



香港證監會中央編號：AUE 994 | 香港聯交所經紀代號：3498 及 3499

Future Growth Financial Services Limited

CLIENT AGREEMENT AND SCHEDULES (DEALING IN FUTURES CONTRACTS)

Licensed under the Securities and Futures Ordinance (Cap. 571, Law of Hong Kong) to carry on
Type 1 (Dealing in Securities) regulated activities; and
Type 2 (Dealing in Futures Contracts) regulated activities
(CE Number: AUE994)

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THIS IS AN IMPORTANT DOCUMENT, PLEASE READ IT CAREFULLY

Should you have any doubt as to any term of this document and/or the transactions contemplated by this document, please consult your own legal and other advisors.

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1. INTERPRETATION

1.1 In this Agreement:

- 1.1.1 "Account" means the commodities trading account(s) opened and maintained by FGFSL on behalf of Client pursuant to the Account Application and the terms of this Agreement;
- 1.1.2 "Futures Account Application" means the application submitted by Client to FGFSL in such form as required by FGFSL for the opening and maintaining of a commodities trading account under the terms of this Agreement;
- 1.1.3 "Confirmation" means a written or typed record (including facsimile or other electronic means from which it is possible to produce a hard copy) (a) confirming and setting out the particulars of any transaction executed by FGFSL on any Account, or (b) recording any other event (including without limitation receipts or withdrawals of assets) in relation to the Account, and containing such information as FGFSL shall consider appropriate;
- 1.1.4 "this Agreement" means this Client Agreement and Schedules, the Account Application and any applicable schedule and/or other documents as specified in the Schedules or determined by FGFSL from time to time;
- 1.1.5 "Authorised Person" means each of those persons specified as such in the Account Application, or subsequently appointed as such where notice of such appointment has been given to FGFSL pursuant to the terms of this Agreement provided that such notice shall not take effect until 5 days after the actual receipt by FGFSL of it;
- 1.1.6 "Authorised Third Party" means each of those persons, if any, specified as such in the Account Application, or subsequently appointed as such and notice of such appointment has been given to FGFSL pursuant to the terms of this Agreement provided that such notice shall not take effect until 5 days after the actual receipt by FGFSL of it;
- 1.1.7 "Business Day" means any day during which the relevant Exchange is open for trading the relevant F/O Contracts;
- 1.1.8 "Client" means the person(s) in whose name FGFSL has agreed to open and maintain the Account(s) in accordance with the terms of this Agreement and shall in the case where Client:
 - (i) is/are individual(s) include Client and Client's respective executors and administrators; (ii) is a sole proprietorship firm include the sole proprietor and Client's executors, administrators and successors in the business; (iii) is a partnership firm include the partners who are the partners of the firm at the time when the Account(s) being maintained and Client's respective executors, administrators and any other person(s) or persons who shall at any time hereafter be or have been a partner of and in the firm and Client's respective executors, administrators and the successors to such partnership business; and (iv) is a company include such company and its successors;
- 1.1.9 "Client Money Rules" means the Securities and Futures (Client Money) Rules (Cap 571 of the Laws of Hong Kong) made by the SFC under section 149 of the Securities and Futures Ordinance as amended from time to time;
- 1.1.10 "Closing Out" means in relation to any or portion of any contract, the entering into of another contract of the same specification and for the same amount but of an opposite position in order to cancel the former contract and/or to crystallise the profit or loss on such former contract and the term "Close Out" shall be construed accordingly;
- 1.1.11 "commodity" and "commodities" each includes, without limitation, agricultural commodities, metals, currencies, shares, interest rates, indices (whether stock market or otherwise), or other financial contracts, energy, right or authority, and shall where the case requires include a Futures/Options Contract in respect of any of the above and in each case whether or not the item is capable of being delivered;
- 1.1.12 "Event of Default" means each of the events set out in Clause 13.1;
- 1.1.13 "Exchange" means Hong Kong Futures Exchange Limited and any other exchange, market or association of dealers in any part of the world on which F/O Contracts are bought and sold;
- 1.1.14 "Futures Contract" means a contract executed on any commodity, futures or options exchange, the effect of which is that:
 - (a) one party agrees to deliver to the other party at an agreed future time an agreed commodity or quantity of a commodity at an agreed price; or (b) the parties will make an adjustment between them at an agreed future time according to whether the agreed commodity is worth more or less or, as the case may be, stands higher or lower at that time than a level agreed at the time of making the contract, the difference being determined in accordance with the rules of the commodity, futures or options exchange in which that contract is made;
- 1.1.15 "Futures/Options Contract" or "F/O Contract" means a Futures Contract and/or an Options Contract effected on an Exchange ;
- 1.1.16 "Group" means FGFSL, Future Growth Investments Holdings Limited ("GIHL") and GIHL's subsidiaries and associated companies, and "member of the Group" shall be construed accordingly;
- 1.1.17 "HK Exchange" means Hong Kong Futures Exchange Limited;
- 1.1.18 "Hong Kong" means the Hong Kong Special Administrative Region of the People's Republic of China;
- 1.1.19 "Laws" means all laws, rules, regulations and regulatory requirements applying to FGFSL, and to other brokers and dealers instructed by FGFSL, including, where applicable, the rules of the relevant Exchange and its associated clearing house;
- 1.1.20 "Option Contract" or "option" means a contract executed between one party (the "first party") and another party (the "second party") on any commodity, futures or options exchange under which : (a) the first party grants the second party the right, but not the obligation, to buy an agreed commodity, or quantity of a commodity, from the first party at an agreed price on or before an agreed future date or on an agreed future date as the case may be and, in the event that the second party exercises his right to buy: (i) the first party is obliged to deliver the commodity at the agreed price; or (ii) the second party receives a payment referable to the amount (if any) by which the commodity is at the time of the exercise worth more than the agreed price, such payment being determined in accordance with the rules of the commodity, futures or options exchange in which the contract is made; or (b) the first party grants to the second party the right, but not the obligation, to sell an agreed commodity, or quantity of a commodity, to the first party at an agreed price on or before an agreed future date or on an agreed future date as the case may be and, in the event that the second party exercises his right to sell: (i) the first party is obliged to take delivery of the commodity at the agreed price; or (ii) the second party receives a payment referable to the amount (if any) by which the agreed price is worth more than the price of the commodity at the time of the exercise, such payment being determined in accordance with the rules of the commodity, futures or options exchange in which the contract is made; a contract falling within sub-paragraph (a) being a "Call Option" and a contract falling within sub-paragraph (b) being a "Put Option";
- 1.1.21 "Potential Event of Default" means any event, which (with the giving of notice, lapse of time or fulfillment of some other condition or any combination of these) would constitute an Event of Default;
- 1.1.22 "Regulators" means the SFC, the relevant Exchange, the relevant clearing house and any other regulator whether in Hong Kong or elsewhere;
- 1.1.23 "Regulatory Rules" means the rules of the Regulators or other laws, rules, codes, guidelines, circulars and regulatory directions issued by the Regulators from time to time;
- 1.1.24 "Rules of the HK Exchange" means the Rules, Regulations and Procedures of the Hong Kong Futures Exchange Limited (as amended from time to time);
- 1.1.25 "Securities and Futures Ordinance" means the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong);

