



CLIENT AGREEMENT (V.201603)

To: **COL SECURITIES (HK) LIMITED** ("COL"), a participant of The Stock Exchange of Hong Kong Limited (the "Exchange") and a securities dealer registered as such with the Securities and Futures Commission ("SFC") having CE# AHF149 and having its registered office at Room 803-4, Luk Yu Building, 24-26 Stanley Street, Hong Kong.

I/We (the "Client"), request COL to operate a securities trading account (the "Account") for the Client on the following terms and conditions: -

1. THE ACCOUNT

- 1.1. The Client confirms having provided the information in the Account Opening Information Form and that it is complete and accurate. The Client undertakes to inform COL of any changes to that information. In this regard, Client hereby authorizes COL to conduct credit enquiries to verify the information provided.
- 1.2. For the purpose of selling, buying, or performing other acts stated herein, the Client irrevocably appoints and constitutes COL, its officers, employees, agents, or successors-in-interest and/or assigns, as the true and lawful attorney-in-fact with full power and authority to execute buy or sell orders, lend or borrow securities, execute bills of sale, receipts, assignments of all rights, title and interests to the purchaser/s thereof, and to deliver or accept delivery of the corresponding stock certificates or certificates of participation, and to do all other acts which COL may do or cause to be done in accordance with the powers herein conferred, all of which are hereby deemed ratified in all respects. COL shall be entitled to rely on any instruments, notices, and communications which COL believes to have originated from the Client and the Client shall be bound thereby.
- 1.3. COL will keep information relating to the Client's Account confidential, but may provide any such information to applicable government and regulatory authorities, including the Exchange and the SFC to comply with their requirements or requests for information, as well as the Execution and Clearing Broker ("Executing Broker"), if applicable.
- 1.4. In case of joint accounts, the Client agrees that: (i) in case of withdrawal of funds, the check shall be made payable to the names of all account holders; (ii) instructions for "joint and" accounts should be signed by all account holders; (iii) in case of "joint or" accounts, while the instructions of one of the account holders shall bind all other account holders, the primary account holder, as identified in the Customer Account Information Form ("CAIF"), shall be the "senior" account holder whose instructions shall prevail over any conflicting instructions from the other account holder(s); provided, however, that COL reserves the right to require all account holders to sign any document/request; (iv) the Client holds COL free and harmless from any and all losses, damages, costs, penalties, fines, and taxes incurred as a result of action or inaction taken by COL in response to any instructions given by parties believed by COL to be authorized or unauthorized to give such instructions; and (v) in case of death of any of the parties, the surviving party/ies may only withdraw funds from the Account or close the Account after submission of the required documentation to COL proving compliance with applicable estate laws and regulations.

2. LAWS AND RULES.

- 2.1. **Applicable Law.** With the exception of Overseas Investments and/or transactions made in jurisdictions outside Hong Kong, all transactions in securities traded which COL executed upon the Client's instruction ("Transaction") shall be effected in accordance with all laws, rules and regulatory directions applicable to COL. This includes the Rules of the Exchange and of the Hong Kong Securities Clearing Company Limited (the "Clearing House"). All actions taken by COL shall be binding on the Client.
- 2.2. **Foreign Account Tax Compliance Act (FATCA).**
 - a. The Client is aware that COL is registered with the United States Internal Revenue Service and consents to COL's compliance with the requirements under FATCA, as the same may be amended from time to time, and its implementing rules and regulations, including the disclosure of Client information. The Client further agrees to provide COL with all required documents under FATCA.
 - b. The Client will inform COL of any changes in the information provided to COL, including a change of his status from non-U.S. Person to U.S. Person as defined under FATCA, and furnish COL all necessary documentation within thirty (30) days from the change thereof without need of demand.

