be made against TSL by a purchaser or any other person by reason of any defect in the title of the

Client to the Securities.

- 22.5 The Client also agrees to pay promptly to TSL and all the Tianda Group Companies all damages, costs and expenses (including legal costs and expenses on a full indemnity basis) incurred by TSL in the enforcement of any of the provisions of the Agreement.
- 22.6 If TSL fails to meet the obligations to the Client pursuant to the Agreement, the Client will have a right to claim under the Investor Compensation Fund under the SFO, subject to the terms of the Investor Compensation Fund as from time to time amended or supplemented.

23. **TSL's Interests**

- 23.1 When effecting any Transaction for the Client, TSL, its nominee, any of the Tianda Group Companies, may have an interest, relationship or arrangement that is material in relation to the Transaction, in the Securities concerned. The Client agrees that TSL may, notwithstanding any such interest, relationship or arrangement, effect Transactions for the Client with or through any of its nominees, subsidiaries or associated companies, and TSL, its nominees, subsidiaries or associated companies may: -
- (a) be the counterparty as principal for its own account in respect of any Transactions effected by the Client;
 - (b) effect Transactions in circumstances when it, any of its nominees, subsidiaries or associated companies has a position in the Securities is involved with those Securities as underwriter, sponsor or otherwise; or
 - (c) match the Client's orders with those of other clients.
- 23.2 In the absence of fraud or wilful misconduct on the part of TSL, TSL shall not be liable to the Client for any claims against TSL or any of its nominees, any of the Tianda Group Companies in relation to any Transaction referred to in Clause 23.1 including any claims to the effect that TSL or any of its nominees, subsidiaries or associated companies account to the Client for any emoluments, commissions, profits or any other benefits whatsoever earned or received by TSL or any of its nominees, subsidiaries or associated companies in relation to any such Transactions.

24. **Suitability**

- 24.1 Unless TSL expressly agrees in writing to the contrary, no representation or warranty, express or implied, is given by TSL as to the value or suitability for the Client of any Transaction entered into by the Client.
- 24.2 If TSL solicits the sale of or recommend any financial product to the Client, the financial product must be suitable for the Client having regard to the Client's financial situation, investment experience and consulting objectives. No other provision of this agreement or any other document TSL may ask the Client to sign and no statement we may ask the Client to make derogates from this clause.

Note: "Financial product" means any securities, futures contracts or leveraged foreign exchange contracts as defined under the SFO. Regarding "leveraged foreign exchange contracts", it is only applicable to those traded by persons licensed for Type 3 regulated activity.

- 24.3 The Client hereby acknowledges that any information communicated to the Client by

TSL, although obtained from sources believed by TSL to be reliable, has not been independently verified by TSL and may be incomplete, inaccurate or changed without notice to the Client. TSL makes no representation, warranty or guarantee with respect to the correctness of such information.

24.4 The Client shall make its own judgment and decision with respect to any Transaction which he enters. The Client understands that TSL, or one or more of the Tianda Group Companies, may purchase or sell, have a position in the Securities or financial instruments which are the subject of information or recommendations furnished to the Client, and that the positions or Transactions of TSL or any of the Tianda Group Companies may or may not be consistent with the recommendations furnished to the Client by TSL.

25. **Investor Compensation Fund**

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

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

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

- (a) the expression "Client" shall include each such person (a "**Joint Client**") and the liability of Joint Clients under the Agreement shall be joint and several;
- (b) any demand for payment on any one or more of the Joint Clients shall be treated as a valid demand on all Joint Clients;
- (c) TSL and any of the Tianda Group Companies shall be entitled to deal separately with any of the Joint Clients on any matter including the release or discharge of any one or more of the Joint Clients from liability under the Agreement or compound with, accept compositions from, or make any other arrangement with, any of such persons without, in consequence, releasing or discharging or otherwise prejudicing or affecting its rights and remedies against any other Joint Clients;
- (d) each of the Joint Clients shall, in favour of all the Tianda Group Companies, waive the right of proof in competition with any one or all of the Tianda Group Companies in the bankruptcy or insolvency of any of the Joint Clients and none of the Joint Clients shall take from any other Joint Client(s) any counter-security without prior written consent from all the Tianda Group Companies;
- (e) the discharge, satisfaction or performance of any liability, obligation or indebtedness under the Agreement by any of the Tianda Group Companies in favour of or for the benefit of any of the Joint Clients shall be and be deemed to be full and sufficient discharge, satisfaction or performance of such liability, obligation or indebtedness in favour of or for the benefit of any or all of the Joint Clients. The payment of money or fund by any of the Tianda Group Companies toward or in favour of any of the Joint Clients shall be and be deemed to be full and sufficient discharge, satisfaction or performance of such payment of money or fund toward or in favour of any or all of the Joint Clients;
- (f) the Agreement shall not be affected by the death, incapacity or Dissolution of any Joint Client;
- (g) termination of the Agreement pursuant to Clause 28 (Termination) by any one or more of the Joint Clients or his or their personal representatives shall not affect the continuing liability of the other Joint Clients;

- (h) TSL shall have a lien on the property (including without limitation the Securities Account) of each Joint Client. TSL's lien shall be additional to the rights and remedies of TSL pursuant to the Agreement;
- (i) each of the Joint Clients severally shall have the authority to give Instructions to TSL, exercise all rights, powers and discretion pursuant to the Agreement on behalf of the other Joint Clients as if each of them alone was the holder of the Securities Account. Any act, conduct, Instructions, directions, decisions and/or authorizations of any of the Joint Clients shall be jointly and severally binding on the other Joint Clients. TSL may follow the Instructions of any one of the Joint Clients in relation to the Securities Account and shall not be required to give notice to, or obtain authorization from, the other Joint Client in respect of such Instructions;
- (j) TSL shall be under no duties whatsoever (including without limitation any duty to inquire into or see to) in respect of the application of any monies or properties between the Joint Clients;
- (k) Any of the Joint Clients is not entitled to claim or assert interest, benefit, ownership or title to any particular or specific Securities in the Securities Account separately or independently with any other Joint Clients;
- (l) the Joint Clients have entered into the Agreement with a right of survivorship;
- (m) in the event of death of any Joint Client, the estate of the deceased Joint Client or the surviving Joint Client(s) shall immediately notify TSL in writing of the relevant death and produce and deliver to TSL true copy of proof of such death and such other documents as TSL may in its absolute discretion require (but TSL is not required to verify the authenticity of such evidence so produced); and
- (n) each of the Joint Clients shall be bound by the Agreement regardless of the arrangement or agreement among the Joint Clients and notwithstanding the Agreement may be invalid or unenforceable against any one or more of the Joint Clients (whether or not the deficiency is known to TSL).

27. **Single and Continuous Agreement**

- 27.1 The Agreement and all its amendments shall be continuous, and shall cover individually and collectively all Securities Accounts which the Client may from time to time open and maintain with TSL, each order executed by TSL shall be subject to the terms and conditions of the Agreement. The Client hereby acknowledges that all Transactions executed for the Client's account shall be executed by TSL in reliance upon such fact and as if the representations, undertakings and warranties given by the Client to TSL in Clause 15 (Client's Representations, Undertakings and Warranties) were repeated before each such Transaction, and that the Parties would not otherwise enter into such Transaction.

28. **Termination**

- 28.1 The Client shall only terminate the Agreement by a valid and effective prior written notice to TSL. The aforesaid prior written notice by the Client shall be a valid and effective prior written notice only and only if such notice shall be actually received by TSL and the effective date for termination of the Agreement stated therein shall be at least seven (7) Business Days after the date of actual receipt of such notice by TSL. The Agreement shall be terminated by TSL at its discretion and at any time by notice given by TSL to the Client. The termination of the Agreement shall not affect or prejudice:-
- (a) the Liabilities, obligations or indebtedness of the Client existing, arisen or incurred at the time under the Agreement and/or any agreement made with

- any of the Tianda Group Companies on or before the termination of the Agreement, including but not limited to the indebtedness, Liabilities or obligations of the Client arising out of or in connection with any open positions or outstanding Transactions at the time of the termination of the Agreement;
- (b) the Liabilities, obligations or indebtedness of the Client arising out of or in connection with any agreements, warranties, representations, undertakings and indemnities given by the Client under the Agreement and/or any agreement made with any of the Tianda Group Companies;
 - (c) the rights and powers to liquidate, terminate, transfer or settle all the open positions or outstanding Transactions of the Client, and the rights and powers to take such action or do all such acts and things incidental or in relation to the liquidation, termination, transfer or settlement mentioned in this Clause; and
 - (d) the rights and powers to take such action or do all such acts and things incidental or in relation to the termination, conclusion, consolidation, clearing or settlement of all the Client's Liabilities, obligations or indebtedness under the Agreement, or the rights and powers to take such action or do all such acts and things incidental or in relation to the termination of the Agreement.
- 28.2 Upon termination of the Agreement under Clause 28.1, all amounts due or owing by the Client to TSL under the Agreement shall become immediately due and payable. TSL shall cease to have any obligation to effect any Transaction on behalf of the Client in accordance with the provisions of the Agreement, notwithstanding any Instructions from the Client to the contrary.
- 28.3 As soon as practicable after termination of the Agreement, TSL shall have the power to sell, realize, redeem, liquidate or otherwise dispose of all or part of the Client's Securities for such consideration and in such manner as TSL shall in its absolute discretion consider necessary to satisfy first, all costs, charges, fees and expenses (including legal expenses) incurred by TSL in such sale, realization, redemption, dissolution or other disposal and all other monies and sums due or owing and other liabilities accrued or accruing due to TSL and outstanding (whether actual or contingent, present or future or otherwise) under the Agreement and second, all other Liabilities, at the Client's sole risk and cost and without incurring any liability on the part of TSL for any loss or damage incurred by the Client.
- 28.4 Any cash proceeds remaining after satisfaction of all sums specified in Clause 28.3 shall be credited to the Settlement Account. All Securities not realized or disposed of together with any relevant documents of title in TSL's possession shall be delivered to the Client at the Client's sole risk and expense. TSL shall have no liability for any loss or damage incurred by the Client arising from such delivery.
- 28.5 If there is a debit balance on the Securities Account after application of the sale proceeds pursuant to Clause 28.3, the Client shall immediately pay to TSL an amount equal to such debit balance together with TSL's cost of funding such amount and interest at the rate of five per cent (5%) above the prevailing prime or best lending rate for Hong Kong dollars of The Hongkong and Shanghai Banking Corporation Limited (or such other bank as designated by TSL from time to time) from time to time up to the date of actual receipt of full payment by TSL (after as well as before any judgment).
29. **Force Majeure**
- 29.1 Neither of the Parties shall be liable for any loss sustained by the other, directly or indirectly, if either Party is prevented from acting as a direct or indirect result of government restrictions, the imposition of emergency procedures or suspension of

trading by any relevant Exchange, Clearing House or Market, civil disorder, acts or threatened acts of terrorism, natural disasters, war, strikes or other circumstances beyond third party's control.

30. **Combination and Set-Off**

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

30.2 Without prejudice to the generality of Clause 30.1, if the Client has more than one Account with the Tianda Group Companies, any of the Tianda Group Companies is hereby authorized by the Client to combine or consolidate at any time without notice to the Client all or any of such Accounts and set-off, apply or transfer any of the Retained Properties, moneys, funds, Securities, properties or assets in any one or more of such Accounts in or towards payment, discharge or satisfaction of any indebtedness, obligations or Liabilities of the Client of whatsoever nature, actual or contingent, primary or collateral, secured or unsecured, joint or several, to any of the Tianda Group Companies in respect of any other Accounts. Where any such combination, consolidation, set-off or transfer requires the conversion of one currency into another, such conversion shall be calculated at the spot rate of exchange prevailing in such foreign exchange market as any one of the Tianda Group Companies shall determine to be relevant on the date of the combination, consolidation, set-off or transfer.

30.3 Notwithstanding anything contained in the Agreement or any other agreement between any of the Tianda Group Companies and the Client, in relation to such moneys or funds arising from the purchase and sale of Securities by the Client, the Client irrevocably and unconditionally authorizes and directs TSL to, with or without notice, set-off and withhold from and apply any moneys or funds payable by TSL to the Client against and in whole or partial payment, discharge or satisfaction of any moneys or funds owed by the Client to TSL.

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

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

31. **Authorization**

- 31.1 The Client irrevocably and unconditionally directs, instructs and authorizes TSL that upon request, direction, instruction or demand of any of the Tianda Group Companies from time to time, TSL shall do the following acts and things: -
- (a) to sell, purchase, enter into, make, dispose of, deal with, trade, transfer in, transfer out, liquidate, clear or settle all or any Securities and/or positions in the Securities Account; and
 - (b) to sell, purchase, deal with, trade, dispose of, realize, transfer in or out all or any Securities, properties or assets in the Securities Account.
- 31.2 The Client irrevocably and unconditionally directs, authorizes, instructs and agrees that upon request, direction, instruction or demand of any of the Tianda Group Companies from time to time, TSL shall deliver, transfer, debit, deduct or pay from the Securities Account or any other Client's Account with TSL to any of the Tianda Group Companies such receivables, moneys or funds as any of the Tianda Group Companies shall direct or determine from time to time and/or in or towards the total or partial satisfaction, payment or discharge of any moneys, indebtedness, outstanding amounts, obligations or Liabilities incurred, owing, due or payable by or from the Client or the Client Group Company to or in favour of any of the Tianda Group Companies from time to time.
- 31.3 The Client agrees and accepts that all the acts, things and matters done or made by TSL pursuant to this Clause 31 (Authorization) shall be and be treated and deemed the acts, things, and matters done or made by the Client, and shall be absolutely binding on the Client in all respects and for all purposes.

32. **Communications, Notice and Services**

- 32.1 Unless otherwise specified in the Agreement, any notice to be made or given by the Client to TSL under the Agreement shall be in writing.
- 32.2 Without prejudice to other provisions of the Agreement relating to communication or notice by or from TSL and the right of TSL to use any way or method of communication, any report, confirmation, statements, notice and other communication from TSL to the Client under the Agreement may be delivered personally or sent by post or telex or fax or electronic mail ("**E-mail**") addressed to the Client at the address or telex number or fax number or E-mail address set out in the Account Opening Form, at its registered office or at such other address or telex number or fax number or E-mail address as may have been notified in writing by the Client to TSL (such notification shall only take effect twenty four (24) hours after the actual receipt of the same by TSL). Any such report, confirmation, statements, notice and other communication shall be and be deemed to have been received by the Client (a) if hand delivered, when delivered, (b) if given by post, twenty four (24) hours after the same has been posted if posted in Hong Kong to an address in Hong Kong, and on the fifth (5th) day after the same has been posted if posted to or from a place outside Hong Kong, or (c) if given by telex or fax or E-mail, at the same time as it is dispatched. The contents of such report, confirmation, statement, notice or communication or statement of account issued by TSL shall be or be deemed correct, accurate and conclusive and no objection thereto shall be made by the Client unless written objection is actually received by TSL within seven (7) days after delivery by hand, by telex or fax or E-mail, or by post.
- 32.3 Without prejudice to the other provisions of the Agreement, any letter, notice, documents or other communication from the Client to TSL shall take effect only on actual receipt and actual notice of the same by TSL.

33. **Time of the Essence**

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

34. **Automatic Postponement**

34.1 It is hereby agreed that if any day on which TSL has agreed or obliged to do, take or conduct any matter, action or Transaction (the "**Action Date**") shall fall on a day which is not a Business Day or shall fall on a day on which typhoon signal No.8 or above or black rainstorm signal is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m. the Action Date shall automatically be postponed to the next Business Day or such next Business Day on which no typhoon signal No.8 or above or black rainstorm signal is hoisted as aforesaid.

35. **Severability**

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

36. **Assignment**

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

36.2 Upon TSL assigning and transferring all its rights and obligations under the Agreement to another intermediary (as defined under the SFO) (whether due to a restructuring or transfer of business or otherwise), the Client undertakes to give a written direction in favour of TSL or its associated entity, authorizing TSL or its associated entity to transfer all the Client's Securities held by TSL or its associated entity to the assignee intermediary, failing which TSL shall terminate the Securities Account in accordance with Clause 28 (Termination).

37. **Successors and Assigns**

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

38. **Miscellaneous Provisions**

- 38.1 The Agreement supersedes all prior engagements, arrangements, agreements and contracts whether oral or in writing whatsoever made by TSL. No warranties or representations express or implied are or have been made or given by TSL or by anybody on its behalf relating to the subject of the Agreement prior to the entering hereof. If any such warranty or representation express or implied has been made the same is withdrawn or deemed to have been withdrawn immediately before TSL entering into the Agreement. However, the Agreement does and will not supersede any prior engagements, arrangements, agreements and contracts whether oral or in writing whatsoever and whether past, present or future made by the Client with or in favour of TSL, and does and will not affect or prejudice any or all the Liabilities, obligations or indebtedness (whether oral or in writing whatsoever and whether past, present or future) of the Client to TSL.
- 38.2 TSL and the Client shall notify each other promptly in writing of any material changes in the information provided under the Agreement or any agreement entered into pursuant to the Agreement or relating to the Securities Account.
- 38.3 TSL may at its discretion amend, delete or substitute any of the terms in the Trading Accounts Terms or add new terms to the Trading Accounts Terms by sending to the Client a notice in writing ("**Amendment Notice**") thirty (30) days prior to such change taking effect (unless any such change is not within TSL's control). Details of such amendment, deletion, substitution or addition will be (a) posted on the website of TSL; and/or (b) available for collection at the office of TSL during the business hours. For the avoidance of doubt, TSL will not deliver to the Client details of such amendment, deletion, substitution or addition unless TSL receives Client's specific written request, in which case details of such amendment, deletion, substitution or addition will be mailed to the Client at the Client's sole risk. For the avoidance of doubt, the mailing of details of such amendment, deletion, substitution or addition to Client shall not in any event prejudice, affect or delay the effective date of such amendment, deletion, substitution or addition. Such amendment, deletion, substitution or addition shall (save as aforesaid) be deemed incorporated in the Trading Accounts Terms (and shall, if applicable, form part of the Agreement) unless objected to in writing by the Client within fourteen (14) days from the date of the Amendment Notice, in which case (if such amendment, deletion, substitution or addition form part of the Agreement) TSL shall terminate the Agreement in accordance with Clause 28 (Termination).
- 38.4 Any complaint about the performance of TSL under the Agreement shall be made in writing and addressed to the Complaints Officer c/o TSL, who will investigate the complaint. The Client agrees to provide the Complaints Officer with all such information as the Complaints Officer may reasonably request to enable the Complaints Officer to investigate the complaint.
- 38.5 The English version and the Chinese version of this Agreement are of the same legal effect. However, in the event of any inconsistency between the English version and the Chinese version, the English version shall prevail.
- 38.6 The Client undertakes and acknowledges that the Client shall at all times notify TSL in writing, and sign (the signature shall conform to the specimen signature provided to TSL in the Account Opening Form), of any change of the Client's particulars (where the Client shall consist of any individual, the Client's personal particulars), address(es), telephone number(s), facsimile number(s) and/or E-mail address(es).

