

常匯證券有限公司  
**STOCKWELL SECURITIES LTD.**

3/F., Dragon House, 7-7B Cameron Road,  
Tsimshatsui, Kowloon, Hong Kong.

**Letter to Cash Clients**

Dear Client

As you may be aware as a Member of the Stock Exchange of Hong Kong, we are obliged to ensure that all of our clients sign a client's agreement which regulates the legal position between you as the client and this firm.

The purpose of the client's agreement is to draw your attention, the risks which can occur from trading in securities.

The Stock Exchange has recently approved uniform forms and agreements, and as you have a cash account with us, we enclose the following: -

- (i) Account Opening Information Form,
- (ii) Client's Agreement for a cash account.

We should be grateful if you would complete and sign these documents, and return them to us.

If there is anything in this letter or any of the enclosure which you do not understand, or to which you unwilling to agree, please get in touch with us as soon as possible.

Yours faithfully,

To **Stockwell Securities Ltd.**  
3/F., Dragon House, 7-7B Cameron Road,  
Tsimshatui, Kowloon.

Date

Client's Agreement

Dear Sirs

I/We acknowledge receipt of your firm's Client's Agreement printed in English which has been duly signed by me/us.

I/We have been informed that Rule 532 of the Rules of the Stock Exchange require the Client's Agreement to be in both English and Chinese but I/We hereby expressly waive my/our rights to the Client's Agreement in Chinese.

Yours faithfully,

\_\_\_\_\_  
Signature(s)

Name \_\_\_\_\_

Account No. \_\_\_\_\_

# Uniform Cash Client's Agreement in Plain Language (Main Board & GEM)

To: **Stockwell Securities Limited**

3/F., Dragon House,  
7-7B Cameron Road,  
Tsimshatsui, Kowloon.

(Registered with the Securities and Futures Commission ("SFC") as a securities dealer and a member of The Stock Exchange of Hong Kong Limited (the "Exchange").

I/We \_\_\_\_\_ request you to operate a cash securities trading account (the "Account") for me/us on the following terms and conditions:-

## **1. The Account**

- 1.1 I/We confirm that the information provided in the Account Opening Information Form is complete and accurate. I/We will inform you of any changes to that information. You are authorised to conduct credit enquiries on me/us to verify the information provided.
- 1.2 You will keep information relating to my/our Account confidential, but may provide any such information to the Exchange and the SFC to comply with their requirements or requests for information.

## **2 Laws and rules**

All transactions in securities or traded on the Growth Enterprise Market of the Exchange ("GEM") which you effect on my/our instructions ("Transactions") shall be effected in accordance with all laws, rules and regulatory directions applying to you. This includes the rules of the Exchange and of the Hong Kong Securities Clearing Company Limited (the "Clearing House"). All actions taken by you in accordance with such laws, rules and directions shall be binding on me/us.

## **3 Transactions**

- 3.1 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.
- 3.2 I/We will notify you when a sale order relates to securities which I/we do not own. i.e. involves short selling.
- 3.3 On all Transactions, I/we will pay your commissions and charges, as notified to me/us, as well as applicable levies imposed by the Exchange, and all applicable stamp duties. You may deduct such commissions, charges, levies and duties from the Account.
- 3.4 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 securitiesby 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.
- 3.5 I/We will be responsible to you for any losses and expenses resulting from my/our settlement failures.
- 3.6 I/We agree to pay interest on all overdue balances (including interest arising after a judgment debt is obtained against me/us) at such rates and on such other terms as you have notified me/us from time to time.
- 3.7 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 shall not be responsible to you for the costs of such purchase.

