Quest Stockbrokers (HK) Limited
華輝証券有限公司

CASH ACCOUNT (SECURITIES TRADING)
CLIENT AGREEMENT

INDIVIDUAL/JOINT ACCOUNT
CORPORATE ACCOUNT
CAUTION: All the terms and conditions appearing hereinafter set out the rights and obligations of you and us, QUEST STOCKBROKERS (HK) LIMITED, in connection with the operation of your cash account(s) opened or be opened with us for dealing in purchase and/or sale of securities. All the terms and conditions appearing hereinafter are and shall be legally binding on you and us, so please read them carefully and in detail; if you are in doubt, you should seek independent legal or professional advice before you agree to be bound by them.

THIS AGREEMENT is made the date stated in the Account Opening Form

BETWEEN

(1) Quest Stockbrokers (HK) Limited, a company incorporated in Hong Kong with its registered address at 5/F Wing On Cheong Building, 5 Wing Lok Street, Sheung Wan, Hong Kong (the "Broker"); and

(2) The Client, whose particulars are set out in the Account Opening Form.

WHEREAS:

(1) The Client is desirous of opening one or more cash account(s) with the Broker for the purpose of trading in securities ("Securities Trading Account(s)"); and

(2) The Broker agrees that it will open and maintain such Securities Trading Account(s) and act as an agent for the Client in the purchase and sale of securities subject to the terms and conditions of this Agreement.

NOW IT IS HEREBY AGREED as follows:

Interpretation

In this Agreement, unless the context requires otherwise:

“Account” means any one or more Securities Trading Account(s) opened, maintained and operated by the Client with the Broker from time to time for use in connection with the purchases, sales, holdings or other dealing in Securities and other financial products effected through the Broker on behalf of the Client;

“Account Opening Form” means the form to open an account duly completed and signed by the Client as well as all those documents furnished by the Client in support of the application for opening an account with the Broker.

“Agreement” means this Agreement, including the Terms and Conditions of Cash Account (Securities Trading) Client Agreement, the General Risk Disclosure Statement, the Additional Risk Disclosure Regarding Various Products, as in the Fourth Schedule, the Personal Data (Privacy)
Ordinance (Cap. 486) in the Second Schedule, the Terms and Conditions of the Electronic Trading services as in the Third Schedule, Client Identification as in the First Schedule and the Account Opening Form and other relevant documents which shall be read together as one agreement as original executed or thereafter may from time to time be amended or supplemented;

“Associate” shall have the meaning ascribed to it under Clause 15.1 of this Agreement;

“Broker” means Quest Stockbrokers (HK) Limited;

“Broker’s group company” means the ultimate holding company of the Broker and each and every subsidiary of such holding company (if applicable);

“Client” means any individual, firm or company under the Account whose particulars are set out in the Account Opening Form;

“Communications” shall have the meaning ascribed to it under Clause 18 of this Agreement;

“Licensed Corporation” means Quest Stockbrokers (HK) Limited, which is a licensed corporation (CE No. ABF139), licensed by the SFC under the SFO to carry out Type 1 – dealing in securities regulated activities;

“Exchange” means The Stock Exchange of Hong Kong Limited, or where applicable, any other stock exchanges outside Hong Kong;

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

“Transactions” include instructions given by the Client, which in any way relate to purchases, sales, holding or other dealings in Securities and other financial products effected through the Broker on behalf of the Client, arise out of and/or are in connection with the Account, whether such instructions are given orally, in writing, by facsimile, telex and/or by electronic means;

“Securities” include the meaning in Schedule 1 of the Securities and Futures Ordinance, but leave no room for doubt, shall also include warrants, B shares, unlisted securities (including mutual funds), securities to be listed on the Stock Exchange and securities listed and/or traded on any Exchanges;

“SFO” means the Securities and Futures Ordinance (Cap. 571) of the laws of Hong Kong as amended or enacted from time to time.

“SFC” means the Securities and Futures Commission;

“Stock Exchange” means The Stock Exchange of Hong Kong Limited, including its successor.

Words importing the singular shall include the plural and vice versa.
1. **The Account**

1.1 The Client confirms, represents and warrants that the information provided in the Account Opening Form is and shall be at all times, true, correct, complete and accurate. The Client undertakes to inform the Broker promptly in writing of any changes to those information. The Broker is authorized to conduct credit reference check or enquiry with financial institution including the Client’s bankers, brokers or any credit agency in relation to the Client to verify the information so provided.

1.2 Whilst the Client expects the Broker to keep confidential all matters relating to their Account, the Client hereby expressly agrees that the Broker may be required to disclose their details to the relevant Exchanges, the SFC, any regulatory or law enforcement authority including but not limited to Independent Commission Against Corruption, Anti-money Laundering & counter-terrorism financing, or to any persons pursuant to any court orders or statutory provisions, or any member company of the broker, its subsidiaries, associated and related companies (“the Associate”). The Broker will comply with such requests without notice to or consent from the Client.

2. **Laws and Rules**

That all transactions with respect to securities made for and on the Client’s behalf in Hong Kong or elsewhere are and shall be subject to the constitution, by-laws, rules rulings, regulations, transaction levies, customs and usage prevailing and in force from time to time of the Exchange or market and its clearing house, if any, whether they are made (including, without limitation, with respect to trading and settlement) under any applicable laws, regulations and orders of any governmental or regulatory authorities. For the avoidance of doubt, all transactions executed on or pursuant to the Client’s instructions on the floor of the Exchange or any stock exchange in another country shall be subject to a transaction levy and any other levies that the Exchange and the Hong Kong Securities Clearing Company Limited and the rules of the relevant overseas stock exchange and clearing house (in the event that the transactions is executed on a stock exchange in another country), in particulars those rules which relate to trading and settlement, shall be binding on Client and the Broker in respect of transactions concluded on the Client’s instructions.

3. **Transactions**

3.1 The Broker will act as the Client’s agent in effecting the Transactions unless the Broker indicates (in the contract note for the relevant Transaction or otherwise) that it is acting as principal.

3.2 The Client acknowledges that the Broker has the right to request delivery of a copy of documentary evidence relating to the relevant securities borrowing transaction e.g. The lender’s confirmation.

3.3 Unless otherwise agreed, in respect of each of the Transactions, unless the Broker is already holding cash or securities on the Client’s behalf to settle the Transaction, the Client shall,

- (i) pay the Broker cleared funds or deliver to it securities in deliverable form; or
- (ii) otherwise ensure that the Broker has received such funds or securities;

by such time as the Broker has notified the Client in relation to that Transaction. If the Client fails to do so, the Broker may

- (i) in the case of a purchase Transaction, sell the purchased securities; and
- (ii) in the case of a sale Transaction, purchase securities in order to settle the Transaction.

3.4 The Client shall be responsible to the Broker for any losses and expenses resulting from settlement failures.
3.5 The Client agrees to pay interest on all overdue balances (including interest arising after a judgment debt is obtained against the Client) at such rates and on such other terms as the Broker has notified the Client from time to time. The Client understands that the current rate applicable to the Account is The Hongkong and Shanghai Banking Corporation Limited quoted best lending rate plus 6%.