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

39. **Submission to Rules and Regulations**

39.1 The Agreement shall be subject to the SFO where applicable.

39.2 Every Transaction made for or on behalf of the Client in Hong Kong and duly concluded through and recognized by SEHK is subject to the relevant provisions of the constitution, rules, regulations, by-laws, customs and usages of SEHK, HKSCC and CCASS, and of the laws of Hong Kong.

39.3 In respect of Transactions on SEHK: -

- (a) the rules and regulations of the SEHK, HKSCC and CCASS, in particular those SEHK Rules which relate to trading and settlement, shall be binding on the Client and TSL and the rules and regulations of the SEHK, HKSCC and CCASS shall prevail in the event of any conflict between the said rules and regulations and the Agreement;
- (b) every Transaction executed on the SEHK will be subject to a transaction charge, the cost of which shall be borne by the Client;
- (c) every Transaction executed on the SEHK will be subject to other levies the SEHK may impose from time to time; and
- (d) TSL is authorized to collect the appropriate transaction charge or other levies in paragraphs (b) and (c) above in accordance with the SEHK Rules from time to time.

40. **Confirmation**

40.1 The Client confirms that it has read the Agreement and that the contents of the Agreement have been fully explained to the Client in a language which the Client understands, and that the Client accepts the Agreement. The Client acknowledges that, in the event of any discrepancy between the English and Chinese text of the Agreement, the English version shall prevail.

41. **Waiver**

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

42. **Governing Law and Jurisdiction**

42.1 The Agreement and all rights, obligations and liabilities hereunder shall be governed by and construed in accordance with the laws of Hong Kong and may be enforced in accordance with the laws of Hong Kong and the Parties consent to the exclusive jurisdiction of the courts of Hong Kong.

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

relevant jurisdiction.

SECTION II - TERMS AND CONDITIONS FOR SECURITIES MARGIN TRADING

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

1. Definitions

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

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

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

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

"Charged Properties" shall have the meaning as ascribed to and defined in Section III;

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

"Collateral" means Charged Properties and Margin Account Fund and such other moneys or assets of the Client charged to TSL and/or Tianda Group Companies upon the terms and conditions in Section III and for the performance of all obligations of the Client to TSL from time to time hereunder;

"Credit Facilities" means all or any of the credit facilities agreed to be made available or granted by TSL under and pursuant to the terms and conditions in Section III from time to time;

"Event of Default" shall have the meaning as ascribed to and described in Clause 4.1;

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

"Margin Account Fund" means all and any moneys or funds standing to the credit of the Margin Account;

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

"Margin Requirement" shall have the meaning as ascribed to and described in Clause 3.1;

"Section I" means the terms and conditions in Section I headed "Terms and Conditions for Securities Cash Trading" of the Trading Accounts Terms, as from time to time amended and supplemented;

"Section III" means the terms and conditions in Section III headed "Terms and Conditions for Loan and Security for Margin Account" of the Trading Accounts Terms, as from time to time amended and supplemented; and

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

1.3 In these Terms: -

- (a) "include(s)" and "including" mean respectively "include(s) but not limited to" and "including but not limited to";
- (b) "subsidiary" shall bear the meaning given by the Companies Ordinance (Cap. 32 of the Laws of Hong Kong) and "associated company" means, in respect of any person, any company (not being a subsidiary of that person) of which that person shall beneficially own twenty per cent (20%) or more of the issued share capital or in respect of which that person is entitled to appoint one or more directors or, in relation to any company, any company which is a subsidiary of a holding company of that first mentioned company;
- (c) reference to a Clause is to a clause of these Terms and reference to the Account Opening Form is to the Account Opening Form as completed by or on behalf of the Client and where the information in the Account Opening Form has been amended by subsequent notice to TSL means the Account Opening Form as amended by such notice;
- (d) reference to an Ordinance is to an Ordinance or laws of Hong Kong and any subsidiary legislation related thereto as from time to time amended, consolidated, extended, codified or re-enacted and for the time being in force;
- (e) words importing the singular include the plural and vice versa; words importing person include bodies corporate or unincorporated or other entity; words importing gender include every gender and the neuter gender;
- (f) the headings to the Clauses are for convenience only and do not affect their interpretation or construction; and
- (g) where it is necessary for the true construction or interpretation of any provision

herein so that the indebtedness, liability or obligation of any of the Parties shall continue after the termination of the Margin Agreement, such provision shall survive the termination of the Margin Agreement.

1.4 Where it is necessary for the true construction or interpretation of any provision of the Margin Agreement, all references to Securities Account in Section I shall be construed as references to Margin Account.

2. **Credit Facilities**

2.1 Under and pursuant to the terms and conditions in Section III, the Client shall be granted revolving Credit Facilities to be secured by the Collateral up to such extent (subject to the restrictions under the applicable laws and regulations) as may be determined by TSL (in its absolute and subjective discretion) from time to time subject to and upon the terms and conditions in Section III.

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

2.3 TSL shall have the absolute discretion to determine the value of the Collateral, to determine, amend or alter the principal amount and other terms of the Credit Facilities from time to time and/or to terminate the Credit Facilities at any time.

2.4 Notwithstanding any of the terms and conditions herein and in Section III, the Credit Facilities are repayable on demand and may be varied or terminated in the absolute discretion of TSL. Notwithstanding any of the terms and conditions herein and in Section III, TSL will not at any time be obliged to make any advances to the Client.

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

- (a) if the Client is in default of any of the provisions of the Margin Agreement, Section III, the Trading Accounts Terms, or any other letter, agreement or document entered into between the Client and TSL and/or any of the Tianda Group Companies in this respect;
- (b) in the opinion of TSL, there is or has been a material adverse change in the Client's financial condition or in the financial condition of any person which might adversely affect the Client's ability to discharge its Liabilities or perform its obligations under the Margin Agreement; or
- (c) TSL in its absolute discretion considers it prudent or desirable for the protection of TSL and/or any of the Tianda Group Companies not to do so.

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

2.7 For so long as there exists any amounts outstanding to TSL and/or any of the Tianda Group Companies, TSL shall be entitled at any time and from time to time to refuse any withdrawal of any or all of the moneys in the Margin Account and/or the Securities held by Tianda Group Companies.

3. **Margin & Fund**

- 3.1 The Client agrees to provide and maintain such margin (the "**Margin Requirement**") in the Margin Account and/or such collateral, guarantees and other security to the Margin Account in such form and amount and on such terms as TSL may in its absolute discretion require from time to time. Such Margin Requirement demanded or required by TSL may exceed any margin requirement prescribed by any Exchange or Clearing House or broker. TSL may change any Margin Requirement in its sole discretion and at any time without prior notice to the Client. If TSL determines that additional margin is required, the Client agrees to deposit with TSL such additional margin forthwith upon demand. No previous Margin Requirement shall establish any precedent.
- 3.2 Without prejudice to Clauses 3.4 to 3.11, calls or demands for Margin Requirement must be met or satisfied by the Client forthwith upon demand by TSL. The Client shall on demand put TSL in funds or moneys or arrange for TSL to be put in funds or moneys in time to enable TSL to discharge any liability incurred or to be incurred in connection with trading, dealing or Transactions effected in relation to the Margin Account. The Client shall on demand reimburse TSL for all costs and expenses incurred by it in connection with the trading, dealing or Transaction effected in relation to the Margin Account and/or pay or settle any outstanding amount under the Margin Account.
- 3.3 TSL is not liable to pay interest on the moneys or funds paid to or received by TSL in respect of the Margin Account whether on deposit or however described. TSL is entitled to retain for its own benefit any interest or other realized income or increase in value earned or received in respect of such moneys or funds. TSL is entitled to charge and the Client agrees to pay interest to TSL in respect of any Deficit or any moneys or funds otherwise owing to TSL at any time at such rates and on such other terms as TSL notifies the Client from time to time or failing such notification at a rate equivalent to three per cent (3%) above the prevailing prime or best lending rate for Hong Kong dollars of The Hongkong and Shanghai Banking Corporation Limited (or such other bank as designated by TSL from time to time). Interest shall be payable on the last day of each calendar month or forthwith upon demand by TSL.
- 3.4 The Client shall monitor the Margin Account so that at all times the Margin Account shall contain a sufficient account balance to meet the Margin Requirement. TSL may modify such Margin Requirement for the Client at any time in TSL's absolute and sole discretion. TSL may reject any Instruction or order of the Client if the Client does not have a sufficient account balance to meet Margin Requirement and may delay the processing of any Instruction or order while determining the correct margin status of the Margin Account. The Client shall maintain, without notice or demand from TSL, a sufficient account balance at all times so as to continuously meet the Margin Requirement. The Client must at all times satisfy whatever Margin Requirement calculated by TSL.
- 3.5 TSL has no obligation to notify the Client of any failure to meet the Margin Requirement in the Margin Account prior to TSL exercising its rights, powers, discretion and remedies under the Margin Agreement. The Client understands and accepts that TSL may not issue call or demand on Margin Requirement, that TSL generally will not credit the Margin Account to meet any deficiency on Margin Requirement, and that TSL is authorized to exercise any of its rights under Clause 4 (Default) in order to satisfy the Margin Requirement without prior notice to the Client.

- 3.6 In the event that the balance of the Margin Account has zero equity or is in deficit at any time, or the Margin Account does not have a sufficient account balance to meet Margin Requirement, TSL shall have the right, in its sole discretion, but not the obligation, to exercise any of its rights under Clause 4 (Default) at any time and in such manner and in any Market as TSL deems necessary, without prior notice demand or call to the Client. The Client agrees to be responsible for, and promptly pay to TSL, any deficiency in the Margin Account that arises from such exercise of rights or remain after such exercise of rights. TSL shall not have any liability to the Client for any losses or damages sustained by the Client in connection with such exercise of rights (or if TSL experiences a delay in exercising, or does not exercise such rights).
- 3.7 The Client expressly waives and relinquishes any rights to receive prior notice or demand from TSL and agrees that any prior demand, notice, announcement or advertisement shall not be deemed a waiver of TSL's right to exercise any of its rights under Clause 4 (Default). The Client understands that, in the event that TSL exercise such rights, the Client shall have no right or opportunity to determine the manner of exercising such rights by TSL. TSL may, in its absolute and sole discretion, exercise such rights on any Exchange or Market, and TSL or its associated company may take the other side of any closing out, liquidating or settlement transaction. In the event that TSL exercise such rights, such exercise of rights shall establish the amount of the Client's gain or loss and indebtedness to TSL, if any. The Client shall reimburse and hold TSL harmless for all actions, omissions, costs, expenses, fees (including, but not limited to, legal costs), penalties, losses, claims or liabilities associated with any exercise of such rights by TSL. The Client shall be liable to and responsible for all resulting losses, notwithstanding TSL's delay in or failure to exercise such rights. If TSL executes an order for which the Client did not have sufficient funds, TSL has the right, without notice to the Client, to liquidate the Transaction and the Client shall be responsible for any loss as a result of such liquidation, including any costs, and shall not be entitled to any profit that results from such liquidation.
- 3.8 The Client irrevocably and unconditionally authorizes TSL to transfer, debit or deduct any money in the Margin Account and/or the Account so as to pay, discharge, satisfy the Client's indebtedness, obligations and Liabilities to TSL arising from, incurred under and relating to the Margin Agreement, including but not limited to the outstanding purchase moneys, fees (including but not limited to market data fees), charges, expenses, commissions and interests payable by the Client under and pursuant to the Margin Agreement. The Client acknowledges and agrees that such deductions may affect the amount of money in the Margin Account to be applied against the Margin Requirement. TSL may exercise any of its rights under Clause 4 (Default) if deduction of commissions, fees or other charges causes the Margin Account to have an insufficient balance to satisfy the Margin Requirement.
- 3.9 If TSL issues a call or demand for Margin Requirement to the Client, the Client must satisfy such call or demand immediately. The Client agrees to satisfy any call or demand for Margin Requirement issued by TSL by immediately depositing cleared funds in the Margin Account to pay, in full, the under-margined open position.
- 3.10 TSL shall also have the right to exercise any of its rights under Clause 4 (Default) without prior notice to the Client in the same manner as provided above: (a) if any dispute arises concerning any trading or Transaction of the Client; (b) upon the Client's failure to timely discharge its obligations to TSL; (c) upon the Client's insolvency or filing of a petition in bankruptcy or for protection from creditors; (d) upon the appointment of a receiver, or (e) whenever TSL, in its absolute and sole discretion, deems necessary or advisable for the protection of TSL and/or any of the Tianda

Group Companies.

3.11 Any failure by the Client to comply with this Clause 3 (Margin & Fund) shall constitute an Event of Default under Clause 4 (Default).

4. **Default**

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

- (a) at any time when TSL shall, in its sole discretion, consider it necessary for the protection of TSL or any of the Tianda Group Companies;
- (b) the Client fails or refuses to pay or settle any outstanding amount, money, fund, purchase price or other payment becoming due or payable under the Margin Agreement or any other agreement with any of the Tianda Group Companies;
- (c) the Client fails or refuses to settle or pay any outstanding amount, money or Deficit on any of the Client's Account(s) with TSL or any of the Tianda Group Companies;
- (d) the Client violates or fails to perform on a timely basis any term, undertaking, agreement, covenant or condition on its part to be performed under the Margin Agreement;
- (e) the Client fails or refuses to discharge, pay, satisfy or perform any of the Client's Liabilities, obligation or indebtedness under the Margin Agreement or any other agreement with any of the Tianda Group Companies;
- (f) the Client has not provided any margin (initial, maintenance or additional) or adjustments (variation or otherwise) when the same become due or payable under the Margin Agreement, or has failed or refused to comply with any request, call or demand for Margin Requirement made by TSL pursuant to the Margin Agreement;
- (g) breach, refusal, failure or default of or by the Client in complying with, fulfilling, performing or observing any terms or conditions of the Margin Agreement or the Trading Accounts Terms or any other agreement with any of the Tianda Group Companies;
- (h) any representation or warranty made in the Margin Agreement or in any document delivered to TSL or any of the Tianda Group Companies being or becoming incomplete, untrue or incorrect;
- (i) any consent or authorization required by the Client to enter into the Margin Agreement being wholly or partly revoked, suspended, terminated or ceasing to remain in full force and effect;
- (j) the filing or commencement of a petition or application in bankruptcy, liquidation or winding up, petition or application for the appointment of a receiver, or the commencement of other similar proceedings against the Client;
- (k) the Lien or any security created or any part thereof respectively in relation to the indebtedness, obligations or Liabilities under the Margin Agreement and/or Section III being avoided or discontinued;
- (l) any deterioration or impairment (in TSL's opinion) or any decline or depreciation (in TSL's opinion) in the value or market price (whether actual or reasonably anticipated) of the Retained Properties, the Collateral or any security or any part thereof respectively;
- (m) the levying of attachment or charge against the Margin Account or any Account(s) of the Client with TSL or any of the Tianda Group Companies;
- (n) any third party asserts a claim, right or interest in respect of any moneys or funds in the Margin Account or any Accounts of the Client with TSL or any of the Tianda Group Companies;

- (o) the Client takes advantage of any bankruptcy, liquidation, reorganization, moratorium, insolvency or similar law or makes or proposes to make any arrangements or compositions for the benefit of any of the Client's creditors, or is the subject of any order, judgment or decree entered by any court providing for the winding up, reorganization, liquidation or appointment of a liquidator, trustee in bankruptcy or receiver of the Client or a substantial part of the Client's business or assets;
- (p) the Client becomes insolvent or dissolved for any reason whatsoever, merges or becomes consolidated with any non-affiliated party, or sells all or a substantial portion of the Client's business or assets;
- (q) the death, liquidation or judicial declaration of incompetence of the Client;
- (r) any action or proceeding is commenced or any claim or demand is made by any person against the Client in connection with any matter herein contained or the Retained Properties, the Collateral or any part thereof or against TSL in connection with any matter herein contained or the Retained Properties, the Collateral or any part thereof;
- (s) any adverse change (in the sole and subjective opinion of TSL) in the corporate structure, business, assets, financial condition, and general condition or prospects of the Client;
- (t) at any time when TSL and/or any of the Tianda Group Companies is or becomes under any obligation imposed by any relevant Exchange and/or Clearing House and/or broker or any applicable laws, rules and regulations to do any of the acts mentioned in this Clause 4 (Default); and
- (u) the occurrence of any event which, in the sole and subjective opinion of TSL, may or shall jeopardize, prejudice or affect any of the rights, interests or benefits of TSL or any of the Tianda Group Companies.

4.2 If an Event of Default (in the sole and subjective judgment of TSL) occurs, then all amounts owing by the Client to TSL shall become immediately payable on demand, and interest will accrue, at the rate specified in Clause 3.3, on the amounts outstanding from time to time, the further performance by TSL of any of its outstanding obligations to the Client under the Margin Agreement (whether for payment of money or otherwise) shall be conditional upon the Client having fully discharged all its obligations to TSL under the Margin Agreement, and TSL or any of the Tianda Group Companies shall be entitled at their absolute discretions, without further notice or demand and in addition to and without prejudice to any other rights or powers conferred under the Margin Agreement and/or Section III to forthwith: -

- (a) satisfy any obligations the Client may have to TSL (either directly or by way of guarantee or other security) by selling, realizing or otherwise dealing with, in such manner as TSL in its absolute discretion may determine, all or part of any property held by any of the Tianda Group Companies for any purpose in any of the Client's Accounts maintained with any of the Tianda Group Companies, and to apply the proceeds in reduction of all or part of any Liabilities of the Client to TSL;
- (b) set-off, combine or consolidate any of the Client's Accounts (of any nature) maintained with TSL or any of the Tianda Group Companies or any obligations of TSL to the Client under the Margin Agreement against any obligations of the Client to TSL under the Margin Agreement;
- (c) suspend TSL's obligations to perform pursuant to the Margin Agreement;
- (d) revise, change, withdraw, stop or cancel the Credit Facilities, facilities, advances, credits or loans made or granted to the Client, or any part thereof respectively;
- (e) enforce the Lien and/or the security constituted or created under and pursuant to the terms and conditions in Section III;

- (f) liquidate the Margin Account or any Account of the Client with any of the Tianda Group Companies;
- (g) where applicable, sell any Securities in the Margin Account and/or any Account of the Client with any of the Tianda Group Companies;
- (h) where applicable, buy Securities previously sold as a short sale in the Margin Account and/or any Account of the Client with any of the Tianda Group Companies;
- (i) close out any open position of the Client, and make or take delivery of the Securities in respect of such position;
- (j) borrow or purchase any Security required to make delivery on behalf of the Client;
- (k) exercise any options held by TSL on behalf of the Client;
- (l) transfer in, transfer out, settle, clear all or any Securities;
- (m) call upon or enforce any security which may have been issued, made or created in favour of TSL or any of the Tianda Group Companies as security for the indebtedness, Liabilities or obligations of the Client under the Margin Agreement;
- (n) exercise any or all the rights and powers of TSL under the Margin Agreement;
- (o) cancel any or all outstanding instructions, orders or any other commitments made on behalf of the Client;
- (p) take any actions, or do any acts, matters or things as authorized, instructed, directed, appointed or empowered under the Margin Agreement;
- (q) take such actions, or do such acts, matters or things as TSL shall think fit in relation to the Retained Properties and/or the Collateral; and/or
- (r) take or not to take any actions, or do or not to do any acts, matters or things as TSL shall think fit.

