

## CLIENT AGREEMENT FOR CASH SECURITIES TRADING ACCOUNTS

IF YOU ARE IN ANY DOUBT ABOUT THIS DOCUMENT OR ABOUT THE SALE AND PURCHASE OF SECURITIES OR OTHERWISE, YOU SHOULD CONSULT YOUR BANK MANAGER, SOLICITOR, PROFESSIONAL ACCOUNTANT OR OTHER PROFESSIONAL ADVISOR.

THERE ARE RISKS ASSOCIATED WITH USING THE INTERNET OR OTHER ELECTRONIC TRADING SERVICE WHICH ARE ADDITIONAL TO THOSE NORMALLY INCURRED IN SECURITIES TRADING.

To: STOCKWELL SECURITIES LIMITED (registered with the Securities and Futures Commission (“SFC”) as a securities dealer and an exchange participant of The Stock Exchange of Hong Kong Limited (the “Exchange”))  
3/F., Dragon House, 7-7B Cameron Road, Tsimshatsui, Kowloon, Hong Kong.

I/We \_\_\_\_\_

request you to operate a cash securities trading account for me/us on the following terms and conditions:-

### 1 GOVERNING LAW

This Agreement will be governed by and construed in accordance with the relevant laws and rules of Hong Kong Special Administrative Region (“Hong Kong”)(the “Laws”). All actions taken by you in accordance with the Laws will be binding on me/us and I/we submit to the non-exclusive jurisdiction of the courts of Hong Kong.

### 2 TRANSACTIONS

- 2.1 You will act as my/our agent in effecting transactions unless you indicate (in the contract note for the relevant transaction or otherwise) that you are acting as principal.
- 2.2 I/We may from time to time instruct you to effect on my/our behalf any purchase or sale of securities. I/We will make my/our own judgments and decisions independently without reliance on you in giving such instructions. Any such instructions will be irrevocable and may be given in writing, verbally, by facsimile or other electronic means at my/our own risk. You will be entitled to rely on and to act as you think fit in connection with any such instructions, provided that you will have discretion to accept or reject such instructions.
- 2.3 I/We will notify you when a sale order relates to securities which I/we do not own i.e. involves short selling.
- 2.4 Unless otherwise agreed, in respect of each transaction, unless you are already holding cash or securities on my/our behalf to settle the transaction, I/we will
- pay you cleared funds or deliver to you securities in deliverable form or
  - otherwise ensure that you have received such funds or securities
- by such time as you have notified me/us in relation to that transaction. If I/we fail to do so, you may
- in the case of a purchase transaction, sell the purchased securities and
  - in the case of a sale transaction, borrow and/or purchase securities in order to settle the transaction.

- 2.5 I/We will be responsible to you for any losses and expenses resulting from my/our settlement failures.
- 2.6 In the case of a purchase transaction, if the selling broker fails to deliver on the settlement date and you have to purchase securities to settle the transaction, I/we will not be responsible to you for the costs of such purchase.
- 2.7 If you are instructed (or if the circumstances require you) to effect any transaction for my/our account in a currency other than Hong Kong dollars, I/we will accept the risk of loss arising from exchange rate fluctuation. In the absence of manifest error your determination as to the applicable exchange rate will be conclusive.