3. **LOCAL ACCOUNT.** In case the Account is a local (Hong Kong only) account, the Client agrees to be bound by the following additional terms and conditions:
- 3.1 **Local Account Transactions.**
- a. COL will act as the Client's agent in effecting Transactions unless COL indicates (in the contract note for the relevant Transaction or otherwise) that COL is acting as principal.
 - b. In the case of a purchase Transaction, if the selling broker fails to deliver on the settlement date and COL has to purchase securities to settle the Transaction, the Client shall not be responsible to COL for the costs of such purchases.
- 3.2 **Cash Held for the Client.** Any cash held for the Client, other than cash received by COL in respect of Transactions and which is on-paid for settlement purpose or to the Client, shall be credited to a client trust account maintained with a licensed bank as required by applicable laws from time to time.
- 3.3 **Custody of Securities.**
- a. Any securities held by COL for safekeeping may, at the Client's discretion: (i) (in the case of registrable securities) be registered in the Client's name or in the name of COL's nominee; or (ii) be deposited in safe custody in a designated account with COL's bankers or with any other institution which provides facilities for the safe custody of documents. Such institution shall be acceptable to the SFC as a provider of safe custody services.
 - b. 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 COL, be credited to the Client's Account or paid or transferred to the Client, as agreed with COL. Where the securities form part of a larger holding of identical securities held for COL's clients, the Client shall be entitled to the same share of the benefits arising on the holding as the Client's share of the total holding.
 - c. COL does not have the Client's written authority under Sec. 81(3) of the Securities Ordinance to: (i) deposit any of the Client's securities with a banking institution as collateral for an advance or loan made to COL, or with the Clearing House as collateral for the discharge of COL's obligations under the clearing system; (ii) borrow or lend any of the Client's securities; or (iii) otherwise part of possession (except to the Client or on the Client's instructions) of any of the Client's securities for any purpose.
 - d. Orders may be made: (i) verbally by recorded telephone to the main office line; (ii) through electronic means by sending an SMS coming from registered at account opening mobile number or by sending an email originating from account holder registered at account opening email address; or (iii) by fax with the Client's signature.
- 3.4 **Set-off of Amounts.** The Client is aware that COL has, with respect to all its clients, elected to set-off, on a client-by-client basis, any amount receivable from, and amount payable to, a client where such amounts arise from the purchase and sale of securities by the client on a cash-against-delivery basis. In relation thereto, the Client hereby authorizes COL to set-off such amounts against each other and dispose of securities held for the Client for the purpose of settling any of the amounts payable by the Client to COL.
4. **GLOBAL ACCESS ACCOUNT.** In case the Account is a global access account, the Client agrees to be bound by the following additional terms and conditions:
- 4.1. **Agency.**
- a. The Client authorizes COL to enter into agreements with regulated Executing Brokers who shall, subject to the terms and conditions that may be agreed upon between COL and the applicable Executing Broker, act as the broker who will carry the account and execute Transactions.
 - b. The Client authorizes COL to act as the Client's attorney-in-fact in relaying instructions to the Executing Broker. The above notwithstanding, the Client acknowledges that the Account shall be solely operated by the Client or the Client's authorized representatives.
 - c. The Client authorizes COL to (i) disclose the Client's orders to the Executing Broker including the latter's respective affiliates and brokers and (ii) place the Client's funds and investments with the Executing Broker.
 - d. The Client acknowledges that while COL may have entered into an agreement with the Executing Broker, COL does not act as the Executing Broker's agent.
 - e. COL may, from time to time, upload disclosures on the respective agreements of COL with the Executing Broker/s, which disclosures are merely general and brief discussions on the allocation of functions between COL and the Executing Broker and is not exhaustive list of all rights and obligations thereunder. The Client acknowledges that it is the Client's responsibility to review any such disclosures.
- 4.2. **Global Access Account Transactions.**
- a. The Client understands that any claims the Client may have with respect to trading transactions executed by the Executing Broker must be made against the Executing Broker and that the Client

bears the risk for any such trading losses and other losses in relation thereto. COL shall exert best efforts in assisting the Client with relaying said claims to the Executing Broker.

- b. With respect to transfers of funds or investments, the Client understands that the processing time for such transfers is dependent on the procedures of the Executing Broker and outside the control of COL. The Client acknowledges that prior to the completion or cancellation of such transfer, the assets transferred will not be available for trading.
- c. The Client understands that the Executing Broker and/or the relevant government authorities of the jurisdiction of the issuer of the concerned investments may require the Client to execute certain documents prior to investment and/or to keep said documents current. In case the Client is unable to provide said documents, the Client understands that the Executing Broker may withhold trading services and/or be constrained to withhold taxes on the particular investment.

4.3. **Multi-Currency.**

- a. The Client may be able to trade products denominated in different currencies using a base currency chosen by him. The Client understands that to trade foreign investments, it may be necessary convert foreign currencies into Hong Kong dollars and vice versa under the applicable rates at the time of conversion. The Client hereby authorizes COL to make all necessary foreign currency transactions in the Account to facilitate trading and receipt of any amounts related thereto, including sales proceeds, dividends, and other distributions. The Client acknowledges that COL and/or the Executing Broker have the authority to determine the appropriate exchange rate for any currency conversion and agrees to pay any charges that may be imposed due to such transactions and that the spread of currency conversion and exchange rate relayed to the Client is merely indicative and may be updated from time to time. The Client understands that the actual exchange rate may differ from the indicative exchange rate.
- b. If required by the Executing Broker, upon purchase of a product denominated in a different currency from the base currency, a margin loan may be created to fund the purchase, secured by the assets in the Client's Accounts. If the Client maintains positions denominated in foreign currencies, COL and/or the Executing Broker will calculate Margin Requirements by applying exchange rates specified by them. COL and/or the Executing Broker will apply "haircuts" (a percentage discount on the foreign currency equity amount) to reflect the possibility of fluctuating exchange rates between the base currency and the foreign currency. The Client must closely monitor margin requirements at all times, particularly for positions denominated in foreign currencies, because fluctuation in the currency and the value of the underlying position can cause a margin deficit.
- c. The Client agrees that obligations to the Client shall be denominated in: (i) the United States dollar; (ii) a currency in which funds were deposited by the Client or were converted at the request of the Client, to the extent of such deposits and conversions; or (iii) a currency in which funds have accrued to the Client as a result of trading conducted on a designated contract market or registered derivatives transaction execution facility, to the extent of such accruals. The Client further agrees that COL and/or the Executing Broker may hold customer funds in: (i) the United States; (ii) a money center country as defined by the US Commodity Exchange Act and regulations thereunder; or (iii) the country of origin of the currency. In addition, the Client acknowledges and authorizes COL and/or the Executing Broker to hold the Client's funds outside the United States, in a jurisdiction that is neither a money center country nor the country of origin of the currency in order to facilitate the Client's trading in investments denominated in that currency.