1.1.26 "SFC" means the Securities and Futures Commission of Hong Kong;

1.1.27 "FGFSL" means Future Growth Financial Services Limited ; and

1.1.28 "subsidiary" bears the same meaning given to it under the Companies Ordinance (Cap.32, of the Laws of Hong Kong) (as amended from time to time).

1.1A For the purposes of this Agreement, two companies shall be taken to be associated companies if one is a subsidiary of the other, or both are subsidiaries of a third company, and "associated company" shall be construed accordingly.

1.2 In this Agreement:

1.2.1 the singular shall be deemed to include the plural and vice versa;

1.2.2 words importing any gender include every gender and references to persons include companies and corporation;

1.2.3 where FGFSL or any member of the Group is given a discretion, such discretion shall be absolute and if exercised, to the fullest extent permitted by applicable laws, FGFSL or such member of the Group shall not incur any liability of whatsoever nature to Client or any other person and, unless otherwise stated, FGFSL or such member of the Group shall not be required to give reasons for its action, inaction or decision;

1.2.4 the headings in this Agreement are inserted for convenience only and shall be ignored in construing this Agreement;

1.2.5 references to any statute, statutory provision or Regulatory Rule shall include a reference to that statute, provision or Regulatory Rule as from time to time amended, replaced, modified, extended or re-enacted;

1.2.6 words not defined shall have the meanings ascribed to them in the Rules, Regulations and Procedures of Hong Kong Futures Exchange Limited, the Securities and Futures Ordinance or the regulations made thereunder unless the context requires otherwise;

1.2.7 references in this Agreement to Clauses and Schedules are to clauses in and schedules to this Agreement;

1.2.8 if there is any inconsistency between the Chinese and English versions of this Agreement, the English version shall apply and prevail;

1.2.9 any reference in this Agreement to an ordinance or a provision of any Regulatory Rules shall be deemed to include such ordinance or provision as now or hereafter amended, replaced, modified, extended or re-enacted; and

1.2.10 in the event of any inconsistency between any provision of this Agreement and any Laws, the latter shall prevail and FGFSL shall be entitled in its discretion to take or refuse to take any action or to demand that the Client shall take or refrain from taking any action to ensure compliance with the same.

All actions taken by FGFSL in accordance with the Laws shall be binding on the Client.

2. ACCOUNT OPENING

2.1. Client hereby instructs and authorises FGFSL to open and maintain commodities trading account(s) in the name of Client for purchasing, investing in, selling, exchanging or otherwise dealing in commodities in Hong Kong or elsewhere, on the terms set out in this Agreement.

2.2. All transactions shall be subject to the applicable Laws and Regulatory Rules, from time to time extant or in force. Transactions relating to Exchange Contracts (as defined in the Rules of the HK Exchange) on the markets established and operated by the HK Exchange shall be subject to the Rules of the HK Exchange. All transactions with respect to dealings in F/O Contracts made in markets other than those operated by the HK Exchange shall be subject to the Regulatory Rules of the market where the particular transaction is made and not the Rules of the HK Exchange and as a result Client may have a markedly different level and type of protection in relation to those transactions as compared to the level and type of protection afforded by the Rules of the HK Exchange.