## **4 Safekeeping of securities**

- 4.1 Any securities which are held by you for safekeeping may, at your discretion
  - \* (in the case of registrable securities) be registered in my/our name or in the name of your nominee; or
  - \* be deposited in safe custody in a designated account with your bankers or with any other institution, which provides facilities for the safe custody of documents. In the case of securities in Hong Kong, such institution shall be acceptable to the SFC as a provider of safe custody services.
- 4.2 Where securities are not registered in my/our name, any dividends or other benefits arising in respect of such securities shall, when received by you, be credited to my/our Account or paid or transferred to me/us, as agreed with you. Where the securities form part of a larger holding of identical securities held for your clients, I/we shall be entitled to the same share of the benefits arising on the holding as my/our share of the total holding.
- 4.3 You do not have my/our written authority under section 81(3) of the Securities Ordinance to:-

- \* deposit any of my/our securities with a banking institution as collateral for an advance or loan made to you, or with the Clearing House as collateral for the discharge of your obligations under the clearing system.
- \* borrow or lend any of my/our securities
- \* otherwise part with possession (except to me/us or on my/our instructions) of any of my/our securities for any purpose.

**5 Cash held for me/us**

Any cash held for me/us, other than cash received by you in respect of Transactions and which is on-paid for settlement purposes or to me/us, shall be credited to a client trust account maintained with a licensed bank as required by applicable laws from time to time.

**6 RISK DISCLOSURE STATEMENT**

I/We acknowledge that the price of securities can and does fluctuate, and any individual security may experience upwards or downwards movements, and may even become valueless. There is an inherent risk that losses may be incurred rather than profit made as a result of buying and selling securities. I/We also acknowledge that there may be risks in leaving securities in your safekeeping. For example, if you are holding my/our securities and you become insolvent, I/we may experience significant delay in recovering the securities. These are risks that I/we are prepared to accept.

You must sign and acknowledge of a **RISK DISCLOSURE STATEMENT** when you are traded on **Growth Enterprise Market**.

**7 General**

- 7.1 All securities held for my/our Account shall be subject to a general lien in your favour, for the performance of my/our obligations to you arising in respect of dealing in securities for me/us.
- 7.2 If you fail to meet your obligations to me/us pursuant to this Agreement, I/we 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.
- 7.3 You will notify me/us of material changes in respect of your business which may affect the services you provide to me/us.
- 7.4 I/We confirm that I/we have read and agree to the terms for this Agreement, which have been explained to me/us in a language that I/we understand.
- 7.5 This Agreement is governed by, and may be enforced in accordance with, the laws of the Special Administrative Region of Hong Kong.

\_\_\_\_\_  
 Witness Signature  
 Name \_\_\_\_\_  
 Occupation \_\_\_\_\_  
 Address \_\_\_\_\_  
 \_\_\_\_\_

\_\_\_\_\_  
 Client's Signature/Business Chop  
 Name \_\_\_\_\_  
 Account No. \_\_\_\_\_

\*\*\*\*\*

~ Internal Only ~

\_\_\_\_\_  
 Witness Signature  
 Name \_\_\_\_\_  
 Occupation \_\_\_\_\_  
 Address \_\_\_\_\_  
 \_\_\_\_\_

\_\_\_\_\_  
 Acknowledged and accepted by  
**STOCKWELL SECURITIES LIMITED**

## **RISK DISCLOSURE STATEMENT (GEM)**

Date :

To : **STOCKWELL SECURITIES LIMITED**

3/Dragon House, 7-7B Cameron Road,  
Tsimshatsui, Kowloon.