3.6 In the case of a purchase Transaction, if the selling Broker fails to deliver on the settlement date and the Broker has to purchase securities to settle the Transaction, the Client shall not be responsible to the Broker for the costs of such purchase.

4. **Joint Account Holders**

In case the Account is a joint account opened by more than one person, “Client” shall mean each and all of such joint account holders. Each of such joint account holders hereby agrees and declares that:

(i) where the account(s) are held by Clients as joint tenants with right of survivorship and not tenants in common, in the event of the death of either or any of the Clients, the entire interest in any account opened on the Client’s behalf shall be vested in the survivor or survivors on the same terms and conditions as therein before held. The estate of the deceased shall have no interest in the assets of any such account at the date of death. However, the estate shall remain liable for obligations in respect of such Account.

(ii) the liability of each of the joint account holders shall be joint and several;

(iii) in the event of death of any of the joint account holders, the estate of the deceased joint account holder or the surviving joint account holder(s) shall immediately notify the Broker in writing of the relevant death and produce and deliver to the Broker true copy of proof of such death and such other documents as the Broker may in its sole discretion require (but the Broker is not required to verify the authenticity of such evidence so produced);

(iv) each of the joint account holders alone shall have the authority to exercise all the rights, power and discretion of the Client and to deal with the Broker as if each of them alone was the holder of the Account. The Broker may follow the instruction of any one of the joint account holders in respect of such instructions;

(v) the Broker shall be under no duties whatsoever (including without limitation any duty to inquire into or see to) in respect of the application of any money or properties between the joint account holders; and

(vi) each of the joint account holders shall be bound by this Agreement regardless of the arrangement or agreement among the joint account holders and notwithstanding that this Agreement may be invalid or unenforceable against any one or more of the joint account holders (whether or not the deficiency is known to the Broker).

5. **Execution of Order**

The Broker may, in carrying out Client’s instructions, contract or otherwise deal with or through any broker for the purchase or sale of securities on any Exchange, or any person associated with the Broker in any manner, on such terms as the Broker may in its discretion determine.

6. **Foreign Currency Transactions**

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

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

(ii) all initial and subsequent deposits shall be made in such currency in such amounts as the Broker, at the sole discretion of the Broker, require from time to time; and
(iii) when such a contract is liquidated the Broker shall debit or credit the Account of Client in the currency in which such Account is denominated, at a rate of exchange determined conclusively by the Broker on the basis of the then prevailing money market rates of exchange between such currencies.

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

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

(i) renminbi is subject to capital controls and is not freely convertible, and therefore transactions involving Renminbi-denominated securities may involve substantial exchange risks;
(ii) unless otherwise indicated by the Broker, transactions of Renminbi-denominated securities will be settled in Renminbi; and
(iii) if the Broker is required to settle a transaction on behalf of Client by purchasing or selling Renminbi-denominated securities from or through the market, unless otherwise indicated by the Broker, the exchange rate will be based on prevailing market rate or such rate as quoted by a licensed bank in Hong Kong.

7. Commission, Charges and Interest

7.1 On all Transactions, the Broker is authorized to deduct the Broker’s commissions and charges in connection with any Transactions effected with any person for the Client (as notified to the Client from time to time), all applicable levies imposed by the Exchange and Clearing House, brokerage, stamp duty, bank charges, transfer fees, interest and nominee of custodial expenses immediately when it is due.

7.2 The Broker shall be entitled to deposit all monies held in the Account and all monies received for or on the account of the Client into one or more trust account(s) at one or more authorized institution(s) as defined in the Banking Ordinance or as otherwise permitted by the Securities and Futures Ordinance.

7.3 The Client shall pay interest on all debit balances on the Account (including any amount otherwise owing to the Broker at any time) at such rates and on such other terms as the Broker notifies the Client from time to time. Such interest shall accrue on a day-to-day basis and shall be payable on the last day of each calendar month or upon any demand being made by the Broker. Overdue interest shall be compounded monthly and shall itself bear interest.

7.4 The Client agrees that any interest accrued on the credit balance in the Account shall belong to the Broker absolutely.

7.5 To comply with the Securities and Futures (Client Money) Rules, the Client agrees that the Broker will be entitled to receive for Broker’s own account benefit all sum derived by way of interest from the payment into and retention of all amounts received for or on account of the Client in any trust account or segregated account.
7.6 Without prejudice to any other rights and remedies available to the Broker, the Broker may charge a half-yearly maintenance fee of such amount in such currency as the Broker may determine from time to time on the dormant Account if the Client has no trading activity for six months or more. Payment of such fees will be automatically deducted from the Account.

7.7 The Broker Fee Schedule is provided and posted on the Broker’s website. The Client shall go to the website to read the updated Fee Schedule from time to time.

8. **Instructions**

8.1 All instructions shall be given by the Client (or its Authorized Person) orally either in person or by telephone, or in writing, delivered by hand, by post or by facsimile transmission or through Electronic Services.

8.2 The Client acknowledges and agrees that any Instructions given or purported to be given by any means to the Broker by the Client or by any Authorized Person and which are acted on or relied on by the Broker shall at all times be irrevocable and bind the Client, whether or not such Instructions are in fact given or authorized by the Client. Under no circumstances the Broker has any duty to enquire or verify the identity or authority of the person giving instruction by any accepted means.

8.3 The Client acknowledge that once an instruction has been made it may not be possible to cancel or change the instruction.

8.4 The Broker may, in its discretion and without assigning any reason therefor, refuse to act for the Customer or its Authorized Person in any particular Transactions.

9. **Dealing Practice**

9.1 Any day order for purchase or sale of Securities placed by the Client that has not been executed before the close of business of the relevant Exchange or such other expiration date required by the Exchange or such other later time as the Client and the Broker may agree shall be deemed to have been cancelled automatically.

9.2 The Client authorizes the Broker, at any time and at the Broker’s absolute discretion, for the purpose of obtaining a better execution price and/or reducing the volume of instructions, to consolidate and/or disaggregate the Client’s instructions to purchase and/or sell Securities on the Client’s behalf with similar instructions received from the Broker’s other Clients, provided that such consolidation or disaggregation shall not result in the execution of the instructions at a price less favourable than could have been achieved and the instructions been executed individually, and provided further that, in the event of there being insufficient Securities available to satisfy purchase orders so consolidated, the number of Securities actually purchased shall be given to each individual instruction in the order in which those orders were received by the Broker.

9.3 The Client acknowledge that due to the trading practices of the Exchange or other markets in which Transactions are executed, it may not always be able to execute orders at the prices quoted “at best” or “of market” and the Client agrees in any event to be bound by the Transactions executed by the Broker following instructions given by the Clients.

9.4 Subject to applicable laws and regulations and market requirements, the Broker 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 the Broker.

