



結好證券有限公司
GET NICE SECURITIES LIMITED

Terms and Conditions for Securities Trading

This document together with the related Account Opening Form contains important terms and conditions that apply to and constitute the agreement on all Accounts made between the Client and Get Nice Securities Limited. The Client has been advised to read this Agreement carefully and retain it for the Client's future reference.

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The Client hereby requests Get Nice Securities Limited to open an Account(s) for the Client and agrees to accept and be bound by the following terms and conditions:

Part 1 – Definition and Interpretation

1. In this Agreement, unless the context otherwise requires, the following terms shall bear the following meanings:

“Account(s)”	any securities trading account(s) including cash account(s), margin account(s) and internet trading account(s) from time to time opened in the Client’s name and maintained with GNS
“Account Opening Form”	the account opening form or other documents (however described) prescribed by GNS from time to time in respect of the relevant Client’s application to open one or more Accounts with GNS
“Affiliate”	in relation to a party, an individual, corporation, partnership or any other form of entity directly or indirectly controlling, controlled by or under common control with such party or any of such entities’ directors, officers or employees
“Agreement”	this document, the related Account Opening Form and all other relevant documents (including the fee schedule) enclosed herewith which terms and conditions shall constitute a legally binding contract between the relevant Client and GNS, as may from time to time be amended, modified or supplemented
“Authorized Person(s)”	the person(s) authorized by the Client to give Instructions to GNS as notified to GNS from time to time in such manner as required by GNS
“Business Day”	a day (other than a Saturday) on which banks in Hong Kong generally are open for business
“Cash Client”	any Client who has opened and maintained a cash Account in his name with GNS
“Client(s)”	any personal client(s) and/or corporate client(s) of GNS including the Cash Client(s), the Margin account(s) and the Internet Trading Client(s) who has executed the related Account Opening Form (either individually or jointly with others) and agreed to accept and be bound by the terms and conditions of this Agreement
“Client Data Policy”	GNS’s privacy policy relating to the Personal Data (Privacy) Ordinance (Chapter 486 of the laws of Hong Kong) and as may from time to time be amended, modified or supplemented
“Code of Conduct”	the Code of Conduct for Persons Licensed by or Registered with the SFC in force from time to time
“Dormant”	in respect of any Account, the state of any Account that has recorded no trading activity for a continuous period of thirty six (36) months
“Electronic Trading Services”	a facility which enables the Client to give Instructions to purchase and sell or to dispose Securities through electronic means including but not limited to the internet, wire or wireless applications and to receive relevant information from GNS and/or other third party service providers
“Exchange”	the Stock Exchange of Hong Kong Limited
“Financial Product”	any securities or futures contracts as defined under the SFO
“GNS”	Get Nice Securities Limited – a company incorporated in Hong Kong licensed for type 1, type 4, type 6, and type 9 regulated activities under the SFO with CE No. AAA 847 and an exchange participant of the Exchange
“Group’s Companies”	in relation to GNS, a body corporation which is its holding companies or fellow subsidiaries, including but not limited to Get Nice Futures Company Limited, Get Nice Capital Limited and Get Nice Asset Management Limited
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Special Administrative Region of Hong Kong of the People’s Republic of China
“Instruction(s)”	any instruction(s) given by the Client and/or the Authorized Person(s) for buying, selling, other disposition or dealing of any Securities and other order(s) incidental thereof

“Internet Trading Client”	any Client who has opened and maintained an internet trading account in his name with GNS and thus the Client is allowed to use the Electronic Trading Services provided by GNS.
“Margin Client”	any Client who has opened and maintained a margin Account in his name with GNS
“PRC”	the People’s Republic of China
“Securities”	shall have the meanings ascribed to it under the SFO
“SFC”	the Securities and Futures Commission
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SSE”	the Shanghai Stock Exchange
“SSE Securities”	Securities listed and traded on SSE which may be traded by Hong Kong and overseas investors under Shanghai-Hong Kong Stock Connect
“Transaction(s)”	any transaction(s) in Securities and other transaction(s) incidental thereof which GNS effects for or on behalf of the Client

2. The headings of this Agreement are inserted for convenience only and shall be ignored in construing this Agreement.
3. The expression “the Client(s)” shall, where the context permits, include their respective successors, personal representatives and permitted assigns.
4. Unless the context otherwise requires, references in this Agreement to the singular shall be deemed to include references to the plural and vice versa; references to one gender shall include all genders and references to any person shall include an individual, firm, body corporate or unincorporated.
5. References in this Agreement to any statute or statutory provision shall include any statute or statutory provision which amends or replaces or has amended or replaced it and shall include any subordinate legislation made under the relevant statute.
6. References in this Agreement to clauses, schedules and exhibits are references to clauses, schedules and exhibits of this Agreement.
7. References to “other”, “include” and “including” in this Agreement shall not be construed restrictively although they are respectively preceded or followed by words or examples indicating a particular class of acts, matters or things.
8. References in this Agreement to times of a day are, unless otherwise provided herein, to Hong Kong time.
9. In event of inconsistency, the English text of this Agreement shall prevail the Chinese text.

Part 2A – Standard Terms and Conditions

1. Application

- 1.1 These terms form the standard terms and conditions of this Agreement and unless the context otherwise stated, shall be binding on all Clients and/or GNS. If the Client is allowed to engage in margin trading and/or to use Electronic Trading Services provided by GNS, the Client shall be further subject to the terms and conditions set out respectively in Part 2B and/or Part 2C hereof. If there is any inconsistency, the provisions for a particular service will prevail over general provisions.
- 1.2 The Client agrees to and hereby irrevocably appoint GNS with full power and authority as the Client's true and lawful attorney, to the fullest extent permitted by law, to act for and on the Client's behalf for the purpose of carrying out the provisions of this Agreement and taking any action and execution any document or instrument in his name or in GNS's own name which GNS may deem necessary or desirable to accomplish the purposes of this Agreement.

2. The Account

- 2.1 The Client confirms that all information provided in relation to the Account including information in the related Account Opening Form is complete and accurate. The Client will inform GNS in writing of any changes to that information. It is the Client's responsibility to ensure Account accuracy and to notify GNS immediately with regard to any discrepancies.
- 2.2 GNS is authorized to conduct credit enquiries or check on the Client for the purpose of ascertaining the financial situation and investment objectives of the Client and to verify the information provided. The Client also understands that GNS may provide the Client's information to credit reference agencies and in the event of default to a debt collection agent.
- 2.3 GNS will keep information relating to the Account confidential, but may provide any such information to the regulators, law enforcement agencies and other competent authorities, including but not limited to the Exchange, the SFC and Independent Commission Against Corruption to comply with their requirements or requests for information or to any persons pursuant to any court orders or statutory provisions, even if the Account has been terminated prior to such request.
- 2.4 The Client's private information is collected and used by GNS in accordance with the requirements of the Hong Kong Personal Data (Privacy) Ordinance (Cap.486 of the Laws of Hong Kong).

3. Applicable Laws and Rules

- 3.1 All Transactions will be effected in accordance with all laws, rules, regulatory directives, bye-laws, customs and usages applying to GNS. This includes the rules, codes and guidance of the Exchange, HKSCC and SFC from time to time. All actions taken by GNS in accordance with such laws, rules, regulatory directives, bye-laws, customs and usages will be binding on the Client. The Client also agrees that irrespective of his country of domicile (or if the Client is a company, its place of incorporation), any dispute with GNS may at GNS's discretion be referred to the SFC, and not other securities regulators in any jurisdictions.
- 3.2 This Agreement is governed by, and may be enforced in accordance with, the laws of Hong Kong.
- 3.3 If the Client is an individual domiciled or a company incorporated outside Hong Kong, the Client shall, immediately upon demand by GNS, appoint a person or an agent in Hong Kong to be his or its process agent to receive all notices and communications relating to any legal proceedings involving the Client, and the Client agrees that any service of any legal process on the process agent shall constitute sufficient service on the Client for purpose of legal proceedings in the Hong Kong courts.
- 3.4 No provision of this Agreement shall operate to remove, exclude or restrict any of the Client's rights or obligations of GNS under the laws of Hong Kong.