5. **MARGIN ACCOUNTS.** Subject to agreements with the applicable Executing Brokers, COL may offer a margin account to Global Access Account clients. In case the Global Access Client applies for a Margin Account and such application was granted, the Client agrees to abide by the following terms and conditions:

5.1. **Professional Investor.** This Margin Account shall be offered only to professional investors as defined under the Securities and Futures Ordinance, as the same may be amended from time to time. By applying for the same, the Client represents that he is a professional investor and holds COL free and harmless from relying on such representation.

5.2. **Margin Line.**

- a. Upon approval by COL of the Margin Account, a margin line shall be established in the Client's favor for an amount equal to what is held in the Account equivalent to the total amount of cash and market value of Marginable Securities with a defined margin rating. In no case, however, shall the margin line exceed the amount approved. The Client fully understands that the approved margin line can be reduced or cancelled any time according to market conditions or for any reason whatsoever at the sole and absolute discretion of COL and/or the Executing Broker.
- b. The term "Marginable Securities" refers to the eligible marginable securities included in the list provided in COL's website. A reclassification of what are marginable or non-marginable securities and/or their margin rating may be made by COL at any time.

- 5.3. **Maintaining Balances.** Margin transactions are subject to initial and maintenance margin requirements of exchanges, clearinghouses, and regulators and also to any additional margin requirement of COL and/or the Executing Broker. COL and/or the Executing Broker may modify its margin requirements for any or all customers for any open or new positions at any time, in their sole discretion. The Client shall monitor the Margin Account to ensure that it contains sufficient equity to meet the margin requirements at all times. COL and/or the Executing Broker may reject any order if the Margin Account has insufficient equity to meet the margin requirements, and may delay processing any order while determining the Client's margin status. The Client shall maintain, without notice or demand, sufficient equity at all times to continuously meet the margin requirements. Formulas for calculating the Client's margin requirements on the website are indicative only and may not reflect actual margin requirements. The Client must at all times satisfy whatever margin requirement is calculated by COL and/or the Executing Broker.
- 5.4. **Security.** As security for all obligations and liabilities under the Margin Account, the Client hereby constitutes and creates a general lien and security interest in favor of COL over any and all of the securities and contracts, papers, and documents pertaining thereto belonging to the Client or in which the Client may have an interest, which may now or hereafter be held or carried by COL for the Client's account (whether owned wholly or jointly with others), including all dividends, cash, stock or property, subscriptions, warrants, rights or options, pertaining to said securities, which securities may be held by COL in its name, for the prompt and full payment and performance of any and all of the Client's obligations and liabilities under and by virtue of the Margin regardless of whether or not COL has made advances in connection with such securities and/or exercised at any time any of its rights and powers under this Agreement.
- 5.5. **Interest Rate.**
- a. The Client agrees to be charged interest computed daily based on the Account's daily adjusted debit balances. Interest charges shall be computed at the rates indicated in the COL website. Such rates are exclusive of applicable taxes and are subject to change without prior notice at COL's sole and absolute discretion.
 - b. The daily Interest charge shall be calculated by dividing the applicable interest charge by the number of days in the given year.
 - c. The Client understands that the interest, while computed daily, shall be debited on the Account monthly. The online ledger shall calculate daily accruals of interest at the base rate, as indicated in the COL website. However, adjustments to take into consideration the daily flexible interest charges shall be made at the end of the month.
- 5.6. **Trading Rules.**
- a. If the Margin line is suspended or deemed terminated at any time, the Client shall settle in full all of the billings sent by COL for the payment of any debit balance and/or other obligations under the Margin Account.
 - b. Upon receipt of notice of the suspension or termination of the Margin line, the Client shall discharge the Client's obligations by infusing additional funds, depositing Marginable Securities, or placing an order with COL to sell a sufficient amount of the indentured securities to cover such obligations; Provided, however, that if such sale is not executed on the trading day after termination of the Margin line, or when the net proceeds of such sale are insufficient, then the Client shall pay upon billing the entire remaining obligations.
 - c. All securities purchased under this Margin line shall be placed in street name.
 - d. COL and/or the Executing Broker do not have to notify the Client of any failure to meet the margin requirements prior to exercising their rights. The Client acknowledges that COL and/or the Executing Broker generally will not issue margin calls; generally will not credit the Client's account to meet intraday or overnight margin deficiencies; and is authorized to liquidate account positions in order to satisfy the margin requirements without prior notice.
 - e. If at any time the Client's Margin Account has insufficient equity to meet the margin requirements or is in deficit, COL and/or the Executing Broker have the right, in their sole discretion, but not the obligation, to liquidate all or any part of the Client's positions in any of the Client's Accounts, individual or joint, at any time and in any manner and through any market or dealer, without prior notice or margin call to the Client. The Client shall be liable and will promptly pay COL for any deficiencies in the Margin Account that arise from such liquidation or remain after such liquidation. COL and the Executing Broker have no liability for any loss sustained by Client in connection with such liquidations (or if the system delays effecting, or does not effect, such liquidations) even if the Client re-establishes its position at a worse price.
 - f. COL and/or the Executing Broker may allow the Client to pre-request the order of liquidation in event of a margin deficiency, but such requests are not binding on COL and/or the Executing Broker who retain sole discretion to determine the assets to be liquidated and the order/manner of liquidation. COL and/or the Executing Broker may liquidate through any market or dealer, and COL, the Executing Broker, or any of their affiliates may take the other side of the transactions consistent with laws and regulations. If COL and/or the Executing Broker liquidate any/all positions in the Client's

Margin Account, such liquidation shall establish the Client's gain/loss and remaining indebtedness to COL and/or the Executing Broker, if any. The Client shall reimburse and hold COL and the Executing Broker harmless for all actions, omissions, costs, fees (including, but not limited to, attorney's fees), or liabilities associated with any such transaction undertaken by COL and/or the Executing Broker, as applicable. If COL and/or the Executing Broker execute an order for which the Client did not have sufficient equity, COL and/or the Executing Broker have the right, without notice, to liquidate the trade and the Client shall be responsible for any resulting loss and shall not be entitled to any resulting profit.