9.5 Unless otherwise agreed, in respect of each Transactions, unless the Broker is already holding cash or Securities on the Client’s behalf to settle the Transactions, the Client shall pay the Broker cleared funds (including payment in a currency other than Hong Kong dollars) or deliver to the Broker Securities with are fully paid with valid and good title and in deliverable form by such time as the Broker has notified the Client in relation to the Transactions. The Client shall be responsible to the Broker for any losses and expenses resulting from the Client’s settlement failures.

9.6 The Account shall be in Hong Kong dollars or such other currencies as the Broker may agree from time to time with the Client. In the event that the Client instructs the Broker to effect any Transactions in a currency other than Hong Kong dollars, any profit or loss arising as a result of fluctuation in the exchange rate of the relevant currencies will be for the account of the Client solely. Any conversion from one currency into another required to be made for performing any action or step taken by the Broker under this Agreement may be effected by the Broker in such manner and at such time as it may in its absolute discretion decide.

9.7 The Client acknowledge that telephone calls or other forms of communication between the Client and the Broker may be recorded or otherwise electronically monitored without any warning messages and that the record may be used as final and conclusive evidence of the instructions in case of disputes.

9.8 If the Broker engages the service of Correspondent Agent, the Broker shall be entitled to accept and keep, for its own account, any commission or rebate which the Broker may receive in respect of any business the Broker supplies to them on behalf of the Client.

10. **Safekeeping of securities**

10.1 Any securities which are held by the Broker for safekeeping may, insofar as reasonably practicable:

(i) (in the case of registrable securities) be registered in the Client’s name or in the name of the Broker’s nominee or

(ii) be deposited in Hong Kong into a segregated account, designated as a trust/client account and established and maintained by the Broker or any of its Associates in Hong Kong for the purpose of holding client securities with any authorized financial institution, or any independent custodian approved by the SFC, or any intermediaries licensed for dealing in securities.

10.2 Where securities are not registered in the Client’s name, any dividends or other benefits arising in respect of such securities shall, when received by the Broker, be credited to the Client’s Account or paid to the Client, as agreed with the Broker, where the securities form part of a larger holding of identical securities held for the Broker’s clients, the Client shall be entitled to the same share of the benefits arising on the holdings of the total holding.

11. **Cash held for the Client**

11.1 Any cash held for the Client, other than cash received by the Broker in respect of the Transactions and which is on-paid for settlement purposes or to the Client, shall be credited to a client trust account maintained with a licensed bank approved by the SFC for the purpose of section 4 of the Securities & Futures (Client Money) Rules (Cap 571I of the Laws of HK) and or any other overseas
11.2 For the purpose of section 149 of the SFC, the Client hereby agrees that the Broker shall be entitled to receive for its own benefit all sums derived by way of interest on all amounts held in the Account for or on account of the Client.

12. Client's Instructions and Standing Authority

12.1 Instructions given by Client shall be irrevocable and may be given in writing, verbally, by facsimile or other electronic means (including through the Electronic Trading Services, as defined in the Third Schedule), but in any case at Client’s own risk.

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

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

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

(i) a standing authority pursuant to the Securities and Futures (Client Money) Rules (Cap. 571I of the Laws of Hong Kong) as amended from time to time;

(ii) a standing authority pursuant to the Securities and Futures (Client Securities) Rules (Cap. 571H of the Laws of Hong Kong) as amended from time to time; and

(iii) such other lawfully agreed standing authority, as amended from time to time.

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

(i) the revocation by Client of its Authorised Person(s)’ or Authorised Third Party(ies)’ authority; or

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

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

13. Default

13.1 Any of the following shall each constitute a “Default”:

(i) Client defaults in paying, further securing or satisfying on demand any money or liabilities under this Agreement or any agreement between Client and Broker and/or the Associates;
(ii) the filing of a petition in bankruptcy or winding-up or the commencement of other analogous proceedings against the Client, or the appointment of a receiver in respect of the Client;
(iii) the levying of attachment, sequestration, distress, execution or other legal process is levied, enforced or instituted against any of the accounts of the Client;
(iv) any consent, authorization or board or shareholders’ resolution required of the Client to enter into this Agreement being wholly or partly revoke, suspended, terminated or ceasing to remain in full force and effect.
(v) any representation or warranty made in or in pursuance of this Agreement or in any certificate statement or other documents delivered shall be or become incorrect in any aspect;
(vi) the Client’s default in the due performance or observance of any terms of this Agreement and the observance of any by-laws, rulers and regulations of the relevant exchanges and/or clearing houses;
(vii) the continued performance of any of the transactions or this Agreement becoming illegal or is claimed by any government authority to be illegal;
(viii) with respect to the Client’s dealing or relationship with the Broker, the Broker forms the view in good faith that any event occurs which constitutes a material adverse change affecting the financial position condition, or operation of the Client and action is necessary to protect, enforce or preserve its rights hereunder, or
(ix) the death, insanity, bankruptcy or insolvency of the Client.

14. Default Consequence

14.1 Without prejudice to any other right or remedy which the Broker may have, if any default shall occur, the Broker shall be authorized (but is not obliged), in its absolute discretion and in accordance with any applicable laws and regulations, to take one or more of the following actions:

(i) cancel any or all outstanding instructions or any other commitments made on behalf of the Client under any or all of its accounts;
(ii) liquidate or cover all positions in any or all of the accounts by any means;
(iii) charge default interest at such rate as determined by the Broker from time to time;
(iv) sell, dispose of or otherwise deal with in whatever manner any Securities, money, or other properties held for or on behalf of the Client under any or all of the accounts be maintains with the Broker and/or the Associates and to apply the proceeds thereof and any money to offset and discharge any of the obligations or liabilities owed to the Broker /the Associates by the Client.
(v) close any or all the Accounts; and/or
(vi) terminate this Agreement forthwith.

14.2 In the event of any sale pursuant to Default:

(i) the Broker shall not be responsible for any loss occurred if it has already used reasonable endeavors to sell or dispose of the Securities, or other property or any part thereof at the then available market price; and
the Client undertakes to pay to the Broker and/or Associates any deficiency if the net
proceeds of sale shall be insufficient to cover all the outstanding balances owing by the
Client to the Broker and/or its Associates.

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

(i) payment of all costs, charges, fees and expenses (including, without limitation, legal fees,
    stamp duty, commission and brokerage) incurred by the Broker;
(ii) payment of all interest due; and
(iii) payment of all money and liabilities due, owing or incurred by customer to the Broker
    and/or its Associates;

And any remaining sum shall be paid to the Client.

14.4 Any distribution, refund, compensation, dividends, interest or other payments which may be received
or receivable by the Broker in respect of the investments and Securities held under the Account(s)
may be applied by the Broker as if they were proceeds of sale notwithstanding that the power of sale
may not have arisen.

15. Set off, Lien and Combination of Accounts

15.1 In addition and without prejudice to any general liens, rights of set-off or other similar rights to
which the Broker may be entitled at law or pursuant to the terms of this Agreement, all securities,
receivable, monies and other property of the Client (held by the Client either individually or jointly
with others) held by or in the possession of the Broker and any companies or body corporate which
are the Broker’s direct or indirect holding companies, subsidiaries or affiliated companies in Hong
Kong or elsewhere (the “Associate”).