4.3 TSL may at its absolute discretion apply the net proceeds (after deduction of all fees, costs and expenses incurred in connection with the exercise of the powers conferred on TSL by this Clause 4 (Default)) actually received by TSL pursuant to the exercise of powers under this Clause 4 (Default) in reduction of the Client's then outstanding obligations to TSL in such order or manner as TSL considers fit.

4.4 TSL shall have absolute discretion in all matters relating to the exercise of its rights under this Clause 4 (Default), and may sell any Securities on a single or collective basis. The Client hereby waives all claims and demands (if any) against TSL in respect of any loss, involuntary or otherwise, directly arising from the exercise by TSL of the powers conferred by this Clause 4 (Default), howsoever such loss may have been caused (other than through wilful default of TSL, or the reckless disregard of the obligations of TSL under this Clause 4 (Default)), whether in relation to the timing or manner of the exercise of such powers or otherwise.

4.5 In the event that any of the events set out in Clause 4.1 shall occur, then the Margin Agreement may be terminated by TSL forthwith without notice to the Client. Any such termination shall be without prejudice to the accrued rights and obligations of the Parties contained in any provision hereof which shall remain in full force and effect and shall be enforceable notwithstanding such termination.

4.6 The Client shall be liable for any Deficit that may exist after TSL has exercised any or any combination of rights in this Clause 4 (Default), and any cost or expense (including legal costs) incurred by TSL, on a full indemnity basis, related to such exercise.

4.7 TSL shall be entitled at all times to employ debt collecting agent(s) to collect any sum due but unpaid by the Client hereunder and for doing so, TSL may and is hereby

authorized to disclose to such agent(s) any or all information available in relation to the Client and TSL shall not be howsoever liable or responsible (whether in contract or tort) for such disclosure or for any default negligence act conduct misconduct and/or deeds of such agent(s). The Client is hereby warned that the Client shall indemnify and keep TSL indemnified on a full indemnity basis against all reasonable costs and expenses which TSL may reasonably incur in employing debt collecting agent(s).

- 4.8 In the event that TSL or its associated person commits a default in relation to Securities traded or to be traded on a recognized stock market, and the related assets of such Securities, and the Client thereby suffers a pecuniary loss, the Client acknowledges and accepts that the right to claim compensation will be restricted to the extent provided for therein under the SFO. For Transactions which are effected in an Exchange other than a recognized stock market, the Client acknowledges and accepts that any right to compensation in the event of any default on the part of TSL or its associated person will be subject to the rules of the relevant Exchange.

5. **Separate Accounts**

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

6. **Repledging**

- 6.1 TSL has the practice to repledge the Client's securities collateral for financial accommodation provided to TSL upon obtaining the written authorization from the Client.

7. **Securities Borrowing & Lending**

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

**SECTION III -
TERMS AND CONDITIONS FOR LOAN AND SECURITY FOR MARGIN ACCOUNT**

The provision or grant of Credit Facilities by TSL to the Client for conducting Transactions with financing by the Credit Facilities in accordance with the Margin Agreement shall be subject to and upon the Facilities Agreement.

1. **Definitions**

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

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

"Amendment Notice" shall have the meaning as ascribed to and defined in Clause 25.8;

"Charge" shall have the meaning as ascribed to and defined in Clause 6.1;

"Charged Properties" shall have the meaning as ascribed to and defined in Clause 6.1;

"Client" means the Client as defined in Section II;

"Credit Facilities" shall have the meaning as ascribed to and defined in Clause 2.1;

"E-mail" shall have the meaning as ascribed to and defined in Clause 25.3;

"Event of Default" shall have the meaning as ascribed to and defined in Clause 19.1;

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

"Indebtedness" means all moneys, sums, funds, amounts, debts, obligations and liabilities whatsoever and interest thereon which are now or shall at any time hereafter be or become from time to time due, payable or outstanding to TSL and all the Tianda Group Companies from the Client under or pursuant to the Facilities Agreement, including but not limited to all moneys, sums, funds, amounts, debts, obligations and liabilities whatsoever and interest thereon agreed and covenanted by the Client with TSL and all the Tianda Group Companies to pay, repay, discharge or satisfy under or pursuant to Clauses 2 (Credit Facilities) and 3 (Covenant for Repayment & Repayable on Demand) and other provisions of the Facilities Agreement, and/or secured by the Charge;

"Margin Account" means the Margin Account as defined in Section II;

"Margin Account Opening Form" means the Account Opening Form as defined in Section II;

"Margin Agreement" means the agreement made or to be made between the Client

and TSL and constituted by the Margin Account Opening Form, the terms and conditions in Section I, the terms and conditions in Section II and such other documents referred to therein or added thereto (including any amendment or supplement made thereto from time to time) whereby the Client has agreed to open and maintain the Margin Account;

"Section I" means the terms and conditions in Section I headed "Terms and Conditions for Securities Cash Trading" of the Trading Accounts Terms, as from time to time amended and supplemented;

"Section II" means the terms and conditions in Section II headed "Terms and Conditions for Securities Margin Trading" of the Trading Accounts Terms, as from time to time amended and supplemented;

"Secured Liabilities" shall have the meaning as ascribed to and defined in Clause 6.1;

"these Terms" means all the terms and conditions in this Section III headed "Terms and Conditions for Loan and Security for Margin Account" of the Trading Accounts Terms, as from time to time amended and supplemented; and

"TSL Financed Securities" means (a) Securities purchased, invested, sold, exchanged, acquired, disposed, held, transferred, made, entered, cleared, settled, traded or dealt with, of or in by TSL on behalf of the Client, and (b) the moneys or funds for the margins (initial, maintenance or additional) or adjustments (variation or otherwise) of, or for the entire or partial payment of the transaction, purchase, investment, sale, exchange, acquisition, disposal, deposit, holding, transfer, making, entering, clearing, settlement, trading or dealing in, of or with such Securities, which (i.e. such moneys or funds) are partially or entirely financed or supported by TSL directly or indirectly.

1.3 In these Terms: -

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

2. **Credit Facilities**

- 2.1 Subject to Clause 2.2, TSL, relying on the agreements, covenants, representations, warranties and undertakings of the Client in the Facilities Agreement, agrees to make available or continue to make available from time to time general credit facilities and/or loans up to such extent to be determined by TSL from time to time (the "**Credit Facilities**") to the Client for the purpose of conducting Transactions for or on the Margin Account, and for payments of any moneys, funds or indebtedness to or under any Account subject to and upon the terms and conditions of the Facilities Agreement and/or other agreements made between the Client on the one part and TSL or any of the Tianda Group Companies on the other part.
- 2.2 Notwithstanding anything contained herein to the contrary (in particular Clause 2.1) and without prejudice to any other rights and powers of TSL herein contained or otherwise conferred by the laws of Hong Kong, TSL hereby reserves its absolute, unfettered and overriding right, exercisable at any time and from time to time and even in the absence of an Event of Default, to revise or change (whether increasing, reducing or otherwise) the Credit Facilities or any other facilities, loans, credits or advances, without notice to the Client, and/or to withdraw, stop, terminate or cancel any part or the whole of the Credit Facilities or any other facilities, loans, credits or advances without notice to the Client. In the event of TSL exercising the aforesaid rights, then (a) the Credit Facilities or any other facilities, loans, credits or advances shall automatically be revised, changed, withdrawn, stopped, terminated or cancelled, and the Credit Facilities or any other facilities, loans, credits or advances shall thereafter only be available to the Client as revised or changed by TSL or (as the case may be) shall not thereafter be available to the Client; and (b) the Client shall forthwith repay to TSL such amount as demanded by TSL or (as the case may be) the entire of the Indebtedness. For the avoidance of doubt, it is hereby agreed and declared that all the Client's rights and benefits under the Facilities Agreement shall be subject always to the TSL's absolute, unfettered and overriding right of revision, change, withdrawal, stop, termination, cancellation and repayment as mentioned in this Clause.

3. **Covenant for Repayment & Repayable on Demand**

- 3.1 In consideration of the agreement by TSL to make available or continue to make available from time to time the Credit Facilities to the Client subject to and upon the terms and conditions of the Facilities Agreement (in particular Clause 2.2) and notwithstanding anything contained herein or in any other representation, agreement or document made by TSL or any of the Tianda Group Companies to the contrary, the Client hereby jointly and severally covenants and agrees with TSL and all the Tianda Group Companies that the Client shall on demand by TSL or any of the Tianda Group Companies (whether any such obligation or liability shall be the sole obligation or liability of the Client or shall be a joint obligation or liability of the Client with any other person, firm or corporation) pay, repay, discharge, satisfy, perform or fulfill in favour of TSL and/or the Tianda Group Companies the following :-
- (a) all past, present and future loans, advances, indebtedness, obligations and liabilities of the Client and/or the Client Group Company to TSL under the Credit Facilities or any other facilities, loans, credits or advances made or granted by TSL to or for the accommodation or use of the Client and/or the Client Group Company;
 - (b) all past, present and future loans, advances, indebtedness, obligations and liabilities of the Client and/or the Client Group Company to the Tianda Group Companies under any facilities, loans, credits or advances made or granted by the Tianda Group Companies to or for the accommodation or use of the

- Client and/or the Client Group Company;
- (c) all other obligations, liabilities or indebtedness whatsoever or however arising of the Client and the Client Group Company to TSL and the Tianda Group Companies whether past, present or future, actual or contingent; and
 - (d) all costs, fees, charges and expenses owed to or incurred directly or indirectly by TSL and all the Tianda Group Companies in relation to the Facilities Agreement or any security held by TSL and all the Tianda Group Companies in connection with the Credit Facilities or any other facilities, loans, credits or advances granted to or made available to the Client and/or the Client Group Company by TSL and/or any of the Tianda Group Companies, or in relation to the enforcement of any such security or in relation to any such indebtedness, obligations or liabilities on a full and unlimited indemnity basis (and not on the footing of party and party or any other kind of taxation);

together with interest, commission, expenses and charges on all of the foregoing.

- 3.2 Notwithstanding anything contained in the Facilities Agreement, the Indebtedness, Credit Facilities and/or all other facilities, loans, credits, advances, moneys, funds, accounts and acceptances owing or outstanding from the Client to TSL and/or to any of the Tianda Group Companies shall be and becoming due and payable to TSL and/or any of the Tianda Group Companies on demand by TSL and/or any of the Tianda Group Companies. For the avoidance of doubt, it is hereby agreed and declared that all the Client's rights and benefits under the Facilities Agreement shall be subject always to TSL's or any of the Tianda Group Companies' absolute, unfettered and overriding right of requesting or demanding payment or repayment on demand as mentioned in this Clause 3 (Covenant for Repayment & Repayable on Demand).

4. **Interest**

- 4.1 The Client agrees to pay interest to TSL in respect of any amount, moneys or funds owing to TSL at such rate and calculated in such manner as shall be specified or determined by TSL from time to time. Any variation of the rate of interest or manner of calculation shall be effected by TSL without notice to the Client. The interest accrued shall be debited to the Client's account with TSL and thenceforward such accrued interest shall bear interest at such rate and calculated in such manner as shall be specified or determined by TSL from time to time. All the interests charged by TSL under this Clause shall become due and payable forthwith on demand by TSL.
- 4.2 If default is made in the payment or discharge of any principal moneys, funds, interest, indebtedness or liabilities hereunder, TSL is entitled to charge interest on such amount of any principal moneys, funds, indebtedness, liabilities and interest due to TSL from the date of default until the date of payment or discharge (after as well as before judgment) at such rate and calculated in such manner as shall be specified or determined by TSL from time to time.

5. **Authorization**

- 5.1 The Client irrevocably and unconditionally instructs, directs, authorizes and agrees to the following: -
- (a) TSL shall (upon and subject to the terms and conditions of the Facilities Agreement) from time to time or on the settlement day or due payment day pay, settle or discharge any moneys or funds due or payable by the Client in

- respect of : (i) transaction, purchase, investment, sale, exchange, acquisition, disposal, holding, transfer, deposit, clearing, settlement, trading or dealing in, of or with Securities through TSL by, for or attributable to the Client, (ii) application of new issue of Securities through TSL by, for or attributable to the Client, or (iii) any other reasons or purposes, SO THAT on such payment, credit or transfer of moneys or funds by TSL, the Client shall be liable to pay or repay (in accordance with the terms and conditions of the Facilities Agreement) TSL such moneys or funds so paid, credited or transferred;
- (b) the Tianda Group Companies shall, and/or TSL shall demand, direct, request and instruct the Tianda Group Companies to, deposit, deliver or transfer to TSL or into the Margin Account: (i) all TSL Financed Securities, (ii) Securities which are now or shall in future be acquired or held by the Tianda Group Companies on behalf of the Client, or be deposited with or transferred to the Tianda Group Companies by, for or attributable to the Client for any purpose whatsoever, or (iii) receivables, moneys or funds in any Account, TO THE INTENT that the same shall upon and from such deposit, delivery or transfer become the subject security or the Charged Properties under the Charge and stand as a continuing security for the payment, discharge or satisfaction of the Indebtedness and the Client's indebtedness, obligations and liabilities to TSL and all the Tianda Group Companies;
 - (c) subject to any other rights or claims of all the Tianda Group Companies and subject to the discretion of TSL, any TSL Financed Securities or Securities in the Margin Account or otherwise attributable to the Client shall be delivered or transferred back to the Client's account with TSL upon sale, transfer, disposal, trading, clearing or settlement of the same or upon any other purpose as determined by TSL. The Client instructs and authorizes TSL to demand and request the Tianda Group Companies, and instructs and authorizes the Tianda Group Companies, to deliver, transfer, debit, deduct, use or pay the proceeds of sale, moneys or funds received in connection with such sale, transfer, disposal, trading, clearing or settlement of such TSL Financed Securities or Securities or such other purpose, or moneys or funds in any Account to TSL as TSL shall direct from time to time and/or towards payment, discharge or satisfaction of the Indebtedness or the Client's indebtedness, obligations and liabilities to TSL and/or any of the Tianda Group Companies; and
 - (d) TSL shall (at any time as it thinks fit) instruct, direct, demand and request the Tianda Group Companies to, and the Tianda Group Companies shall (upon request, instruction, direction or demand of TSL from time to time), perform, fulfill and comply with all instructions, directions, requests and demands made by TSL in relation to: (i) any Account, (ii) TSL Financed Securities, (iii) Securities which are now or shall in future be acquired or held by the Tianda Group Companies on behalf of the Client, or be deposited with or transferred to the Tianda Group Companies by, for or attributable to the Client for any purpose whatsoever, and (iv) receivables, moneys or funds in any Account.

5.2 The Client irrevocably and unconditionally instructs, directs, authorizes and agrees that TSL and any of the Tianda Group Companies shall (at any time as it thinks fit) request, direct, demand and instruct the Tianda Group Companies to, and/or the Tianda Group Companies shall (upon request, direction, instruction or demand of TSL or any of the Tianda Group Companies from time to time) deliver, transfer, debit, deduct or pay from any Account to TSL or any of the Tianda Group Companies such receivables, moneys or funds as TSL or any of the Tianda Group Companies shall direct or determine from time to time and/or in or towards the total or partial satisfaction, payment or discharge of the Indebtedness or any moneys, indebtedness, outstanding amounts, obligations or liabilities incurred, owing, due or payable by or

from the Client or the Client Group Company to or in favour of TSL or any of the Tianda Group Companies from time to time.

- 5.3 The Client agrees and accepts that all the acts, things and matters done or made by TSL or any of the Tianda Group Companies pursuant to this Clause 5 (Authorization) shall be and be treated and deemed the acts, things, and matters done or made by the Client, and shall be absolutely binding on the Client in all respects and for all purposes. The Client also agrees and accepts that all the moneys, funds, loans, advances, acceptance and amounts made, advanced or granted by TSL pursuant to this Clause 5 (Authorization) shall be and be treated or deemed as moneys, funds, loans, advances, acceptance and amounts made, advanced or granted by TSL to the Client upon and subject to the terms and conditions of the Facilities Agreement, and shall be absolutely binding on the Client in all respects and for all purposes.