- g. If COL and/or the Executing Broker do not, for any reason, liquidate under-margined positions, and issues a margin call, the Client must satisfy such call immediately by depositing funds. The Client acknowledges that even if a call is issued, COL and/or the Executing Broker may still liquidate positions at any time.
 - h. The Client acknowledges that the COL and/or the Executing Broker have the right to liquidate all or part of the Client's positions without prior notice: (i) if any dispute arises concerning any Transaction, or (ii) whenever COL and/or the Executing Broker deem that liquidation necessary or advisable for their protection.
- 5.7. **Inter-Account Transfers.** COL may, at any time and from time to time, at its discretion and without prior notice to the Client, apply and/or transfer securities in any one of the Client's accounts to the Client's other accounts with COL when, in the latter's judgment, such transfer is necessary or advisable.
- 5.8. **Power of Attorney.** In the event this Margin facility is terminated or deemed terminated under this Agreement, or in case of death or incapacity or when a petition for bankruptcy or for the appointment of a receiver or conservator, or similar petition, is filed by or against the Client, or in the event the Client fails to deliver the required margin cover or otherwise fail to comply with this Agreement, or whenever in its discretion, COL and/or the Executing Broker deems it necessary for its protection and notifies the Client of such finding, all amounts owing to COL and/or the Executing Broker under the Margin line or any margin credit hereunder shall be immediately due and payable without demand or notice other than as specified in this paragraph, and COL and/or the Executing Broker shall be deemed to have, and is hereby granted, an irrevocable power of attorney (coupled with interest) to do the following on the Client's behalf:
- a. To sell any or all of the indentured securities which may be in the possession of COL and/or the Executing Broker or which COL and/or the Executing Broker may be carrying for the Client, either individually or jointly with others. COL and/or the Executing Broker shall, in case of any such sale, be entitled to any deficiency in case the net proceeds of the sale are less than the Client's obligations which deficiency the Client, his successors or assigns shall remit to COL upon demand, and the Client shall, at all times, be liable for the payment of the full account of any obligations owing under the Margin line and for any deficiency remaining thereunder in the event the liquidation thereof in whole or in part by anyone of the parties thereto;
 - b. To buy any or all securities of which the Account may be short;
 - c. To cancel any outstanding orders in order to close out the Account in whole or in part, or in order to close out any commitments made in the Client's behalf; and
 - d. To apply to the payment of any of the obligations under the Margin Line, any funds, securities, or things of value belonging to the Client which may now or hereafter be in the possession or control or COL and/or the Executing Broker.

Any such sales or purchases provided in this paragraph may be made at the discretion of COL and/or the Executing Broker at markets where such business is usually transacted, or at public auction or private sale. Further, COL and/or the Executing Broker have the discretion to choose which security in the Margin Account will be liquidated or sold pursuant to this paragraph.

- 5.9. **Application of Sales Proceeds.** Notwithstanding the extinguishment of the lien and security interest created herein, the Client hereby expressly authorizes COL and/or the Executing Broker to apply the proceeds of any sale of securities contemplated in Section 5.6 (Trading Rules), in full or partial satisfaction as the case may be, of the Client's obligations under the Margin line.
- 5.10. **Authority to Repledge Securities.** The Client understands that if COL and/or the Executing Broker approve the Client's application for Margin facility, the Client's Global Access Account will be upgraded to a Margin Account. The Client acknowledges that securities held in the Margin Account may be pledged, repledged, hypothecated, or rehypothecated for any amount due to COL and/or the Executing Broker in the Account(s) or for a greater amount which COL and/or the Executing Broker, in their sole discretion, may deem necessary. The Client also acknowledges that the Client's securities may be loaned to COL and/or the Executing Broker or loaned out to others and that COL and/or the Executing Broker may receive compensation in connection with lending my/our securities.
- 5.11. **Short Selling.** The Client acknowledges that short sales must be done in a margin account, subject to Margin Requirements; that prior to selling short, COL and/or the Executing Broker must believe it can borrow stock for delivery; and that if COL and/or the Executing Broker cannot borrow stock (or re-borrow after a recall notice) COL and/or the Executing Broker may buy-in stock on the Client's behalf, without notice to the Client, to cover short positions and the Client is liable for any losses/costs.