15.2 In addition and without prejudice to any general liens or other similar rights which the Broker may
be entitled at law or under this Agreement, the Broker may, on its own or as agent for any of its
Associates at any time and without notice to the Client, combine or consolidate any or all of the
Accounts and other accounts of any kind and nature whatsoever and either individually or jointly
with others, with the Broker or any of its Associates; and the Broker may set off or transfer any
monies, securities or other property in any such Accounts and other accounts to satisfy or discharge
such obligations or liabilities of the Client due to the Broker or any of its Associates whether such
obligations and liabilities are actual or contingent, primary or collateral, secured or unsecured, or
joint or several.

15.3 Without limiting or modifying the general provisions of this Agreement, the Broker may, at any time
and without notice to the Client, transfer all or any such securities or properties interchangeably
between the Accounts and other accounts of the Broker and its Associates.

16. Client Representations, Warranties and Undertakings

16.1 The Client represents, warrants and undertakes that:

(i) the Client has full power, authority and capacity to enter into this Agreement and to execute
    and perform all the Client’s obligation under this Agreement and where appropriate, the
    Client has obtained and taken all necessary corporate authorizations and other actions to
    execute and perform all obligations under this Agreement and each of the Agreement
    constitute valid and legally binding obligation of the Client’s in accordance with its terms;
(ii) in case the Client is an individual, the Client is of full age and capacity and in the case of the
    Client is a firm or corporation, it is duly constituted and incorporated and has power to enter
into this Agreement and all contracts made or to be made pursuant to this Agreement and such contracts are and will constitute legal binding and enforceable obligations of the Client;

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

(iv) the information contained in the Account Opening Form or otherwise supplied by or on behalf of the Client to the Broker in connection with the opening and maintenance of the Cash Account is complete, true and correct. The Client further acknowledges that the Broker totally relies on such information until written notice from the Client of any changes therein has been received by the Broker.

(v) the Client will notify the Broker immediately of any change in the information supplied in Account Opening Form and/or in relation to this Agreement;

(vi) the Client fully acknowledges and undertakes that the personal data of the Client has been requested to supply upon the opening of the Account or subsequently will be used for the purpose of opening and operating of the Cash Account and implementing or enforcing the provisions of this Agreement;

(vii) the Client further understands that he is under an obligation to supply all the information requested by the Broker as failure to do so may result in the Broker being unable to open or operate the Account;

(viii) the Client acknowledges that it is the Client’s duty to ascertain Client’s nationality, citizenship, domicile or similar status. Client undertakes not to deal in, purchase or subscribe for any Securities or Investments which by virtue of the Client’s status or other characteristics Client is prohibited to deal in, purchase or subscribe. The Client has taken all necessary professional advice including legal, accounting, estate planning or tax advice relating to its tax or other liability under any jurisdiction and Client has not relied in any way on the Broker relating to any of Client’s instruction or orders in respect of dealing in, purchase of or subscription in any Securities or investments;

(ix) before giving instruction to the Broker in relation to any Transaction, the Client shall ensure it fully understand the characteristics, risks involved, trading and settlement arrangement, and costs and fees of such Transaction;

(x) if the Client is trading on his own account, the Client is the person ultimately responsible for giving the instruction in relation to and the ultimate beneficial owner of each Transaction in the Client’s account (except where such other person or entity has been disclosed to the Broker in the Account Opening Form or other written notice has been given to the Broker).

17. Termination of Account

17.1 The Broker may terminate any one or more of the Accounts forthwith without giving notice to the Client if the Client breaches or fails to comply with any provision of this Agreement or when the Account has become Dormant for 2 years or more.

17.2 The Broker may also terminate any one or more of the Accounts by giving the Client prior written notice.

17.3 The Client may, subject to the Broker satisfaction and discharge of the Client’s indebtedness, liability or other obligation to the Broker, close the Client’s Account at any time by giving the Broker not less than 3 business days; prior written notice.

17.4 Closing an Account or terminating any Services will not affect the rights and obligations of either party incurred prior thereto.

17.5 Any termination of the Services or this Agreement shall not affect any Transactions entered into or prejudice or affect any rights, powers, duties and obligations of either party accrued prior to the termination.

17.6 Upon termination of this Agreement,
18. Communications

Reports, written confirmations, notices, daily statements, monthly statements and any other communications may be transmitted to the Client at the address, telephone, facsimile or email address given by the Client in Client information Form (who, in case of a joint account without nominating a person therefore will be deemed for these purposes to the Client whose name first appears in Client information Form) and/or such that the Client notify the Broker in writing or otherwise hereafter, shall be deemed as transmitted, correct and confirmed by the Client unless the Broker receives from the Client written notice to the contrary within the period of time as stated in the combined statement of account, monthly statement of account or otherwise specified in the communications, reports, written confirmations, notices, daily statements, monthly statements and any other communications shall be deemed to have been received (a) if hand delivered, when delivered (b) if given by post to Hong Kong, 2 days after or post to the place outside Hong Kong, 5 days after the same has been posted or (c) if given by fax or by email, at the same time it is dispatched. Every statement of account shall, in the absence of manifest error, be conclusive and binding on the Client as to the amount standing to the debit or credit of the Account. Where applicable, Client also undertakes to notify the Broker immediately if the Client does not receive any confirmation from the Broker that an order communicated by the Client through the Broker’s facilities for Online Trading Services or other means has been received or executed.

19. General

19.1 If the Broker fails to meet its obligations to the Client pursuant to this Agreement, the Client shall have a right to claim under the Compensation Fund established under the SFO, subject to the terms of the Compensation Fund from time to time.

19.2 The Broker will notify the client of any material changes in respect of its business which may affect the services it provides to the Client.

19.3 To the extent permitted by law, the Broker may from time to time amend any of the terms and conditions of this Agreement without prior notice to or approval from the Client and such amendments shall come into effect immediately upon the Client’s deemed receipt of the Broker’s notice. The Client acknowledges and agrees that if the Client does not accept any amendments as notified by the Broker from time to time, the Client shall have the option to terminate this agreement by giving written notice to the Broker.

19.4 The Broker is an exchange participant of the Stock Exchange and is licensed to conduct Type 1 (dealing in securities) regulated activity under SFO with CE number of ABF139.

19.5 The Client confirms that the Client has read and agreed to the terms and conditions of this Agreement, which have been explained to the Client in a language that Client understands and prefers.

19.6 In the event of any discrepancy in the interpretation or meaning between the Chinese language version and the English language version of this Agreement, the Client expressly agrees and acknowledges that the English language version shall prevail.

19.7 This Agreement is governed by and shall be construed in accordance with, the laws of Hong Kong.
The parties hereby irrevocably submit to the non-exclusive jurisdiction of the courts of Hong Kong for determining any matter or dispute arising from or relating to this Agreement.