1. I/We acknowledge that the price of securities traded on GEM can and does fluctuate, and any individual security may experience upwards or downwards movements, and may even become valueless. There is an inherent risk that losses may be incurred rather than profit made as a result of buying and selling securities traded on GEM. I/We also acknowledge that there may be risks in leaving securities in your safekeeping. For example, if you are holding my/our securities and you become insolvent, I/we may experience significant delay in recovering the securities. These are risks that I/we are prepared to accept.
2. I/We understand that GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, I/we understand that companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. I/we appreciate that there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate.
3. I/We am/are aware of the potential risks of investing in such companies and understand that I/we should make the decision to invest only after due and careful consideration. I/We understand the greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.
4. Given the emerging nature of companies listed on GEM, I/we understand there is a risk that securities traded on GEM 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 GEM.
5. I/We further understand that the principal means of information dissemination on GEM is publication on the internet website operated by the Exchange. Companies listed on GEM are not generally required to issue paid announcements in gazetted newspapers. Accordingly, I/we acknowledge that I/we need to have access to up-to-date information on GEM-listed companies as published on the GEM website.
6. I/We acknowledge that this risk disclosure statement does not purport to disclose all the risks and other significant aspects of GEM. I/We understand that I/we should undertake my/our own research and study on the trading of securities on GEM before commencing any trading activities.
7. I/We understand that I/we should seek independent professional advice if I/we am/are uncertain of or have not understood any aspect of this risk disclosure statement or the nature and risks involved in trading of securities on GEM.
8. I/We understand that the signing of this risk disclosure statement is mandatory under the Rules of the Exchange. I/We understand that you will not be able to effect my/our instructions to deal in securities on GEM if this statement is not signed and acknowledged by me/us.
9. This risk disclosure statement has been fully explained to me/us by \_\_\_\_\_ (name/position of registered person) and I/we fully understand the contents hereof. I/We understand that you are required under the Rules of the Exchange to ensure that I/we am/are provided with a copy of this risk disclosure statement signed and dated by me/us and contains the declaration by \_\_\_\_\_ (name/position of registered person).

Declaration by \_\_\_\_\_ (name/position of registered person)

I, \_\_\_\_\_ (name of registered person), have fully explained the contents of this risk disclosure statement to \_\_\_\_\_ (name of clients) at \_\_\_\_\_ (address where the explanation took place) in a language which he/they understand(s).

\_\_\_\_\_  
Signed by registered person  
Code of registered person ( )

\_\_\_\_\_  
Signed by client  
Name \_\_\_\_\_  
Account No. \_\_\_\_\_

# STOCKWELL SECURITIES LIMITED

## Account Opening Information (Personal/Sole Proprietor/Partnership/Organisation)

Name of Client (Mr./Mrs./Ms/Miss)	
English :	
Chinese :	
Marital Status: Married/Single	
Address:	
	Tel No:
Correspondence Address:	
	Mobile / Pager:
Occupation / Nature of Business:	Net Assets Value: _____ Investment Experience _____ years Investment Target: Long/Short Term
Business Registration No.:	
Certificate of Incorporation No and country of Incorporation:	

Account No.:	Date Opened:
Cash/Margin (Delete as Appropriate)	
←-----	Specimen Authorized Signatures -----→
Name :	Signature:
HKID Card No./Passport No.	
Name :	Signature:
HKID Card No./Passport No.	
Name :	Signature:
HKID Card No./Passport No.	
Specimen of Business Chop/Seal:	

***For Official Use Only***	
Introduced by:	Comm. % (Comm. Code : )
Credit Limited:	How long known to A/E:
A/E Name:	Code: Signature:
Address Proof: (last month) Telephone Bill / Statement / Water Bill	
A/C No (if) :Bank:	A/C No.:
Bank and credit references obtained: Yes / No	
Documentation checked by:	Approved by:

Note 1: The account can be operated on the instruction of any two or more signature/any one signature\* (if more than one authorized signatures)

Note 2: The attached general terms and conditions to the operation of this account must be completed and signed by the client .

Any relative relation with our employment: Yes/No  
If yes, name if employees: Relations:

If you are employee of other securities firm, please attach with your employees written approval for opening account with us: Yes/No

\* Delete if inapplicable

To: **Stockwell Securities Limited**

3/F., Dragon House,  
7-7B Cameron Road,  
Tsimshatsui, Kowloon.