### 3 INTERNET TRADING SERVICES

- 3.1 Unless otherwise specified, this clause is made without prejudice and in addition to all the other provisions in this Agreement
- 3.2 You may provide me/us with Internet Trading Services (the “Service”), and I/we hereby request the provision of the Service, upon the terms and conditions as embodied in this Agreement and such terms and conditions will be modified, amended or expanded by any notice, letter, publication or such other document as may be issued from time to time by you.
- 3.3 I/We may from time to time, instruct you, acting as my/our agent, to deposit, purchase and/or sell securities for my/our account or otherwise deal with securities, receivables or monies on behalf of me/us through the Service.
- 3.4 I/We agree that I/we will be the only authorised user of the Service under this Agreement. I/We will be wholly and solely responsible for the confidentiality, security and use of the Access Codes issued to me/us by you.
- 3.5 I/We acknowledge and agree that I/we will be wholly and solely responsible for all instructions entered through the Service. I/We further acknowledge that the Service, and the software comprised in them, are proprietary to you. I/We undertake and warrant that I/we will not, and will not attempt to, tamper with, modify, decompile, reverse engineer, damage, destroy or otherwise alter in any way, and will not attempt to gain unauthorised access to, any part of the Service, and any of the software comprised in them. I/We agree that you will be entitled to close any or all of my/our accounts immediately without notice to me/us, and I/we acknowledge that you may take legal action against me/us, if I/we at any time breach this warranty and undertaking or if you at any time reasonably suspect that I/we have breached the same. I/We undertake to notify you immediately if I/we become aware that any of the actions described above in this paragraph is being perpetrated by any other person.
- 3.6 Unless otherwise agreed between you and me/us, you will not execute any trading orders of me/us until there are sufficient cleared funds, securities or other assets acceptable to you in my/our account to settle my/our transactions.
- 3.7 You will not be deemed to have received my/our instructions or have executed my/our orders unless and until I am/we are in receipt of your message acknowledging receipt or confirming execution of my/our orders, either electronically or by hard copy.
- 3.8 I/We acknowledge and agree that, as a condition of using the Service to give instructions, I/we will immediately notify

you if:

- 3.8.1 an instruction has been placed through the Service and I/we have not received an instruction number or has not received an accurate acknowledgement of the instruction or of its execution (whether by hard copy, electronic or verbal means);
  - 3.8.2 I/we have received acknowledgement (whether by hard copy, electronic or verbal means) of a transaction which I/we had not instructed or had any similar conflict;
  - 3.8.3 I/ we become aware of any of the acts stated in clause 3.5 being done or attempted by any person;
  - 3.8.4 I/ we become aware of any unauthorised use of my/our Access Codes; or
  - 3.8.5 I/ we have difficulties with regard to the use of the Service.
- 3.9 I/We agree to review every order before entering it as it may not be possible to cancel the instructions once given.
- 3.10 I/We agree that you will not be liable for any loss I/we or any other person may suffer as a result of using or attempting to use the Service. I/We further undertake to indemnify you, on a full indemnity basis, on demand, for any loss or damage you may suffer as a result of the use of the Service, except for damage caused by wilful default or gross negligence on the part of you.
- 3.11 I/We acknowledge that the exchanges and certain associations may assert proprietary interests and rights over all market data they furnish to parties who disseminate such data and agrees not to do any act which would constitute an infringement or encroachment of such rights or interests. I/We also understand that you do not guarantee the timeliness, sequence, accuracy or completeness of market data or any market information (including any information provided to me/us through the Service). You will not be liable in any way for any loss arising from or caused by any (1) inaccuracy, error in or omission from any such data, information or message; (2) any delay in the transmission or delivery thereof; (3) any suspension or congestion in communication; (4) any unavailability or interruption of any such data, message or information whether due to any act of you; or (5) by any forces beyond the control of you.
- 3.12 I/We acknowledge that in providing the Service, you may use such authentication technologies as you deem appropriate.

#### 4. FEES AND DISBURSEMENTS

- 4.1 In respect of every transaction, I/we will pay to you forthwith on demand my/our commission and charges as you may notify me/us from time to time. I/We agree that you may levy additional charges or minimum transaction fees for the use of the Service.
- 4.2 I/We will pay or reimburse you forthwith on demand an amount equal to all commission, brokerage, levies, fees, duties and taxes and all other charges and expenses incurred by you arising out of or in connection with any purchase or sale of securities effected by you as agent on my/our behalf or otherwise arising out of or in connection with the performance of your duties under this Agreement.
- 4.3 I/We agree to pay interest on all overdue balances owing by me/us to you (after as well as before any judgment), at 10% per annum above the higher of:
- 4.3.1 one-month HIBOR (Hong Kong Interbank Offered Rate); or
  - 4.3.2 the Hong Kong dollar prime lending rate of a bank in Hong Kong selected by you;

such interest to be payable on the last day of each calendar month or upon any demand being made by you. If the interest rate calculated under this clause would exceed the maximum lawful rate under the Money Lender Ordinance, then the maximum lawful interest rate under that Ordinance will be applied instead.