19.8 The Broker shall be entitled to assign, transfer or otherwise dispose of all or any of its rights, interests or obligations in or under this Agreement to any third party as it thinks fit and without having to notify the Client or obtain the Client’s consent. The Client shall not assign, transfer or dispose of the Client’s rights, interests or obligations in or under this Agreement to any third party without the prior written consent of the Broker.

20. **Miscellaneous**

20.1 The Broker’s right to report

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

20.2 Telephone recording

The Broker may record telephone conversations with Client and the contents of any such recording shall be final and conclusive evidence of the conversation concerned and its content.

20.3 Force majeure

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

1. INTERPRETATION

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

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

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

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

3.1 immediately upon Broker’s request and within two (2) days (or such other time period as may be specified by Broker) provide to Broker and/or a Regulator the name, address and contact details of such scheme, account or trust and, if applicable, the identity, address, occupation or business structure and contact details of the person who, on behalf of such scheme, account or trust, ultimately originated the instruction to Client to operate the Account and/or effect the transaction; and

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

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

4.1 Client has arrangements in place which would entitle Client to obtain and provide to Broker and/or a Regulator upon its request all such information or to procure that such information be so obtained within two (2) days;

4.2 Client shall, upon Broker’s request, immediately obtain all such information from any relevant third party, and provide that information to Broker and/or a Regulator within two (2) days or such other time period as may be specified by Broker and/or the Regulators; and

4.3 Broker may, pending receipt by it and/or by a Regulator of such information, or if such information is not received within two (2) days or such other time period as may be specified by Broker and/or the Regulators, decide in its absolute discretion and at any time, not to act (even if such declining may result in any loss) or not to give effect to any of Client’s instructions and/or to suspend or terminate the effecting of any transaction or the operation of the Account.

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

6. The Client’s obligation to provide information under this First Schedule shall continue in full force and effect notwithstanding the termination of this Agreement.
SECOND SCHEDULE

PERSONAL DATA

1. INTERPRETATION

1.1 Terms and expressions defined in this Agreement shall have the same meaning in this Second Schedule unless the context otherwise requires.

1.2 References to clauses in this Second Schedule shall refer to clauses contained in this Second Schedule, unless the context otherwise requires. In the event of any inconsistency between the provisions of this Agreement and this Second Schedule, the provisions of this Second Schedule shall prevail.

2. From time to time, it shall be necessary for Client to supply Broker with data (including personal data as defined in the Personal Data (Privacy) Ordinance (Cap.486 of the Laws of Hong Kong) as amended from time to time) in connection with the establishment or continuation of accounts or the provision of services by Broker and generally Client’s relationship with Broker in Hong Kong. Failure to supply, or to allow Broker to use or disclose, such data may result in Broker being unable to provide, or continue to provide any of the above facilities or services to or for Client in Hong Kong or elsewhere.

3. The purposes for which data may be collected, used and/or disclosed by Broker (whether before or after the termination of Client’s relationship with Broker) are set out as follows:

3.1 the processing of applications for, and daily operation of services provided to Client or to other persons for whom Client acts as guarantor or for whom Client provides third-party security;

3.2 conducting credit checks, matching procedures, data verification, due diligence and risk management;

3.3 assisting other financial institutions to conduct credit checks and collect debts;

3.4 ensuring Client’s or any surety’s ongoing creditworthiness;

3.5 maintaining Client’s or any surety’s credit history for present and future reference;

3.6 designing financial services or related products for Client’s use (including, where appropriate, providing Client with financial advice);

3.7 marketing financial services or related products (unless Client instructs Broker otherwise);

3.8 determining the amount of indebtedness owed to or by Client or any surety;

3.9 collecting of amounts outstanding from Client or any surety;

3.10 meeting any requests or requirements to make disclosure under the Laws;

3.11 enabling an actual or proposed assignee of Broker in connection with merger, amalgamation, reconstruction or otherwise to evaluate the transaction intended to be the subject of the assignment;

3.12 any purpose permitted by the Laws;

3.13 commencing, defending or otherwise participating in any legal or administrative proceedings or inquiry before any court or competent authority;

3.14 satisfying any requirements under the codes on takeovers and mergers and share repurchases issued by the SFC (as amended from time to time) and/or any other applicable Laws and/or Regulatory Rules in relation to takeovers in Hong Kong and

3.15 any purpose relating to any of the above.

4. Data held by Broker relating to Client, any surety and/or the Account shall be kept confidential but Broker may, at its sole discretion, provide such information to:

4.1 any agent, contractor or third party service provider (whether in Hong Kong or elsewhere) who provides administrative, telecommunications, computer, payment, debt collection or securities clearing or other services to Broker in connection with the operation of its business;

4.2 any branch or office of Broker or any member of the Group, whether in Hong Kong or elsewhere;

4.3 any person acting or proposing to act as surety;

4.4 any person under a duty of confidentiality to Broker (or any member of the Group) or who has undertaken to keep such information confidential;

4.5 any financial institution with which Client has or proposes to have dealings;

4.6 credit reference agencies and, in the event of default, to debt collection agencies;

4.7 the drawee bank providing a copy of a paid cheque (which may contain information about the payee) to the drawer;

4.8 any actual or proposed assignee or transferee of Broker;

4.9 any person or entity who has established or proposes to establish any business relationship with Broker or the recipient of the data; and

4.10 any person in accordance with the Laws including, governmental, regulatory or other bodies or institutions, whether as required by law, regulations applicable to any member of the Group, or otherwise, or any company issuing a notice under section 329 of the Securities and Futures Ordinance.

5. Client agrees that data may be transferred overseas pursuant to the provisions of this Second Schedule.

6. Client acknowledges and accepts the risks that the information disclosed pursuant to this Second Schedule may be subject to further disclosure by the recipient to other parties in accordance with the laws of the country in which the recipient is located. Such laws may be wider in scope and implemented under less restrictive terms than would otherwise be the case in Hong Kong due to difference in applicable laws and regulations.

7. Client agrees to allow Broker to disclose Client’s data for the purposes and to those persons as set out in this Second Schedule and to use such data pursuant to this Second Schedule.

8. Where Client supplies Broker with any data (including personal data), Client represents and warrants to Broker that Client has taken all action necessary to authorise the disclosure of such data to Broker and the use by Broker of such data pursuant to this Agreement.
9. Client may request to ascertain whether Broker holds Client’s personal data and Broker’s policies and practices in relation to personal data. Further, Client may request access to and correction of Client’s personal data. Client also has the right to be informed about the kind of personal data held by Broker and which items of data Broker routinely discloses to credit reference agencies, and to be provided with further information to enable the making of a data access and correction request to the relevant credit reference agency. Any requests should be made in writing with fourteen (14)-day advance notice to the Data Privacy Officer, Quest Stockbrokers (HK) Limited, Unit A, 1/F Harbour Commercial Building, 122-124 Connaught Road Central, Shung Wan, Hong Kong, or such other address as Broker may subsequently notify from time to time. Broker may charge a reasonable fee for processing any data access request.