6. TRANSACTIONS AND APPLICABLE CHARGES.

- 6.1. In all Transactions, the Client will pay COL's commissions and charges as notified to the Client in COL's website, as well as applicable levies imposed by the Exchange and all applicable stamp duties. COL may deduct such commissions, charges, levies, and duties from the Account.
- 6.2. Unless otherwise agreed, in respect of each Transaction, unless there is sufficient cash or securities in the Account to settle the Transaction, the Client will, by such time as COL and/or the Executing Broker has notified the Client in relation to that Transaction: (i) pay COL cleared funds or deliver to COL securities in deliverable form; or (ii) otherwise ensure that COL has received such funds or securities. If the Client fails to do so, COL and/or the Executing Broker may: (i) in the case of a purchase Transaction, sell the purchased securities; and (ii) in the case of a sale Transaction, borrow and/or purchase securities in order to settle the Transaction.
- 6.3. The Client will notify COL when a sales order relates to securities which the Client does not own i.e. involves short selling.
- 6.4. The Client will be responsible to COL for any losses and expenses resulting from the Client's settlement failures.
- 6.5. 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 COL has notified the Client from time to time.
- 6.6. The Client understands that while COL and/or the Executing Broker will exert best efforts to fulfill the Client's orders, there may be delays or problems in the transmission of orders, including but not limited to telephone lines, internet, and facsimile issues.
- 6.7. The Client acknowledges that it may not be possible to cancel or modify an order. COL and/or the Executing Broker are not responsible if either party is unable to cancel or modify an order and the Client agrees to be bound thereby.
- 6.8. The Client shall monitor each open order until receipt of confirmation of the execution or cancellation thereof. The Client acknowledges that confirmations may be subject to delays and/or corrections and agrees that it is his responsibility to report any errors in the confirmation/s received immediately. In case there is an unreasonable delay in reporting of the error, COL and/or the Executing Broker reserve the right to require the Client to accept the trade or remove the trade from the Client's Account.
- 6.9. COL reserves the right to adjust the Account to correct any error. The Client agrees to promptly return to COL any assets received by the Client which he is not entitled to.
- 6.10. The Client is responsible for incurred charges related to market data subscriptions proscribed by the various Exchanges. If a certain level of value turnover is done within a calendar month as published on the website, COL will rebate the fees.
- 6.11. COL shall maintain a ledger of the Client's daily transactions and shall furnish the Client electronic Daily Account Statements and Monthly Account Statements which shall replace written confirmation of purchases and sales and account statements. The Account Statements shall be deemed accurate and accepted by the Client if not objected to in writing within forty-eight (48) hours from the date of transaction. The above notwithstanding, the Client may receive paper statements subject to the following conditions: (i) the Client agrees to pay fees for such paper statements at the rates indicated in COL's website, which fees shall be automatically debited from the Client's account; (ii) the Client shall make a written request to receive paper statements, which request shall be valid and deemed renewed on a monthly basis unless otherwise revoked in writing or unless the cash balance of the Account is not sufficient to cover the fee for the paper statements; and (iii) all risks and damages in relation to lost, stolen, or delayed statements shall be borne solely by the Client.
- 6.12. If COL solicits the sale of or recommends any financial product to the Client, the financial product must be reasonably suitable to the Client having regard to the Client's financial situation, investment experience, and investment objectives. No other provision of this Agreement or any other document COL may ask the Client to sign and no statement COL may ask the Client to make derogates from this clause.

7. STANDING AUTHORITY UNDER THE SECURITIES AND FUTURES (CLIENT MONEY) RULES.

- 7.1. This Standing Authority covers monies received or held by COL in one or more segregated account(s) from or on the Client's behalf ("Monies") and is without prejudice to other authorities or rights which COL may have in relation to dealing in Monies in the segregated accounts.
- 7.2. The Client authorizes COL to, without notice: (a) transfer any sum of Monies interchangeably between any of segregated accounts maintained by the COL and/or the Executing Broker, its affiliates, nominees, agents or clearing brokers in or outside Hong Kong; or (b) pay or transfer any sum of the Monies to the Client's account with the Executing Broker, its respective affiliates, nominees, agents or clearing broker in or outside Hong Kong for the purpose of settling any of the Client's obligations and/or liabilities to any Executing Broker. For this section, the term "segregated account(s)" includes any account(s) designated as client account(s) or trust account(s) established and maintained in Hong Kong in accordance with the

Client Money Rules or account(s) designated as client account(s) or trust account(s) established and maintained outside Hong Kong.

- 7.3. This Standing Authority shall be valid for one (1) year and shall be deemed to be renewed for subsequent periods of one (1) year each from the date of signing of this Agreement. The Client may revoke this Standing Authority by giving COL written notice at least seven (7) days prior to the expiry thereof. COL reserves the right to close the Account in case of such revocation.
- 7.4. Unless otherwise defined, all the terms used in this Standing Authority shall have the same meaning as defined in the Securities and Futures Ordinance and the Securities and Futures (Client Money) Rules ("Client Money Rules") as amended from time to time.