4. Instructions and Transactions

- 4.1 GNS will act as the Client's agent in effecting Transactions unless GNS indicates (in the combined daily statement which includes the contract notes and receipts for the relevant Transaction or otherwise) that GNS is acting as principal.
- 4.2 The Client agrees that GNS shall not be accountable to the Client for any commissions, remuneration, rebates or other benefits which GNS may receive from or offer to any person in respect of any Transaction or business conducted with the Client or on the Client's behalf.
- 4.3 The Client agrees that GNS (including GNS's directors, officers, licensed representatives and employees) does not provide tax, legal or investment advice nor does GNS give advice or offer any opinion or recommendation with respect to the suitability of any Securities or Transactions. The Client agrees that the Client, independently and without reliance on GNS, makes his own decisions and judgments with respect to his Instructions. Should the Client need investment advice from GNS, a separate agreement has to be made between the Client and GNS.
- 4.4 The Client or the Client's Authorized Person(s) may give Instructions to GNS (which GNS may in its absolute discretion reject) to effect Transactions or other transactions for the Client. GNS may act on such Instructions given orally, in writing or electronically which purport, and which GNS reasonably believes to come from the Client or the Client's Authorized Person(s) or to have been given on behalf of the Client. GNS will not be under any duty to verify the capacity of the person(s) giving those Instructions.
- 4.5 Unless otherwise inform GNS in writing, the Client confirms that the Client is the beneficial owner of the Securities under his Account free from any lien, charge, equity or encumbrance save as created by or under this Agreement and is ultimately responsible for originating the Instruction in relation to all Transactions. If, in relation to any particular Transaction in the Client's Account, the Client is not the person or entity (legal or otherwise) ultimately responsible for originating the Instruction or the person or entity (legal or otherwise) that stands to gain its commercial or economic benefit and/or bear its commercial or economic risk, the Client undertakes and agrees to provide information on the identity, address and contact and other details of such person or entity to GNS before giving the Instruction to GNS. The Client also undertakes and agrees to provide such information to GNS, or direct to the relevant exchange, government agencies or regulators within two (2) Business Days of GNS's written request and such undertaking and agreement will survive any termination of this Agreement.
- 4.6 The Client confirms that until such time as GNS receives written notice from the Client to the contrary in respect of one or more specific Transactions, the Client will not give GNS any Instruction to sell securities which is a short selling order (as defined in section 1 of Part 1 of Schedule 1 to the SFO) to be executed at or through the Exchange.
- 4.7 Without prejudice to clause 4.6 above, in respect of each short selling order to be transacted at or through the Exchange upon the Client's Instruction, the Client understands the relevant provisions of sections 170 and 171 of the SFO and its related subsidiary legislation and agrees to ensure compliance with the same by the Client and any other relevant persons.
- 4.8 On all Transactions, the Client will pay GNS's commissions and charges, as notified to the Client, as well as applicable fees and levies imposed by the Exchange and/or the SFC, and all applicable stamp duties. GNS may deduct such commissions, charges, levies, fees and duties from the Account. The Client acknowledges and agrees that the commission rates and fees are determined and set solely by GNS, the Exchange, the SFC and other government agencies, and are subject to change at any time.
- 4.9 GNS may determine the priority in the execution of the Client's Instructions having due regard to market practice, applicable regulations and fairness to all Clients.
- 4.10 GNS may, without prior notice to the Client, combine for execution the Client's Instructions with the Instructions of other Clients. This may result in a more favorable or less favorable price being obtained for the Client than executing the Client's Instructions separately. Where there are insufficient Securities to satisfy the Instructions so combined, the Transactions will be allocated between Clients with due regard to market practice and fairness to Clients.
- 4.11 GNS will not be liable for any delay or failure in the transmission of Instructions due to breakdown or collapse of communication facilities or for any other delay or failure beyond the control of GNS.

- 4.12 By reason of physical restraints and rapid changes of Securities prices, GNS may not always be able to execute the Client's Instructions in full or at the prices quoted at any specific time or "at best" or "at market" and the Client agrees to be bound by such executions.
- 4.13 All Instructions in respect of the transactions in the Securities traded on the Exchange given by the Client are good for the day on which they were given. They will be automatically cancelled if not executed by the close of trading on the Exchange or such other expiration date required by the Exchange. GNS may execute these Instructions at any time prior to their automatic cancellation or receipt of cancellation Instructions, and the Client accepts full responsibility for the Transactions so executed.
- 4.14 The Client may request to cancel or amend their Instructions in respect of the Transactions but GNS may at its discretion (such discretion not to be exercised in an unreasonable manner) refuse to accept any such request. These Instructions may be cancelled or amended only before execution. Cancellation of market Instructions is rarely possible as they are subject to immediate execution. In the case of full or partial execution of the Client's Instructions before cancellation, the Client accepts full responsibility for the executed Transactions and GNS shall incur no liability in connection therewith.
- 4.15 The Client understands and agrees that GNS may use a telephone record system to record conversations and Instructions with the Client and the Client's Authorized Persons. The Client acknowledges and warrants that each Authorized Person also consents to such recording.
- 4.16 The Client may request GNS to subscribe for Securities offerings on the Client's behalf. GNS may be required to provide warranty or make representation in respect of such application, including but not limited to the following:
- (a) that GNS has due authority to make such application on the Client's behalf;
 - (b) that no other application is being made for the Client's benefit whether by the Client himself or by any other person other than the application submitted on the Client's behalf.
- The Client hereby expressly authorizes GNS to provide such warranty and representation to the Exchange or issuer of the relevant Securities. The Client acknowledges that the aforesaid declaration will be relied upon by the issuer of the relevant Securities in deciding whether or not to make any allotment of Securities in response to the application made by GNS as the Client's agent.
- 4.17 At the Client's request, GNS may provide financial accommodation to facilitate the subscription of Securities offerings, and, where applicable, for the continued holding of those Securities under a separate agreement to be made between the Client and GNS.
- 4.18 The Client understands that GNS generally does not accept stop-loss orders. If such orders are accepted, GNS does not guarantee the execution of such orders.
- 4.19 The Client agrees that GNS may, in its discretion and without giving the Client prior notice, prohibit or restrict the Client's ability to trade Securities through the Account. The Client agrees that GNS is not liable for any losses and/or damages, actual or hypothetical, as a result of such restrictions.
- 4.20 If GNS solicits the sale of or recommend any Financial Product to the Client, the Financial Product must be reasonably suitable for 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 GNS may ask the Client to sign and no statement GNS may ask the Client to make derogates from this clause.

5. Settlement

- 5.1 Unless otherwise agreed, in respect of each Transaction, unless GNS is already holding sufficient cash or Securities on the Client's behalf to settle the Transaction, the Client will:
- (a) pay GNS cleared funds or deliver Securities to GNS in deliverable form; or
 - (b) otherwise ensure that GNS has received such funds or Securities by such time as GNS has notified the Client in relation to that Transaction. If the Client fails to do so, GNS may on behalf of the Client:
 - (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.
- 5.2 The Client will indemnify GNS against any losses, costs, fees and expenses resulting from the Client's settlement failures.
- 5.3 The Client agrees to pay a penalty charge for each settlement failure at such rates and on such other terms as GNS has stipulated at its discretion and notified the Client from time to time.

- 5.4 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 GNS has stipulated at its discretion and notified the Client from time to time. The Client agrees to pay for the costs and expenses of collection of the overdue balances and any unpaid deficiency in the Account(s), including without limited to attorney's fees, court costs and any other costs incurred or paid by GNS.
- 5.5 The Client acknowledges that delivery of any Securities that GNS may have purchased on behalf of the Client from the selling party is not guaranteed. In the case that GNS has confirmed with the Client that the relevant purchase Transaction was completed but the selling party or its broker fails to deliver on the settlement date and GNS has to purchase the Securities to settle the Transaction, the Client will not be responsible to GNS for the costs of such purchase.

6. Safekeeping of Securities

- 6.1 Any Securities which are held by GNS for safekeeping may, at GNS's discretion:
- (a) (in the case of registrable Securities) be registered in the Client's name or in the name of GNS's nominee; or
 - (b) be deposited, at the Client's costs, in safe custody in a designated account with GNS's 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 approved by the SFC as a provider of safe custody services.
- 6.2 Where Securities are not registered in the Client's name, any dividends or other benefits arising in respect of such Securities shall, when received by GNS, be credited to the Client's Account or paid or transferred to the Client after deduction of the relevant charges, as agreed with GNS. Where the Securities form part of a larger holding of identical Securities held for the Clients, the Client will be entitled to the same share of the benefits arising on the holding as the Client's share of the total holding. Where the dividend is distributed either in the form of cash dividend or other forms, GNS is authorized to elect and receive on behalf of the Client the cash dividend in the absence of contrary prior written Instruction from the Client.
- 6.3 The Client agrees to pay service charges upon the Account at such rates and on such other terms as GNS has stipulated at its discretion and notified the Client from time to time in respect of the safe custody services.
- 6.4 Save for the Margin Client, GNS as a broker who does not have the Client's written authority pursuant to section 4(1) of the Securities and Futures (Client Securities) Rules shall not:
- (a) deposit any of the Client's Securities with a banking institution as collateral for an advance or loan made to GNS, or with the HKSCC as collateral for the discharge of GNS's obligations under the clearing system;
 - (b) borrow or lend any of the Client's Securities; and
 - (c) otherwise part with possession (except to the Client or on the Client's Instructions) of any of the Client's Securities for any purpose.
- 6.5 Subject to settlement of all outstanding balances of any and all of the Accounts owing to GNS (if any), Securities purchased for the Client will be delivered to the Client provided that:
- (a) such Securities are fully paid; and
 - (b) such Securities are not subject to any lien.