6. **Charge Over Properties in the Accounts**

- 6.1 In consideration of TSL agreeing to make available or continue to make available to the Client the Credit Facilities, the Client, as beneficial owner, hereby charges and agrees to charge to TSL (in its own capacity or as agent of all the Tianda Group Companies) by way of first legal charge, and hereby assigns, transfers and releases and agrees to assign, transfer and release to TSL (in its own capacity or as agent of all the Tianda Group Companies) the following: -

- (a) all TSL Financed Securities together with all further or other Securities in substitution therefor or in addition thereto, all accretions thereto, all interest, rights, moneys, dividends, distributions paid, payable, accrued thereon and derived therefrom, all proceeds of sale thereof, and all moneys or funds received in connection with transfer, disposal or trading thereof;
- (b) all Securities which are now or will in future be deposited with, held in or transferred into the Margin Account and any Account by, for or attributable to the Client for any purpose whatsoever together with all further or other Securities in substitution therefor or in addition thereto, all accretions thereto, all interest, rights, moneys, dividends, distributions paid, payable, accrued thereon and derived therefrom, all proceeds of sale thereof, and all moneys or funds received in connection with transfer, disposal or trading thereof;
- (c) all Securities which are now or will in future be deposited with or transferred to TSL or any of the Tianda Group Companies by, for or attributable to the Client for any purpose whatsoever, or which have been or will in future be acquired or held by TSL or any of the Tianda Group Companies on behalf of the Client for any purpose whatsoever both together with all further or other Securities in substitution therefor or in addition thereto, all accretions thereto, all interest, rights, moneys, dividends, distributions paid, payable, accrued thereon and derived therefrom, all proceeds of sale thereof, and all moneys or funds received in connection with transfer, disposal or trading thereof;
- (d) all the Client's moneys, funds, receivables, sums, title, interests, powers, options, benefits and rights of, to and in any Accounts; and
- (e) all the moneys, funds, receivables, sums, properties, assets, things, goods, chattels, undertakings, negotiable instruments, financial instruments or documents, commercial instruments or documents, deeds, instruments, documents, matters, interests, powers and rights of the Client which are now or will in future be acquired by, deposited with, delivered to, transferred to, held by, possessed by, retained by or kept by any or all of the Tianda Group Companies;

((a), (b), (c), (d) and (e) above are collectively referred to as the "**Charged**

Properties") as continuing security (the "**Charge**") for : (i) the due and punctual performance and fulfilment of all obligations or liabilities of the Client under the Facilities Agreement, the Margin Agreement and any other agreement with any of the Tianda Group Companies, (ii) the payment, repayment, satisfaction and/or discharge on demand of the Indebtedness, facilities, loans, advances, credits, moneys, funds, indebtedness, obligations and liabilities (whether past, present or future, or whether absolute or contingent) which are now or at any time hereafter shall be due, owing or incurred from or by the Client or the Client Group Company to or in favour of TSL and/or any of the Tianda Group Companies under or pursuant to the Facilities Agreement, the Margin Agreement, other agreement with any of the Tianda Group Companies or any other agreement or document, or on any account or in any manner whatsoever (whether alone or jointly with any other person and in whatever name, style or firm), and (iii) the payment, repayment, satisfaction and/or discharge on demand of the Indebtedness, facilities, loans, advances, credits, moneys, funds, indebtedness, obligations and liabilities (whether past, present or future, or whether absolute or contingent) which are now or at any time hereafter shall be due, owing or incurred from or by the Client or the Client Group Company under or in the Margin Account and any Account (whether alone or jointly with any other person and in whatever name, style or firm) together with interest thereon and legal costs and expenses of TSL or any of the Tianda Group Companies (the "**Secured Liabilities**") .

6.2 The Client agrees that TSL, pursuant to the provisions of the Facilities Agreement, is entitled to transfer, or procure, demand or request to transfer the Charged Properties to any of the Tianda Group Companies and/or their respective nominee through any clearing and settlement system or other manner. The Client agrees and covenants to deliver to TSL such documents as TSL shall require to effect such transfer of the Charged Properties to any of the Tianda Group Companies and/or their respective nominee.

6.3 The Client agrees: -

- (a) Any dividend, interest, payment, money or fund forming or deriving from all or part of the Charged Properties which may be received by the Client shall be held by the Client on trust for TSL and shall be paid over or delivered to TSL on demand; and
- (b) Notwithstanding Clause 6.3(a), upon the occurrence of any of the Events of Default and/or the Charge becoming enforceable, TSL and its nominee shall (and the Client as primary obligor and not merely as guarantor irrevocably instructs and authorizes TSL or its nominee to) collect and receive all dividend, interest, payment, money or fund on or with respect to the Charged Properties, and TSL or its nominee shall be entitled to use and apply all the said dividend, interest, payment, money or fund so collected or received in payment, discharge or satisfaction of the Indebtedness.

7. **Title to Charged Properties**

7.1 The Client represents and warrants to TSL that subject to any security interest of TSL created pursuant to the Facilities Agreement, the Charged Properties are legally and beneficially owned by the Client, that the Client has good right to charge, assign, transfer and release the same to TSL, that the same are and will remain free from any lien, charge, equity, option, mortgage, third party right or encumbrance of any kind, and that any stocks, shares and other Securities comprised in the Charged Properties are and will be fully paid up.

8. **Voting Right and Call**

- 8.1 TSL or its nominees is entitled to exercise at its discretion (in the Client's name or otherwise at any time and without any further consent or authority of the Client) in respect of the Charged Properties any voting rights and all powers and rights given to trustees by the Trustee Ordinance (Cap. 29 of the Laws of Hong Kong).
- 8.2 The Client during the continuance of the Charge shall pay all calls or other payments due in respect of any of the Charged Properties and in the event of default TSL (if it thinks fit) shall make such payments on the Client's behalf. Any moneys or funds so paid by TSL shall be repayable by the Client on demand.

9. **Sufficient Securities**

- 9.1 The Client agrees and undertakes to deposit at all times sufficient Securities, security, properties and moneys with TSL. In the event that TSL is in the opinion that the Charged Properties are insufficient or unsatisfactory, the Client agrees and undertakes that upon demand by TSL the Client shall forthwith pay to TSL such sum in cash or at the option of TSL to deliver to TSL such additional Securities, security, properties or moneys as are acceptable to TSL as security in addition to or in substitution for the Charged Properties, and to procure the registration thereof with any appropriate authorities.

10. **Enforcement of Charge**

- 10.1 At any time as TSL or any of the Tianda Group Companies shall determine appropriate and/or upon the occurrence (in the sole and subjective judgment of TSL) of any Event of Default, the Charge shall be immediately enforceable and TSL, without prejudice to any of the rights or powers of TSL under the Facilities Agreement or other documents, shall have the right, without notice to the Client, to: (i) appropriate, pay, deduct, transfer or offset the whole or any part of any funds or moneys comprised in the Charged Properties at any time and from time to time in or towards payment, satisfaction or discharge of the Indebtedness or any money, fund, indebtedness, obligation or liability secured by the Charge, and/or (ii) sell, dispose of, liquidate, transfer, trade, deal with or close out (and TSL is authorized to do all such things necessary in connection with such sale, disposal, liquidation, transfer, trading, dealing or closing out) the Charged Properties or any part thereof (to be selected by TSL in its absolute discretion) at any time and from time to time either together or in parcels and either by dealings at any broker's board through SEHK or other Exchange or by public or private means or in such other manner and for such consideration (whether payable or deliverable immediately or by instalments and whether for cash or other valuable consideration or both) and on such terms and conditions as TSL shall think fit in its absolute discretion without being in any way responsible for any loss occasioned thereby however arising. Without limiting the generality of the foregoing, TSL is hereby specifically authorized to sell, dispose of, liquidate, transfer, trade, deal with and/or close out the Margin Account, all Securities comprised in the Charged Properties or held in the Margin Account or any Account (as the case may be), and all positions in the Margin Account or any Account (as the case may be) without notice to the Client.
- 10.2 Without prejudice to the generality of Clause 10.1, TSL shall be entitled to appropriate, sell, dispose of, liquidate, transfer, trade, deal with or close out the Charged Properties or any part thereof at any time and from time to time at market price or

market conditions thereof to, with or in favour of TSL or any of the Tianda Group Companies without being in any way responsible for any loss occasioned thereby however arising and without being accountable for any profit made by TSL and/or any of the Tianda Group Companies.

- 10.3 In any sale, disposal, liquidation, transfer, trading, dealing or closing out pursuant to this Clause 10 (Enforcement of Charge) or the Facilities Agreement, if less than all the Charged Properties are to be sold, disposed of, liquidated, transferred or closed out, TSL shall in its absolute discretion select which part of the Charged Properties are to be sold, disposed of, liquidated, transferred, traded, dealt with or closed out at any time and from time to time.
- 10.4 The Client agrees that TSL or any of the Tianda Group Companies shall have the full and absolute right and discretion to determine at what time and day to exercise or enforce its right and power to carry out or execute the sale, disposal, appropriation, liquidation, transfer, trading, dealing or closing out pursuant to this Clause 10 (Enforcement of Charge) or the Facilities Agreement. The Client shall not have any right to claim against TSL and/or any of the Tianda Group Companies in respect of any loss arising out of any sale, disposal, appropriation, liquidation, transfer, trading, dealing or closing out pursuant to the Facilities Agreement, howsoever such loss may have been caused, and whether or not a better price or position could or might have been obtained on the sale, disposal, appropriation, liquidation, transfer, trading, dealing or closing out of any of the Charged Properties by either deferring or advancing the time or date of such sale, disposal, appropriation, liquidation, transfer, trading, dealing or closing out or otherwise howsoever.
- 10.5 If the proceeds, moneys or funds realized or received by exercise or enforcement of the Charge shall be insufficient to pay, discharge or satisfy the Indebtedness and the indebtedness, obligations or liabilities of the Client or the Client Group Company to TSL and all the Tianda Group Companies, then nothing herein contained shall prejudice the rights or powers of TSL or any of the Tianda Group Companies against the Client or the Client Group Company for recovery of such insufficiency or deficiency. The Client agrees and undertakes to make good and pay on demand to TSL such insufficiency or deficiency.
- 10.6 No failure, delay or omission on the part of TSL or any of the Tianda Group Companies in exercising or enforcing any right, power, privilege or remedy under or in respect of the Facilities Agreement shall impair such right, power, privilege or remedy, or be construed or operated as a waiver of it. Any single or partial exercise or enforcement of any such right, power, privilege or remedy shall not preclude any further exercise of it or the exercise of any other right, power, privilege or remedy.

11. **Proceeds on Enforcement**

- 11.1 The proceeds, moneys or funds realized or received by the exercise or enforcement of the Charge pursuant to the Facilities Agreement or any part thereof shall be held or retained by TSL in such manner and for such period of time as shall be determined by TSL in its absolute discretion and/or shall be applied or used (without limitation) in the following payments but in such order of priority and at such time as shall be determined by TSL in its absolute discretion: -
- (a) payment or discharge of all costs, charges, legal fees and expenses including but not limited to stamp duty, commission and brokerage incurred by TSL in transferring, selling, disposing, liquidating, trading, dealing or closing out all or any of the Charged Properties or in perfecting title thereto;

- (b) payment, discharge or satisfaction of the Secured Liabilities;
- (c) payment, discharge or satisfaction of the Indebtedness, and all other moneys, funds, indebtedness, obligations and liabilities due, payable owing or incurred by the Client or the Client Group Company to TSL or all the Tianda Group Companies;
- (d) payment or discharge of interest for the time being accruing due; and
- (e) payment, discharge or satisfaction of such obligations, indebtedness, moneys and liabilities of the Client or the Client Group Company.

12. **Release of Charged Properties**

- 12.1 Subject to: (a) the payment of the whole of the Indebtedness and all interests as provided in the Facilities Agreement, (b) the payment of all such moneys or funds due, payable or owing to TSL or all the Tianda Group Companies under the Facilities Agreement, (c) the payment, discharge or satisfaction of all indebtedness, obligations or liabilities of the Client or the Client Group Company under the Facilities Agreement, (d) the payment, discharge or satisfaction of all the Secured Liabilities, and (e) the due performance or fulfilment of all the obligations and liabilities of the Client under the Facilities Agreement, TSL shall, at any time after such payments, discharge, performance, fulfilment or satisfaction and upon written request of the Client and at the cost of the Client, release, discharge or return the Charged Properties or any part thereof to the Client and upon such release, discharge or return TSL shall not be bound to release, discharge or return to the Client Securities identical with those acquired by, deposited with, held by or transferred to TSL so long as the Charged Properties or any part thereof released, discharged or returned to the Client are of the same type, kind, class, denomination and nominal amount and rank pari passu with those originally acquired by, deposited with, held by or transferred to TSL (subject always to any capital re-organization which may have occurred in the meantime).
- 12.2 The Client agrees that in the event that TSL or any of the Tianda Group Companies shall have made a mistake or an error in the Client's favour in calculating the moneys or funds due to TSL or any of the Tianda Group Companies or in respect of Securities released, discharged or returned then such release, discharge and return shall have no effect and the Charge shall remain in full force and effect.

13. **Additional & continuing Security**

- 13.1 The Charge is in addition to and without prejudice to any collateral or security which TSL shall now or hereafter hold from or on account of the Client. Such collateral or security to which TSL shall be otherwise entitled (including any collateral or security created or made prior to the date of the Facilities Agreement on the Charged Properties) or the liability of any person not being a party hereto for all or any part of the indebtedness, obligations and liabilities hereby secured shall not be in any way prejudiced or affected by the Charge. TSL shall have full power at its discretion to deal with, exchange, release, modify or abstain from perfecting or enforcing any such collateral or security or rights which TSL shall now or hereafter have from or against such person or to give time for payment or any indulgence to any such person without discharging or in any way affecting the Client's indebtedness, obligations and liabilities or the Charge or security created hereunder. All moneys or funds received by TSL from the Client or any person liable to pay the same shall be applied by TSL to any account or any transactions to which the same shall be applicable.
- 13.2 The Charge shall be a continuing security notwithstanding any intermediate payment or settlement of account or satisfaction of the whole or any part of the Indebtedness

or any sum of money owing by the Client to TSL and notwithstanding the closing of any of the Accounts, the reopening of a closed Account or the opening of any Account by the Client (either alone or jointly with others), and shall extend to cover all or any indebtedness, moneys or funds due or payable from the Client to TSL and all the Tianda Group Companies on any account or otherwise as herein provided.

- 13.3 No change in the constitution of the Client nor of the persons, firms or companies or other entity for whose indebtedness, obligations and liabilities the Charge shall at any time stand as security shall affect the validity of or discharge the Charge. If the Client is a firm and in the event of dissolution of the firm the Charge shall apply to all the indebtedness, obligations and liabilities incurred by the firm or in the firm name until the actual receipt by TSL of written notice of dissolution, provided always that such notice of dissolution shall not affect the indebtedness, obligations and liabilities incurred by the Client prior to actual receipt by TSL of such notice. If, however, the dissolution is by reason only of the introduction of a partner into the firm the Charge shall continue and in addition to the indebtedness, obligations and liabilities of the old firm shall apply to all indebtedness, obligations and liabilities due, payable or incurred from or by the new firm thereby constituted as though there had been no change in the firm as previously constituted.
- 13.4 All rights and powers of TSL hereunder and the Charge shall remain in full force and effect notwithstanding any neglect or delay in the enforcement thereof or any indulgence or forbearance given or continued to be given to the Client.

14. **Protection & Indemnity**

- 14.1 TSL shall not be answerable or responsible for the loss of or damage to or diminution in value of any of the Charged Properties however arising whilst the same are in the possession, custody, retention or control of TSL or its agents.
- 14.2 If any action or proceeding is commenced or any claim or demand is made by any person against the Client in connection with any matter herein contained or the Charged Properties or any part thereof or against TSL in connection with any matter herein contained or the Charged Properties or any part thereof, the Client agrees to indemnify TSL against any loss, costs or expenses including all legal or other professional fees which shall be incurred by TSL in connection therewith. If any such action or proceeding is commenced or claim or demand is made, TSL shall be entitled (but not obliged or bound) to take such reasonable steps as it shall deem advisable including the withholding of payment or delivery to the Client of any part or all of the money or fund or the Charged Properties and the cancellation or non-compliance with any orders or instructions which the Client may have given or may give to TSL.

15. **Information of Client**

- 15.1 From time to time, it is necessary for the Client to supply TSL with data in connection with the opening or continuation of the Accounts and the establishment, continuation of Credit Facilities or loans or provision of finance services. Failure to supply such data may result in TSL being unable to open or continue the Accounts or establish, continue Credit Facilities or loans or provide finance services. It is also the case that data are collected from the Client in the ordinary course of the continuation of the credit or finance relationship.
- 15.2 The purposes for which data relating to the Client may be used are (without limitation)

as follows: (a) the daily operation of the Accounts and the services and Credit Facilities provided to the Client; (b) conducting credit checks; (c) ensuring ongoing credit worthiness of the Client; (d) designing and marketing services or related products; (e) determining the amount of indebtedness owed to or by the Client; (f) collection of amounts outstanding from the Client and those providing security for the Client's obligations; (g) meeting the requirements to make disclosure under the requirements of any law binding on TSL; and (h) purposes relating thereto.

- 15.3 Data or information held by TSL relating to the Client and/or the Accounts will be kept confidential but TSL may provide such information to (without limitation) the following: (a) any employee, agent, contractor, sub-contractor or third party service provider who provides administrative, telecommunications, computer, payment, clearing or other services to TSL in connection with the operation of its business; (b) any other person under a duty of confidentiality to TSL including but not limited to all the Tianda Group Companies which have undertaken to keep such information confidential; (c) any actual or proposed assignee of TSL or participant or sub-participant or transferee of TSL's rights in respect of the Client; and (d) the relevant regulatory bodies, if so requested by such regulatory bodies.
- 15.4 Under and in accordance with the terms of the Personal Data (Privacy) Ordinance any individual: (a) has the right to check whether TSL holds data about him and the right of access to such data; (b) has the right to require TSL to correct any data relating to him which is inaccurate; and (c) has the right to ascertain TSL's policies and practices in relation to data and to be informed of the kind of personal data held by TSL.

16. **Dealing, Mortgage and Custody of Charged Properties**

- 16.1 The Client irrevocably and unconditionally consents, agrees and authorizes TSL and/or any of the Tianda Group Companies at any time and from time to time to: -
- (a) deposit, mortgage, charge, pledge, create any security interest over, transfer, assign or release the Charged Properties or any part thereof (either separately or together with other Securities and/or properties or assets) by way of collateral or security or otherwise for facilities, credits, loans or advances (of any amount, for any period of time and upon any terms) made or continued to be made to TSL and/or any of the Tianda Group Companies without notice to the Client;
 - (b) use, borrow or lend the Charged Properties or any part thereof (either separately or together with other Securities and/or properties or assets) for the purpose of performing or fulfilling settlement or clearing obligations of TSL between the members of SEHK or the relevant Clearing House without notice to the Client;
 - (c) deliver, transfer or deposit the Charged Properties or any part thereof (either separately or together with other Securities and/or properties or assets) with any agent or contractor for custodial purpose at the risk, cost, charge or expense of the Client without notice to the Client; and
 - (d) use, deal with, deposit, mortgage, charge, pledge, create any security interest over, transfer, assign, lend or release the Charged Properties or any part thereof (either separately or together with other Securities and/or properties or assets) for any purpose or reason whatsoever, in such manner or way, for such period of time, upon such terms, for such consideration, for such benefit or advantage as TSL and/or any of the Tianda Group Companies shall (in their respective absolute discretion) think fit without notice to the Client.

- 16.2 The Client agrees and acknowledges that all the risks of the Charged Properties are remaining with the Client and that neither TSL nor any of the Tianda Group Companies nor their respective agent or contractor shall be under any obligation to insure any of them against any kind of risks, which obligation is remained with the Client.
- 16.3 The Client understands, accepts, agrees and acknowledges that all the risks, consequences, effects and results of the consents, agreements, authorizations and acknowledgments contained in this Clause 16 (Dealing, Mortgage and Custody of Charged Properties), and in particular understands, accepts, agrees and acknowledges that the Charged Properties or any part thereof may be subject to mortgage, charge, pledge, lien, security interest or third party interest or right, and the release, discharge or return of the Charged Properties or any part thereof may be subject to the discharge, release or satisfaction of such mortgage, charge, pledge, lien, security interest or third party interest or right.