2.3 To the extent that FGFSL enters into a transaction for F/O Contracts traded on a trading system operated by any Exchange other than HK Exchange for the account of Client:

2.3.1 such transactions will be subject to the rules of that Exchange; and

2.3.2 if Client is dealing in F/O Contracts for the benefit of another person, Client shall ensure that in its agreement with that other person there shall be a provision to the effect of Clauses 2.3.1 and 2.3.2.

2.4 FGFSL will not open accounts or effect transactions for U.S. persons (except as permitted under Rule 15a-6 of the Securities Exchange Commission).

3. FGFSL'S INFORMATION TO CLIENT

3.1 FGFSL may enter into commodity transactions as principal with Client and, at Client's request, agree to deal in commodities on Client's behalf. Client shall make its own judgments and decisions independently without reliance on FGFSL or any other member of the Group in its decisions in relation to dealing in commodities.

3.2 Subject to applicable Laws and Regulatory Rules, FGFSL shall provide to Client (i) upon request, Contract Specifications (as defined in the Rules of the HK Exchange) and any prospectus or other offering document covering the subject-matter of such Contract Specifications, and (ii) a full explanation of margin procedures and the circumstances under which Client's positions may be closed or liquidated without Client's consent.

4. CLIENT'S INSTRUCTIONS AND STANDING AUTHORITY

4.1 Instructions given by Client shall be irrevocable and may be given in writing, verbal y, by facsimile or other electronic means (including through the E-Service, as defined in Third Schedule), but in any case at Client's own risk.

4.2 Unless Client gives specific instructions to the contrary, Client agrees and acknowledges that all orders and instructions are only valid and effective if actually received by FGFSL within its normal business hours on a Business Day.

4.3 Client may grant to FGFSL a standing authority pursuant to the Securities and Futures (Client Money) Rules (Cap. 571I of the Laws of Hong Kong), as amended from time to time, and/or such other lawfully agreed standing authority (as amended from time to time), and once granted, Client agrees to be bound by the terms thereof.

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

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

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

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

4.6 Any instruction given by Client's Authorised Person(s) or Authorised Third Party(ies), as the case may be, shall be deemed to be given by the Client.

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

5. FGFSL'S DISCRETION

- 5.1. FGFSL shall be entitled to rely on and to act as it thinks fit in accordance with any instruction given or purportedly given by or on behalf of Client which FGFSL believes in good faith to have been given by Client or its Authorised Person(s) or Authorised Third Party(ies). Notwithstanding the foregoing, FGFSL shall have discretion to reject such instruction. FGFSL shall be under no obligation either to act for the Client or upon any instruction, or execute any transaction with or for or on behalf of the Client if there are insufficient funds in the Account, or if FGFSL believes that the acting or the execution might result in either FGFSL, any member of the Group or the Client contravening any Laws or Regulatory Rules or for any other reason. If FGFSL or any member of the Group in its absolute discretion declines to act with or for the Client or act upon any instruction, or execute any transaction with or for or on behalf of the Client, FGFSL or any member of the Group shall in its own discretion notify the Client accordingly, but FGFSL or any member of the Group shall not in any circumstances whatsoever be liable in any way for any loss, damages, liability, cost, expense or whatsoever suffered or incurred by the Client arising in or in connection with the exercise of the above discretion by FGFSL or any member of the Group.
- 5.2. Orders are to be received and executed with the understanding that Client will be required to take or make delivery of the commodities unless Client's initial position is liquidated. It is expressly understood that unless otherwise disclosed herein or to Client in writing, FGFSL is acting solely as broker as to any transactions made with FGFSL by Client. FGFSL shall have no obligation to provide Client with information with respect to any position of Client and (except as directed by Client) no obligation to (but shall have the right at the discretion of FGFSL to) close any position in any account FGFSL has entered or may carry on behalf of Client.
- 5.3. Without prejudice and in addition to other rights and remedies of FGFSL and other members of the Group and without prejudice to other provisions of this Agreement, FGFSL may, at any time and from time to time, dispose, or initiate a disposal by any relevant member of the Group, of any of the Client's securities (whether in Hong Kong or elsewhere) or securities collateral (whether in Hong Kong or elsewhere) in settlement of any liability owed by or on behalf of Client to FGFSL, such relevant member of the Group or a third person. FGFSL and such relevant member of the Group (if applicable) are authorised to do all things as necessary in connection with any such disposal without any liability for any resulting or associated loss or expense. Without prejudice to the foregoing, Client shall not make any claim against FGFSL and/or such relevant member of the Group (if applicable) concerning the manner or timing of such disposal.