7. Cash Held for the Client

- 7.1 Any cash held for the Client, other than cash received by GNS in respect of settling a Transaction and/or fulfilling other debt obligations by the Client, will be credited to a client trust account maintained with a licensed bank as required by applicable laws from time to time.
- 7.2 Subject to any written agreement to the contrary, the Client hereby agrees that, GNS shall be entitled at any time and from time to time withhold, withdraw and retain for its own use and benefit absolutely any and all interest at any time and from time to time earned, accrued, paid, credited or otherwise derived from the retention at any time or from time to time of any and all amounts:
- (a) received for the Account(s) of the Client in respect of dealing in Securities;
 - (b) for or on account of the Client;
 - (c) in any trust account established by GNS under the SFO;
 - (d) received or held by GNS or any of GNS's nominees, agents, representatives, correspondents or bankers for or on account in any other circumstances, for any purpose or pursuant to any Transaction.

8. Exchange Conversion

8.1 In respect of any Transaction on the Account(s) executed in any currency other than the currency that the Client has in the Account(s), any profit or loss arising as a result of exchange rate fluctuation will be entirely for the Account and at the Client's risk, and will accordingly be credited or debited (as the case may be) to the Account at the exchange rate adopted by the relevant bank at the time. The Client is also responsible for any expenses and charges that may be incurred as a result of such foreign exchange.

9. Brokerage, Fees, Soft Commission and Rebates

9.1 GNS is hereby authorized, to the extent permitted by applicable laws and regulations, to:

- (a) solicit, receive and retain commission, cash rebates, goods and services and other soft dollar benefits arising out of (i) entering into Transactions for or with the Client; and (ii) customer referrals, from any agent, delegate, broker, Affiliate and other person in connection with such Transactions and customer referrals;
- (b) offer, pay commission, cash rebates, goods and services and other soft dollar benefits arising out of (i) entering into Transactions for or with the Client; and (ii) customer referrals, to any agent, delegate, broker, Affiliate and other person in connection with such Transactions and customer referrals; and
- (c) make and retain gains by entering into Transactions for or with the Client at prices which are different to the prices at which GNS have entered into with any other person (including any Affiliate) .

10. Joint Account

10.1 Where the Client consists of more than one person:

- (a) the liability and obligations of each of them shall be joint and several and references to the Client shall be construed, as the context requires, to any or each of them;
- (b) GNS shall be entitled to, but shall not be obliged to, act on Instructions or any other requests from any of them;
- (c) each of them shall be bound though any other Client or any other person intended to be bound is not, for whatever reason, so bound; and
- (d) any notice, payment or delivery by GNS to either any one the joint Account holders shall be a full and sufficient discharge of GNS's obligations to notify, pay or deliver under this Agreement.

10.2 Where the Client consists of more than one person, on the death of any of such persons (being survived by any other such persons), this Agreement shall not be terminated and the interest in the Account of the deceased will thereupon vest in and ensure for the benefit of the survivor(s) provided that any liabilities incurred by the deceased Client shall be enforceable by GNS against such deceased Client's estate. The surviving Client(s) shall give GNS written notice immediately upon any of them becoming aware of any such death.

11. Lien, Set-off and Combination of Accounts

11.1 All Securities held for the Account shall be subject to a lien by way of first fixed charge in GNS's favour for the performance of the Client's obligations to GNS arising in respect of dealing in Securities for the Client. In addition, GNS shall have a lien by way of first fixed charge over any and all Securities, acquired on the Client's behalf, or in which the Client has an interest (either individually or jointly with others) which are held for the Accounts and all cash and other property at any time held by GNS on the Client's behalf, all of which shall be held by GNS as a continuing security for the payment and/or discharge of the Client's obligations to GNS arising from the business of dealing in Securities and all stocks, shares (and the dividends or interest thereon) rights, monies or property accruing or offered at any time by way of redemption, bonus, preference, option or otherwise to or in respect of such Securities. Upon default by the Client in payment on demand or on the due date therefor of any of the Client's indebtedness to GNS or any default by the Client hereunder, GNS shall have the right, acting in good faith, to sell or otherwise dispose the whole or any part of such security as when and how and at such price and on such terms as GNS shall think fit and to apply the net proceeds of such sale or disposition and any moneys for the time being in GNS's hands in or towards discharge of the Client's indebtedness to GNS and any of its Group's Companies.

11.2 Subject to the provisions of the SFO and relevant rules made thereunder and without prejudice to any of the rights GNS may have, GNS shall be entitled and authorized to, at any time or from time to time and without prior notice to the Client, notwithstanding any settlement of Account or other matter whatsoever, combine or consolidate any or all of the Accounts (of whatever nature and whether held individually or jointly with others) maintained with GNS and set-off or transfer any money, securities or other property standing to the credit of any one or more of such Accounts in or towards satisfaction of the indebtedness, obligations or liabilities of the Client

towards GNS or any of its Group's Companies on any other Accounts whether such indebtedness, obligations or liabilities be present or future, actual or contingent, primary or collateral, several or joint and secured or unsecured. Where such set-off, consolidation, combination or transfer requires the conversion of one currency into another, such conversion shall be calculated at the rate of exchange conclusively determined by GNS to be applicable.

12. Money Laundering

12.1 The Client acknowledges and agrees that any Transaction in Securities and monies flow activities in the Account will be covered by the applicable requirements relating to money laundering as set forth by the Financial Action Task Force of which Hong Kong is a member ("the Money Laundering Requirements"). The Client agrees to comply with the Money Laundering Requirements and GNS shall attempt within its power to meet or comply with the verification and identification procedures necessary.

13. Tax Requirements

13.1 The Client authorizes and agrees to GNS to disclose account and personal information to any local or foreign legal, regulatory, governmental, tax, law enforcement or other authorities, or self-regulatory or industry bodies or associations of financial service providers, including but not limited to any settlement and clearing agencies, all of which may be within or outside Hong Kong and may be existing currently and in the future, where such disclosure is required under :

- (a) applicable laws, binding or applying to GNS within or outside Hong Kong;
- (b) any guidelines or guidance given or issued by any legal, regulatory, governmental, tax, law enforcement or other authorities, or self-regulatory or industry bodies or associations of financial service providers within or outside Hong Kong; and
- (c) any present or future contractual or other commitments with local or foreign legal, regulatory, governmental, tax, law enforcement or other authorities, or self-regulatory or industry bodies or associations of financial service providers that are assumed by or imposed on GNS by reason of its financial, commercial, business or other interests or activities in or related to the jurisdiction of the relevant local or foreign legal, regulatory, governmental, tax, law enforcement or other authorities, or self-regulatory or industry bodies or associations.

13.2 The Client agrees and acknowledges that pursuant to the foregoing, GNS may, without notice or liability, perform, or cause to be performed, withhold any monies, deposit any such monies into a sundry or other account and/or retain such monies pending determination of the applicability of such withholding tax requirements, foreign exchange restrictions or control. GNS shall not be liable for any gross up or any losses that may be incurred by reason of such withholding, retention or deposit.

14. Amendment

14.1 GNS may from time to time in its absolute discretion add, amend, delete or substitute any of the terms and conditions of this Agreement by giving the Client notice of such changes which will become effective from the date specified in such notice.

14.2 The Client acknowledges and agrees that if the Client does not accept any amendments (including the amendments to GNS's commission rates and fees etc.) as notified by GNS from time to time, the Client shall have the right to terminate this Agreement in accordance with the termination clause under this Agreement. The Client further agrees that any amendments shall be deemed to be accepted by the Client, should GNS continue to effectuate any Transaction(s) in the Account without being expressly communicated with the Client's objections to such amendments prior to the Transaction(s).

15. Limitation of Liability and Indemnity

15.1 GNS shall not be liable for any delay or failure to perform their obligations or any losses, damages or costs resulting therefrom so long as they have acted in good faith. Moreover, GNS shall not be held responsible for any consequences resulting whether directly or indirectly from any uncontrollable events including without limitation government restrictions, imposition of emergency procedures, exchange ruling, third party conduct, suspension of trading, breakdown or collapse of communication facilities, war, strike, market conditions, civil order, acts or threatened acts of terrorism, natural disasters, or any other circumstances beyond GNS's control whatsoever.