## CONTINUING GUARANTEE

I/We \_\_\_\_\_ of (address) \_\_\_\_\_  
\_\_\_\_\_(HKID No./Business Registration No. \_\_\_\_\_)

(hereinafter called "the Guarantor") in consideration of your from time to time making advances to or coming under liabilities or discounting bills for or otherwise giving credit or granting credit facilities or granting time to or on account of \_\_\_\_\_

\_\_\_\_\_(hereinafter referred to as "the Principal") do hereby guarantee to and agree with you as follows:-

1. The Guarantor will pay you on demand and hereby guarantees the repayment to you on demand in writing of all sums of money which now are or shall hereafter be advanced to or paid by you for or on account of the Principal either alone or in conjunction with any other corporation or corporations person or persons and whether as Principal or Surety including the amount of notes or bills discounted or paid and other loans credits or advances made to or for the accommodation or at the request either of the Principal alone or in conjunction as aforesaid and remaining unpaid together with all interest costs commission and other charges and expenses which you may in the course of your business charge against the Principal and all costs, charges and expenses which you may incur in enforcing or obtaining payment of the sums of money which may be so owing to you and remaining unpaid from the Principal either alone or in conjunction as aforesaid or attempting so to do.
2. This guarantee shall be a continuing guarantee (subject to such notice of withdrawal as is hereinafter mentioned) to the extent at any one time of Hong Kong Dollars \_\_\_\_\_(HK\$ \_\_\_\_\_) for the purpose of securing not merely an equivalent amount but (subject always to the said limit of HK\$ \_\_\_\_\_) all sums of money or the ultimate balance that may be so owing to you and remaining unpaid from the Principal either alone or in conjunction as aforesaid and not merely to a portion coextensive with the amount of the said limit together with all charges, costs and expenses incurred by you during the six-month period preceding and after the date of your demanding payment with interest on the total sum claimable at such rate as may be stipulated by you from time to time.
3. Where the Guarantor is a firm or otherwise consists of more than one person the liability of the Guarantor hereunder shall be deemed to be the joint and several liability of the partners in the firm or of such persons as aforesaid and you shall be at liberty to release or discharge any one of such partners or persons from the obligations of this guarantee or to accept any composition from or make any other arrangements with any one of such partners or persons without thereby prejudicing or affecting your rights and remedies against the remaining partners or persons. Any notice to determine this Guarantee under Clauses 5 and 25 herein shall not be valid unless it is given by each and all of the partners or persons. The bankruptcy of one partner or person will not affect the liability of the others.
4. Where the Guarantor is a limited company the person signing this guarantee on behalf of the Company hereby warrants that by its Memorandum and Articles of Association the company is authorized to sign and be bound on the terms of this guarantee and that the person signing on behalf of the company is duly authorized so to do.
5. This guarantee shall not be determined or affected by the death or insanity of the Guarantor or of any one or more of the persons constituting the Guarantor but the Guarantor or the survivor or survivors of such persons aforesaid or the personal representatives of the Guarantor or any of such persons who may be dead or in the case of insanity the person or persons legally entitled to represent such insane person or persons may at any time give you notice in writing to determine this guarantee and at a date not less than three calendar months after the receipt by you of such notice this guarantee shall cease with respect to all future transactions after that date but so that subject to the aforesaid maximum limit of his liability the Guarantor shall remain liable to the extent of the amount due to you from the Principal up to that date with interest at the rate aforesaid and for such costs and expenses as aforesaid.
6. Notwithstanding any such notices of determination as aforesaid this guarantee shall as well before as after such notice or determination be a security to the extent aforesaid for all monies becoming due to you from the Principal in respect of any transaction entered upon prior to the date when this guarantee ceases under the provisions of Clause 5.
7. It shall be lawful for you at any time after notice to determine this guarantee has been given or after payment of the monies hereby guaranteed has been demanded of the Guarantor to continue any existing or to open any new account or accounts with the Principal and no money thereafter paid into such account or accounts shall be appropriated in discharge of any monies hereby guaranteed unless expressly directed by the person paying the same at the time of such payment to be so appropriated.
8. The bankruptcy or insolvency of the Principal shall not affect or determine the liability to the Guarantor under this guarantee but such liability shall continue in full force and effect until you shall have been repaid all monies due to you from the Principal immediately before the bankruptcy or insolvency of the Principal.
9. All dividends compositions and monies received by you from the Principal or from any other company person or estate capable of being applied by you in reduction of the indebtedness of the Principal shall be regarded for all purposes as payments in gross and you shall be entitled to prove in the bankruptcy of the Principal should he become bankrupt in respect of the whole of his indebtedness to you and without any right on the part of the Guarantor to be subrogated to you in respect of any such proof until you shall have received in the bankruptcy of the Principal or from other sources 100 cents in the dollar.