6. EXECUTION OF ORDERS

- 6.1 FGFSL may, in carrying out Client's instructions or dealing with Client as principal, contract or otherwise deal with or through any broker for the purchase or sale of commodities on any Exchange, or any person associated with FGFSL in any manner, on such terms as FGFSL may in its discretion determine.
- 6.2 Client hereby consents that, subject to the applicable Laws and Regulatory Rules, FGFSL and/or any member of the Group may take an opposite position to an order given by Client to FGFSL for execution under this Agreement, whether on FGFSL's own account or for the Account of any member of the Group or other Clients of FGFSL, provided that the trading is executed competitively on or through the facilities of the Exchange in accordance with the Regulatory Rules.
- 6.3 By reason of the physical constraints of any market and the rapid changes in prices that frequently take place, there may be delay in making prices or in dealings at any specific time or "at best" or "at market" despite FGFSL's and the Business agent's reasonable endeavours. The Client agrees that it will in any event accept and be bound by Transactions carried out on the Client's behalf, and further agrees that FGFSL shall not be held liable for any losses arising by reason of its failure or inability to comply with any terms of any order of the Client.
- 6.4 Subject to applicable laws and regulations and market requirements, FGFSL may, in its absolute discretion and with due regard to the sequence of the instructions received, determine the priorities of executing the clients' Instructions, and the Client shall not object to the priorities in which FGFSL executes the clients' Instructions it received.
- 6.5 If FGFSL in its sole discretion decides not to accept and/or execute any Instructions, it shall not under any circumstances whatsoever be liable in any way for any losses of profits or gains or for the damages, liabilities, costs or expenses suffered or incurred by the Client arising out of FGFSL's declining to act on the Instructions or omitting to notify the Client thereof or delay in notifying the Client.
- 6.6 FGFSL may, for the purpose of carrying out the Instructions given by the Client, contract with or otherwise deal with or deal through any other agent, including any person associated in any manners with FGFSL or any Associate of FGFSL, on such terms and conditions as FGFSL may in its discretion determine. FGFSL or any Associate of FGFSL may be the counterparty to any Transaction.

7. CONFIRMATIONS

- 7.1 FGFSL may, and, if required by the Laws, shall, send to the email address(es) and/or other contact number(s) of Client on FGFSL's records a Confirmation after FGFSL has facilitated a transaction with or for the Account, or upon the occurrence of certain events of or movements in Client's Account, in accordance with the Laws in relation to the Confirmations.
 - 7.1.1 Client agrees that it is its responsibility to ensure that it receives Confirmations in due time and to make enquiries with and obtain the same from FGFSL immediately if not duly received;
 - 7.1.2 any purported discrepancy between the contents of any Confirmation and Client's instructions must be notified to FGFSL, orally or in writing in accordance with the notice provisions of this Agreement, within two (2) Business Days following the date of issue or re-issue of the Confirmation to Client; and
 - 7.1.3 at the end of the expiration of two (2) Business Days, the contents of the Confirmation shall be conclusive evidence of the particulars set out therein without any further proof that the Confirmation and/or the transaction or event to which it relates are correct (subject to the right of FGFSL, which may be exercised by it at any time and from time to time, to adjust any entries in the Account and/or details in the Confirmation where they have been wrongly or mistakenly made by it), except for:
 - 7.1.3.1 any alleged errors notified by Client to FGFSL in accordance with the notice provisions in this Agreement;
 - 7.1.3.2 any payments made on forged or unauthorised endorsement;
 - 7.1.3.3 any unauthorised transactions arising from forgery or fraud by any third party (including Client's employee, agent or servant) in relation to which FGFSL has failed to exercise reasonable care and skill;
 - 7.1.3.4 any unauthorised transactions arising from forgery or fraud by any employee, agent or servant of FGFSL; and/or
 - 7.1.3.5 any other unauthorised transaction arising from the default or gross negligence on the part of FGFSL or any of its employees, agents or servants.

8. SETTLEMENT

- 8.1. Client shall pay to FGFSL in cleared funds any money required for the purchase of commodities or shall deliver to FGFSL the certificates or

documents of title or procure the transfer of commodities required for the sale of commodities (as the case may be), in each case at any time demanded by FGFSL (even if required to be paid and/or delivered earlier than the settlement date), and Client shall take all necessary actions to enable due settlement and/or delivery in respect of such purchase and sale in accordance with the Laws. Should Client fail to do so, FGFSL is authorised:

8.1.1 in the case of a purchase transaction, to transfer or sell any such purchased commodities to satisfy Client's obligations to FGFSL; or

8.1.2 in the case of a sale transaction, to borrow and/or purchase such sold commodities to satisfy Client's obligations to FGFSL.

- 8.2 If FGFSL has to obtain commodities which FGFSL has purchased on behalf of Client in the open market, following the failure of the selling broker to deliver on the settlement date, Client shall be responsible for any difference in prices and all incidental expenses in connection with such open market purchase.
- 8.3 In case of the sale of any commodity or other property by FGFSL at the direction of Client and the inability of FGFSL to deliver the same to the purchaser by reason of Client's failure to supply FGFSL therewith, Client shall be responsible for any loss which FGFSL may sustain thereby, any premiums which FGFSL may be required to pay, or for any loss which FGFSL may sustain by reason of the inability of FGFSL to borrow the security, commodity, or other property sold.
- 8.4 Clauses 8.1, 8.2 and 8.3 of Section 2 above are subject to Clause 20.12.3(iii) of Section 2.