10. For the purposes of this Second Schedule, if applicable, account data may include account general data (i.e. general particulars of the relevant account such as account opening date, repayment terms, whether Client as a borrower or guarantor, approved loan amount, repayment terms) and account repayment data (such as the amount repaid, outstanding balance of the loan, default data including the amount and number of days overdue).
THIRD SCHEDULE
The ELECTRONIC TRADING SERVICES

1. INTERPRETATION

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

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

1.1.2 Electronic Trading Services™ means the internet or other facility provided by, and/or on behalf of, Broker which enables Client to give electronic instructions for the execution of transactions in accordance with the terms of this Agreement, whether in Hong Kong or elsewhere, and to receive information and related services;

1.1.3 “Key File” means a computer file, disk or other device which contains a file code which may be used in conjunction with the Login ID and the Password to gain access to the Electronic Trading Services;

1.1.4 “Login ID” means personal identification used in conjunction with other Access Codes to gain access to the Electronic Trading Services; and

1.1.5 “Password” means Client’s personal password, used in conjunction with other Access Codes to gain access to the Electronic Trading Services.

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

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

2. Broker may at its discretion provide Client with the Electronic Trading Services on the terms of this Agreement, and the provisions of this Third Schedule apply if Broker provides Client with the Electronic Trading Services.

3. Client acknowledges receipt of the Access Codes and agrees to be the sole user of the Access Codes and not to disclose the Access Codes to any other person; and to be solely responsible for the use and protection of the Access Codes and all instructions entered through the Electronic Trading Services using the Access Codes.

4. Broker may at any time block Client’s access to the use of the Electronic Trading Services without prior notice.

5. Client shall forthwith notify Broker if:

5.1 An instruction has been placed through the Electronic Trading Services and Client has not received an accurate acknowledgment receipt of the instruction or its execution (whether by hard copy, electronic or verbal means) within one working day of the instruction;

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

5.3 Client becomes aware of any apparent unauthorised use of any of Client’s Access Codes;

5.4 Client experiences any problems in accessing its Account through the Electronic Trading Services; or

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

6. Any risk, including (without limitation) the risk of transmission error and unauthorised access, arising from or related to the use of the Electronic Trading Services by Client and/or any software or equipment for accessing and/or using the Electronic Trading Services (whether provided by Broker or otherwise), is at the risk of Client. Client shall provide and maintain, at Client’s own risk and cost, the connection equipment (including personal computers, mobile trading devices and modems) and services for accessing and using the Electronic Trading Services. Further, Client acknowledges that Electronic Trading Services or internet is an inherently unreliable medium of communication and that such unreliability is beyond Broker’s control. Client agrees that Broker shall not be responsible for any loss, damage, cost, expenses, claim or liability of whatsoever nature, directly or indirectly, arising out of or in connection with such unreliability.

7. Client shall use materials available through the Electronic Trading Services for its own needs and shall not resell or otherwise allow or permit access to any such materials or otherwise deal with them in any way.

8. The Electronic Trading Services, Broker’s websites, whether maintained or provided by or on behalf of Broker, and the software comprised in them are proprietary to Broker and/or its agents, partners or contractors. Client undertakes not to tamper with, modify, decompile reverse-engineer or otherwise alter in any way, and shall not attempt to gain unauthorised access to any part of, the Electronic Trading Services or Broker’s websites or any of the software comprised in them. Client undertakes to notify Broker immediately if Client becomes aware that any such action is being perpetrated or attempted by another person.

9. Client acknowledges that in providing the Electronic Trading Services, Broker may use such authentication technologies as it deems appropriate. Client acknowledges that no authentication, verification or computer security technology is completely secure or safe and Client agrees to bear all risks of unauthorised access, hacking or identity theft.

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

11. Client understands that the Internet Trading Policy prepared by Broker setting out the operation policy and procedures of the Electronic Trading Services shall be available at the Electronic Trading Services website the terms of which shall be binding.
on Client in respect of Client’s use of the Electronic Trading Services. Such Internet Trading Policy may be changed by Broker at any time and from time to time and each such change shall be applicable on the effective date as specified in the relevant notice available at the Electronic Trading Services website. In the event of inconsistencies between the terms of this Agreement and the Internet Trading Policy, the terms of this Agreement shall prevail.

12. Client acknowledges that the price quotation service available at the Electronic Trading Services website is provided by a third party provider. Client acknowledges and agrees that Broker shall not be responsible to Client for any losses, costs, expenses, damages or claims which Client may suffer as a result of or in connection with any aspect of the quote service including Client’s reliance on such service.

13. Client understands that the Electronic Trading Services may provide, for information purpose only, data regarding securities and/or other investments published by third parties. Owing to market volatility and possible delay in the data-transmission process, the data may not be real-time market quotes for the relevant securities or investment. Client understands that whilst Broker believes such data to be reliable, there is no independent basis for Broker to verify or contradict the accuracy or completeness of the information provided. Client understands that no recommendation or endorsement from Broker shall be inferred from the data provided with respect to any securities or investment.

14. Client understands that information provided in the Electronic Trading Services is provided on an “as is”, “as available” basis and Broker does not guarantee the timeliness, sequence, accuracy, adequacy or completeness of such information. Broker gives no express or implied warranties (including but not limited to warranties of merchantability or fitness for a particular use) with respect to such information.

15. If Client gives any instruction to Broker outside Hong Kong, 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 Client’s instruction is given, and Client further agrees that Client shall, when in doubt, consult legal advisers and other professionals of the relevant jurisdiction. Client accepts that there may be taxes or charges payable to relevant authorities in respect to any instruction given outside Hong Kong, and Client agrees to pay such taxes or charges as applicable.

16. Client consents that any document (including, without limitation, any Advice), information, notice or communication may be given or presented to or exchanged with Client electronically on, via or over the Internet, the Electronic Trading Services and/or any part of Broker’s aforesaid websites. Any document (including, without limitation, any advice), information, notice or communication so given or presented to or exchanged with Client as aforesaid shall be deemed to have received by it immediately upon despatch. However, all notices and communications given or delivered to Broker electronically on, via or over the internet, the Electronic Trading Services and/or any part of Broker’s aforesaid websites shall be deemed to have been given or delivered to Broker on the day of actual receipt by it.
FOURTH SCHEDULE

RISK DISCLOSURE STATEMENTS

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

RISK OF SECURITIES TRADING

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

2. Any representation of past performance is not necessarily a guide to future performance.

3. Where investments involve exposure to foreign currencies, changes in rates of exchange may cause the value of the investments to fluctuate up or down.

4. Investments in emerging markets need careful and independent assessment by you of each investment and the risks (including without limitation sovereign risk, issuer risk, price risk, liquidity risk, legal and tax risks). Further, you should be aware that, while such investments can yield high gains, they can also be highly risky as the markets are unpredictable and there may be inadequate regulations and safeguards available to investors.

5. Broker is entitled to act upon your instructions and you cannot assume that Broker will warn you if your instructions are ill-timed or inadvisable for any reason or if the instructions are likely to cause you loss.