10. No assurance security or payment which may be avoided under any enactment relating to bankruptcy or under the provisions of the Companies Ordinance as revised and amended or any statutory modification thereof and no release settlement or discharge which may have been given or made on the faith of any such assurance, security or payment shall prejudice or affect your right to recover from the Guarantor to the full extent of this guarantee.
11. This guarantee and your rights under it shall not be affected or prejudiced by your granting credit or facilities or accommodation to the Principal or at the Principal's request in any country or your holding or taking any other or further securities or by your varying, releasing or omitting or neglecting to enforce any such securities or by your varying or determining any credit to the Principal or by your renewing bills of exchange, promissory notes or other negotiable instruments or giving time for payment or granting any other indulgence to or making any other arrangements with or accepting any composition from the Principal or any person or persons corporation or corporations liable on any bills of exchange, promissory notes or other negotiable instruments or securities held or to be held by you.
12. You shall be at liberty but not bound to resort for your own benefit to any other means of payment at any time and in any order you think fit without thereby diminishing the liability of the Guarantor and you may put this guarantee in force either for the payment of the ultimate balance after resorting to other means of payment or for the balance due at any time notwithstanding that other means of payment have not been resorted to and in the latter case without entitling the Guarantor to any benefit from such other means of payment so long as any monies remain due from the Principal to you.
13. In the event of the Principal becoming bankrupt or making any arrangement or composition with creditors the Guarantor will not prove in competition with you in any such bankruptcy in respect of the debt from the Principal to you but will give you the benefit of any proof which the Guarantor may be entitled to make in respect of any part of such debt paid by the Guarantor until you shall have received the full amount of the debt due to you from the Principal.
14. Any accounts settled or stated by or between you and the Principal or on his behalf may be adduced by you and shall be accepted by the Guarantor as conclusive evidence of the amount hereby appearing to be due from the Principal to you any payment to you by or on behalf of the Principal on account of his liability whether for advances or interest or charges and any acknowledgement by acquiescence in account or otherwise by or on behalf of the Principal of such liability shall operate as an acknowledgement of the liability of the Guarantor according to the terms thereof.
15. Any indebtedness of the Principal now or hereafter held by the Guarantor is hereby subordinated to the indebtedness of the Principal to you and such indebtedness of the Principal to the Guarantor if you so require shall be collected, enforced and received by the Guarantor as trustee for you and be paid over to you on account of the indebtedness of the Principal to you but without reducing or affecting in any manner the liability of the Guarantor under the other provisions of this guarantee.
16. The Guarantor will not receive any security from the Principal for the giving of this guarantee and will not so long as any moneys remain owing by the Principal to you take any security from the Principal in respect of the aforesaid liability of the Guarantor without first obtaining your written consent. In the event of the Guarantor taking any such security the amount for which the Guarantor is liable shall be increased by the amount by which the dividend payable by the Principal to you is thereby diminished.
17. This guarantee shall be additional to any other guarantee for the Principal signed by the Guarantor that you may hold at any time.
18. All sums of money which may not be recoverable from the Guarantor on the footing of a guarantee by reason of any legal limitation disability or incapacity on or of the Principal shall nevertheless be recoverable from the Guarantor as sole or principal debtor.
19. You may recover against the Guarantor notwithstanding that the Principal being a limited company may have exceeded its borrowing powers or that the borrowing power may have been ultra vires.
20. Nothing done or omitted by you in pursuance of any authority or permission contained in this guarantee shall affect or discharge the liability of the Guarantor under it.
21. You shall so long as any moneys remain owing hereunder have a lien therefore on all securities now or hereafter held by you from or for the Guarantor and all moneys now or hereafter standing to the credit of his account or any of his accounts with you.
22. Any notice and demand in writing shall be deemed to have been duly given to the Guarantor or his personal representatives by personal service or by sending the same through the post in an envelope addressed to his last known address and a notice or demand so sent shall be deemed to be received on the day following that on which it is posted and in proving such service it shall be sufficient to prove that the letter containing the notice or demand was posted.
23. The Guarantor's liability shall not be affected by any failure by you to take any security or by any invalidity of any security taken or by any existing or future agreement by you as to the application of any advance made or to be made to the Principal or delay to take steps to recover the moneys by action or otherwise against the Principal.
24. You may enforce this guarantee against the Guarantor at any time notwithstanding that any bills or other instruments covered by it may be in circulation or outstanding and include the amount of the same or any of them whether in the said general balance or not at your option and this guarantee shall not be determined by the Guarantor or his personal representatives except on the terms of making full provision up to the limits of this guarantee for any then outstanding liabilities or obligations on your part and on the Principal's account.