15.2 The Client further agrees that GNS (including GNS's directors, officers, licensed representatives and employees) shall not be liable in respect of any information rendered, whether such information was given at the Client's request.

15.3 The Client shall fully indemnify GNS (including GNS's directors, officers, licensed representatives and employees) against all claims, actions, liabilities (whether actual or contingent) and proceedings against any one of them and bear any losses, costs, charges or expenses (including legal fees) which any one of them may suffer or incur in connection with their carrying out of obligations or services, or exercise of rights, powers or discretion under this Agreement, including any action taken by GNS to protect or enforce its rights, or its security interest under this Agreement, whether or not as a result of any default or breach of the Client.

16. Default

16.1 All amounts owing by the Client to GNS together with interest become immediately due and payable without any notice or demand upon any one of the following events of default:

- (a) if, in GNS's opinion, the Client has breached any material term of this Agreement or defaulted in respect of any transaction with or through GNS;
- (b) if any representation, warranty or undertaking to GNS was when given or hereafter becomes incorrect in any material respect;
- (c) for compliance with any rules or regulations of any relevant exchange or clearing house;
- (d) in the event of the Client's death (in the case of joint Account, clause 10.2 of this Agreement shall apply) or being declared incompetent or a petition in bankruptcy is filed by or against the Client or an order is made or resolution passed for the Client's voluntary or compulsory winding up or a meeting is convened to consider a resolution that the Client should be so wound up;
- (e) any warranty or order of attachment or distress or equivalent order is issued against any of the Client's Accounts with GNS; or
- (f) when the Client's Account has become Dormant and the balance of which is zero (i.e. neither cash nor Securities are maintained in the Account) or negative (i.e. in the case that the Client has indebtedness owing to GNS), and upon the occurrence of any of such events (collectively referred to as "**Default**"), GNS shall be entitled in its absolute discretion, without notice or demand and without prejudice to any other rights or remedies available to GNS, forthwith to:
 - (i) sell or realize all or any part of the Client's property held by GNS in such manner and upon such terms as GNS may conclusively decide and satisfy the Client's obligations and indebtedness towards GNS out of the net proceeds (with fees, expenses and costs deducted) thereof;
 - (ii) cancel any open orders for the purchase or sale of Securities;
 - (iii) sell any or all Securities long in the Account;
 - (iv) buy any or all Securities which may be short in the Account; and/or
 - (v) exercise any of its rights under this Agreement.

17. Termination

17.1 Either party may terminate this Agreement at any time on the giving of not less than seven (7) Business Days' prior written notice to the other. However, GNS may terminate this Agreement forthwith at any time without notice to the Client in the case of Default committed by the Client.

17.2 Any termination shall not affect any transaction entered into, or prejudice or affect any right, power, duty and obligation of either party accrued, prior to such termination.

17.3 Upon termination of this Agreement, the Client will immediately pay GNS any and all amounts due or owing to it.

17.4 In case of any cash or Securities balances in the Account upon termination of this Agreement by way of notice (other than as a result of Default), the Client agrees to withdraw such balances within seven (7) days from the date of such termination. If the Client does not do so, the Client agrees that GNS may on behalf of the Client and without any responsibility for any loss or consequence on its part sell or dispose of the Client's Securities in the market or in such manner and at such time and price as GNS may reasonably determine and send to the Client at the Client's sole risk its cheque representing any net sale proceeds and credit balances in the Accounts to the Client's last known address.

18. Notices and Communication

18.1 Any notice or communication given by GNS to the Client shall be deemed made or given:

- (a) if made by letter, upon delivery to the Client by hand or if sent by prepaid mail, within two (2) days if the Client is in Hong Kong or within five (5) days if the Client is outside Hong Kong; and
- (b) if made by telex, facsimile, electronic mail or other electronic means, upon transmission of the message to or accessible by the Client.

- 18.2 GNS may also communicate with the Client verbally. The Client is deemed to have received any message left for the Client on the Client's answer machine, voicemail or other similar electronic or mechanical devices at the time it is left for the Client.
- 18.3 Any notice or communications made or given by the Client will be sent at the Client's own risk and will be effective only upon actual receipt by GNS.
- 18.4 Unless otherwise inform GNS in writing, the Client expressly consent to GNS sending any notice, documents or communication to the Client by electronic means.
- 18.5 The Client agrees to check regularly the Client's mailbox, electronic mailbox, facsimile machine and other sources of facilities through which the Client receives communication from GNS. GNS will not be responsible for any losses that arise from the Client's failures, delay or negligence to check such sources or facilities.
- 18.6 The Client understands, for the security and integrity of the Account, that GNS may temporarily or permanently disable or restrict the Account, if and when the mails become undeliverable or are returned as a result of the Client's failure to provide, update and/or notify GNS with most current and accurate Account information.
- 18.7 The Client is responsible for reviewing all acknowledgements, confirmations, contract notes and Account statements in relation to the Client's Transactions and other Account activities information upon first receiving them. All Transactions and other information therein contained will be binding on the Client unless GNS receives the Client's notice of objection in writing within seven (7) days after the Client receives or deemed to have received them. In all cases, GNS reserves the right to determine the validity of the Client's objection to the relevant Transaction or information.

19. Conflict of Interest

- 19.1 GNS and its directors, officers or employees may trade on its/their own account or on the account of any of its Group's Companies.
- 19.2 GNS may buy, sell, hold or deal in any Securities or take the opposite position to the Client's order whether it is on GNS own account or on behalf of its other clients.
- 19.3 GNS may match the Client's orders with those of other clients.
- 19.4 GNS may effect transactions in Securities where GNS or any of its Group's Companies has a position in the Securities or is involved with those Securities as underwriter, sponsor or otherwise.
- 19.5 In any of the above mentioned events GNS shall not be obliged to account for any profits or benefits obtained.

20. General Provisions

- 20.1 All currency exchange risks in respect of any Transactions, settlement actions or steps taken by GNS under this Agreement shall be borne by the Client.
- 20.2 If GNS commits a default as defined in the SFO and the Client thereby suffers a pecuniary loss, the Client shall have a right to claim under the Investor Compensation Fund established under the SFO, subject to the terms of the Investor Compensation Fund from time to time.
- 20.3 Each of GNS and the Client undertakes to notify the other in the event of any material change to the information (as specified in the Code of Conduct) provided in this Agreement.
- 20.4 The terms and conditions of this Agreement shall survive any changes or succession in the Client's business, including the Client's bankruptcy or death and will be binding on the Client's successor(s), personal representative(s) or permitted assign(s).
- 20.5 Time shall be of essence in relation to all matters arising under this Agreement.
- 20.6 Waiver of any right under this Agreement must be in writing signed by the party waiving such right. The rights, powers, remedies and privileges in this Agreement are cumulative and not exclusive of any rights, powers, remedies and privileges provided by law. Any failure or delay in exercising all or part of any right, power or privilege in respect of this Agreement will not be presumed to operate as a waiver to preclude any subsequent exercise of that right, power or privilege.
- 20.7 Each of the provisions in this Agreement is several and distinct from the others and if any one or more of such provisions is or becomes invalid or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

20.8 GNS shall have the right to assign, transfer or otherwise dispose of all or any of its rights, interests or obligations in or under this Agreement to its Affiliates as it thinks fit and without having to notify the Client or obtain the Client's consent. The Client shall not assign, transfer or dispose of the Client's rights, interests or obligations in or under this Agreement to any third party without the prior written consent of GNS.

21. New Listing of Securities

21.1 In the event that the Client requests and authorizes GNS to apply for Securities in respect of a new listing and/or issue of Securities on the Exchange as his agent and for his benefit of any other person, the Client hereby warrants to and for GNS's benefit that GNS have authority to make such application on the Client's behalf.

21.2 The Client shall familiarize himself and comply with all the terms and conditions governing the Securities of the new listing and/or issue and the application for such new securities set out in any prospectus and/or offering document and the application form or any other relevant document in respect of such new listing and/or issue and the Client agrees to be bound by such terms and conditions in any such transaction the Client may have with GNS.

21.3 The Client hereby gives to GNS all the representations, warranties and undertakings which an applicant for Securities in a new listing and/or issue is required to give (whether to the issuer, sponsors, underwriters or placing agents of the relevant securities, the Exchange or any other relevant regulator or person).

21.4 The Client hereby further declares and warrants, and authorizes GNS to disclose and warrant to the Exchange on any application form (or otherwise) and to any other person as appropriate, that any such application made by GNS as his agent is the only application made, and the only application intended to be made, by the Client or on the Client's behalf, to benefit the Client or the person for whose benefit the Client's applying. The Client acknowledges and accepts that the aforesaid declaration and warranty will be relied upon by GNS and by the issuer, sponsors, underwriters or placing agents of the relevant Securities, Exchange or any other relevant regulator or person in respect of any application made by GNS as the Client's agent.