17. **Liquidation of Accounts**

- 17.1 At any time as TSL or any of the Tianda Group Companies shall determine appropriate and/or upon the occurrence (in the sole and subjective judgment of TSL) of any Event of Default, TSL or any of the Tianda Group Companies shall have the right, without notice and in their respective absolute discretion, to: -
- (a) take such action or do such act, matter or thing as it shall consider necessary or desirable to comply with or to perform, cancel or satisfy any obligations of TSL or such Tianda Group Companies to the Client or any obligations of the Client and/or TSL or such Tianda Group Companies to the relevant Exchange and/or Clearing House and/or broker, as the case may be, in respect of any outstanding transaction of or dealing in the Securities;
 - (b) sell, purchase, transfer in, transfer out, trade, dispose of, deal with, settle, clear all or any Securities; and/or
 - (c) cancel any outstanding orders in order to close the Margin Account or any Account.

Any sale, purchase, disposal, trading, dealing, transfer and/or closing out of the Securities shall be made according to the judgment of and at the discretion of TSL or such Tianda Group Companies, either by direct sale, purchase, disposal, trading, dealing, transfer or closing out at any time or in the same contract month or on any Exchange or Market where such business is then usually transacted. In all cases, a prior demand or call, or prior notice of the time or place of sale, purchase, disposal, trading, dealing, transfer or closing out shall not be considered as waiver of the right of TSL or such Tianda Group Companies herein provided.

- 17.2 On the exercise of the rights of TSL and the Tianda Group Companies under Clause 17.1, all moneys or funds owing to TSL or any of the Tianda Group Companies hereunder shall become immediately payable and TSL or any of the Tianda Group Companies shall not be obliged to deliver to the Client any amount of the Securities or any money or fund due to the Client in respect of any transaction or dealing until all indebtedness, obligations and liabilities of the Client to TSL or any of the Tianda Group Companies under the Facilities Agreement are paid, satisfied or discharged.

18. **Offset and Combination of Accounts**

- 18.1 Notwithstanding anything contained in the Facilities Agreement or in any other

document between any of the Tianda Group Companies and the Client, the Client irrevocably and unconditionally authorizes and directs TSL to, with or without notice, offset and withhold from and apply the Charged Properties, Securities, receivables, moneys or funds held in or for the Margin Account or any Account against and in whole or partial payment, discharge or satisfaction of any indebtedness, obligations or liability (of whatsoever nature whether primary, collateral, several, joint or in other currencies and whether or not in connection with the Margin Account or any Account) owed by the Client to TSL or any of the Tianda Group Companies.

- 18.2 Without prejudice to the generality of Clause 18.1, if the Client has more than one Account, any of the Tianda Group Companies is hereby authorized by the Client to at any time combine or consolidate all or any of the Accounts and offset or transfer any of the Charged Properties, moneys, funds, Securities, properties or assets in any one or more of the Accounts in or towards payment, discharge or satisfaction of any indebtedness, obligations or liabilities of whatsoever nature to any of the Tianda Group Companies in respect of any of the Accounts. Where any such combination, consolidation, offset or transfer requires the conversion of one currency into another, such conversion shall be calculated at the spot rate of exchange (as conclusively determined by any of the Tianda Group Companies) prevailing in such foreign exchange market as any of the Tianda Group Companies shall determine to be relevant on the date of the combination, consolidation, offset or transfer.

19. **Default**

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

- (a) at any time when TSL shall, in its sole discretion, consider it necessary for the protection of TSL or any of the Tianda Group Companies;
- (b) the Client fails or refuses to pay or settle any outstanding amount, money, fund, purchase price or other payment becoming due or payable under the Facilities Agreement, the Margin Agreement or any other agreement with any of the Tianda Group Companies;
- (c) the Client has failed or refused, on demand, to settle or pay any outstanding amount, money or debit balance on any of the Accounts;
- (d) the Client violates or fails to perform on a timely basis any term, undertaking, agreement, covenant or condition on its part to be performed under the Facilities Agreement;
- (e) the Client fails or refuses to discharge, pay, satisfy or perform any of the Client's liability, obligation or indebtedness under the Facilities Agreement, the Margin Agreement or any other agreement with any of the Tianda Group Companies;
- (f) the Client has not provided any margin (initial, maintenance or additional) or adjustments (variation or otherwise) when the same become due or payable under the Facilities Agreement and/or the Margin Agreement, or has failed or refused to comply with any request, call or demand made by TSL pursuant to the Facilities Agreement and/or the Margin Agreement;
- (g) breach, refusal, failure or default of or by the Client in complying with, fulfilling, performing or observing any term or condition of the Facilities Agreement, the Margin Agreement, the Trading Accounts Terms, or any other document with any of the Tianda Group Companies;
- (h) any representation or warranty made in the Facilities Agreement or in any document delivered to TSL or any of the Tianda Group Companies being or becoming incomplete, untrue or incorrect;
- (i) any consent or authorization required by the Client to enter into the Facilities

Agreement being wholly or partly revoked, suspended, terminated or ceasing to remain in full force and effect;

- (j) the filing or commencement of a petition or application in bankruptcy, liquidation or winding up, petition or application for the appointment of a receiver, or the commencement of other similar proceedings against the Client;
- (k) the Charge or any security created or any part thereof respectively in relation to the indebtedness, obligations or liabilities under the Facilities Agreement being avoided or discontinued;
- (l) any deterioration or impairment (in TSL's opinion) or any decline or depreciation (in TSL's opinion) in the value or market price (whether actual or reasonably anticipated) of the Charged Properties or any security or any part thereof respectively;
- (m) the levying of attachment or charge against any Account;
- (n) any third party asserts a claim, right or interest in respect of any moneys or funds in any Account;
- (o) the Client takes advantage of any bankruptcy, liquidation, reorganization, moratorium, insolvency or similar law or makes or proposes to make any arrangements or compositions for the benefit of any of the Client's creditors, or is the subject of any order, judgment or decree entered by any court providing for the winding up, reorganization, liquidation or appointment of a liquidator, trustee in bankruptcy or receiver of the Client or a substantial part of the Client's business or assets;
- (p) the Client becomes insolvent or dissolved for any reason whatsoever, merges or becomes consolidated with any non-affiliated party, or sells all or a substantial portion of its business or assets;
- (q) the death, liquidation or judicial declaration of incompetence of the Client;
- (r) any action or proceeding is commenced or any claim or demand is made by any person against the Client in connection with any matter herein contained or the Charged Properties or any part thereof or against TSL in connection with any matter herein contained or the Charged Properties or any part thereof;
- (s) the occurrence of an Event of Default (as defined in the Margin Agreement);
- (t) any adverse change (in the opinion of TSL) in the corporate structure, business, assets, financial condition, and general condition or prospects of the Client;
- (u) at any time when TSL and/or any of the Tianda Group Companies is or becomes under any obligation imposed by any relevant Exchange and/or Clearing House and/or broker or any applicable laws, rules and regulations to do any of the acts mentioned in Clauses 17 (Liquidation of Accounts) and 19 (Default); and
- (v) the occurrence of any event which, in the opinion of TSL, may or shall jeopardize, prejudice or affect any of the rights, interests or benefits of TSL or any of the Tianda Group Companies.

19.2 If an Event of Default (in the sole and subjective judgment of TSL) occurs, TSL or any of the Tianda Group Companies shall, without notice to the Client and in addition to and without prejudice to any other rights or powers conferred under the Facilities Agreement, be entitled (in their respective discretion) to: -

- (a) revise, change, withdraw, stop or cancel the Credit Facilities, facilities, advances, credits or loans made or granted to the Client, or any part thereof respectively;
- (b) demand payment, repayment, discharge, satisfaction, performance or fulfillment of the Indebtedness and/or other amount, interest, sum, moneys or funds owing by the Client to TSL or any of the Tianda Group Companies;
- (c) enforce the Charge;

- (d) liquidate any or all of the Accounts;
- (e) transfer in, transfer out, settle, clear all or any Securities;
- (f) call upon or enforce any security which may have been issued, made or created in favour of TSL or any of the Tianda Group Companies as security for the Indebtedness or the indebtedness, liabilities or obligations of the Client under the Facilities Agreement or the Margin Agreement;
- (g) exercise the right of offset and combination of accounts under the Facilities Agreement or the Margin Agreement or otherwise;
- (h) immediately terminate the Facilities Agreement and/or the Margin Agreement and/or other agreement with any of the Tianda Group Companies;
- (i) exercise any or all the rights and powers of TSL under the Facilities Agreement or the Margin Agreement;
- (j) sell, purchase, dispose of, transfer, deal with any Securities, properties or assets in any or all of the Accounts;
- (k) cancel any or all outstanding orders or any other commitments made on behalf of the Client;
- (l) take any actions, or do any acts, matters or things as authorized, instructed, directed, appointed or empowered under the Facilities Agreement or the Margin Agreement;
- (m) take such actions, or do such acts, matters or things as TSL or any of the Tianda Group Companies shall think fit in relation to the Charged Properties; and/or
- (n) take or not to take any actions, or do or not to do any acts, matters or things as TSL or any of the Tianda Group Companies shall think fit.

20. **Representation, undertaking and Warranty**

20.1 The Client represents, warrants and undertakes with TSL and all the Tianda Group Companies that: -

- (a) the Client is duly incorporated, validly existing and in good standing under the laws of the place of its incorporation. The Client has power and authority to carry on the Client's business which the Client now conducts or proposes to conduct and the business under the Facilities Agreement, and to own, acquire, enter into or hold Securities, property and assets;
- (b) the Client has full power and authority to enter into, sign, execute, perform and fulfill the Client's duties and obligations under the Facilities Agreement, and to purchase, invest, sell, trade, exchange, acquire, enter, make, hold, deposit, transfer, dispose, clear, settle or deal in, of and with all kinds of Securities in accordance with and subject to the terms and conditions of the Margin Agreement, and to incur indebtedness and liabilities as a result;
- (c) all necessary corporate and other action have been taken, and all necessary shareholder and other consent have been given to authorize the entering, signing, execution, performance and fulfilment of the Facilities Agreement. The Facilities Agreement when signed or executed by the Client will constitute valid and legally binding obligations of the Client in accordance with its terms and conditions;
- (d) the financial statement and accounts of the Client supplied to TSL have been prepared in accordance with accounting policies consistently applied, and present a true, fair and accurate view on the operation of the Client for the relevant accounting period and the financial position of the Client at the end of such accounting period;
- (e) the meeting of the board of directors of the Client (certified extract minutes of which have been supplied to TSL) resolving, inter alia, the approval, entering into, signing, execution, performance and fulfilment of the Facilities

Agreement was duly convened and held on or prior to the date of the Facilities Agreement and such resolutions which were duly passed thereat in accordance with its constitutional documents have been entered in its minutes book and are in full force and effect;

- (f) other than the Client, no one has interest in the Accounts;
- (g) all information stated in the Facilities Agreement or provided by the Client in connection with the opening of the Accounts are true, complete and correct;
- (h) all written or oral answers to any questionnaire completed by the Client or any other person or other information provided to TSL and all the Tianda Group Companies are true, accurate and complete, and all the Tianda Group Companies are entitled to rely on such information;
- (i) the Client will forthwith notify TSL in writing of any change (material or not) in any of the aforesaid information and such change shall only take effect after the receipt of such notice by TSL; and
- (j) all necessary consents or authorization which may be required for the entering and execution of the Facilities Agreement have been obtained and are and shall continue in full force and effect.

21. **Further Assurance**

21.1 The Client agrees and undertakes with TSL that upon the request of TSL, the Client shall or shall procure such person who is acceptable to TSL at the Client's own costs and expenses forthwith and at any time hereafter, whether before or after the Charge shall have become enforceable, execute, do and pass, or cause or procure to be executed, done or passed such legal or other mortgages, charges, pledges, assignments, transfers, assurances, powers of attorney, deeds, documents, letters, resolutions, acts and things in favour or for the benefit of TSL as TSL shall require (a) in connection with the implementation, execution and enforcement of any of the term and any right in favour of TSL under the Facilities Agreement, and (b) over or in respect of the Charged Properties or any of them as further security for the Indebtedness or (as TSL shall require) for perfecting the security hereby constituted or vesting the full benefits of the Charged Properties or any of them in TSL, TSL's nominee(s) or (after the Charge has become enforceable) any purchaser thereof. Such mortgages, charges, pledges, assignments, transfers, assurances, powers of attorney, deeds, documents, letters, resolutions, acts and things shall be prepared by TSL, at the cost and expense of the Client, and shall contain such provisions as TSL shall require, for which purposes the Client appoints TSL as the duly authorized representative of and on behalf of the Client.

22. **More than One Person**

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

- (a) each of them shall be bound though any other of such persons intended to be bound is not, for whatever reason, so bound. References to the Client shall be construed to any or each of them;
- (b) each of them shall be jointly and severally liable to and responsible for the liabilities, obligations and indebtedness under the Facilities Agreement;
- (c) the rights, powers, claims, demands, instructions, directions, decisions and/or authorizations under the Facilities Agreement shall be exercised, performed or made by any of them separately and independently with any other of such persons. The act, conduct, instructions, directions, decisions and/or authorizations of any of such persons shall be jointly and severally binding on

- any or all of such persons;
- (d) TSL and any of the Tianda Group Companies shall be entitled to deal separately with any of them on any matter including the discharge, satisfaction or performance of any liability, obligation or indebtedness to any extent without affecting the liability of any other of such persons;
 - (e) each one of them shall waive in favour of all the Tianda Group Companies the right of proof in competition with any one or all of the Tianda Group Companies in the bankruptcy or insolvency of the other(s) and none of them shall take from the other(s) any counter-security without prior written consent from all the Tianda Group Companies;
 - (f) the discharge, satisfaction or performance of any liability, obligation or indebtedness under the Facilities Agreement by any of the Tianda Group Companies in favour of or for the benefit of any of such persons shall be and be deemed to be full and sufficient discharge, satisfaction or performance of such liability, obligation or indebtedness in favour of or for the benefit of any or all of such persons. The payment of money or fund by any of the Tianda Group Companies toward or in favour of any of such persons shall be and be deemed to be full and sufficient discharge, satisfaction or performance of such payment of money or fund toward or in favour of any or all of such persons; and
 - (g) subject to the consent or discretion of TSL, any of such persons is entitled to deposit or transfer any Securities to or out the Accounts. Any one of such persons is not entitled to claim or assert interest, benefit, ownership or title to any particular or specific Securities in the Accounts separately or independently with any other of such persons.

23. **Power of Attorney**

- 23.1 The Client willingly and irrevocably appoints and constitutes each and any of the Tianda Group Companies as its lawful attorney to do and execute all such acts, deeds, documents or things on behalf of the Client as it considers necessary or desirable in connection with the implementation, execution and enforcement of any of the terms, rights and powers conferred by the Facilities Agreement and agrees to ratify or confirm all such acts, deeds, documents or things by any of the Tianda Group Company.
- 23.2 The Client also agrees that this power of attorney is in addition to and in no way limits or restricts any rights which any of the Tianda Group Companies may have under any other agreement between the Client and any of the Tianda Group Companies.
- 23.3 The Client declares that the powers conferred upon all the Tianda Group Companies under the Facilities Agreement shall be given the widest interpretation and may be exercised by any person authorized by any of the Tianda Group Companies for such purpose.
- 23.4 The Client hereby further declares that the authority herein contained shall remain in full force and effect until the termination of the Facilities Agreement in accordance with the Facilities Agreement.

24. **Termination**

- 24.1 The Client shall only terminate the Facilities Agreement by a valid and effective prior written notice to TSL. The aforesaid prior written notice shall be a valid and effective prior written notice only and only if such notice shall be actually received by TSL and

the effective date for termination of the Facilities Agreement stated therein shall be at least seven (7) Business Days after the date of receipt of such notice by TSL. The Facilities Agreement shall be terminated by TSL at its discretion and at any time by notice given by TSL to the Client.

24.2 The termination of the Facilities Agreement shall not affect or prejudice: -

- (a) the liabilities, obligations or indebtedness of the Client existing, arisen or incurred at the time under the Facilities Agreement or any agreement made with any of the Tianda Group Companies on or before the termination of the Facilities Agreement, including but not limited to the indebtedness, liabilities or obligations of the Client arising out of or in connection with any open positions or outstanding transactions at the time of the termination of the Facilities Agreement;
- (b) the liabilities, obligations or indebtedness of the Client arising out of or in connection with any agreements, warranties, representations, undertakings and indemnities given by the Client under the Facilities Agreement or any agreement made with any of the Tianda Group Companies;
- (c) the rights and powers to close out, transfer or settle all the open positions or outstanding transactions of the Client, and the rights and powers to take such action or do all such acts and things incidental or in relation to the closing out, transfer or settlement mentioned in this Clause; and
- (d) the rights and powers to take such action or do all such acts and things incidental or in relation to the termination, conclusion, consolidation, clearing or settlement of all the Client's liabilities, obligations or indebtedness under the Facilities Agreement, or the rights and powers to take such action or do all such acts and things incidental or in relation to the termination of the Facilities Agreement.

25. **Miscellaneous Provisions**

25.1 The provisions of the Facilities Agreement shall be binding on and ensure to the benefit of the successor, assign and personal representative of each Party provided that the Client shall not assign, transfer, alienate, charge or otherwise dispose of any of the interest, rights, benefits, liabilities or obligations hereunder without the prior written consent of TSL, and TSL and any of the Tianda Group Companies may at any time assign, alienate or otherwise dispose of all or a part only of their respective interest, rights, benefits, liabilities and obligations under the Facilities Agreement to any person without the prior consent or approval of the Client. Any assignee, transferee or successor of TSL or any of the Tianda Group Companies shall have the same interest, rights, benefits, liabilities and remedies as if it were TSL or such Tianda Group Company. TSL or any of the Tianda Group Companies may delegate or sub-contract the performance of its obligations hereunder as it think fit.

25.2 Any provision of the Facilities Agreement becoming prohibited by or unlawful or unenforceable under any applicable law actually applied by any court of competent jurisdiction shall, to the extent required by such law, be severed from the Facilities Agreement and rendered ineffective so far as is possible without modifying the remaining provisions of the Facilities Agreement. Where, however, the provisions of any such applicable law may be waived, they are waived by the Parties to the full extent permitted by such law to the end that the Facilities Agreement shall be a valid and binding agreement enforceable in accordance with its terms and conditions.