8. **STANDING AUTHORITY UNDER THE SECURITIES AND FUTURES (CLIENT SECURITIES) RULES.**

- 8.1. This Standing Authority covers securities received or held by COL in one or more segregated account(s) from or on the Client's behalf ("Securities") and is without prejudice to other authorities or rights which COL may have in relation to dealing in Securities in the segregated accounts. It shall not affect COL's right to dispose or initiate a disposal of the Securities in settlement of any liability owed by or on behalf of the Client to COL, the associated entity or a third person.
- 8.2. The Client authorizes COL to, without notice: (a) apply any of the Securities pursuant to a securities borrowing and lending agreement; (b) deposit any of the Securities with an authorized financial institution as collateral for financial accommodation provided to COL; (c) deposit any of the Securities with the Hong Kong Securities Clearing Company Limited ("HKSCC") as collateral for the discharge and satisfaction of COL's obligations and liabilities with the understanding that HKSCC will have a first fixed charge over the Securities to the extent of COL's obligations and liabilities; (d) deposit any of the Securities with any other recognized clearing house, or another intermediary licensed or registered for dealing in securities, as collateral for the discharge and satisfaction of COL's settlement obligations and liabilities; and (e) apply or deposit any of the Securities in accordance with (a), (b), (c) and/or (d) above if COL provided the Client with financial accommodation in the course of any other regulated activity for which COL is licensed or registered.
- 8.3. This Standing Authority is provided by the Client in consideration of COL agreeing to continue to maintain a securities cash and/or margin account for the Client. The same is without prejudice to any other authority or rights which COL and/or any of its subsidiaries may have in relation to dealing with the Monies.
- 8.4. This Standing Authority shall be valid for one (1) year and shall be deemed to be renewed for subsequent periods of one (1) year each from the date of signing of this Agreement. The Client may revoke this Standing Authority by giving COL written notice at least fourteen (14) days prior to the expiry thereof. COL reserves the right to close the Account in case of such revocation.
- 8.5. In relation to this Standing Authority, the Client warrants that the Client is the absolute owner of said Securities free from all liens, charges, and encumbrances during the effectivity of this Standing Authority.
- 8.6. Unless otherwise defined, all the terms used in this Standing Authority shall have the same meaning as defined in the Securities and Futures Ordinance and the Securities and Futures (Client Securities) Rules, as amended from time to time.

9. **INDEMNITY.**

- 9.1. The Client shall not hold COL, any of its affiliates, officers, directors, employees, stockholders, and other agents liable for any trading losses or other losses incurred in relation to the Account and/or any Transaction.
- 9.2. The Client accepts the system "as is" and without warranties, express or implied, including, but not limited to, the implied warranties of merchantability or fitness for a particular use, purpose or application; timeliness; freedom from interruption; or any implied warranties arising from trade usage, course of dealing or course of performance. Under no circumstances shall COL be liable for any punitive, indirect, incidental, special or consequential loss or damages, including loss of business, profits, or goodwill unless arising directly from its fraud or causing personal bodily injury or death. COL shall not be liable to the Client by reason of delays or interruptions of service or transmission, or failures of performance of the system, regardless of cause, including, but not limited to, those caused by hardware or software malfunction; governmental, exchange or other regulatory action; acts of god; war; terrorism; or COL's or Executing Broker's intentional acts. The Client recognizes that there may be delays or interruptions in the use of the system, including, for example, those caused intentionally by COL or the Executing Broker for purposes of serving the system. In no event shall COL's liability, regardless of the form of action and damages suffered by the Client, exceed the highest monthly commissions and fees paid by the Client to COL.

10. **RISK DISCLOSURE STATEMENTS.**

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

- 10.2. **Risks of Foreign Markets; After Hours Trading.** The Client acknowledges that trading securities, options, futures, currencies, or any product on a foreign market is speculative and involves high risk. There also are special risks of trading outside ordinary market hours, including risk of lower liquidity, higher volatility, changing prices, un-linked markets, news announcements affecting prices, and wider spreads. The Client represents that he is knowledgeable and able to assume these risks.
- 10.3. **Knowledge of Securities, Warrants and Options; Corporate Actions.** The Client acknowledges his responsibility for knowing the terms of any securities, options, warrants or other products in his Account, including upcoming corporate actions (e.g., tender offers, reorganizations, stock splits, etc.). COL has no obligation to notify the Client of deadlines or required actions or dates of meetings, nor is COL obligated to take any action without specific written instructions sent by the Client to COL.
- 10.4. **Risk of Trading in Growth Enterprise Market Stocks.** Growth Enterprise Market (“GEM”) stocks involve a high investment risk. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. GEM stocks may be very volatile and illiquid.
- The Client should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.
- Current information on GEM stocks may only be found on the internet website operated by The Stock Exchange of Hong Kong Limited. GEM Companies are usually not required to issue paid announcements in gazetted newspapers.
- The Client should seek independent professional advice if he is uncertain of or have not understood any aspect of this risk disclosure statement or the nature and risks involved in trading of GEM stocks.
- 10.5. **Risk of Client Assets Received or Held Outside Hong Kong.** Client assets received or held by the licensed or registered person outside Hong Kong are subject to the applicable laws and regulations of the relevant overseas jurisdiction which may be different from the Securities and Futures Ordinance (Cap.571) 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.
- 10.6. **Risk of Transactions in Other Jurisdictions.** Transactions on markets in other jurisdictions, including markets formally linked to a domestic market, may expose the Client to additional risk. Such markets may be subject to regulation which may offer different or diminished investor protection. Before the Client trades, the Client should inquire about any rules relevant to the particular transactions. The Client’s local regulatory authority will be unable to compel the enforcement of the rules of regulatory authorities or markets in other jurisdictions where the Client’s Transactions have been effected. The Client should ask the firm with which the Client deals for details about the types of redress available in both the Client’s home jurisdiction and other relevant jurisdictions before the Client starts to trade.
- The Client further understands that the investments and/or transactions outside Hong Kong are subject to the applicable laws and regulations applicable to the investment or transaction, which may be different from Hong Kong laws and regulations, in particular the Securities and Futures Ordinance (Cap. 571) and the rules made thereafter. As such, the Client understands that: (a) his foreign investments may not enjoy the same protection as that given to his local assets/investments; (b) that investor protection in said jurisdiction might be diminished as compared to that given to Hong Kong investors; (c) accepts all risks in relation thereto; and (d) holds COL free and harmless therefrom.
- 10.7. **Risk of Providing an Authority to Repledge Securities Collateral, etc.** There is a risk if the Client provides the licensed or registered person with an authority that allows said licensed or registered person to apply the Client’s securities or securities collateral pursuant to a securities borrowing and lending agreement, repledge the Client’s securities collateral for financial accommodation or deposit the Client’s securities collateral as collateral for the discharge and satisfaction of its settlement obligations and liabilities.
- If the Client’s securities or securities collateral are received or held by the licensed or registered person in Hong Kong, the above arrangement is allowed only if the Client consents in writing. Moreover, unless the Client is a professional investor, his authority must specify the period for which it is current and be limited to not more than 12 months. If the Client is a professional investor, these restrictions do not apply.
- Additionally the Client’s authority may be deemed renewed (i.e. without the Client’s written consent) if the licensed or registered person issues the Client a reminder at least 14 days prior to the expiry of the authority, and the Client does not object to such deemed renewal before the expiry date of the Client’s then existing authority.
- The Client is not required by law to sign these authorities. However, an authority may be required by licensed or registered persons, for example, to facilitate margin lending to the Client or to allow the Client’s securities or securities collateral to be lent to or deposited as collateral with third parties. The licensed or registered person should explain to the Client the purposes for which one of these authorities is to be used.
- If the Client signs one of these authorities and the Client’s securities or securities collateral are lent to or deposited with third persons, those third parties will have a lien or charge on the Client’s securities or securities collateral. Although the licensed or registered person is responsible to the Client for securities or