21.5 The Client acknowledges that any application made by an listed company which does not carry on any business other than dealing in Securities and in respect of which the Client exercises statutory control shall be deemed to be an application made for the benefit of the Client.

21.6 The Client recognizes and understands that the legal regulatory requirements and market practice in respect of applications for Securities may vary from time to time as may the requirements of any particular new listing or issue of Securities. The Client undertakes to provide to GNS such information and take such additional steps and make such additional representations, warranties and undertakings as may be required in accordance with such legal, regulatory requirements and market practice as GNS may in GNS's absolute discretion determined from time to time.

21.7 In relation to a bulk application to be made by GNS or GNS's agent on GNS's own account and/or on behalf of the Client and or GNS's other Clients, the Client acknowledges and agrees:

(a) that such bulk application may be rejected for reasons which are unrelated to the Client and the Client's application and neither GNS nor GNS's agent shall, in the absence of fraud, negligence or willful default, be liable to the Client or any other person in consequence of such rejection; and

(b) to indemnify GNS in accordance with clause 15 if such bulk application is rejected either in circumstances where the representations and warranties have been breached or otherwise because of factors relation to the Client. The Client acknowledges that the Client may be also be liable in damages to other persons affected by such breach or other factors.

22. Risk Disclosure Statements

22.1 The Client acknowledges that the relevant risk disclosure statements specified in Part 3A hereof form part of this Agreement. If the Client is allowed to use Electronic Trading Services provided by GNS, the Client shall further acknowledge the relevant risk disclosure statements set out in Part 3B hereof.

23. Representation, Warranties and Undertakings

23.1 The Client represents that he is of required legal age and mentally fit to enter into this Agreement. If the Client is a corporate client, it has obtained all necessary consents from shareholders and directors and has taken all necessary actions to enable the Client to enter into this Agreement and perform its obligations under this Agreement.

- 23.2 Save as disclosed in the Account Opening Form, the Client represents and warrants to GNS that the Client is not associated with any directors, employees or licensed representatives of GNS or its associated companies and agrees that if the Client is or becomes associated with any of such directors, employees or licensed representatives, the Client shall promptly notify GNS of the existence and nature of such association and acknowledge that GNS may, upon receipt of such notice, at GNS's discretion, choose to terminate the Account. If the Client is a corporate client, the expression "Client" in this clause 23.2 and clause 23.3 below shall include any of the Client's directors, shareholders or Authorized Persons.
- 23.3 The Client represents that, unless the Client has previously disclosed in writing to GNS, the Client is not a director or employee of any exchange, clearing house or any licensed or registered person under the SFO.
- 23.4 This Agreement and its performance and the obligations contained in this Agreement do not and will not contravene any applicable law and regulations, any provisions of the Client's memorandum and articles of association or by-laws (where applicable), or constitute a breach of default under any agreement or arrangement by which the Client is so bound.
- 23.5 The Client will not charge, pledge or allow to subsist any charge or pledge over the Client's Securities or monies in the Account or grant or purport to grant an option over any Securities or monies in the Account without the prior written consent of GNS.
- 23.6 All representations and warranties appeared in this Agreement shall be deemed to be repeated immediately before each Transaction or dealing is carried out for or any service is provided to the Client or on the Client's behalf.

24. Arbitration

- 24.1 At the sole option of GNS and in its absolute discretion, any dispute, controversy or claim arising out of or relating to this Agreement, or the breach, termination or invalidity thereof, shall be settled by arbitration in accordance with the UNICITRAL arbitration rules as at present in force and as may be amended by the rest of this clause. The appointing authority shall be Hong Kong International Arbitration Centre (HKIAC). The place of arbitration shall be in Hong Kong at HKIAC. There shall be only one arbitrator. Any such arbitration shall be administered by HKIAC in accordance with HKIAC procedures for arbitration in force at the date of this Agreement including such additions to the UNCITRAL arbitration rules as are therein contained. The language to be used in the arbitral proceedings shall be English.

Part 2B – Additional Terms and Conditions for Margin Client

1. In addition to Part 2A of this Agreement, this Part 2B sets out the terms and conditions to which the Client shall be further subject upon the Client opening a margin Account with GNS in relation to Transactions carried out in connection therewith and the Client shall in this Part 2B be referred to as Margin Client.
2. The Margin Client shall on demand (whether verbally or in writing) from GNS make payments of deposits or margin in cash, Securities or otherwise in amounts agreed with GNS in such amount and at any time as GNS may determine from time to time at its sole discretion or as may be required by the rules of any exchange or market of which GNS is a member.
3. The Margin Client shall be granted facilities determined by GNS from time to time of the market value of the collateral maintained with GNS.
4. If the Margin Client commits a default in payment on demand of the deposits or margins or any other sums payable to GNS hereunder, on the due date therefore, or otherwise fails to comply with any of the terms herein contained, without prejudice to any other rights GNS may have, GNS shall have the right to close the margin Account(s) without notice to the Margin Client and to dispose of any or all Securities held for or on behalf of the Margin Client and to apply the proceeds thereof and any cash deposit(s) to pay GNS all outstanding balances owing to GNS. Any monies remaining after such application shall be refunded to the Margin Client.
5. GNS shall not, without the Margin Client's prior written consent, deposit any of the Margin Client's Securities as security for any loans or advances made to GNS, or lend or otherwise part with the possession of any of the Margin Client's Securities for any purpose.

Part 2C – Additional Terms and Conditions for Internet Trading Client

1. In addition to Part 2A of this Agreement, this Part 2C sets out the terms and conditions to which the Client shall be further subject upon the Client opening an internet trading account with GNS in relation to Transactions carried out in connection therewith and the Client shall in this Part 2C be referred to as Internet Trading Client.
2. The Internet Trading Client consents to the use of the Electronic Trading Services as a medium of communication with GNS and to transmit information, data and document (for avoidance of doubt, the transmission of document includes but does not limit to sending the contract note, trading confirmation, statement of the Account and other documents in electronic form through any electronic means) to the Internet Trading Client.
3. The Internet Trading Client accepts the risk of receiving or gaining access to services through and communication and conducting Transactions over the internet or other electronic means or facilities.
4. The Internet Trading Client acknowledges that information concerning the use, operation, policy and procedures of the Electronic Trading Services and the Account applicable at all time has been made available to the Internet Trading Client on the service website or other applicable wire or wireless facilities, and have read and understood the terms of which may be amended, modified and supplemented from time to time and which shall be binding on the Internet Trading Client in respect of the Internet Trading Client's use of the Electronic Trading Services and the Account. In the event of inconsistencies between the terms of this Agreement and the information, the terms of this Agreement shall prevail.
5. The Internet Trading Client shall not and shall not attempt to tamper with, modify, de-compile, reverse engineer or otherwise alter in any way, or gain unauthorized access to, the Electronic Trading Services.
6. The Internet Trading Client shall be the only authorized user of the Electronic Trading Services, and acknowledges that the services may require the Internet Trading Client to use various identification and access codes, including a password, account identification number and other user identification to access the service and the Account and that the Internet Trading Client shall be responsible for the confidentiality and proper use at all time of the Internet Trading Client's password, account identification number, user identification and account number for all Transactions initiated through the Electronic Trading Services.
7. The Internet Trading Client agrees to notify GNS immediately of the Internet Trading Client's becoming aware of any loss, theft or unauthorized use of the Internet Trading Client's password, account identification number, user identification, Account or account number, or any unauthorized use of the Electronic Trading Services or any information or data provided.
8. The Internet Trading Client acknowledges that any information and data (including news and real time quotes) provided through the Electronic Trading Services relating to Securities and securities markets are obtained from any securities exchanges and markets and from other third party service providers appointed by GNS from time to time. The Internet Trading Client further acknowledges and accepts that:

- (a) such information and data are or may be protected by copyright laws, and are provided for personal noncommercial use only, and the Internet Trading Client may not use, reproduce, retransmit, disseminate, sell, distribute, publish, broadcast, circulate or commercially exploit any information or data in any way without the consent of such service providers.
 - (b) such information and data are received by GNS from sources that are believed to be reliable, however neither the accuracy, completeness, timeliness or sequence of any of the information or data can be guaranteed either by GNS or by such services providers.
9. The Internet Trading Client acknowledges and agrees that neither GNS nor any of the services providers shall be liable to the Internet Trading Client for any reliance by the Internet Trading Client on any of the information or data provided through the Electronic Trading Services nor for availability, accuracy, completeness or timeliness of such information or data nor any actions taken or decisions made by the Internet Trading Client in reliance of such information or data.
10. GNS is not obliged to execute the Internet Trading Client's Instructions until there are sufficient cleared funds or Securities in the Internet Trading Client's Account to settle the Internet Trading Client's Transactions.
11. The Internet Trading Client acknowledges and agrees that GNS shall not be deemed to have received or executed the Internet Trading Client's Instructions unless and until the Internet Trading Client has received GNS's message acknowledging receipt or confirming execution of the Internet Trading Client's Instructions.
12. The Internet Trading Client acknowledges and agrees that if the Electronic Trading Services become temporarily unavailable, the Internet Trading Client may during such period continue to operate the Account subject to GNS's right to obtain such information regarding the verification of the Internet Trading Client's identity to GNS's satisfaction.
13. The Internet Trading Client agrees that GNS shall not be liable for any loss the Internet Trading Client may suffer as a result of using or attempting to use the Electronic Trading Services. The Internet Trading Client further undertakes to indemnify GNS in full for any loss or damage GNS may suffer as a result of the use of the Electronic Trading Services, save for damages caused by willful default on GNS's part.