9. COLLATERAL, MARGIN, ETC

- 9.1 Client agrees to maintain such collateral and/or margin as FGFSL may from time to time at the discretion of FGFSL require. Except as permitted by the Regulatory Rules or for the purpose of Closing Out the Client's open positions or as the Exchange may from time to time prescribe, generally or otherwise, FGFSL shall not transact for the Client until and unless FGFSL has received from the Client collateral adequate to cover the Client's expected trading liabilities, and margins. All margin requirements must be settled in cash except as otherwise agreed by FGFSL. The Client also agrees to pay immediately on demand any amount owing with respect to any of the Client's Accounts.
- 9.2 All margin calls and demands for variation adjustments must be met within one (1) Business Day from the placing of the same. Client understands that FGFSL may be required to report to Regulators particulars of open positions in respect of which two successive margin calls and demands for variation adjustments are not met within the period specified above and that FGFSL may require more margin or variation adjustments than that specified by an Exchange and/or its clearing house and may Close Out open positions in respect of which any margin calls and demands for variation adjustments are not met within the period specified by FGFSL or at the time of making such call(s) or demand(s).

10. FOREIGN CURRENCY TRANSACTIONS

- 10.1 In the event that Client directs FGFSL to enter into any transaction on an Exchange or other market on which such transactions are effected in a foreign currency:
- 10.1.1 any profit or loss arising as a result of a fluctuation in the exchange rate affecting such currency will be entirely for the account and risk of Client;
- 10.1.2 all initial and subsequent deposits for margin purposes shall be made in such currency in such amounts as FGFSL may, at the sole discretion of FGFSL, require from time to time; and
- 10.1.3 when such a contract is liquidated FGFSL shall debit or credit the Account of Client in the currency in which such Account is denominated, at a rate of exchange determined conclusively by FGFSL on the basis of the then prevailing money market rates of exchange between such currencies.
- 10.2 In the event that FGFSL exercises any of its rights under this Agreement, including without limitation the combination or consolidation of the Futures Accounts or the transfer of client money and such combination, consolidation or transfer or exercise of any other right requiring the conversion of one currency into another, the conversion shall be calculated at the spot rate of exchange (as conclusively determined by FGFSL) prevailing in such foreign exchange market as determined by FGFSL to be relevant on the date of such combination, consolidation, transfer or exercise of that right.

11. CLIENT'S ACCOUNT(S) AND CLEARING HOUSE ACCOUNT

- 11.1 All monies, securities and other properties received by FGFSL from Client or from any other person (including an Exchange clearing house) for Client's account shall be held by FGFSL as trustee, segregated from FGFSL's own assets in the manner required by the Regulatory Rules and all monies, securities or other properties so held by FGFSL shall not form part of the assets of FGFSL for insolvency or winding up purposes but shall be returned to Client promptly upon the appointment of a provisional liquidator, liquidator or similar officer over all or any part of FGFSL's business or assets. This Clause 11.1 of Section 2 does not apply to any money, securities or other property received by FGFSL from Client in connection with transactions where FGFSL deals with Client as principal.
- 11.2 Subject to Clause 11.1 of Section 2 and applicable Regulatory Rules, FGFSL shall be entitled to deposit or transfer any monies held in the Account(s) or received for or on the account of Client with or to or interchangeably between one or more segregated account(s) opened and maintained by FGFSL or any member of the Group in Hong Kong or elsewhere each of which shall be designated as a trust account or client account, at one or more authorised financial institution(s) and/or any other person(s) approved by the SFC for the purposes of section 4 of the Securities and Futures (Client Money) Rules (Cap 571I of the Laws of Hong Kong) and/or any other person(s) overseas. Unless otherwise agreed between Client and FGFSL and to the extent permitted by the Laws, any interest accrued on such monies shall belong to FGFSL absolutely.
- 11.3 Client hereby confirms and authorises FGFSL that in the event that there is a credit balance accrued in the Account(s) which balance is in excess of the minimum margin requirements prescribed by an Exchange or any margin requirements as may from time to time be demanded by an Exchange (the "Margin Requirements"), FGFSL may at its sole discretion but is not obligated to (and always subject to the relevant rules and regulations of the Exchange) transfer from such Account(s) of Client the whole or part of any such amount in excess of the Margin Requirements into any account opened and maintained in a name referable to Client with such financial institution (whether in Hong Kong or elsewhere) as FGFSL or any member of the Group may in its absolute discretion think fit from time to time but subject to compliance with applicable Regulatory Rules.
- 11.4 FGFSL is hereby authorised to apply, in the manner specified under the relevant Regulatory Rules, any monies, approved debt securities or approved securities which FGFSL may have received from Client or from any other person (including the clearing house of an Exchange) and which are held in the manner specified under the relevant Regulatory Rules. In particular, FGFSL may apply such monies, approved debt securities or approved securities in or towards meeting FGFSL's obligations to any party insofar as such obligations arise in connection with or incidental to F/O Contracts transacted on Client's behalf.
- 11.5 Client acknowledges that in respect of any account which FGFSL maintains with a clearing house of an Exchange, whether or not such account is maintained wholly or partly in respect of F/O Contracts transacted on Client's behalf and whether or not monies, approved debt securities and approved securities paid by Client have been paid to or deposited with the said clearing house, as between FGFSL and the said clearing house,

FGFSL deals as principal and accordingly no such account is impressed with any trust or other equitable interest in favour of Client and monies, approved debt securities and approved securities paid to the said clearing house are thereby freed from the trust referred to in Clause 11.2 of Section 2 above.