25.3 Without prejudice to other provisions of the Facilities Agreement relating to communication or notice by or from TSL or any of the Tianda Group Companies and

the right of TSL or any of the Tianda Group Companies to use any way or method of communication, any report, confirmation, statements, notice and other communication from TSL or any of the Tianda Group Companies to the Client under the Facilities Agreement may be delivered personally or sent by post or telex or fax or electronic mail ("**E-mail**") addressed to the Client at the address or telex number or fax number or E-mail address set out in the Margin Account Opening Form, at its registered office or at such other address or telex number or fax number or E-mail address as may have been notified in writing by the Client to TSL (such notification shall only take effect twenty four (24) hours after the actual receipt of the same by TSL). Any such report, confirmation, statements, notice and other communication shall be deemed to have been received by the Client (a) if hand delivered, when delivered, (b) if given by post, twenty four (24) hours after the same has been posted if posted in Hong Kong to an address in Hong Kong, and on the fifth (5th) day after the same has been posted if posted to or from a place outside Hong Kong, or (c) if given by telex or fax or E-mail, at the same time when it is dispatched. The contents of such report, confirmation, statements, notice or communication or statement of account issued by TSL or any of the Tianda Group Companies shall be or be deemed correct, accurate and conclusive and no objection thereto shall be made by the Client unless written objection is actually received by TSL or such Tianda Group Company within seven (7) days after delivery by hand, by telex or fax or E-mail, or by post.

- 25.4 Any letter, notice, documents or other communication from the Client to TSL or any of the Tianda Group Companies shall take effect only on actual receipt of the same by TSL or such Tianda Group Companies (as the case may be).
- 25.5 The Facilities Agreement supersedes all prior engagements, arrangements, agreements and contracts whether oral or in writing whatsoever made by TSL. No warranties or representations express or implied are or have been made or given by TSL or by anybody on his behalf relating to the subject of the Facilities Agreement prior to the signing hereof. If any such warranty or representation express or implied has been made the same is withdrawn or deemed to have been withdrawn immediately before TSL entering into the Facilities Agreement. However, the Facilities Agreement does and will not supersede any prior engagements, arrangements, agreements and contracts whether oral or in writing whatsoever and whether past, present or future made by the Client with or in favour of TSL or any of the Tianda Group Companies, and does and will not affect or prejudice any or all the liabilities, obligations or indebtedness whether oral or in writing whatsoever and whether past, present or future of the Client to TSL or any of the Tianda Group Companies.
- 25.6 In the event of death or liquidation of the Client or in the event of the Client being rendered incapable or disabled from managing and administering the Client's property or affairs then prior to the actual receipt by TSL of written notice of death, liquidation or incapacity or disability of the Client, all the Tianda Group Companies may, but not obliged to, continue to act upon the instructions of the Client as if the Client were still alive, existing or capable of managing and administering the Client's property or affairs.
- 25.7 The rights, remedies, powers and privileges of TSL and the Tianda Group Companies under the Facilities Agreement are cumulative and not exclusive of any rights or remedies provided by law. No time, indulgence or forbearance granted by TSL or any of the Tianda Group Companies shall operate to waive any of its rights under the Facilities Agreement nor shall any single or partial exercise thereof preclude any other or further exercise thereof.
- 25.8 TSL may at its discretion amend, delete or substitute any of the provisions herein or

add new provisions to the Facilities Agreement by sending to the Client a notice in writing ("**Amendment Notice**") thirty (30) days prior to such change taking effect (unless any such change is not within TSL's control). Details of such amendment, deletion, substitution or addition will be (a) posted on the website of TSL and (b) available for collection at the office of TSL during the business hours. For the avoidance of doubt, TSL will not deliver to the Client details of such amendment, deletion, substitution or addition unless TSL receives Client's specific written request, in which case details of such amendment, deletion, substitution or addition will be mailed to the Client at the Client's sole risk. For the avoidance of doubt, the mailing of details of such amendment, deletion, substitution or addition to Client shall not in any event prejudice, affect or delay the effective date of such amendment, deletion, substitution or addition. Such amendment, deletion, substitution or addition shall (save as aforesaid) be deemed incorporated herein (and shall form part of the Facilities Agreement) unless objected to in writing by the Client within fourteen (14) days from the date of the Amendment Notice, in which case TSL may terminate the Facilities Agreement in accordance with Clause 24 (Termination).

- 25.9 Time shall in every respect be of the essence of the liabilities and obligations of the Client under the Facilities Agreement.
- 25.10 The Facilities Agreement or any part thereof may be translated into Chinese but, in the event of any conflict between the English version and the Chinese version, the English version shall prevail in all respects and for all purposes. The Client hereby waives any right, if any, the Client may have to have the Facilities Agreement translated from English into Chinese.

26. **Governing Law and Jurisdiction**

- 26.1 The Facilities Agreement shall be governed by and construed in accordance with the laws of Hong Kong and the Client hereby irrevocably submits to the exclusive jurisdiction of the Hong Kong courts in relation to all matters arising from the Facilities Agreement.
- 26.2 The Client agrees that any writ, summons, order, judgment or other document shall be or be deemed duly and sufficiently served on the Client if addressed to the Client and left at or sent by post to the Client's registered office or the address of the Client set out in the Margin Account Opening Form or last known to TSL. The foregoing shall not limit TSL's right to serve process on the Client in any manner permitted by the laws of the relevant jurisdiction.

SECTION IV – (IF APPLICABLE)

SECTION V – RISK DISCLOSURE STATEMENTS

1. 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.

2. Risk of Trading Futures and Options

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.

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.

In relation to Futures:-

(a) Effect of "Leverage" or "Gearing"

Transactions in futures carry a high degree of risk. The amount of initial futures margin is small relative to the value of the futures contract so that transactions are "leveraged" or "geared". A relatively small market movement will have a proportionately larger impact on the funds you have deposited or will have to deposit: this may work against you as well as for you. You may sustain a total loss of initial futures margin funds and any additional funds deposited with the licensed or registered person to maintain your position. If the market moves against your position or futures margin levels are increased, you may be called upon to pay substantial additional funds on short notice to maintain your position. If you fail to comply with a request for additional funds within the time prescribed, your position may be liquidated at a loss and you will be liable for any resulting deficit.

(b) Risk-reducing orders or strategies

The placing of certain orders (e.g. "stop-loss" orders, or "stop-limit" orders) which are intended to limit losses to certain amounts may not be effective because market conditions may make it impossible to execute such orders. Strategies using combinations of positions, such as "spread" and "straddle" positions may be as risky as taking simple "long" or "short" positions.

In relation to Options: -

Variable degree of risk

- (i) Transactions in options carry a high degree of risk. Purchasers and sellers of options should familiarise themselves with the type of option (i.e. put or call) which they contemplate trading and the associated risks. You should calculate the extent to which the value of the options must increase for your position to become profitable, taking into account the premium and all transaction costs.
- (ii) The purchaser of options may offset or exercise the options or allow the options to expire. The exercise of an option results either in a cash settlement or in the purchaser acquiring or delivering the underlying interest. If the option is on a futures contract, the purchaser will acquire a futures position with associated liabilities for futures margin. If the purchased options expire worthless, you will suffer a total loss of your investment which will consist of the option premium plus transaction costs. If you are contemplating purchasing deep-out-of-the-money options, you should be aware that the chance of such options becoming profitable ordinarily is remote.
- (iii) Selling ("writing" or "granting") an option generally entails considerably greater risk than purchasing options. Although the premium received by the seller is fixed, the seller may sustain a loss well in excess of that amount. The seller will be liable for additional futures 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 futures margin. If the option is "covered" by the seller holding a corresponding position in the underlying interest or a futures contract or another option, the risk may be reduced. If the option is not covered, the risk of loss can be unlimited.
- (iv) Certain exchanges in some jurisdictions permit deferred payment of the option premium, exposing the purchaser to liability for futures 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.

Terms and conditions of contracts

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

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

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 licensed or registered person for details about the types of redress available in both your home jurisdiction and other relevant jurisdictions before you start to trade.

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, the licensed or registered person is permitted to effect off-exchange transactions. The licensed or registered person with which you deal may be acting as your counterparty to the transaction. It may be difficult or impossible to liquidate an existing position, to assess the value, to determine a fair price or to assess the exposure to risk. For these reasons, these transactions may involve increased risks. Off-exchange transactions may be less regulated or subject to a separate regulatory regime. Before you undertake such transactions, you should familiarise with applicable rules and attendant risks.

3. 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.

4. Risk of Client Assets Received or Held Outside Hong Kong

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

5. 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.

6. 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.

7. 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.

8. 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 familiarized 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.

9. Risk of Internet Facilities

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

You acknowledge and bear the risk that messages sending over the Internet may be delayed due to Internet traffic jam or other reasons. The licensed or registered person shall not be responsible for any consequences of these delays, including without limitation delays in the

transmission of instructions/orders to the place of execution or the transmission of reports of execution to you due to any failure of communication facilities, or any other delays beyond the reasonable control of the licensed or registered person.

Communications over the Internet may be subject to transmission blackout, interruption, interception, or incorrect data transmission due to the public nature of the Internet or other reasons that are beyond the licensed or registered person's control. Messages sent over the Internet cannot be guaranteed to be completely secure. You shall be aware of and bear the risk of any delay, loss, diversion, alteration, corruption or virus infection of any messages/instructions either sent to or received from the licensed or registered person's systems. The licensed or registered person shall not be responsible for any losses or damages incurred or suffered as a result thereof.

10. Risk of E-Statement Service

Access to the Internet or other electronic medium may be limited or unavailable during periods of peak demand, market volatility, systems upgrades or maintenance or for other reasons. Any communication through the Internet or other electronic medium may be subject to interruption, transmission blackout, and delayed transmission due to unpredictable traffic congestion and other reasons beyond the licensed or registered person's control. Internet is, due to technical limitation, an inherently unreliable medium of communication. As a result of such unreliability, there may be delays in the transmission and receipt of information. The statements may not be sent to the designed email address at all. Moreover, communications and personal data may be accessed by unauthorized third parties, and there are risks of misunderstanding or error in any communication and that such risks shall be absolutely borne by you.

11. Risk of Renminbi Products

Below risk disclosure statement cannot disclose all the risks involved. Investors should undertake your own research and study before trading or investing in the relevant product. Investors should carefully consider whether trading or investment is suitable in light of their own financial position and investment objectives.

1. Renminbi currency risk

Renminbi is not freely convertible at present and conversion of Renminbi through banks in Hong Kong SAR is subject to certain restrictions. For Renminbi products which are not denominated in Renminbi or with underlying investments which are not Renminbi denominated, such products will be subject to multiple currency conversion costs involved in making investments and liquidating investments, as well as the Renminbi exchange rate fluctuations and bid/offer spreads when assets are sold to meet redemption requests and other capital requirements (e.g. settling operating expenses).

The Mainland China government regulates the conversion between Renminbi and other currencies. If the restrictions on Renminbi convertibility and the limitations on the flow of Renminbi funds between Mainland China and Hong Kong SAR become more stringent, the depth of the Renminbi market in Hong Kong SAR may become further limited.

2. Exchange rate risks

The value of the Renminbi against the Hong Kong dollar and other foreign currencies fluctuates and is affected by changes in the Mainland China and international political and economic conditions and by many other factors. For Renminbi products, the value of the investment in Hong Kong dollar terms may decline if the value of

Renminbi depreciates against the Hong Kong dollar.

3. Interest rate risks

The Mainland China government has gradually liberalized the regulation of interest rates in recent years. Further liberalization may increase interest rate volatility. For Renminbi products which are, or may invest in, Renminbi debt instruments, such instruments are susceptible to interest rate fluctuations, which may adversely affect the return and performance of the Renminbi products.

4. Limitation on the provision of Renminbi funding

In case you do not have sufficient Renminbi funding to subscribe Renminbi products, subject to compliance with all applicable laws, rules and regulations, we may assist you to convert other currencies to Renminbi. However, we do not guarantee that it can provide sufficient Renminbi funding for you due to the limitation on the flow of Renminbi funds in Hong Kong SAR. We may unwind your trade due to insufficient Renminbi funding and your investment may be adversely affected if you suffer losses due to settlement failure.

5. Limited availability of underlying investments denominated in Renminbi

For Renminbi products that do not have access to invest directly in Mainland China, their available choice of underlying investments denominated in Renminbi outside Mainland China may be limited. Such limitation may adversely affect the return and performance of the Renminbi products.

6. Projected returns which are not guaranteed

For some Renminbi investment products, their return may not be guaranteed or may only be partly guaranteed. You should read carefully the statement of illustrative return attached to such products and in particular, the assumptions on which the illustrations are based, including, for example, any future bonus or dividend declaration.

7. Long term commitment to investment products

For Renminbi products which involve a long period of investment, if you redeem your investment before the maturity date or during the lock-up period (if applicable), you may incur a significant loss of principal where the proceeds may be substantially lower than your invested amount. You may also suffer from early surrender / withdrawal fees and charges as well as the loss of returns (where applicable) as a result of redemption before the maturity date or during lock-up period.

8. Credit risk of counterparties

For Renminbi products invested in Renminbi debt instruments which are not supported by any collateral, such products are fully exposed to the credit risk of the relevant counterparties. Where a Renminbi product may invest in derivative instruments, counterparty risk may also arise as the default by the derivative issuers may adversely affect the performance of the Renminbi product and result in substantial loss.

9. Liquidity risk

Renminbi products may suffer significant losses in liquidating the underlying investment, especially if such investments do not have an active secondary market and their prices have large bid / offer spread.

10. Possibility of not receiving Renminbi upon redemption

For Renminbi products with a significant portion of non-Renminbi denominated underlying investments, there is a possibility of not receiving the full amount in Renminbi upon redemption. This may be the case if the issuer is not able to obtain

sufficient amount of Renminbi in a timely manner due to the exchange controls and restrictions applicable to the currency.

SECTION VI –RISKS DISCLOSURE STATEMENTS FOR EXCHANGE-TRADED DERIVATIVE PRODUCTS

1. Risk of Structured Products

1.1 Issuer default risk

In the event that a structured product issuer becomes insolvent and defaults on their listed securities, investors will be considered as unsecured creditors and will have no preferential claims to any assets held by the issuer. Investors should therefore pay close attention to the financial strength and credit worthiness of structured product issuers.

Note: “Issuers Credit Rating” showing the credit ratings of individual issuers is now available under the Issuer and Liquidity Provider Information sub-section under Derivative Warrants and under CBBCs section on the HKEx corporate website.

1.2 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.

1.3 Gearing risk

Structured products such as derivative warrants and callable bull/bear contracts (CBBCs) are leveraged and can change in value rapidly according to the gearing ratio relative to the underlying assets. Investors should be aware that the value of a structured product may fall to zero resulting in a total loss of the initial investment.

1.4 Expiry considerations

Structured products have an expiry date after which the issue may become worthless. Investors should be aware of the expiry time horizon and choose a product with an appropriate lifespan for their trading strategy.

1.5 Extraordinary price movements

The price of a structured product may not match its theoretical price due to outside influences such as market supply and demand factors. As a result, actual traded prices can be higher or lower than the theoretical price.

1.6 Foreign exchange risk

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

1.7 Liquidity risk

The Exchange requires all structured product issuers to appoint a liquidity provider for each individual issue. The role of liquidity providers is to provide two way quotes to facilitate trading of their products. In the event that a liquidity provider defaults or ceases to fulfill its role, investors may not be able to buy or sell the product until a new liquidity provider has been assigned.

2. Risk of Callable Bull/Bear Contracts (CBBCs)

Callable Bull/Bear Contracts (CBBCs) are issued either as Bull or Bear contracts with a fixed expiry date, allowing investors to take bullish or bearish positions on the underlying asset. CBBCs are issued by a third parties, usually investment banks, independent of stock

exchanges and of the underlying assets. In Hong Kong, CBBCs may be issued with a lifespan of 3 months to 5 years and are settled in cash only.

During a CBBC's lifespan, it will be called by the issuer when the price of the underlying asset reaches a level (known as the "Call Price") specified in the listing document. If the Call Price is reached before expiry, the CBBC will expire early and the trading of the CBBC will be terminated immediately.

1.1 Mandatory call risk

Investors trading CBBCs should be aware of their intraday "knockout" or mandatory call feature. A CBBC will cease trading when the underlying asset value equals the mandatory Call Price as stated in the listing documents. Investors will only be entitled to the residual value of the terminated CBBCs as calculated by the product issuer in accordance with the listing documents, and the residual value can be zero. 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.

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.

1.2 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 Mandatory Call Event (MCE) since there may be some time lapse between Mandatory Call Event time and suspension of the CBBC trading. Any trades executed after the MCE 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.

1.3 Funding costs

The issue price of a CBBC includes funding costs, which are gradually reduced over time as the CBBC moves towards expiry. In the event that a CBBC is called, investors will lose the funding costs for the remaining period of the CBBC.

3. Risk of Derivative Warrants

Derivative warrants are an instrument that gives an investor the right, but not the obligation, to "buy" or "sell" an underlying asset at a pre-set price (also known as the exercise price) within a certain time period following a valid exercise. They may be bought and sold prior to expiry in the market.

For derivative warrants traded in Hong Kong, they are usually settled at expiry in cash. In some markets, derivative warrants may be exercised at or prior to expiry by purchase or sale of the underlying asset.

Derivative warrants may be issued in American or European styles. Holders of American-style derivative warrants may exercise at any time prior to expiry while holders of European-style derivative warrants may only exercise on the expiry date.

Derivative warrants can be issued over a range of assets, including stocks, stock indices, currencies, commodities, or a basket of securities. They are issued by a third party, usually

an investment bank, independent of the issuer of the underlying assets. Derivative warrants traded in Hong Kong normally have an initial life of six months to two years and when trading in the market each derivative warrant is likely to have a unique expiry date.

1.1 Time decay risk

All factors being equal, derivative warrant value will decay over time as it approaches expiry. Derivative warrants would have no value upon expiry and should not be viewed as a long term investment.

1.2 Volatility risk

Prices of derivative warrants may or may not increase or decrease in line with the implied volatility of underlying asset price. Investors should be aware of the volatility of the underlying asset.

4. Risk of Exchange Traded Funds (ETFs)

Exchange Traded Funds (ETFs) are passively managed open-ended funds traded like stocks on the exchanges. In Hong Kong, all listed ETFs are authorized by the Securities and Futures Commission as collective investment schemes.

ETFs track, replicate or correspond to the performance of the underlying benchmarks (e.g. an index, specific segment of a market, bonds or commodities) and offer investors an indirect access to a wide range of underlying market themes. By investing in an ETF, investor can replicate (although not 100%) the performance of the underlying strategy without actually owning the constituents that comprise the strategy.

ETFs may or may not pay dividend to their holders depending on the dividend policy of individual ETFs.

1.1 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.

1.2 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.

1.3 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.

1.4 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.