securities collateral lent or deposited under the Client's authority, a default by it could result in the loss of the Client's securities or securities collateral.

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

- 10.8. **Risk of Margin Trading.** The risk of loss in financing a transaction by deposit of collateral is significant. The Client may sustain losses in excess of his cash and any other assets deposited as collateral with the licensed or registered person. Market conditions may make it impossible to execute contingent orders, such as "stop-loss" or "stop-limit" orders. The Client may be called upon at short notice to make additional margin deposits or interest payments. If the required margin deposits or interest payments are not made within the prescribed time, the Client's collateral may be liquidated without his consent. Moreover, the Client will remain liable for any resulting deficit in his account and interest charged on the Account. The Client should therefore carefully consider whether such a financing arrangement is suitable in light of his own financial position and investment objectives.
- 10.9. **Risk of Trading the Shanghai Stock Exchange ("SSE") Securities through the Shanghai-Hong Kong Stock Connect ("China Connect").** The Client should only undertake these transactions if he understands the nature of China Connect trading and accepts his risk exposure.
- a. The Client must observe relevant laws and regulations of Mainland China and Hong Kong as well as the rules of the applicable exchanges. He must accept the risks related to China Connect, including but not limited to being liable or responsible for breaching the SSE Listing Rules, SSE Rules and other applicable laws and regulations.
 - b. The Client is not allowed to carry out day trading. As such, shares bought can only be sold on or after the following trading day.
 - c. All trading must be conducted on the SSE. Over-the-counter or manual trades are not allowed.
 - d. The Client must transfer all shares intended to be sold to the Executing Broker's corresponding Central Clearing and Settlement System account before the commencement of trading on the intended sell date.
 - e. Stock settlement will be conducted on transaction day while money (i.e. the transaction amount and related fees and levies) will be settled on the following trading day.
 - f. In case of contingencies (such as, among others, Typhoon Signal No. 8), COL and/or the Executing Broker may cancel orders without prior notice to the Client.
 - g. Purchases of SSE securities through China Connect are subject to certain daily quota controls. As such, there is no assurance that a buy order can be successfully placed through China Connect.
 - h. China Connect allows trading only during SSE's trading hours and on the days when both Hong Kong and Shanghai markets are open for trading and banking services are available in both markets on the corresponding settlement days.
 - i. Under Mainland China laws, there is a limit to how many shares a single foreign investor is permitted to hold in a single Mainland China listed company. The Client agrees that COL and/or the Executing Broker may sell his shares upon receiving a forced-sale notification from the Hong Kong Stock Exchange ("SEHK"). The Client has the responsibility to read, understand, and comply with the Mainland rules and regulations in relation to shareholding restrictions and disclosure obligations.
 - j. Under Mainland China laws, the "short swing profit rule" requires an investor to return any profits made from purchases and sales in respect of China Connect securities of a Mainland China listed company if: (a) his shareholding in the Mainland China listed company exceeds the threshold prescribed by the relevant China Connect authority from time to time; and (b) the corresponding sale transaction occurs within the 6 months after a purchase transaction, or vice versa.
 - k. SSE trading under China Connect will not be covered by Hong Kong's Investor Compensation Fund. As Hong Kong investors are not carrying out SSE trading through Mainland brokers, they are not protected by China Securities Investor Protection Fund on the Mainland.
 - l. SSE may request SEHK to require the COL and/or the Executing Broker to issue warning statements (verbally or in writing) to clients, and not to extend SSE trading service to certain clients.
 - m. SEHK, SEHK parent companies and subsidiaries, SSE and SSE subsidiary and their respective directors, employees and agents shall not be responsible or held liable for any loss or damage directly or indirectly suffered by COL, the Executing Broker, its clients or any third parties arising from or in connection with SSE trading or the China Securities Commission.
- 10.10. **Risk of Trading Nasdaq-Amex Securities at the Stock Exchange of Hong Kong Limited.** The securities under the Nasdaq-Amex Pilot Program are aimed at sophisticated investors. The Client should consult the licensed or registered person and become familiarized with it before trading in these securities. The Client should be aware that these securities are not regulated as a primary or secondary listing on the Main Board or the GEM of The Stock Exchange of Hong Kong Limited.