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

RISKS OF TRADING RENMINBI SECURITIES OR INVESTING IN RENMINBI INVESTMENTS

1. Exchange risks and Daily Conversion Limit, etc.
Renminbi (RMB) is currently not freely convertible and there may at any given time be limited availability of RMB outside Mainland China. There is conversion risk in RMB denominated securities, and daily or other limits may apply to conversion amounts. If converting to or from RMB in Hong Kong, you may have to allow sufficient time to avoid exceeding such limits. In addition, there is a liquidity risk associated with RMB denominated securities, especially if such securities do not have an active secondary market and their prices have large bid/offer spreads. Investment in RMB denominated securities is subject to exchange rate risks. The value of the RMB against any other foreign currencies fluctuates and is affected by changes in Mainland China and international political and economic conditions and by many other factors. The value of RMB settlement amounts compared to other currencies will vary with the prevailing exchange rates in the market.

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

3. Projected returns which are not guaranteed
If the RMB investment product is attached with a statement of illustrative return which is (partly) not guaranteed, you should pay particular attention to any disclosure relating to the return (or the part of the return, as the case may be) which is not guaranteed and the assumptions on which the illustrations are based, including, e.g., any future bonus or dividend declaration.

4. Long term commitment to investment products
For RMB products which involve a long period of investment, you should pay particular attention to the fact that if you redeem your investment before the maturity date or during the lock-up period (if applicable), you may incur a significant loss of principal where the proceeds may be substantially lower than their invested amount. You should beware of the early surrender/withdrawal fees and charges, if any, as well as the loss of bonuses (where applicable) as a result of redemption before the maturity date or during the lock-up period.

5. Credit risk of counterparties
You should pay particular attention to the credit risk of counterparties involved in the RMB products. To the extent that the RMB products may invest in RMB debt instruments not supported by any collateral, such products are fully exposed to the credit risk of the relevant counterparties. Where a RMB product may invest in derivative instruments, counterparty risk may also arise as the default by the derivative issuers may adversely affect the performance of the RMB product and result in substantial loss.

6. Interest rate risk
For RMB products which are, or may invest in, RMB debt instruments, you should pay attention to the fact that such instruments may be susceptible to interest rate fluctuations, which may adversely affect the return and performance of the RMB products.
7. **Liquidity Risk**
You should pay attention to the liquidity risk associated with the RMB products, and where applicable, the possibility that the RMB products may suffer significant losses in liquidating the underlying investments, especially if such investments do not have an active secondary market and their prices have large bid/offer spreads.

8. **Possibility of not receiving RMB upon redemption**
For RMB products with a significant portion of non-RMB denominated underlying investments, you should pay attention to the possibility of not receiving the full amount in RMB upon redemption. This may be the case if the issuer is not able to obtain sufficient amount of RMB in a timely manner due to the exchange controls and restrictions applicable to the currency.

9. **Additional risks associated with leveraged trading**
Prior to conducting leveraged trading of RMB products, you should make sure that you understand and accept the risks and the terms and conditions of the borrowing arrangement. Leveraging heightens the investment risk by magnifying prospective losses. You should pay attention to the circumstances under which you will be required to place additional margin deposits at short notice and that your collateral may be liquidated without your consent. You should beware of the risk that market conditions may make it impossible to execute contingent orders, such as “stop-loss” orders. In addition, you should be mindful of your exposure to interest rate risk, and in particular, your cost of borrowing may increase due to interest rate movements.”

**RISK OF TRADING 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 further 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 ("SEHK"). 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.

**RISK OF TRADING NASDAQ-AMEX SECURITIES AT THE SEHK**
The securities under the NASDAQ-Amex Pilot Program (“PP”) are aimed at sophisticated investors. You should consult Broker 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 SEHK. You should only consider participating in the PP if you have sufficient means and resources to acquire and understand the relevant product and market information regarding the PP which is published on or distributed via the internet in English.

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

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

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

- the nature and fundamentals of a derivative and the financial asset underlying such derivative;
- the legal terms and conditions of the documentation for such derivative;
- the extent of the economic risk to which you are exposed as a result of entering into such Derivative Transaction (and you have determined that)
- the tax treatment of such derivative (which can be complex and/or uncertain); and
- the regulatory treatment of such derivative.

**GENERIC RISKS ASSOCIATED WITH OVER-THE-COUNTER (“OTC”) DERIVATIVE TRANSACTIONS**
OTC derivative transactions, like other financial transactions, involve a variety of significant risks. The specific risks presented by a particular OTC derivative transaction necessarily depend upon the terms of the transaction and your circumstances. In general, however, all OTC derivative transactions involve some combination of market risk, credit risk, funding risk and operational risk.

1. **Market risk** is the risk that the value of a transaction will be adversely affected by fluctuations in the level or volatility of or correlation or relationship between one or more market prices or indices or other market factors or by illiquidity in the market for the relevant transaction or in a related market.

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

4. Operational risk is the risk of loss to you arising from inadequacies in or failures of your internal systems and controls for monitoring and quantifying the risks and contractual obligations associated with OTC derivative transactions, for recording and valuing OTC derivative and related transactions, or for detecting human error, systems failure or management failure.

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

Because the price and other terms on which you may enter into or terminate an OTC derivative transaction are individually negotiated, these may not represent the best price or terms available to you from other sources. In evaluating the risks and contractual obligations associated with a particular OTC derivative transaction, you should also consider that an OTC derivative transaction may be modified or terminated only by mutual consent of the original parties and subject to agreement on individually negotiated terms.

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

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

RISKS OF TRADING IN EXCHANGE-TRADED STRUCTURED PRODUCTS (“Structured Products”) e.g. Derivative Warrants (“Warrants”), Callable Bull/Bear Contracts (“CBBC”)

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

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

2. 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.

3. Gearing risk
   Structured Products such as Warrants and CBBCs are leveraged and can change in value rapidly according to the gearing ratio relative to the underlying assets. Investors should be aware that the value of a Structured Product may fall to zero resulting in a total loss of the initial investment.

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

5. Extraordinary price movements
   The price of a Structured Product may not match its theoretical price due to outside influences such as market supply and demand factors. As a 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.

6. 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. There is no guarantee that investors will be able to buy or sell their Structured products at their target price any time they wish.

SOME ADDITIONAL RISKS INVOLVED IN TRADING WARRANTS

1. Time decay risk
   All things being equal, the value of a Warrant will decay over time as it approaches its expiry date. Warrants should therefore not be viewed as long term investments.

2. Volatility risk
   Prices of Warrants can increase or decrease in line with the implied volatility of underlying asset price. Investors should be aware of the underlying asset volatility.