25. This guarantee shall continue notwithstanding the death of the Principal or the assumption by him of any partner or any change which may from time to time take place in his firm.
26. This guarantee shall continue to bind the Guarantor notwithstanding any amalgamation that may be effected by you with any other company or companies person or persons or notwithstanding any reconstruction by you involving the formation of and transfer of all or any of your assets to a new company or notwithstanding the sale of all or any part of your undertaking and assets to another company whether the company or companies with which you amalgamate or the company to which you transfer all or any of your assets either on a reconstruction or sale as aforesaid shall or shall not differ in their or its objects character and constitution from you it being the intent of the Guarantor that this guarantee shall remain valid and effectual in all respects in favour of against and with reference to and that the benefit of this guarantee and all rights conferred upon you hereby may be assigned to and enforced by any such company or companies person or persons and proceeded on in the same manner to all intents and purposes as if such company or companies, person or persons had been named herein instead of you.
27. In this Guarantee unless there is something in the subject or context inconsistent with such construction or unless it is otherwise expressly provided:-  
 (i) words importing the masculine gender include females;  
 (ii) words in the singular include the plural, and words in the plural include the singular.
28. This Letter of Guarantee is and will remain your property.

Dated this \_\_\_\_\_ day of \_\_\_\_\_

\_\_\_\_\_  
 Witness Signature

Name \_\_\_\_\_

Occupation \_\_\_\_\_

Address \_\_\_\_\_  
 \_\_\_\_\_

\_\_\_\_\_  
 Guarantor's Signature/Business Chop

Name \_\_\_\_\_

HKID No. / B. R. No. \_\_\_\_\_

\_\_\_\_\_  
 Witness Signature

Name \_\_\_\_\_

Occupation \_\_\_\_\_

Address \_\_\_\_\_  
 \_\_\_\_\_

\_\_\_\_\_  
 Guarantor's Signature/Business Chop

Name \_\_\_\_\_

HKID No. / B. R. No. \_\_\_\_\_

\_\_\_\_\_  
 Witness Signature

Name \_\_\_\_\_

Occupation \_\_\_\_\_

Address \_\_\_\_\_  
 \_\_\_\_\_

\_\_\_\_\_  
 Guarantor's Signature/Business Chop

Name \_\_\_\_\_

HKID No. / B. R. No. \_\_\_\_\_

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 ~ Internal use only ~

\_\_\_\_\_  
 Witness Signature

Name \_\_\_\_\_

Occupation \_\_\_\_\_

Address \_\_\_\_\_  
 \_\_\_\_\_

\_\_\_\_\_  
 Acknowledged and accepted by

**STOCKWELL SECURITIES LIMITED**