Part 3A – Risk Disclosure Statements for all Clients

The Client should be aware of the following potential risks in connection with securities trading.

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.

Risk of trading Growth Enterprise Market stocks

Growth Enterprise Market (GEM) stocks involve a high investment risk. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. GEM stocks may be very volatile and illiquid.

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 Exchange. GEM Companies are usually not required to issue paid announcements in gazetted newspapers.

The Client should seek independent professional advice if the Client 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.

Risks of client assets received or held outside Hong Kong

Client assets received or held by GNS outside Hong Kong are subject to the applicable laws and regulations of the relevant overseas jurisdiction which may be different from the SFO 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.

Risk of trading NASDAQ-AMEX securities at the Exchange

The securities under the Nasdaq-Amex Pilot Program ("PP") are aimed at sophisticated investors. The Client should consult the licensed or registered person and become familiarized with the PP before trading in the PP securities. The Client should be aware that the PP securities are not regulated as a primary or secondary listing on the Main Board or the GEM of the Exchange.

Risk of providing an authority to repledge the Client's securities collateral etc.

There is risk if the Client provides GNS with an authority that allows it 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 GNS in Hong Kong, the above arrangement is allowed only if the Client consents in writing. Moreover, unless the Client is a professional investor, the Client's authority must specify the period for which it is current and be limited to not more than twelve (12) months. If the Client is a professional investor, these restrictions do not apply.

Additionally, the Client's authority may be deemed to be renewed (i.e. without the Client's written consent) if GNS issues the Client a reminder at least fourteen (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 any law to sign these authorities. But an authority may be required by GNS, 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. GNS 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 parties, those third parties will have a lien or charge on the Client's securities or securities collateral. Although GNS 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 the Client's 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.

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 the Client's cash and any other assets deposited as collateral with GNS. 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 the Client's consent. Moreover, the Client will remain liable for any resulting deficit in the Client's account and interest charged on the Client's account. The Client should therefore carefully consider whether such a financing arrangement is suitable in light of the Client's own financial position and investment objectives.

Risks of Over the Counter Derivative Products

Over-the-counter derivative products are derivative products that are not listed or traded on an Exchange. ("OTC Derivatives Products").

The Client understands and agrees that:

- (a) OTC Derivative Products often involve a high degree of gearing, so that a relatively small movement in the price of the underlying Securities results in a disproportionately large movement in the price of the OTC Derivative Products. The values of OTC Derivative Products are not fixed, but fluctuate with the market, which may be influenced by many factors, including changes in the economic and / or political environment. The prices of OTC Derivative Products can therefore be volatile;
- (b) the market value of an OTC Derivative Product may be affected by the changes in the actual or perceived credit standing of the issuer. For example, it may be adversely affected due to downgrading of it or its underlying by rating agencies such as Moody's Investors Inc. or Standard & Poor's Rating Services;
- (c) the Client should be aware that although OTC Derivative Products may bring significant benefits, they may also carry substantial risks which the Client should fully understand when considering whether they are suitable. The Client should not buy an OTC Derivative Product unless the Client is prepared to sustain a total loss of the money the Client has invested plus any commission or other transaction charges;
- (d) while OTC Derivative Products are unexercised and if their underlying securities are suspended from trading on the HKEX or any other relevant stock exchange, they may be suspended from trading for a similar period of time as their underlying securities;
- (e) It is not possible to predict the liquidity of OTC Derivative Products;
- (f) depending on the terms and conditions of the OTC Derivative Product, the Client may be obligated to accept the underlying securities if the conversion price is triggered;
- (g) if there is a stock split, issue of bonus shares or other unexpected event that changes the number of issued shares of the underlying stock, the Client's counterparty may adjust contract terms, at its sole discretion, to reflect the new market conditions. This may include unwinding the contract. The Client will be notified in event of such adjustments;

- (h) OTC Derivative Products have limited liquidity. It may be impossible to liquidate an existing position or to do so at a satisfactory price because the market finds it difficult to assess the value, to determine a fair price or assess the exposure to risk;
- (i) OTC Derivative Products are imbedded with options. Transactions in options carry a high degree of risk. The risk of loss in trading options can be substantial. Prospective investors should have prior knowledge of, or experience in option markets. The Client should carefully consider whether such trading is suitable in the light of the Client's own financial position and investment objectives;
- (j) there is no central source for obtaining prices in relation to an OTC Derivative Product. Any price provided by GNS in relation to an OTC Derivative Product is based on the latest available market price or derived from sources which GNS believed to be reliable. Consequently, any such price may only reflect historic prices and may or may not be accurate. The Client should note that GNS do not make any warranty or representation as to the accuracy or completeness of any such price and does not accept liability for any losses arising from the use thereof;
- (k) pre-termination prior to maturity is possible subject to prevailing market terms and conditions; and
- (l) the issuers may enter into discount, commission or fee arrangements with brokers and / or any of its affiliates with respect to the primary or secondary market in the OTC Derivative Products.

The Client further understands and agrees that prior to entering into any Transaction in relation to an OTC Derivative Product, the Client shall, in addition to any other relevant considerations:

- (a) evaluate the Client's financial status, risk bearing capabilities and whether the OTC Derivative Product is suitable in the light of the Client's own financial position and investment objectives;
- (b) fully understand the nature and related risks of the OTC Derivative Product;
- (c) ensure that the Client has all necessary information the Client requires to assess all possible risks in the OTC Derivative Product when deciding on its appropriateness;
- (d) consider what the Client intends to achieve; and
- (e) be aware of any general framework for the OTC Derivative Product established by any relevant authority or governing body.

The Client also confirms that:

- (a) unless the Client has otherwise notified GNS in advance, the Client is acting on the Client's own account and the Client makes an independent decision prior to trading in the OTC Derivative Products or any other products in light of the Client's own circumstances; and
- (b) any information supplied by GNS and / or explanation relating to the terms and conditions of the OTC Derivative Products or any other products given by GNS or GNS's staff shall not amount to investment advice or a recommendation to purchase the OTC Derivative Products or any other products.

Risks of Exchange traded derivative products

Exchange traded derivative products are derivative products that are listed or traded on an exchange (including, but not limited to, futures contracts, options contracts, warrants, callable bull / bear contracts ("Exchange Derivative Products")).

The Client understands and agrees that:

- (a) it is not possible to predict the liquidity of Exchange Derivative Products. The fact that the Exchange Derivative Products may be so listed does not necessarily lead to greater liquidity than if they were not so listed;
- (b) for Transactions in relation to investments involving contracts or instruments which are traded on an exchange, the risk of loss may increase if certain events (such as disruption of the normal market operations or conditions of the relevant exchange or clearing house, suspension or restriction of trading certain contracts or instruments and / or other events which affect the closing out of such Transactions or the liquidating of the relevant positions) occur;
- (c) under certain circumstances, the specifications of an exchange-traded contract or instrument may be modified by the relevant exchange or clearing house and such modification may have an adverse affect on the Client's investments;
- (d) in the event that an issuer becomes insolvent and defaults on their listed Securities, the Client will be considered as unsecured creditors and will have no preferential claims to any assets held by the issuer. The Client should therefore pay close attention to the financial strength and credit worthiness of the issuers;
- (e) uncollateralized Exchange Derivative Products are not asset backed. In the event of issuer bankruptcy, the Client can lose his entire investment. The Client should read the listing documents to determine if a product is uncollateralized;
- (f) Exchange Derivative Products often involve a high degree of gearing, so that a relatively small movement in the price of underlying securities results in a disproportionately large movement in the price of the Exchange Derivative Products. The values of Exchange Derivative Products are not fixed, but fluctuate with the market, which may be influenced by many factors, including changes in economic and / or political environment. The prices of Exchange Derivative Products can therefore be volatile and may fall to zero resulting in a total loss of initial investment. Further, the price of an Exchange Derivative Product may not match its theoretical price due to outside influences such as market supply and demand factors. As a result, actual traded prices can be higher or lower than the theoretical price;