12. COMMISSIONS, FEES AND CHARGES, LIENS, SET-OFF AND CONSOLIDATION

- 12.1 In respect of every transaction, Client shall pay to FGFSL forthwith on demand the applicable interest, levy, charge, premium, brokerage, commission, fee, cost and expense for the Account under this Agreement as advised to Client from time to time. Client agrees that such advice posted on the web-site of FGFSL from time to time shall to the extent permitted by the Laws be sufficient advice for all purposes and intents. Subject to applicable Laws, FGFSL may, at any time and from time to time, in its absolute discretion, change any commission, fee and/or charge by notice to Client and subject to applicable Laws, the new commission, fee and/or charge shall be applicable on the effective date specified in such notice, whether the specified effective date is before or after the date of such notice.
- 12.2 Client shall pay or reimburse FGFSL forthwith on demand an amount equal to all commissions, brokerages, levies, fees, duties and taxes and all other charges and expenses incurred by FGFSL arising out of or in connection with any transaction effected by FGFSL as agent on behalf of Client or as principal or otherwise arising out of or in connection with the performance of the duties of FGFSL under this Agreement.
- 12.3 Without prejudice to other provisions of this Clause 12 of Section 2, FGFSL may deduct any amount contemplated in Clauses 12.1 and 12.2 of Section 2 above from the Account.
- 12.4 Client shall be responsible to FGFSL (and/or any other member of the Group as directed by FGFSL) for all losses and expenses resulting from Client's settlement failure, and shall be subject to such additional charges and interest therefor as FGFSL may determine.
- 12.5 Subject to applicable Laws, without limitation to and in addition to other rights and remedies of FGFSL and other members of the Group, Client agrees that:
 - 12.5.1 without prejudice to any other provisions in this Agreement, FGFSL and the Group shall have a general lien over all or any part of any money, commodities or other properties of Client held by, or in the possession or safe-keeping of FGFSL for the discharge of Client's obligations to FGFSL, any member of the Group or a third person;
 - 12.5.2 FGFSL may at any time and from time to time without prior notice combine or consolidate all or any of Client's accounts with, and/or apply Client's commodities and/or other properties in or towards satisfaction of any liabilities to, FGFSL and/or other members of the Group;
 - 12.5.3 FGFSL may at any time and from time to time without prior notice set-off or transfer any sum in whatever currency standing to the credit of any of Client's accounts with FGFSL or other members of the Group in or towards satisfaction of any of Client's liabilities of whatever nature (including liabilities incurred as principal or surety and whether such liabilities be actual or contingent, primary or collateral, several or joint) to FGFSL and/or other members of the Group.
- 12.6 FGFSL may, in the course of dealing with or through any broker for any transactions, receive benefit which is incidental to such dealings, including brokerage commission rebates and/or commissions of any kind. Client hereby consents and agrees that FGFSL may receive and retain for itself any such benefit, without further notice to Client, to the extent permitted by the Laws.
- 12.7 Without prejudice to and in addition to other rights and remedies of FGFSL and other members of the Group and without prejudice to the other provisions of this Agreement, FGFSL shall be entitled but not be obliged (and is hereby authorized by Client), at its discretion and without notice to Client, to dispose of Client's commodities and/or other properties for the purpose of settling any liability owed by Client to FGFSL for:
 - 12.7.1 dealing in commodities which remains after FGFSL has disposed of all other assets designated as collateral for securing settlement of that liability; or
 - 12.7.2 financial accommodation provided by FGFSL to Client which remains after FGFSL has disposed of all other assets designated as collateral for securing settlement of that liability.
- 12.8 Subject to applicable Laws and without prejudice to and in addition to any general lien and other rights and remedies entitled by FGFSL and/or other member(s) of the Group, at any time when Client is indebted to FGFSL or any member of the Group in any respect, FGFSL or any member of the Group shall be entitled but not be obliged (and Client irrevocably and unconditionally authorises FGFSL or any member of the Group), at its discretion and without prior notice to Client, at any time and from time to time:
 - 12.8.1 to combine or consolidate all or any of Client's existing accounts with FGFSL or any member of the Group regardless of whether notice is required and the nature of the account (i.e. whether deposit, loan or any other nature); and
 - 12.8.2 to set-off or transfer any sum standing to the credit of any one or more of such accounts wherever they are situated, in order to satisfy Client's liabilities to FGFSL and/or any member of the Group on any other account or other respect whatsoever.
- 12.9 FGFSL and any member of the Group are authorised to do the above without notice and notwithstanding any settlement of account or other matter whatsoever. The liabilities referred to above include present or future, actual or contingent, primary or collateral, and several or joint. In addition, FGFSL or any member of the Group shall have the right to sell such commodities, investments and property and utilise the proceeds to offset and discharge all the obligations of Client without any prior notice to Client, whether as principal or as surety, to FGFSL and/or any member of the Group regardless of:
 - 12.9.1 whether any other person is interested in, or whether FGFSL has made advances in connection with, such commodities, investments or property; and
 - 12.9.2 the number of accounts Client may carry with FGFSL or any member of the Group.FGFSL is authorised to do all things as necessary in connection with such sale without any liability for any resulting loss. Without prejudice to the foregoing, Client shall not make any claim against FGFSL concerning the manner or timing of such sale.
- 12.10 Client agrees to pay interest on all overdue balances owing by Client to FGFSL and/or the relevant member(s) of the Group (after as well as before any judgment), at such rate(s) from day to day as FGFSL and/or the relevant member(s) of the Group shall in its/their absolute discretion determine with reference to the prevailing market rate(s) from the date(s) of default up to the date(s) of actual payment, such interest to be payable on the last day of each calendar month or such other date(s) as determined by FGFSL and/or the relevant member(s) of the Group or forthwith upon any demand being made by FGFSL and/or the relevant member(s) of the Group. The aforesaid interest rate(s) may be changed by FGFSL and/or the relevant member(s) of the Group in its/their absolute discretion, at any time and from time to time and without notice to and without consent from Client or any third party. If any interest rate calculated under this clause would exceed the maximum lawful rate under the Money Lenders Ordinance (Cap. 163 of the Laws of Hong Kong), then the maximum lawful interest rate under that Ordinance shall be applied instead. Client agrees that FGFSL shall be entitled (but not be obliged), at any time and from time to time, without prior notice, to debit any Account with FGFSL and/or any other account(s) of Client with other member(s) of the Group with any interest due and payable by Client in accordance with this Clause 12.10 of Section 2 and Client undertakes to, immediately upon demand by FGFSL, do such act(s) and/or execute such document(s) as may be required by FGFSL at any time and from time to time in order to give full effect to each such debit.
- 12.11 Every Exchange Contract (as defined in the Rules of the HK Exchange) shall be subject to the charge of an Investor Compensation Fund levy and a