- 4.4 Subject to at least one month's notice thereof, you may at its discretion charge such account maintenance fee as you may from time to time determine.
- 4.5 Subject to the Laws, without limitation to any other rights and remedies, I/we agree that:
- 4.5.1 you will have a general lien over all or any part of any money or securities held by you for the discharge of my/our obligations to you;
  - 4.5.2 you may at any time without notice combine or consolidate all or any of my/our accounts with my/our liabilities to you or other subsidiaries of your holding company ("member(s) of the Group"); and
  - 4.5.3 you may set-off or transfer any sum in whatever currency standing to the credit of any of my/our accounts with you or other members of the Group in or towards satisfaction of any of my/our liabilities of whatever nature (including liabilities incurred as principal or surety and whether such liabilities be actual or contingent, primary or collateral, several or joint) to you and other members of the Group.
- 4.6 You may, in the course of dealing with or through any broker for any transactions, receive benefit which is incidental to such dealings, including brokerage commission rebates and/or commissions of any kind. I/We agree that you may receive and retain for itself any such benefit, subject to your disclosure to me/us of such information and in such manner as required by the Laws.

## 5. ACCOUNT

- 5.1 I/we agree that no interest will accrue for my/our benefit on sums retained by you on my/our behalf until the same are paid into a trust account in accordance with the Securities Ordinance. The rate and other terms applicable to any moneys held in such trust account will be determined by you at its discretion and will be notified by you to me/us from time to time.
- 5.2 You may in your discretion, suspend the operation of my/our account from time to time and/or close my/our account and cease to act on my/our behalf further. Upon closure of my/our account, all monies owing from me/us to you will immediately become due and payable.

## 6. CUSTODY OF SECURITIES

- 6.1 Where securities which are not the property of you and for which you, or any nominee controlled by you, is accountable are held for safe custody in Hong Kong, you will ensure that my/our securities are either:-
- 6.1.1 registered in my/our name or in the name of your nominee (including, for the avoidance of doubt, any overseas nominee in circumstances where transactions in securities hereunder take place outside Hong Kong); or
  - 6.1.2 deposited in Hong Kong in safe custody in a designated account with an authorised institution or some other institution approved by the Laws.
- 6.2 You will credit my/our account with (or pay to me/us, as may be separately agreed in writing) any dividends,

distributions or other benefits accruing to any of my/our securities which are not registered in my/our name.

6.3 I/We authorise you, at your discretion and without notice to me/us, to dispose of my/our securities for the purpose of setting any liability owed by me/us to you for:

6.3.1 dealing in securities which remains after you have disposed of all other assets designated as collateral for securing settlement of that liability, and/or

6.3.2 financial accommodation provided by you to me/us which remains after you have disposed of all other assets designated as collateral for securing settlement of that liability.

Save as aforementioned, you will take reasonable steps to ensure that my/our securities are not deposited, transferred, lent, pledged, repledged or otherwise dealt with except with my/our authority or as otherwise permitted by the Laws.

## 7. LIABILITY AND INDEMNITY

7.1 I/We agree that neither you nor any of your officers, employees or agents will have any liability whatsoever (other than those resulting from fraud or wilful default on your part) for any loss, expense or damage which I/we may incur as a result of the performance or failure to perform this Agreement.

7.2 I/We undertake to indemnify you and your officers, employees or agents for any loss, cost, claim, liability and expense (other than those resulting from fraud or wilful default on your part) incurred by you or your officers, employees or agents in performing your services under this Agreement, or arising directly or indirectly from my/our breach of any of my/our obligations under this Agreement.

7.3 If any claim is made against you or me/us in connection with this Agreement, you may, at your discretion and without prejudice to 7.2, take all such steps as you consider advisable, including the withholding of payment or delivery to me/us of any money or securities.

## 8. DISCLOSURE OF INFORMATION

8.1 The information provided by me/us in this Agreement is accurate, complete and up-to-date. I/We will notify you forthwith of any change to such information.

8.2 You will notify me/us of any material change to the information relating to you provided in this Agreement.

8.3 I/We will immediately on demand by you supply to you such financial and other information relating to me/us as you may in your discretion require.