3. Market Risk and Turnover
   Other than basic factors that determine the theoretical price of a Warrant, Warrant price are also affected by all prevailing market forces including the demand for and supply of the Warrants. The market forces will be greatest when a Warrant issue is almost sold out and when issuers make further issues of an existing Warrant issue. High turnover should not be regarded as an indication the price of a Warrant will go up. The price of a Warrant is affected by a number of factors in addition to market forces, such as the price of the underlying assets and its volatility, the time remaining to expiry, interest rates and the expected dividend on the underlying assets.
SOME ADDITIONAL RISKS INVOLVED IN TRADING CBBCS

1. Mandatory call risk
   Investors trading CBBCs should be aware of their intraday “knockout” or mandatory call feature. A CBBC will cease trading when the underlying asset value equals the mandatory call price/level as stated in the listing documents. Investors will only be entitled to the residual value of the terminated CBBC as calculated by the product issuer in accordance with the listing documents. Investors should also note that the residual value can be zero.

2. Funding costs
   The issue price of a CBBC includes funding costs. Funding costs are gradually reduced over time as the CBBC moves towards expiry. The longer the duration of the CBBC, the higher the total funding costs. In the event that a CBBC is called, investors will lose the funding costs for the entire lifespan of the CBBC. The formula for calculating the funding costs are stated in the listing documents.

3. Trading of CBBC Close to Call Price
   When the underlying asset is trading close to the call price, the price of a CBBC may be more volatile with wider spreads and uncertain liquidity. CBBC may be called at any time and trading will terminate as a result. However, the trade inputted by the investor may still be executed and confirmed by the Exchange participants after the Mandatory Call Event (“MCE”) since there may be some time lapse between the MCE time and suspension of the CBBC trading. Any trades executed after the MCE will not be recognized and cancelled. Therefore, investors should be aware of the risk and ought to apply special caution when the CBBC is trading close to the call price.

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

RISKS OF TRADING IN SYNTHETIC EXCHANGE TRADED FUNDS (“ETFs”)

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

Market Risk

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

Counterparty Risk

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

Liquidity Risk

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

Tracking Error Risk

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

Trading at a Discount or Premium

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

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

RISK IN RELATION TO THE USE OF THE INTERNET OR OTHER ELECTRONIC MEDIUM

Any communication or transaction via or information (including any document) transmitted via the internet or other electronic medium involves risks and you understand and accept the following risks:

1. The internet or other electronic media (including without limitation electronic devices, services of third party telecom service providers such as mobile phones or other handheld trading devices or interactive voice response systems) are an inherently unreliable form of communication, and that such unreliability is beyond Broker’s control.

2. Information (including any document) transmitted or communication or transactions over the internet or through other electronic media (including without limitation electronic devices, services of third party telecom service providers such as mobile phones or other handheld trading devices or interactive voice response systems) may be subject to interruption, transmission blackout, delayed transmission due to data volume or incorrect data transmission (including without limitation incorrect price quotation) or stoppage of price data feed due to the public nature of the internet or other electronic media.

3. As a result of such unreliability, there may be time-lags or delays or failures or loss of data or loss of confidentiality in the transmission of data and receipt of instructions may be executed at prices different from those prevailing at the time the instructions were given.

RISK IN RELATION TO AUTHORIZED THIRD PARTY

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

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

If you provide Broker 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.

RISKS IN LEAVING MONEY OR OTHER PROPERTY IN THE CUSTODY OF BROKER OR ITS NOMINEES OR AGENTS

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

RISKS OF CLIENT ASSETS RECEIVED OR HELD OUTSIDE HONG KONG

Client assets received or held by Broker or Broker’s nominee 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.
STANDING AUTHORITY

Date:

To : Quest Stockbrokers (HK) Ltd
   Unit A, 1/F Harbour Commercial Building
   122-124 Connaught Road Central
   Sheung Wan, Hong Kong

Dear Sirs,

Unless otherwise defined, all the terms used in this authorization letter shall have the same meanings as in the Securities and Futures Ordinance, the Securities and Futures (Client Securities) Rules and the Securities and Futures (Client Money) Rules as amended from time to time.

Standing Authority under the Securities and Futures (Client Money) Rule

The Client Money Standing Authority covers money held or received by you in Hong Kong or elsewhere in one or more segregated account(s) on my/our behalf (“Monies”).

I/We authorize you to:

   a) combine or consolidate any or all segregated accounts, of any nature whatsoever and either individually or jointly with others, maintained by you or any of your Associates and you may transfer any sum of Monies to and between such segregated account(s) to satisfy my/our liabilities to you or any of your Associates;

   b) set-off or transfer any sum of Monies interchangeably between any of the segregated account(s) maintained at any time by you or any of your Associates towards satisfaction of any of my/our liabilities to you or any of your Associates; and

   c) transfer any funds standing from time to time in any accounts maintained at any time by me/us with you or any of your Associates to the Account (as defined in the Standard Terms and Conditions for Securities Trading as amended from time to time) and/or to any other account(s) maintained at any time by you or any of your Associates; and

   d) transfer my/our Monies held or received by you in Hong Kong to an account outside of Hong Kong;

   e) Into any of my/our account maintained by me/us with a bank or financial institution.
Standing Authority under the Securities and Futures (Client Securities) Rule

The Client Securities Standing Authority is in respect of the treatment of the Client’s Securities as set out below:

I/We authorize you to:

a) deposit any of my/our securities with HKSCC as collateral for discharge and satisfaction of your clearing and settlement obligations and liabilities. I/We understand that HKSCC will have a fixed charge over the Client’s securities to the extent of your obligations and liabilities;

b) deposit any of my/our securities with any other recognized clearing house, or another intermediary licensed or registered for dealing in securities, for the discharge and satisfaction of your settlement obligations and liabilities.

This Authority is given to you in consideration of your agreeing to continue to maintain my/our Account. I/We fully understands and warrants that I/we have the absolute ownership of the Client’s Securities free from all liens, charges and encumbrances during the continuance in force of this Authority.

I/We also fully understands that a third party may have rights to the Client’s securities which you must satisfy before the Client’s securities can be returned to me/us.

I/We hereby agree to indemnity, and to keep indemnified you from and against all losses, damages, interests, costs, expenses, actions, demands, claims or proceedings of whatsoever nature which they may incur, suffer and/or sustain as a consequence of any transaction undertaken in pursuance of this Authority.

I/We acknowledge that this Standing Authority is given without prejudice to other authorities or rights which you may have in relation to the Client Monies and Client Securities. This Standing Authority will remain effective for twelve (12) months commencing from the date hereof.

This Standing Authority may be revoked by me/us by serving you 14 days written prior notice addressed to the Administration Department at your address specified above or such other address which you may notify me/us in writing for this purpose. Such revocation shall not take effect until actual receipt by you of such written notice and shall not affect any transaction undertaken by you pursuant to this Authority prior to such revocation taking effect.

I/We understand that this Standing Authority shall be deemed to be renewed on a continuing basis without my/our written consent if you issue me/us a written reminder at least 14 days to the expiry date of the relevant authority, and I/we do not object to such deemed renewal before such expiry date.
This letter has been fully explained to me/us, and I/we understand and agree with the contents of the same.

Yours faithfully,

…………………………………………..
…………………………………………..
Signature(s) of client(s)
(Individual and Joint Account)

…………………………………………..
Signature(s) of Authorized Person(s)
of Client with Company Chop
(Corporate Account)