levy pursuant to the Securities and Futures Ordinance, the cost of both of which shall be borne by Client.

13. DEFAULT

- 13.1 FGFSL shall be entitled to exercise their powers under Clause 13.2 of Section 2 upon or at any time after the occurrence of any of the following Events of Default:-
- 13.1.1 Non-payment: Client defaults in paying, further securing or satisfying on demand any monies or liabilities under this Agreement or any agreement between Client and any member of the Group;
 - 13.1.2 Breach of representation: any statement, representation, warranty or undertaking made, repeated or deemed to have been repeated by Client in this Agreement or in any notice or other document delivered to FGFSL or any member of the Group in connection with this Agreement that is or proves to have been incorrect or misleading when made, repeated or deemed to have been repeated;
 - 13.1.3 Breach of other obligations: Client fails to perform or comply with any of its other obligations under this Agreement or any agreement between Client and any member of the Group and, if that failure is capable of remedy, does not remedy such failure to the satisfaction of FGFSL immediately following the giving of notice by FGFSL (or any other member of the Group) requiring it to do so;
 - 13.1.4 Winding-up, etc.: where Client is a corporation:
 - 13.1.4.1 a petition is presented or an order is made or any effective resolution is passed or analogous proceedings are taken for the winding up of Client save for the purposes of an amalgamation, merger or reconstruction the terms whereof have previously been approved in writing by FGFSL; or
 - 13.1.4.2 Client convenes a meeting for the purpose of making, or proposes and/or enters into, any arrangement or composition for the benefit of its creditors; or
 - 13.1.4.3 an encumbrancer takes possession or a receiver or other similar officer is appointed of the whole or any part of the assets or the undertaking of Client, or a distress or execution is levied or enforced upon or sued out against any of the chattels or property of Client and is not discharged within thirty days of being levied; or
 - 13.1.4.4 Client, without the consent in writing of FGFSL, stops payment to creditors generally or (if applicable) Client (otherwise than for the purpose of such an amalgamation, merger or reconstruction as is referred to in Clause 13.1.4.1 of Section 2 above) ceases or threatens to cease to carry on its business or any substantial part thereof or be deemed, for the purposes of Section 178 of the Companies Ordinance (Cap. 32 of the Laws of Hong Kong), to be unable to pay its debts or disposes or threatens to dispose of the whole or a substantial part of its undertaking or assets;
 - 13.1.5 Bankruptcy, etc.: Bankruptcy proceedings are commenced in respect of Client where Client is an individual, or a bankruptcy order is made against Client or Client makes any composition or arrangement with Client's creditors, dies, becomes of unsound mind and/or insane;
 - 13.1.6 Material adverse change in Client's financial condition, etc.: there occurs a material adverse change in Client's business, assets or financial condition which would, in the opinion of FGFSL, prevent or hinder or tend to prevent or hinder Client from performing in any material respect its obligations;
 - 13.1.7 Judgment or court order: where Client is a partnership or a sole proprietorship, any of its partners or the sole proprietor shall have any judgment or order of Court made or any execution levied against his goods, chattels or property, dies, becomes of unsound mind and/or insane;
 - 13.1.8 Incompetence, etc.: where the Client is an individual, a sole proprietor or a partnership, a judicial declaration of incompetence or mental incapacity is made in respect of the Client or any of the partners, or the Client or any of the partners dies;
 - 13.1.9 Unlawfulness: where FGFSL in its sole opinion believes there may be a basis for suspicion that the Client has engaged or may be engaging in any market malpractice or any other activity which is prohibited by any Laws or Regulatory Rules or applicable terms and conditions of whatsoever nature; or it shall become unlawful for the Client to maintain the Account or to perform any of the Client's obligations under this Agreement; or any authorisation, consent, approval or licence necessary for the Client to continue the Account or to perform any of its obligation under this Agreement is withdrawn, restricted, revoked or otherwise ceases to be in full force and effect;