- 1.5 **Liquidity risk**
Securities Market Makers (SMMs) are Exchange Participants that provide liquidity to facilitate trading in ETFs. Although most ETFs are supported by one or more SMMs, there is no assurance that active trading will be maintained. In the event that the SMMs default or cease to fulfill their role, investors may not be able to buy or sell the product.
- 1.6 **Stock lending risk**
An ETF which engages in stock lending faces the risk that the borrower may not return the securities lent by the ETF as agreed, and thus the ETF may experience losses due to its stock lending activities.
- 1.7 **Counterparty risk involved in ETFs with different replication strategies**
- 4.7.1 **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.
- 4.7.2 **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:
- (a) **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.
- (b) **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.

5. Equity Linked Instruments (ELIs)

Equity Linked Instruments (ELI) are structured products which are marketed to investors who want to earn a higher interest rate than the rate on an ordinary time deposit and accept the risk of repayment in the form of the underlying shares or losing some or all of their investment.

When an investor purchases an ELI, he is indirectly writing an option on the underlying shares. If the market moves as the investor expected, he earns a fixed return from his investment which is derived mainly from the premium received on writing the option. If the market moves against the investor's view, he may lose some or all of his investment or receive shares worth less than the initial investment.

- 1.1 Possibilities of losing investment
Investors may lose part or all of their investment if the price of the underlying security moves against their investment view.
- 1.2 Exposure to equity market
Investors are exposed to price movements in the underlying security and the stock market, the impact of dividends and corporate actions and counterparty risks. Investors must also be prepared to accept the risk of receiving the underlying shares or a payment less than their original investment.
- 1.3 Price adjustment
Investors should note that any dividend payment on the underlying security may affect its price and the payback of the ELI at expiry due to ex-dividend pricing. Investors should also note that issuers may make adjustments to the ELI due to corporate actions on the underlying security.
- 1.4 Potential yield
Investors should consult their brokers on fees and charges related to the purchase and sale of ELI and payment / delivery at expiry. The potential yields disseminated by the Hong Kong Stock Exchange have not taken fees and charges into consideration.
- 1.5 Interest rates
While most ELIs offer a yield that is potentially higher than the interest on fixed deposits and traditional bonds, the return on investment is limited to the potential yield of individual ELIs.

SECTION VII – TERMS AND CONDITIONS FOR E-STATEMENT SERVICE

These Terms are additional and supplemental to the terms and conditions in the relevant Section. The E-Statement Service to be provided by TSL shall be subject to and upon the E-Statement Agreement. Where any conflict or inconsistency arises between any provision of these Terms and any provision of the relevant Section, TSL has absolute discretion to determine which terms and conditions shall prevail.

1. Definitions

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

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

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

"Account Statements" means: -

- (a) the contract notes, statements of account and receipts (each within the meaning of the Securities and Futures (Contract Notes, Statements of Account and Receipts) Rules (Cap. 571Q)); and
- (b) other statements, notes, notices, receipts and documents of and/or in relation to the relevant Account and/or Transactions effected, conducted, carried on and entered into by the Client with and through TSL for or on the relevant Account;

"E-mail Address" means the Client's electronic mail address set out in the Account Opening Form or such other electronic mail address as may have been notified in writing (or in such manner as TSL may from time to time prescribe) by the Client to TSL (such notification shall only take effect 24 hours after the actual receipt of the same by TSL);

"E-Statements" means the Account Statements in the form of a file attached to an electronic message;

"E-Statement Agreement" means the agreement made between the Client and TSL and constituted by the Account Opening Form, these Terms, the terms and conditions in the relevant Section and such other documents referred to therein or added thereto (including any amendment or supplement made thereto from time to time);

"E-Statement Service" means the service to be provided by TSL, under which the Client shall receive E-Statements at the E-mail Address;

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

“**Client’s System**” means all hardware and software system used by the Client in connection with the use of the E-Statement Service (including, without limitation, any computer, modem, mobile phone and any program installed therein);

“**relevant Account**” means the Account in relation to which TSL has agreed to provide E-Statement Service;

“**relevant Section**” means the terms and conditions in such section(s) of the Trading Accounts Terms governing the relevant Account, as from time to time amended and supplemented;

“**Section I**” means the terms and conditions in Section I headed “Terms and Conditions for Securities Cash Trading” of the Trading Accounts Terms, as from time to time amended and supplemented; and

“**these Terms**” means all the terms and conditions in this Section VI headed “Terms and Conditions for E-Statement Service” of the Trading Accounts Terms, as from time to time amended and supplemented.

1.3 In these Terms: -

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

2. **Client’s System**

- 2.1 The Client shall be solely responsible for making available at the Client’s own cost and risk the Client’s System to receive E-Statements, and to support the Client’s use of, the E-Statement Service.
- 2.2 The Client declares that the Client is the owner of or is otherwise authorized to use the Client’s System for the purposes stated in Clause 2.1.
- 2.3 The Client shall at the Client’s own costs and expenses ensure that the Client’s System is compatible with and properly connected to the system of TSL at all times and shall at the like costs and expenses maintain the Client’s System in good

operating conditions.

2.4 TSL shall not be responsible for any matter caused by the fault, failure or malfunctioning of the Client's System.

2.5 The Client shall only use the Client's System in Hong Kong or other jurisdiction where the E-Statement Service may lawfully be provided by TSL and used by the Client.

3. **E-Statement Service**

3.1 The Client shall abide by any and all laws, rules, regulations and official issuances applicable to the E-Statement Service, now existing or which may hereafter be enacted, issued or enforced, as well as such other terms and conditions governing the use of other facilities, benefits or services which TSL may from time to time make available to the Client in connection with the E-Statement Service.

3.2 The Client consents to use the E-Statement Service, and understands that the E-Statement Service means that TSL will send to the Client E-Statements at the E-mail Address accessed via the Client's System.

3.3 The E-Statement Service is offered for the sole and exclusive use of the Client and only in such jurisdictions and to such extent where and when the E-Statement Service may be lawfully offered and processed under the applicable law and regulations.

3.4 The Client understands that the E-Statement Service shall only be available to clients with telecommunication equipment/computer terminal acceptable to TSL.

3.5 TSL reserve the right to restrict the number of E-mail address(es) which may be provided by the Client to TSL for receiving E-Statements from time to time and different restrictions may apply to different types of clients.

3.6 The Client understands that the E-Statement Service may without notice to the Client be suspended for any reason including, without limitation, any breakdown, maintenance, modification, expansion and/or enhancement work initiated by TSL's system or by the Internet service provider(s) concerned in relation to their network. The Client agrees that TSL will not assume any liability or responsibility for any such suspensions.

3.7 TSL shall use reasonable effort to ensure that the E-Statement Service is secure and cannot be accessed by unauthorized third parties. However, the Client acknowledges that TSL do not warrant the security, secrecy or confidentiality of any information transmitted through any applicable telecommunication channel, Internet service provider, network system or such other equivalent system in any jurisdiction.

3.8 The Client understands that TSL is unable to know whether someone other than the Client has access to the E-Statements using the user name and/or password of the E-mail Address. The Client shall not permit or allow any other person to have access to the E-mail Address for any purpose. The Client shall be responsible for the confidentiality and use of user name and password of the E-mail Address.

3.9 The Client agrees to notify TSL in writing (or in such manner as TSL may from time to time prescribe) of any change in the particulars provided to TSL including, without limitation, the E-mail Address(es) and the Client shall notify TSL forthwith upon the

disconnection or suspension of any of the E-mail Address(es) provided to TSL.

- 3.10 TSL and/or any of TSL' relevant service provider(s) will not assume any liability or responsibility for any failure or delay in transmitting information to the Client or for any error or inaccuracy in such information unless it results from any willful default on the part of TSL or such service provider. In particular, TSL and/or any such service provider shall not assume any liability or responsibility for consequences arising from any cause or in connection with: (a) use of E-Statement Service and/or access to any information or data through E-Statement Service as a result of such use by the Client or any other person whether or not authorized; (b) any interruption, interception, suspension, delay, loss, unavailability, mutilation or other failure in providing E-Statement Service, in transmitting information or data relating to E-Statement Service (whether or not within the control of TSL) including, without limitation, failure of any communication network or computer downtime, act or omission of any third party information or service providers, housekeeping, computer virus, unauthorized access by any person (including hacker), upgrade or preventive or remedial maintenance activities, mechanical failure, power failure, malfunction, breakdown, or inadequacy of equipment, installation or facilities, or any law, rules, regulations, codes, directions, regulatory guidelines or government order (whether or not having the force of law); and (c) transmission, posting and/or storage of any information and/or data relating to the Client and/or E-Statement Service through or in any system, equipment or instrument of any communication network provider; and (d) Act of God, government act, government restrictions, the imposition of emergency procedures, civil commotion, strike, acts or threatened acts of terrorism, war, natural disasters, fire, flood, explosion or other circumstances beyond third party's control.

4. **Cancellation**

- 4.1 The Client understands that the cancellation of use of the E-Statement Service may be effected by TSL or the Client in accordance with Clauses 4.2 and 4.3.
- 4.2 TSL reserve the right to cancel the Client's enrollment to the E-Statement Service. TSL shall, prior to canceling the Client's enrollment to the E-Statement Service, give reasonable notice to the Client of such cancellation through electronic or paper document.
- 4.3 The Client may cancel its enrollment to the E-Statement Service by giving TSL at least 14 Business Days' prior written notice. The aforesaid prior written notice shall be a valid and effective prior written notice only and only if such notice shall be actually received by TSL and the effective date for cancellation of the E-Statement Service stated therein shall be at least 7 Business Days after the date of receipt of such notice by TSL.
- 4.4 TSL reserve the right to suspend or terminate the E-Statement Service at any time without giving any prior notice and reason.

SECTION VIII – TERMS AND CONDITIONS FOR INTERNET TRADING FACILITIES

These Terms are additional and supplemental to the terms and conditions in the relevant Section. The Internet Trading Facilities (ITF) to be provided by TSL shall be subject to and upon the ITF Agreement. Where any conflict or inconsistency arises between any provision of these Terms and any provision of the relevant Section, TSL has absolute discretion to determine which terms and conditions shall prevail.

1. Definitions

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

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

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

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

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

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

"Exchange" means SEHK, HKFE, any Foreign Stock Exchange and any Foreign Futures Exchange;

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

"Instruction" means any instruction given by the Client to TSL through the ITF (a) for Transactions; and (b) to check the portfolio and fund position in the relevant Account(s);

"ITF" means the Internet Trading service and facilities provided by TSL;

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

"Market" means (a) Market as defined in Section I; and/or (c) any options or other exchange (including SEHK), responsible association of dealers or corporation, whether within or outside Hong Kong, so dealing in Options Contracts and/or Client Contracts as to provide a market for Options Contracts and/or Client Contracts;

"Password" means the personal password of the Client used in conjunction with the User ID to gain access to ITF and/or other services provided by TSL;

"relevant Account" means the Account in relation to which TSL has agreed to provide ITF;

"relevant Section" means the terms and conditions in such section(s) of the Trading Accounts Terms governing the relevant Account, as from time to time amended and supplemented;

"Section I" means the terms and conditions in Section I headed "Terms and Conditions for Securities Cash Trading" of the Trading Accounts Terms, as from time to time amended and supplemented;

"these Terms" means all the terms and conditions in this Section VII headed "Terms and Conditions for Internet Trading Facilities" of the Trading Accounts Terms, as from time to time amended or supplemented;

"Transaction" means Transaction as defined in Section I;

"User ID" means the personal identification of the Client used in conjunction with the Password to gain access to ITF and/or other services provided by TSL; and

"Website" means any and all websites operated by TSL.

1.3 In these Terms: -

- (a) "include(s)" and "including" mean respectively "include(s) but not limited to" and "including but not limited to";
- (b) "subsidiary" shall bear the meaning given by the Companies Ordinance (Cap. 32 of the Laws of Hong Kong) and "associated company" means, in respect of any person, any company (not being a subsidiary of that person) of which that person shall beneficially own twenty per cent (20%) or more of the issued share capital or in respect of which that person is entitled to appoint one or more directors or, in relation to any company, any company which is a subsidiary of a holding company of that first mentioned company;
- (c) reference to a Clause is to a clause of these Terms and reference to the Account Opening Form is to the Account Opening Form as completed by or on behalf of the Client and where such information has been amended by subsequent notice to TSL means the Account Opening Form as amended by such notice;
- (d) reference to an Ordinance is to an Ordinance or law of Hong Kong and any subsidiary legislation related thereto as from time to time amended, consolidated, extended, codified or re-enacted and for the time being in force;

- (e) words importing the singular include the plural and vice versa; words importing person include bodies corporate or unincorporated or other entity; words importing gender include every gender and the neuter gender;
- (f) the headings to the Clauses are for convenience only and do not affect their interpretation or construction; and
- (g) where it is necessary for the true construction or interpretation of any provision herein so that the indebtedness, liability or obligation of any of the Parties shall continue after the termination of the ITF Agreement, such provision shall survive the termination of the ITF Agreement.

2. **Client's System**

- 2.1 The Client shall be solely responsible for making available at the Client's own cost and risk the Client's System to gain access to, and support the Client's use of, ITF.
- 2.2 The Client declares that the Client is the owner of or is otherwise authorized to use the Client's System for gaining access to ITF.
- 2.3 The Client shall at the Client's own costs and expenses ensure that the Client's System is compatible with and properly connected to the system of TSL at all times and shall at the like costs and expenses maintain the Client's System in good operating conditions.
- 2.4 TSL shall not be responsible for any matter caused by the fault, failure or malfunctioning of the Client's System.
- 2.5 The Client shall only use the Client's System in Hong Kong or other jurisdiction where ITF may lawfully be provided by TSL and used by the Client.

3. **Scope of ITF**

- 3.1 The Client consents to use ITF as a medium of communication with TSL and to transmit or receive information, data and documents between TSL and the Client. All Instructions/orders communicated to TSL through ITF shall be deemed to be sent by the Client. The Instructions shall be carried out by TSL on the terms and conditions of the relevant Section.
- 3.2 ITF are offered for the sole and exclusive use of the Client and only in such jurisdictions and to such extent where and when they may be lawfully offered and processed under the applicable law and regulations.
- 3.3 TSL has the sole discretion to determine and vary the scope and manner of availability of ITF to be provided from time to time, and to prescribe and change the normal service hours for ITF and any daily cut-off time for any type of Transaction. Since ITF may be accessed worldwide, the daily cut-off time in Hong Kong shall prevail.
- 3.4 Any Instruction received by TSL after the prescribed daily cut-off time shall not be executed until the next processing day for Instruction of that kind.
- 3.5 TSL shall not be deemed to have received or have executed the Instructions unless so stated in TSL's regular statements of account and/or confirmation of execution given by TSL online and/or other means of advice. The Client agrees and acknowledges that it is the Client's sole responsibility to keep records of such

statement, confirmation and/or advice given by TSL, and save for manifest error or unless proved to the contrary by the Client to TSL' satisfaction, TSL' record shall be deemed as conclusive and binding.

- 3.6 Without prejudice to any provision of these Terms or other terms and conditions in the relevant Section, the Client agrees that the Client is under a duty to promptly check and verify the contents of each of TSL' regular statements of account and/or confirmation of execution given by TSL online and/or other means of advice, and report to TSL any discrepancies in writing within 7 days from the date such statements, confirmation and/or advice was sent. If the Client fails to do so, the Client shall not be entitled to dispute any discrepancies in such statements, confirmation and/or advice and accepts such statements, confirmation and/or advice as final and conclusive and the same shall be binding on the Client for all purposes.
- 3.7 Without prejudice to any provision of these Terms or other terms and conditions in the relevant Section, such confirmation of execution given by TSL online and/or other means of advice shall be deemed to have been received by the Client after transmission by TSL. For the avoidance of doubt, the Client agrees that it is the Client's duty to notify TSL immediately if the Client does not receive TSL' regular statements of account or such online confirmation and/or other means of advice given by TSL in respect of any Transactions within the time usually required for receipt of similar statements, confirmation and/or advice.
- 3.8 Without prejudice to any provision of the terms and conditions in the relevant Section which relate to communication or notice by or from TSL and the right of TSL to use any way or method of communication, for the purposes of ITF, each notice and communication from TSL to the Client sent by post to the last known address of the Client on TSL' record shall be deemed to have been duly delivered to the Client 24 hours after the same has been posted (if posted in Hong Kong to an address in Hong Kong) and on the 5th day after the same has been posted (if posted to or from a place outside Hong Kong), and if sent by electronic mail ("**E-mail**") or facsimile to the E-mail address or facsimile number provided by the Client respectively, upon it being sent unless it is otherwise shown to the contrary in TSL' internal records. For the avoidance of doubt any notice given by TSL to the Client shall be deemed to have been duly delivered by the posting of such notice on the Website.
- 3.9 Notwithstanding any provision in these Terms, TSL shall have the right exercisable at its sole discretion at any time, without notice to the Client, without limitation and without any liability to the Client, to limit, vary, suspend or terminate the Client's access to ITF or any function thereunder or to any information or data from any information or service provider or any part of it, or to set limit on any Instruction that can be given and any Transaction that can be entered pursuant thereto, for any reason whatsoever, including any unauthorized use of any of the service, information, data, or any user identification or account number.
- 3.10 The Client understands and acknowledges that ITF is provided as an additional service in relation to Transactions effected, conducted, carried on and entered into by the Client with and through TSL, and shall not be considered as a substitute for other method(s) of giving instructions for such Transactions. In the event that ITF is not available for any reason whatsoever (whether or not within the control of TSL), the Client shall have no claim whatsoever against TSL for inability to use ITF and shall use other available means to give instructions for such Transactions.
- 3.11 Without prejudice to the generality of the foregoing, TSL shall be entitled to terminate ITF provided to the Client if: -

- (a) the Client commits any material breach of these Terms and/or any other terms and conditions in the relevant Section;
 - (b) the provision and/or maintenance of ITF to the Client shall be illegal or otherwise prohibited by law; or
 - (c) TSL' records show that the relevant Account of the Client has become dormant for such period prescribed by TSL.
- 3.12 The Client may request TSL in writing or via ITF to change the Password from time to time. The issuance or assignment of a new Password shall not be regarded as the commencement or creation of a new agreement between the Client and TSL in respect of ITF.

4. **Limitation on ITF**

- 4.1 The Website and/or ITF are intended to be offered in jurisdictions where and when they may be lawfully offered.
- 4.2 The Client may reside in any of those jurisdictions in which use of the Website and/or ITF is unlawful, prohibited or in any way restricted. The Client acknowledges and agrees to check and observe all relevant restrictions which may apply to it.