- (g) Exchange Derivative Products have an expiry date after which they may become worthless. The Client must be aware of the expiry time horizon and choose a product with an appropriate lifespan for their trading strategy. In particular, the value of a derivative warrant will decay over time as it approaches its expiry date, therefore, derivative warrants should not be viewed as long term investments;
- (h) investors should be aware of the underlying asset volatility. Investors trading Exchange Derivative Products with underlying assets not denominated in Hong Kong dollars are also exposed to exchange rate risk. Currency rate fluctuations can adversely affect the underlying asset value, also affecting the Exchange Derivative Products price;
- (i) the Exchange requires all structured product issuers to appoint a liquidity provider for each individual issue. The role of liquidity providers is to provide two way quotes to facilitate trading of their products. In the event that a liquidity provider defaults or ceases to fulfill its role, the Client may not be able to buy or sell the product until a new liquidity provider has been assigned; and
- (j) some Exchange Derivative Products have an intraday "knockout" or mandatory call feature. Such Exchange Derivative Products will cease trading when the underlying asset value equals the mandatory call price / level as stated in the listing documents. The Client will only be entitled to the residual value of the terminated Exchange Derivative Product as calculated by the product issuer in accordance with the listing documents. The Client should also note that the residual value can be zero. Further, with Exchange Derivative Products, the issue price of an Exchange Derivative Product includes funding costs. Funding costs are gradually reduced over time as the Exchange Derivative Products move towards expiry. The longer the duration of the Exchange Derivative Products, the higher the total funding costs. In the event that such Exchange Derivative Product is called, the Client will lose the funding costs for the entire lifespan of such Exchange Derivative Product. The Client should refer to the formula for calculating the funding costs that are stated in the listing documents.

Risk of Exchange traded funds

- (a) Exchange traded funds ("ETF") may invest in stock index future contracts and other derivatives. Derivatives have a high degree of price variability and are subject to occasional rapid and substantial changes. Compared to conventional securities, derivatives can be more sensitive to changes in interest rates or to sudden fluctuations in market prices due to both the low margin deposits required, and the extremely high degree of leverage involved in derivative products. As a result, a relatively small price movement in the derivative product may result in immediate and substantial loss (or gain) to the ETF.
- (b) An ETF's losses may be greater if it invests in derivatives than if it invests only in conventional securities. In addition, many derivatives are not traded on exchanges. As a result, an ETF that engages in transactions involving derivatives is subject to the risk of the inability or refusal to perform with respect to such contracts on the part of any counterparties with which that ETF trades and as such may also expose the ETF to additional liquidity risks.
- (c) This risk is also affected by the fact that over-the-counter derivatives markets are generally not regulated by government authorities and participants in these markets are not required to make continuous markets in the contracts they trade, it may not be liquid. The Client must accept any associated liquidity risk.

Risk of Bonds

- (a) The price of bonds can and does fluctuate, sometimes dramatically. The price of a bond 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 of bonds. Also, there may be risks in leaving bonds in GNS's safekeeping. The holder of bonds bears the credit risk of the issuer and / or guarantor (if applicable) and has no recourse to GNS.
- (b) Not all bonds provide for repayment of 100% of the face value of the bond. The return of a bond depends on the terms of issue and reference should be made to the corresponding prospectus or term sheet for detail and there may be circumstances that the money and / or value of shares that the Client receives at maturity may be substantially less than the value of the Client's original investment. If there is any fractional share(s) or other Securities or underlying assets deliverables on maturity, it / they may not be physically delivered.
- (c) In situations where any bond is a product combining note with financial or other derivatives, such as options, its return may be linked to the performance of other financial instruments, such as underlying stocks, commodities, currencies, companies, and indices. Unless such bond is listed on Exchange or other regulated stock exchanges, the Client will only be able to sell such bond on the over-the-counter market if at all. The prices of bonds in secondary markets are affected by a wide range of factors, including without limitation, the performance of the underlying stocks, commodities, currencies, companies, indices, the market view of the credit quality of the reference company, and interest rates. The Client must be aware that secondary markets do not always exist and even where a secondary market exists, it may not be liquid. The Client must accept any associated liquidity risk.
- (d) Transactions in options carry a high degree of risk (including products that have options embedded in them such as bonds). Purchasers and sellers of options should familiarize themselves with the type of option (i.e. put or call) which they contemplate trading and the associated risks.

- (e) 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 exchange rates where there is a need to convert from the currency denomination of the contract to another currency.

Key risks associated with Renminbi products

The following risk disclosure statements may not disclose all the risks and information in relation to investing in Renminbi products. For example, selling restrictions may be applicable to certain investors in accordance with the restrictions as stipulated in the relevant prospectus of the Renminbi products. The Client must therefore read the relevant prospectus, circular or any other documents in respect of each Renminbi products and carefully consider all other risk factors set out therein before deciding whether to invest.

Renminbi currency risk

- (a) Renminbi is not freely convertible at present and conversion of Renminbi through banks in Hong Kong is subject to certain restrictions.
- (b) For Renminbi products which are not denominated in Renminbi or with underlying investments which are not Renminbi denominated, such products will be subject to multiple currency conversion costs involved in making investments and liquidating investments, as well as the Renminbi exchange rate fluctuations and bid/offer spreads when assets are sold to meet redemption requests and other capital requirements (e.g. settling operating expenses).
- (c) The PRC government regulates the conversion between Renminbi and other currencies. If the restrictions on Renminbi convertibility and the limitations on the flow of Renminbi funds between PRC and Hong Kong become more stringent, the depth of the Renminbi market in Hong Kong may become further limited.

Exchange rate risk

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

Interest rate risk

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

Limitation on the provision of Renminbi funding

In case the Client does not have sufficient Renminbi funding in the Account to subscribe for Renminbi products, subject to compliance with all applicable laws and regulations, GNS may lend the Client Renminbi or assist the Client to convert other currencies to Renminbi. However, GNS does not guarantee that GNS can provide sufficient Renminbi funding for the Client due to the limitation on the flow of Renminbi funds in Hong Kong. The Client may unwind the trade due to insufficient Renminbi funding and the Client's investment may be adversely affected if the Client suffers losses due to settlement failure.

Limited availability of underlying investments denominated in Renminbi

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

Projected returns which are not guaranteed

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

Long term commitment to investment products

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

Credit risk of counterparties

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

Liquidity risk

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

Possibility of not receiving Renminbi upon redemption

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

Specific risk relating to Shanghai-Hong Kong Stock Connect

Difference in trading day and trading hours

The Client should note that, due to differences in public holiday between Hong Kong and Mainland China or other reasons such as bad weather conditions, there may be difference in trading days and trading hours in the two markets. Shanghai-Hong Kong Stock Connect will only operate on days when both markets are open for trading and when banks in both markets are open on the corresponding settlement days. So it is possible that there are occasions when it is a normal trading day for the Mainland market but Hong Kong investors cannot carry out any A-share trading. The Client should take note of the days and the hours which Shanghai-Hong Kong Stock Connect is open for business and decide according to their own risk tolerance capability whether or not to take on the risk of price fluctuations in A-Shares during the time when Shanghai-Hong Kong Stock Connect is not trading.

Trading costs

In addition to paying trading fees and stamp duties regarding A-share trading, the Client carrying out Northbound trading via Shanghai-Hong Kong Stock Connect should also take note of any new portfolio fees, dividend tax and tax concerned with income arising from stock transfers which would be determined and updated by the relevant authorities from time to time.

Quotas used up

When the respective aggregate quota balance for Northbound and Southbound trading is less than the daily quota, the corresponding buy orders will be suspended on the next trading day (sell orders will still be accepted) until the aggregate quota balance returns to the daily quota level. Once the daily quota is used up, acceptance of the corresponding buy orders will also be immediately suspended and no further buy orders will be accepted for the remainder of the day. Buy orders which have been accepted will not be affected by the using up of the daily quota, while sell orders will continue to be accepted. Depending on the aggregate quota balance situation, buying services will be resumed on the following trading day.

Currency risks

Northbound investments in the SSE Securities will be traded and settled in Renminbi (RMB). If the Customer holds a local currency other than RMB, the Customer will be exposed to currency risk if the Customer invests in a RMB product due to the need for the conversion of the local currency into RMB. During the conversion, the Customer will also incur currency conversion costs. Even if the price of the RMB asset remains the same when the Customer purchases it and when the Customer redeems / sells it, the Customer will still incur a loss when you convert the redemption / sale proceeds into local currency if RMB has depreciated.