8.4 You may provide any information relating to my/our account to any regulatory authority to comply with their requirements or requests for information and, where necessary to comply with the Laws, to any member of the Group.

## 9. CLIENT IDENTIFICATION

9.1 Subject to clause 9.2, I/we will immediately upon your request (which request will include the relevant contact details of the Exchange and the SFC (the "Regulators")), inform you and/or the Regulators of:

- 9.1.1 the identity, address, occupation and contact details of the person for whose account the relevant transaction was effected;
  - 9.1.2 (so far as I am/we are aware) the identity of the person with the ultimate beneficial interest in the transaction; and/or
  - 9.1.3 the identity of any third party (if different from the ultimate beneficiary) who originated the transaction.
- 9.2 If I/we effected the transaction or had my/our discretion overruled in respect of a transaction the subject of an inquiry by the Regulators for a collective investment scheme, discretionary account or discretionary trust, I/we will, immediately upon your request, inform the Regulators of the identity of the scheme, account or trust and, if applicable, the identity of the person who, on behalf of the scheme, account or trust, instructed me/us to effect the transaction.
- 9.3 If I/we effected a transaction for my/our customer, and I am / we are aware that my/our customer are acting as intermediary for an underlying client, and I/we do not know the identity of the underlying client for whom the transaction was effected, I/we confirm that:-
- 9.3.1 I/we have arrangements in place with my/our customer which entitle me/us to obtain the information set out in clause 9.1 from my/our customer immediately upon request or procure that it can be so obtained; and
  - 9.3.2 I/we will, upon your request in relation to a transaction, promptly request the information set out in clause 9.1 from my/our customer on whose instructions the transaction was effected, and provide the information to the Regulators as soon as it is received from my/our customer or procure that it be so provided.

## 10. RISK DISCLOSURE STATEMENTS

- 10.1 I/We acknowledge that the price of securities can and do fluctuate, and that any individual security may experience upward or downward movements and may under some circumstances become valueless. I/We understand that there is an inherent risk that losses may be incurred rather than profit made as a result of buying and selling securities.
- 10.2 I/We acknowledge that if I/we specifically authorise you to lend or deposit my/our securities to a person under the Securities Ordinance, I/we face a risk of loss of such securities.
- 10.3 If this Agreement involves transactions in the Growth Enterprise Market of the Exchange, I/we accept the following risks:
- 10.3.1 the Growth Enterprise Market has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on the Growth Enterprise Market with neither a track record of profitability nor any obligation to forecast future profitability. There may be risks arising out of the emerging nature of companies listed on the Growth Enterprise Market and the business sectors or countries in which the companies operate;
  - 10.3.2 there are potential risks of investing in such companies and a potential investor should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of the Growth Enterprise Market mean that it is a market more suited to professional and other sophisticated investors;
  - 10.3.3 given the emerging nature of companies listed on the Growth Enterprise Market, there is a risk that securities traded on the Growth Enterprise Market may be susceptible to higher market volatility compared to securities traded on the Main Board and no assurance is given that there will be a liquid market in the

securities traded on the Growth Enterprise Market;

- 10.3.4 the principal means of information dissemination on the Growth Enterprise Market is publication on the internet website operated by the Exchange. Companies listed on the Growth Enterprise Market are not generally required to issue paid announcements in gazetted newspapers. Accordingly, an investor needs to have access to up-to-date information on the Growth Enterprise Market-listed companies as published on the Growth Enterprise Market website;
- 10.3.5 risk disclosure statement does not purport to disclose all the risks and other significant aspects of the Growth Enterprise Market. An investor should undertake his own research and study on the trading of securities on the Growth Enterprise Market before commencing any trading activities; and
- 10.3.6 an investor should seek independent professional advice if he is uncertain of or has not understood any aspect of this risk disclosure statement or the nature and risks involved in trading of securities on the Growth Enterprise Market

## 11. AMENDMENT AND TERMINATION

- 11.1 You may amend the terms of this Agreement by giving to me/us at least 21 days' prior notice.
- 11.2 Either party may terminate this Agreement at any time by notice to the other provided that such termination will not affect:
  - 11.2.1 the rights or liabilities of either party arising prior to such termination;
  - 11.2.2 any warranties, representations, undertakings and indemnities given by me/us under this Agreement, all of which will survive termination; and
  - 11.2.3 my/our obligations under clause 9.