5. **Website**

- 5.1 The Client acknowledges that TSL may operate the Website to facilitate the provision of ITF to the Client. The Website is made available to the Client in TSL' discretion and the use of the Website by the Client is subject to such terms and conditions as imposed and from time to time amended by TSL. TSL will notify the Client such terms and conditions and the amendments thereto, which shall be deemed duly notified to the Client by posting the same on the Website or mailing or sending the same to the Client, as determined at TSL' sole discretion.
- 5.2 The Client acknowledges that all information and data posted on the Website or otherwise made available on or through ITF and/or the Website are provided on an "AS IS" and "AS AVAILABLE" basis. TSL expressly disclaims all warranties of any kind, whether express or by implication, including but not limited to the implied warranties of merchantability, fitness for a particular purpose and non-infringement of any third party right. Such information and data (whether supplied by TSL or any third party) are for reference only and shall not in any circumstances be binding or intended for Transaction, or regarded or used by the Client as professional or investment advice or a basis for making Transaction decision, or any other purposes. The Client shall seek independent professional advice where necessary.
- 5.3 The Client acknowledges and agrees that any material, data and/or software downloaded or otherwise obtained through the use of the Website or from the Website is done at the Client's own discretion and risk. The Client undertakes to take all necessary precautions, including but not limited to data backup and software testing, before using such software. TSL shall not be liable in any way to any damage to the Client's System or loss of data that may result from the download and/or use of such material, data or software (in particular, in respect of loss and damage due to computer virus or software malfunction).
- 5.4 Any hyperlink from the Website to other websites are for information purpose and convenience only. TSL accepts no liability for any loss or damage arising directly or indirectly (including incidental, consequential and special loss) from the accuracy,

sequence, truth, reliability, adequacy, timeliness, completeness or otherwise of the information or loss arising directly or indirectly from defects within such websites. The inclusion of hyperlinks does not imply any endorsement by TSL of any materials on such websites.

- 5.5 The Client acknowledges and agrees that, in addition to these Terms, TSL has absolute discretion to impose from time to time other terms and conditions in respect of the use of ITF which terms will not be contained herein but may at TSL' discretion be posted on the Website or mailed or sent to the Client, as the case may be, and which shall be binding on the Client. TSL has absolute discretion at any time to amend or vary such terms and conditions and/or these Terms which amendment or variation shall be deemed duly notified to the Client by posting the same on the Website or mailing or sending the same to the Client, as determined at TSL' discretion. If the Client does not accept any amendment to such terms and conditions and/or these Terms proposed by TSL, the Client shall (a) cease using ITF; and (b) terminate ITF by giving not less than 14 Business Days written notice to TSL provided that all rights and obligations accrued to and by the Parties prior to such termination shall not be affected. The Client shall be deemed to have accepted the terms and conditions as amended or varied once the Client uses or continues to use ITF after the relevant terms and conditions become effective.
- 5.6 The Client acknowledges and agrees that the internet is, due to unpredictable traffic congestion or any other reasons, an inherently unreliable medium of communication and that such unreliability is beyond the control of TSL and TSL does not make any warranty as to the results that may be obtained from the use of the Website or as to the accuracy or reliability of any information obtained through the Website or that defects in the software available on the Website will be corrected.

6. **User Identification**

- 6.1 The Client acknowledges that only the Client will be the authorized user of ITF in relation to the relevant Account and the Client may be required to use various identification and access codes, including Password, User ID and other identification to access the service (together referred to below as “**user identification**”).
- 6.2 TSL is authorized (but not obligated) in its absolute discretion to act on any Instruction received in relation to the relevant Account without any duty or liability to verify the identity or authority of the person giving the Instruction or the validity and/or authenticity of such Instruction once the correct user identification of the Client has been inputted. The Client acknowledges and agrees that the Client shall be solely responsible for all Instructions entered through the ITF using the user identification and all Transactions entered pursuant thereto (whether or not such Instructions were actually given by the Client) and neither TSL nor its directors, officers, employees or agents shall have any liability to the Client, or to any other person whose claim may arise through the Client for any claims with respect to the handling or loss of any Instruction.
- 6.3 The Client shall be solely responsible for all costs and losses, whether directly or indirectly, arising out of or in connection with any unauthorized use of the Client's user identification. The Client shall also have the duty to notify TSL immediately of the Client's becoming aware of any loss, theft or unauthorized use of the Client's user identification.

7. **Client's Responsibilities**

7.1 The Client undertakes that: -

- (a) the Client shall be responsible for the confidentiality, application and proper use at all times of the Client's user identification, and shall take such action or do such act, matter or thing as is necessary including without limitation the following: -
 - (i) not to disclose the user identification to any other person or permit any other person to gain access to ITF;
 - (ii) not to send the user identification via E-mail;
 - (iii) not to disclose the user identification to anyone who claims to represent TSL or holds out as TSL' employee or authorized representative in any circumstance (it is not necessary for TSL' employee to know the user identification);
 - (iv) to destroy the original printed copy of the Password (if any);
 - (v) to change the initial Password when the Client first uses ITF and to change the Password periodically;
 - (vi) to promptly log out from ITF once the Client has finished using ITF; and
 - (vii) not to leave the Client's System unattended while using ITF.
- (b) the Client shall not use or attempt to use ITF for any purpose other than it was permitted by TSL;
- (c) the Client shall as soon as practicable report to TSL any loss or unauthorized disclosure of the user identification by phone and confirm in writing thereafter within 24 hours or such other period as TSL may prescribe from time to time;
- (d) the Client agrees and acknowledges that it shall be fully responsible for any accidental or unauthorized disclosure of the user identification to any other person;
- (e) the Client shall not, and shall not attempt to tamper with, modify, decompile, disassemble, reverse-engineer, damage, alter or gain unauthorized access to any part of ITF or the Website or any software comprised in them; and
- (f) the Client undertakes to notify TSL immediately if the Client becomes aware of any of the actions described in Clause 7.1(e) is being perpetrated by any other person.

8. **Third Party Information**

- 8.1 The Client acknowledges that any information and data provided through ITF relating to Securities and/or Commodities and/or Exchange Contracts and/or F/O Contracts and/or Options Contracts and/or Client Contracts and/or Markets has been obtained from Exchanges and Markets and from other third party information or service providers appointed by TSL from time to time and that such information and data are or may be protected by copyright and other intellectual property laws, and are provided for the Client's personal non-commercial use only, and the Client shall not: -
- (a) download, reproduce, duplicate, provide, transmit, retransmit, disseminate, sell, transfer, disclose, assign, convey, lease, sub-license, share, loan, distribute, publish, broadcast, cablecast, circulate or commercially exploit any such information or data in any way without the consent of TSL or such information or service providers;
 - (b) remove, obliterate, erase, relocate or modify in anyway any such information or data including, without limitation, any trademark or copyright notice; or
 - (c) incorporate or combine any such information or data with any other programs.

- 8.2 The Client acknowledges that the real-time quote service and the message alert service (to receive message alert when the prices of such Securities and/or Commodities and/or Exchange Contracts and/or F/O Contracts and/or Options Contracts and/or Client Contracts as specified by the Client reach a preset target price) that may be available through the ITF is provided by a third party appointed by TSL from time to time. The Client agrees that TSL shall not be responsible for any losses the Client or any other person may suffer for the failure of sending out the message alert and/or as a result of relying on any real time quote on prices of Securities and/or Commodities and/or Exchange Contracts and/or F/O Contracts and/or Options Contracts and/or Client Contracts, and/or any information which may be available to the Client through the ITF.
- 8.3 Neither TSL nor any information or service provider or any third party warrants, represents or guarantees the accuracy, reliability, adequacy, timeliness and completeness of any information or data provided through ITF and/or the Website or whether any such information or data is fit for any purpose. TSL and all such information or service providers expressly disclaim all liabilities whatsoever arising from or in connection with any reliance on any such information or data.

9. **Intellectual Property**

- 9.1 All proprietary and copyright and other intellectual property rights in or subsisting in ITF and the Website, are the exclusive property of TSL or the relevant information or service providers. No right, title or interest other than the right to access ITF and/or the Website subject to the ITF Agreement is conveyed or transferred to the Client. The Client shall not make any representation or do any act which may be taken to indicate that the Client has any such right, title or interest.

10. **Limitation of Liabilities**

- 10.1 Unless due to the wilful default of TSL, its directors, officers, employees and agents and only to the extent of direct and reasonably foreseeable loss and damage (if any) arising directly and solely therefrom or the amount of the relevant Transaction (whichever is less), TSL shall not assume any liability or responsibility whatsoever to the Client or any other person for the consequences arising from or in connection with: (a) use of ITF and/or access to any information or data through ITF and/or the Website as a result of such use by the Client or any other person whether or not authorized; (b) any interruption, interception, suspension, delay, loss, unavailability, mutilation or other failure in providing ITF, in transmitting Instructions or information or data relating to ITF or in connecting with the Website (whether or not within the control of TSL) including, without limitation, failure of any communication network or computer downtime, act or omission of any third party information or service providers, housekeeping, computer virus, unauthorized access by any person (including hacker), upgrade or preventive or remedial maintenance activities, mechanical failure, power failure, malfunction, breakdown, or inadequacy of equipment, installation or facilities, or any law, rules, regulations, codes, directions, regulatory guidelines or government order (whether or not having the force of law); (c) transmission, posting and/or storage of any information and/or data relating to the Client, ITF and/or Transactions conducted by the Client in relation or pursuant to ITF through or in any system, equipment or instrument of any communication network provider; and (d) Act of God, government act, government restrictions, the imposition of emergency procedures, civil commotion, strike, acts or threatened acts of terrorism, war, natural disasters, fire, flood, explosion or other circumstances beyond third party's control.

10.2 TSL shall not in any circumstance and in any way be liable to the Client for any loss of use, revenue, profits, savings or opportunity or any other incidental, consequential, special or indirect loss or damages arising from the ITF irrespective of how such loss may be caused.

11. **Indemnity**

11.1 Without prejudice to any other provision hereof and unless due to the wilful default of TSL, the Client shall fully indemnify and keep indemnified TSL and its subsidiaries, associated company, officers, employees and agents against all liabilities, claims, demand, losses, damages, costs, charges and expenses of any kind (including without limitation legal costs) on a full indemnity basis which may be incurred and all actions or proceedings which may be brought by or against TSL in connection with the provision of ITF and/or the Website and/or access to the information or data thereon and/or the exercise or preservation of TSL' powers and rights TSL may have.

11.2 In any event, TSL shall not be liable for the Client's failure in observing the above obligations and the Client shall fully indemnify TSL in respect of any direct or indirect loss or cost of whatsoever nature that TSL may suffer or incur as a result thereof. For the avoidance of doubt, it is the responsibility of the Client to take its own initiative to contact TSL to check the status of any Instructions given through ITF.

11.3 If the Client gives any Instruction to TSL outside Hong Kong, the Client agrees to ensure and represent that such Instruction will have been given in compliance with any applicable law of the relevant jurisdiction from which the Instruction is given, and the Client agrees that, when in doubt, the Client shall consult its legal advisers and other professionals of the relevant jurisdiction. The Client accepts that there may be taxes or charges payable to relevant authorities in respect to any Instruction given outside Hong Kong, and the Client agrees to pay such taxes or charges.

11.4 The Client further undertakes to indemnify TSL, on a full indemnity basis, on demand, for any loss or damage TSL may suffer (including legal costs) as a result of the use of ITF.

12. **Charges and Expenses**

12.1 The Client shall pay all subscription, service and use fees, if any, that TSL may charge from time to time for the use of ITF. If the Client fails to pay any sum due and payable by the Client to TSL arising out of the use of ITF, the Client shall be liable to indemnify TSL, on a full indemnity basis, for all costs and expenses (including legal costs) incurred by TSL in recovering such sum. TSL is entitled at any time and without giving notice or obtaining consent from the Client, to set-off or transfer any credit balance in any Account towards satisfaction of any indebtedness or Liabilities by the Client to TSL arising out of the use of ITF.

12.2 The Client irrevocably authorizes TSL to (but TSL is not obliged to) withdraw or otherwise deduct such sums of money, including any related costs and expenses, from any Account (regardless of there being a debit balances, credit balances or otherwise in the said Account) as shall be necessary to complete any Transaction.

13. **No Warranty**

13.1 TSL does not in any way warrant that (i) any services provided in connection with or

any of the Client's use of the ITF and/or the Website will be free of errors, interception or interruption; or that (ii) the information, data, or other materials provided, used or accessible in connection with the ITF and/or the Website will be free of viruses, disabling devices or other contaminants. The Client acknowledges that TSL' internal records of the relevant Account, related Transactions and information shall be conclusive save for obvious error or unless the contrary is established by the Client to TSL' satisfaction. For the avoidance of doubt, TSL may use such updated information as may be available at the time of executing any Instructions of the Client for any Transactions, and such Transactions shall be binding on the Client notwithstanding different information may have been quoted by TSL via the ITF and/or the Website.

14. **Corporation**

14.1 Where the Client is a body corporate, the Client, its Authorized Person and its authorised signatories who have signed and executed the Account Opening Form on behalf of the Client agree to assume all liabilities and obligations of the Client under the ITF Agreement on a joint and several basis and all Transactions effected by TSL pursuant to these Terms shall be binding on the Client, its Authorized Person and such authorised signatories in all aspects.

15. **Joint Account**

15.1 Where the Client is a joint account holder of the relevant Account, all joint account holders of the relevant Account agree to assume all liabilities and obligations of the Client under these Terms on a joint and several basis and all Transactions effected by TSL pursuant to these Terms shall be binding on all joint account holders in all aspects.

16. **Disclosure**

16.1 Immediately upon request by TSL, the Client shall inform TSL, or other regulators as directed by TSL, of the identity, address, occupation and contact details of the person for whom the Transaction was effected by the Client and of the person with the ultimate beneficial interest in the Transaction. The Client shall also inform TSL, or the regulators as directed by TSL, of the identity, address, occupation and contact details of any third party who originated the Transaction.

17. **Third Party Service**

17.1 The Client agrees that TSL may accept from any other third party engaged in any Transaction or providing any services in respect of the ITF and/or the Website any rebate or allowance of any fee, brokerage or commission or the likes payable in respect thereof and TSL shall be entitled to retain any profit or other benefit arising by way of fees, brokerage, commissions, rebate, perquisites, or otherwise obtained or received by them in connection with or arising whether directly or indirectly from the ITF and/or the Website.

17.2 The Client agrees to the disclosing, transferring or otherwise making available of all personal data and other information relating to the Client and the Account(s) to any other third party engaged in any Transaction or providing any service in respect of ITF and/or the Website and the Client's Transactions and dealings with the aforesaid among any one or more of the aforesaid and their subsidiaries, group members and

agents thereof whether in or outside Hong Kong relating to or for the purpose of providing ITF and all related service.

**SECTION IX –
NOTICE TO CLIENTS RELATING TO THE PERSONAL DATA (PRIVACY) ORDINANCE (“
PDPO”)**

1. From time to time, it is necessary for clients to supply to Tianda Securities Limited, and/or any of its subsidiaries, holding companies or their respective subsidiaries, holding companies and associated companies (if any) (collectively the “Group”) with personal data (as defined in the Ordinance) and other data (collectively, “data”) in connection with the opening or continuation of accounts and the establishment or continuation of credit/margin facilities or provision of securities brokerage, futures and options trading, nominee service, investment advisory service or other financial services. At the same time, some of the data are collected pursuant to laws, regulations, rules or codes binding on the Group or any other companies of the Group.
2. Failure to supply such data may result in the Group being unable to open or continue accounts or establish or continue credit/margin facilities or provide securities brokerage, futures and options trading, nominee service, investment advisory service or other financial services.
3. It is also the case that data are collected from clients in the ordinary course of the continuation of the business relationship.
4. The purposes for which data relating to a client may be used are as follows:
 - (a) the daily operation of the services and credit/margin facilities provided to clients;
 - (b) conducting credit checks;
 - (c) assisting other financial institutions to conduct credit checks;
 - (d) ensuring ongoing credit worthiness of clients;
 - (e) designing financial services or related products for clients’ use;
 - (f) sending clients promotional materials and conducting direct marketing in relation to financial services or related products by a member of the Group;
 - (g) determining the amount of indebtedness owed to or by clients;
 - (h) collection of amount outstanding from clients and those providing security for clients’ obligations;
 - (i) meeting the requirements to make disclosure under the requirements of any laws, regulations, rules, codes binding on the Group or any other companies of the Group; and
 - (j) purposes ancillary or relating thereto.
5. Data held by the Group relating to a client will be kept confidential but the Group may provide such information to the following parties within or outside Hong Kong to the extent permitted by law:
 - (a) any agent, contractor or third party service provider who provides administrative, telecommunications, computer, payment, securities futures or options clearing, printing or other services to the Group in connection with the operation of its business;
 - (b) third party providers of financial services or related products for the purpose of sending clients promotional materials and conducting direct marketing;
 - (c) the holding company and any other companies of the Group;
 - (d) any other person under a duty of confidentiality to the Group including a company of the Group which has undertaken to keep such information confidential;
 - (e) any financial institution with which the client has or proposes to have dealings;
 - (f) any actual or proposed assignee of the Group or participant or sub-participant or transferee of the Group’s rights in respect of the client;

- (g) any other person when we are compelled to make disclosure under the requirements of any laws binding on the Group, any of the companies of the Group or the holding company of the Group;
- (h) any person with the client's express or implied consent;
- (i) any person where our interests require disclosure; and
- (j) any person where the public interest requires disclosure.

In the course of performing our duties, the Group may, as permitted by law, match, compare, transfer or exchange any personal data provided by the client, or hereafter obtained, for these or any other purposes by the Group, with data held by government bodies, other regulatory authorities, corporations, organisations or individuals in Hong Kong or overseas for the purpose of verifying those data.

6. Under and in accordance with the terms of the Ordinance, any individual:
 - (a) has the right to check whether the Group holds data about him/her and the right of access to such data;
 - (b) has the right to require the Group to correct any data relating to him/her which is inaccurate;
 - (c) has the right to ascertain the Group's policies and practices in relation to data and to be informed of the kind of personal data held by the Group.
7. In accordance with the terms of the Ordinance, the Group has the right to charge a reasonable fee for the processing of any data access request.
8. The person to whom requests for ceasing to use of personal data in direct marketing, access to data, correction of data or for information regarding policies and practices and kinds of data held are to be addressed as follows:

Tianda Securities Limited - Level 24, CITIC Tower, No.1 Tim Mei Avenue, Central, Hong Kong (Attention to Compliance Officer)
9. Nothing in this Circular shall limit the rights of clients under the Ordinance.
10. This Circular shall upon receipt by a client, be deemed an integral part of all contracts, agreements, credit/margin facility letters, account mandates, and other binding arrangements which the client has entered into or intends to enter into with the Group.
11. The Group may, in its absolute and sole discretion, amend, modify or vary this Circular by giving the clients written notice. Such amendment, modification or variation shall take effect 7 Business Days (or a shorter period if such change is necessary or required due to events, circumstances or reasons beyond the Group's reasonable control) from the date of such notice.