- 10.11. **Currency Risks.** The profit or loss in transactions in foreign currency-denominated contracts (whether they are traded in the Client's own or another jurisdiction) will be affected by fluctuations in currency rates where there is a need to convert from the currency denomination of the contract to another currency.
- 10.12. **Exchange-Listed or Over-the-Counter ("OTC") Electronic Transactions.** The Client is aware of, accepts the risks related to, and holds COL harmless from, the following risks related to exchange-listed or OTC electronic transactions:
- Market makers of exchange-listed or OTC bulletin board may be unable to use electronic means to interact with other dealers to execute trades and must manually interact with the market. This may cause delays and lead to wide price fluctuations in OTC bulletin board securities.
 - Market data such as quotes, volume, and market size may not be updated. The price received on market order will not necessarily be the price quoted at the time of order entry.
 - The liquidity in OTC securities markets may be significantly less than in listed markets, leading to a possibility that: (i) an order may not be executed or may only be partially executed; (ii) larger spreads between bid and ask prices and volatile changes in the price; and (iii) liquidation of a security will not be possible within a reasonable period of time.
 - Issuers of OTC securities are not required to provide any information to investors, maintain registration with SEC, or provide regular reports to investors.
- 10.13. **Trading Facilities.** Electronic trading facilities are supported by computer-based component systems for the order-routing, execution, matching, registration or clearing of trades. As with all facilities and systems, they are vulnerable to temporary disruption or failure. The Client's ability to recover certain losses may be subject to limits on liability imposed by the system provider, the market, the clearing house and/or participant firms.
- 10.14. **Electronic Trading.** Trading on an electronic trading system may differ not only from trading in an open-outcry market but also from trading on other electronic trading systems. If the Client undertakes transactions on an electronic trading system, the Client will be exposed to risks associated with the system including the failure of hardware and software. The result of any system failure may be that the Client's order is either not executed according to his instructions or is not executed at all.
- 10.15. **Off-Exchange Transactions.** In some jurisdictions, and only then in restricted circumstances, firms are permitted to effect off-exchange transactions. The firm with which the Client deals may be acting as the Client's counterparty to the transaction. It may be difficult or impossible to liquidate an existing position, to assess the value, to determine a fair price or to assess the exposure to risk. For these reasons, these transactions may involve increased risks. Off-exchange transactions may be less regulated or subject to a separate regulatory regime. Before the Client undertakes such transactions, he should familiarize himself with applicable rules and attendant risks.
- 10.16. **Default and Counterparty Risks.** The Client understands that every investment product contains default risk and/or counterparty risks and agrees to undertake said risks. Default risk could come from the issuer's failure to make payments as agreed. Counterparty risk, on the other hand, refers to the failure of the trading party to fulfill its obligations.

11. GENERAL

- 11.1. Neither COL nor the Executing Broker is authorized to provide investment, tax, or trading advice. The Client acknowledges that all orders are unsolicited and that the Executing Broker is not authorized to solicit orders. None of the information, research, or other material provided by COL and/or the Executing Broker or on COL and/or the Executing Broker's respective websites constitute a recommendation by them or a solicitation to buy or sell securities, options, futures, or other investment products.
- 11.2. The Client hereby authorizes COL to provide to the Executing Broker the Client's identifying information upon the latter's request. Said identifying information may include details on the applicable transaction or order, the Client's name, address, birth date, tax identification number, telephone number, e-mail address, and any other identifying information requested by the Executing Broker, along with documentary evidence of the same.
- 11.3. The Client acknowledges that all orders are unsolicited. Further, the Client understands that with the exception of orders under the Global Access Accounts, all orders executed by COL shall be executed in its principal office, and as such, the venue for such transactions shall be in Hong Kong.
- 11.4. All securities held for the Client's Account shall be subject to a general lien in COL's favour, for the performance of the Client's obligations to COL arising in respect of dealing in securities for the Client.
- 11.5. With the exception of Overseas Investments and/or transactions made outside the jurisdiction of Hong Kong, if COL 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 Securities Ordinance, subject to the terms of the Compensation Fund from time to time.
- 11.6. COL will notify the Client of material changes in respect of COL's business which may affect the services COL provides to the Client.

- 11.7. The Client confirms that he has read and agreed to the terms of this Agreement, which have been explained to him in a language that he understands. COL reserves the right to amend this Agreement and shall inform the Client of said new or revised terms and conditions by mail, email, or notice in the company website. In case the Client has any objections to said amended terms and conditions, he must inform COL of such fact immediately. The Client's continued use of the Account after receipt of notice is an implied acceptance of the Agreement, as amended by the additional terms and conditions.
- 11.8. The Client has been informed that Rule 532 of the Rules of the Stock Exchange requires the Client Agreement to be in both English and Chinese, but the Client hereby expressly waives his rights to the Client Agreement in Chinese.
- 11.9. This Agreement, together with the Account, is governed by, and may be enforced in accordance with, the laws of the Special Administrative Region of Hong Kong, including but not limited to the Securities and Futures Ordinance.