Restrictions on selling imposed by front-end monitoring

For Client who keeps their A-shares outside GNS, if he wants to sell certain A-shares he holds, he must transfer those A-shares to the respective accounts of GNS before the market opens on the day of selling (T day). If he fails to meet this deadline, he will not be able to sell those A-shares on T day.

Short selling

In investing in A-share via the Northbound trading, Hong Kong and overseas investors are prohibited from naked short selling in A-shares. In selling A-shares via the Northbound trading, Hong Kong and overseas investors are not allowed to participate in any securities lending on the Mainland.

Not protected by Investor Compensation Fund

The Client should note that Northbound trading under Shanghai-Hong Kong Stock Connect will not be covered by Hong Kong's Investor Compensation Fund. As far as Hong Kong investors participating in Northbound trading are concerned, since they are carrying out Northbound trading through securities brokers in Hong Kong and these brokers are not Mainland brokers, they are not protected by China Securities Investor Protection Fund on the Mainland as well.

Local market rules, foreign shareholding restrictions and disclosure obligations

Under Shanghai Hong Kong Stock Connect, A-share listed companies and trading of A-share are subject to market rules and disclosure requirements of the A-share market. Any changes in laws, regulations and policies of the A-share market or rules in relation to Shanghai-Hong Kong Stock Connect may affect share prices. The Client should also take note of the foreign shareholding restrictions and disclosure obligations applicable to A-shares.

The Client will be subject to restrictions on trading (including restriction on retention of proceeds) in A-shares as a result of its interest in the A-shares. The Client is solely responsible for compliance with all notifications, reports and relevant requirements in connection with its interests in A-shares.

Under the current Mainland rules, once an investor holds up to 5% of the shares of a company listed on the SSE, the investor is required to disclose his interest within three working days and during which he cannot trade the shares of that company. The investor is also required to disclose any change in his shareholding and comply with related trading restrictions in accordance with the Mainland rules.

In addition, under the Mainland practices, Hong Kong and overseas investors as beneficial owners of A-shares traded via Shanghai-Hong Kong Stock Connect cannot appoint proxies to attend shareholders' meetings on their behalf.

The recalling of eligible stocks and trading restrictions

A stock may be recalled from the scope of eligible stocks for trading via Shanghai-Hong Kong Stock Connect for various reasons, and in such event the stock can only be sold but restricted from being bought. This may affect the investment portfolio or strategies of the Client. The Client should therefore pay close attention to the list of eligible stocks as provided and renewed from time to time by the SSE and the Exchange.

Under Shanghai-Hong Kong Stock Connect, the Client will only be allowed to sell A-share but restricted from further buying if: (i) the A-share subsequently ceases to be a constituent stock of the relevant indices; (ii) the A-share is subsequently under "risk alert" ; and / or (iii) the corresponding H share of the A-share subsequently ceases to be traded on the Exchange. The Client should also note that price fluctuation limit would be applicable to A-shares.

The above may not cover all risks related to Shanghai-Hong Kong Stock Connect and any above mentioned laws, rules and regulations are subject to change.

Part 3B – Additional Risk Disclosure Statements for Internet Trading Client

In addition to Part 3A, the Internet Trading Client should be aware of the following potential risks in connection with the use of Electronic Trading Services.

Risk of electronic trading services

The access, communication and conducting transactions over the internet or other electronic means or facilities involve the use of public networks and represent an attractive target for attacks by intruders. Should intruders infiltrate the electronic trading system of GNS and obtain sensitive data and information or create bugs or virus which sabotages its function, the electronic trading system (including the Client's Account) may be damaged. While various steps and procedures (e.g. the use of login password, cryptography, firewall) have been taken and/or implemented by GNS to protect unauthorized access to electronic trading system and the Client's Account, there can be no assurance that such steps and procedures can prevent or respond to all forms of attacks in a timely or effective manner.

Internet or any other electronic means are, due to unpredictable traffic congestion and other reasons, an inherently unreliable medium of communication and that such unreliability is beyond the control of GNS. As a result of such unreliability, there may be delays in the transmission and receipt of instructions or other information (e.g. canceling or changing the Client's original instructions), delays in execution or execution of the Client's instructions at prices different from those prevailing at the time the Client's instructions were given, transmission interruption or breakdown and/or for some reason GNS may not be able to act on the Client's instructions at all. If the Client subsequently gives instructions canceling or changing the Client's original instructions, GNS will not accept them if it has already acted on the Client's original instruction or there is insufficient time to act on the Client's subsequent instruction. The Client should therefore give instructions in good time before the closes of the market.

Information and data provided through the Electronic Trading Services relating to securities and the securities markets has been obtained from any securities exchanges and markets and from other third party service providers. Owing to market volatility, possible delay in data transmission process and other reasons, the information and data may not be accurate, complete, timely and in correct sequence. Thus any reliance on such information and data may lead to incorrect investment decisions and/or other actions.

Part 4 — Personal Information Collection Statement

This statement is given pursuant to the Personal Data (Privacy) Ordinance (Cap. 486 of the Laws of Hong Kong) (“Ordinance”) in relation to the supply of Client’s personal data to GNS for the opening or maintaining of the Account for Securities trading and related services with GNS.

1. Purposes of Collection

The personal data provided by Client to GNS and in any documentation which comes into existence as a result of Client’s opening or maintaining of the Account with GNS, will be used by GNS for the following purposes:-

- (a) activities relating to processing Client’s application to open and maintain the Account, including but not limited to conducting credit reporting through credit report agencies both in Hong Kong and overseas, or processing of Client’s application for grant of credit or margin facilities by GNS or maintaining and review of such credit or margin facilities (if applicable);
- (b) activities relating to purchasing, selling, investing, exchanging, acquiring, holding, disposing of and generally dealing in and with all kinds of securities on behalf of Client;
- (c) maintenance of particulars and data in compliance with the statutes and subsidiary legislation which are enacted and effective in Hong Kong relating to securities business and transactions and also in compliance with the codes of SFC, the rules and regulations of the Exchange and HKSCC.

2. The Obligation to provide personal data

- 2.1 It is obligatory for Client to supply the personal data as required by GNS. If Client fails to supply the required personal data, GNS may refuse to open or maintain the Account or may refuse to provide services to Client.
- 2.2 When providing any personal data to GNS, please ensure that the data is accurate having regard to Client’s obligations under the Ordinance.
- 2.3 The Client also understands and acknowledges that under the investor identification regime stipulated by the SFC and the Exchange that GNS is required to assign a unique number (“BCAN”) which will be mapped to client identification data (“CID”) that contain personal data of the Client and GNS is required to submit the BCAN-CID mappings to the Exchange.

3. Disclosure of Information

- 3.1 GNS may, as it deems necessary, disclose to its agents or nominees, associates, individuals or corporations dealing with securities, futures and options clearing and GNS auditors such information as it requires to operate Client’s Account or execute Client’s orders relating to the activities described in 1(b) above.
- 3.2 In compliance with any statute and subsidiary legislation which are enacted and effective in Hong Kong relating to securities business and transactions and also in compliance with the codes of SFC, the rules and regulations of the Exchange and HKSCC, the personal data provided by client (including the Client’s CID and BCAN(s)) will be disclosed to the Exchange and HKSCC, SFC and any financial regulator as defined in the Ordinance, government bodies, other regulatory authorities, individuals or corporations who have the right to such data and information as prescribed by law.
- 3.3 Allowing each of the Exchange, HKSCC and SFC to: (i) collect, use and store the Client’s BCAN, CID and any personal data for market surveillance and monitoring purposes and enforcement of the Rules of the Exchange; (ii) transfer and disclose such information to the relevant regulators and law enforcement agencies in Hong Kong so as to facilitate the performance of their statutory functions with respect to the Hong Kong financial markets

4. Access to Personal Data

In accordance with the terms of the Ordinance, Client may request access to the personal data supplied by Client and may request GNS to correct any inaccurate data. GNS shall be entitled to charge a reasonable fee for processing of any data access request.

5. Direct Marketing

With Client’s consent, GNS may use any of the personal information it holds about the Client for direct marketing purposes in relation to securities trading and related services.

If the Client does not consent to GNS using personal information for the above purposes, please tick the relevant “opt-out” box on GNS’s Account Opening Form, and GNS will not do so. The Client may also subsequently withdraw consent by writing to Data Protection Officer. If the Client exercises the right to opt-out of the use of personal information for the above purposes, it will mean that GNS will not be able to send the Client any market commentary, direct marketing, targeted or special offers in the future.

6. Enquiries

Enquiries concerning the personal data provided by Client to GNS, including the request for access and corrections, should be addressed to:-

Data Protection Officer
G/F-3/F Cosco Tower, Grand Millennium Plaza, 183 Queen’s Road Central, Hong Kong