## 12. NOTICE

- 12.1 Any notice or communication to be made or given by either party will be in writing and may be sent by ordinary post to the other party's address, or by facsimile transmission or electronic means (including through the Service) to the fax number or e-mail address stated in the Account Application (or to such other address, fax number, or e-mail address as may be notified by the recipient in writing). Any notification so given will be deemed to have been received 48 hours after dispatch if sent by post or at the time of transmission if given by facsimile or electronic means.
- 12.2 You may also give me/us notice by telephone on the telephone number given in the Account Application or on such other number as I/we hereafter will notify you in writing. All notification so given to me/us will be deemed to have been received instantaneously if given by telephone.

## 13. REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS

- 13.1 I/We represent, warrant and undertake to you that:-
  - 13.1.1 where we are a corporation, it has the corporate power to enter into and perform this Agreement and has taken all necessary corporate and other action to authorise this Agreement upon these terms and conditions;
  - 13.1.2 no consent or authority of any person (except, in the case of a corporate client, the same has already been obtained as contemplated in clause 13.1.1) is required for me/us to enter into this Agreement; and

13.1.3 the entering into by me/us of this Agreement will not place me/us in breach of the terms of any document (including our Memorandum and Articles of Association if we are a corporation) or of any obligations.

#### 14. MISCELLANEOUS

14.1 I/We will not assign, delegate, sub-contract, transfer or otherwise dispose of any rights or obligations under this Agreement to any person without your previous written consent. Subject to the Laws, you may assign, sub-contract, delegate, transfer or otherwise dispose of any of its rights and obligations under this Agreement as you may see fit.

14.2 I/We undertake to do and execute any act, deed, document or thing which you may require in connection with the implementation, execution and enforcement of the terms of this Agreement.

14.3 You may record telephone conversations with me/us and the contents of any such sound recording will be final and conclusive evidence of the telephone conversations concerned and the contents therein.

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

14.5 I/We acknowledge that you have offered to explain to me/us the terms of this Agreement, and either I/we have received such explanation or that I/we fully understand the terms of this Agreement without the need for such explanation. I/We acknowledge that I/we have been advised, and have had the opportunity, to consult my/our professional advisers. I/We confirm I/we fully understand and accept the terms of this Agreement. If there is any inconsistency between the Chinese and English versions of this Agreement, I/we agree that the English version will apply and prevail.

14.6 Where my/our account is a joint account, you may accept instructions from any of the account holders, and I/we agree with the other joint account holders to be jointly and severally liable for all obligations in connection with this Agreement.

14.7 Where I/we have an account with another member of the Group and instruct you to obtain cash and/or securities from such account, I/we authorise you, on behalf of me/us to request such member of the Group to release such cash and/or securities to you.

#### 15. PERSONAL DATA

15.1 All personal data concerning me/us (whether provided by me/us or any other person before or after the date on which I/we receive this Agreement) may be used by you and any member of the Group for the following purposes:

15.1.1 sharing, cross-checking and transferring the personal data with a member of the Group or any of your partners or service providers in relation to new or existing client verification procedures, ongoing account administration or marketing;

15.1.2 the comparison and/or transfer to third parties of such personal data for the purposes of credit checking and/or data verification;

15.1.3 any purpose relating to or in connection with compliance with any law, regulation, court order or order of a



regulatory authority including the provision of any such data to any such regulatory authority which will request the same; or

15.1.4 any other purpose relating to or in connection with your business or dealings or the business or dealings of a member of the Group.

15.2 I/We have the right to inquire whether you hold my/our personal data, and to request access to and correction of such personal data, and you may charge a reasonable fee for processing any data access request. I/We may send requests for access to and/or corrections of my/our personal data to you at your address stated in this Agreement.

15.3 You may send me/us information (whether prepared by you or such other person whom personal data may be shared with or transferred to) which in your opinion may be of interest to me/us by mail, email or otherwise. Should I/we not wish to receive such information, I/we may send to you, at the address stated in this Agreement, a request in writing to cease using the personal data for such purpose without charge to me/us.

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