 - 13.1.10 Fraud, etc: Client is convicted of an offence involving fraud, deception or dishonesty or any other serious criminal offence (other than a road traffic offence where a non-custodial sentence is imposed);
 - 13.1.11 Regulatory requirements: in the discretion of FGFSL, the exercise by FGFSL of any powers conferred by Clause 13.2 of Section 2 is necessary for compliance with any Regulatory Rules or Laws;
 - 13.1.12 Suspension of the Account: the Account or the trading of any commodities or instruments in the Account is for whatsoever reason suspended;
 - 13.1.13 Illiquidity: in the absolute discretion of FGFSL, there occurs market conditions (for example, illiquidity) or a situation that may make it difficult or impossible to effect relevant transactions or liquidate or offset relevant positions; and
 - 13.1.14 Others: in the sole discretion of FGFSL, when it regards it to be otherwise necessary or appropriate e.g. due to margin requirements or otherwise.
- 13.2 Upon or at any time following any Event of Default, all amounts owing by the Client to FGFSL shall become immediately payable on demand and FGFSL, without notice to the Client, may do any or more or all of the following in its discretion:-
- 13.2.1 terminate all or any part of this Agreement and close the Account, or otherwise suspend operation of the Account;
 - 13.2.2 immediately require Client to repay or discharge any facility, if any;
 - 13.2.3 cancel any or all outstanding orders or any other commitments made on behalf of the Client;
 - 13.2.4 close any or all contracts between FGFSL and the Client, cover any short position of Client through the purchase of commodities on the relevant Exchange(s) or, liquidate any long position of the Client through the sale of commodities on the relevant Exchange(s);
 - 13.2.5 sell or otherwise dispose of commodities held for the Client to settle any liability owed by the Client to FGFSL which remains after FGFSL has disposed of all client collateral for securing the settlement of that liability;
 - 13.2.6 combine or consolidate any or all accounts of the Client and exercise right of set-off in accordance with this Agreement; and
 - 13.2.7 Close Out, close, liquidate and/or give up any or all positions of Client in the Account.
- 13.3 In the event of any Closing Out sale pursuant to Clause 13.2 of Section 2:
- 13.3.1 FGFSL shall not be responsible for any loss occasioned thereby howsoever arising if FGFSL has already used reasonable endeavours to sell or dispose of the commodities or any part thereof at the then available market price;
 - 13.3.2 FGFSL shall be entitled to appropriate to itself or sell or dispose of the commodities or any part thereof at the current price to FGFSL or any member of its Group without being in any way responsible for loss occasioned thereby howsoever arising and without being accountable for any profit made by FGFSL and/or any member of the Group;
 - 13.3.3 any debit balance or margin deficiency in the Account resulting from Closing Out (including but not limited to Closing Out pursuant to Clause 13.2 of Section 2) shall be charged with (Client shall pay) interest thereon (after as well as before any demand or judgment) at such rate as FGFSL shall in its absolute discretion determine with reference to the prevailing market rate, the aforesaid interest rate may

be changed by FGFSL in its absolute discretion, at any time and from time to time and without notice to and without consent from Client or any third party, the Client undertakes to pay to FGFSL any deficiency if the net proceeds of sale shall be insufficient to cover all the outstanding balances owing by Client to IHKL and Client agrees that FGFSL shall be entitled (but not be obliged), at any time and from time to time, without prior notice, to debit any Account with FGFSL and/or any other account(s) of Client with other member(s) of the Group) with any interest payable by Client in accordance with this Clause 13.3.3 of Section 2 and Client undertakes to, immediately upon demand by FGFSL, do such act(s) and/or execute such document(s) as may be required by FGFSL at any time and from time to time in order to give full effect to each such debit; and

13.3.4 it is understood that Client shall at all times be liable for the immediate payment of any debit balance owing in the Account howsoever caused and whether or not an Event of Default with respect to the Account has occurred and that Client shall be liable for the immediate payment of any deficiency remaining in the Account in the event the liquidation thereof in whole or in part by FGFSL or by Client. Any debit balance or deficiency in the Account shall be charged with (and Client shall pay) interest thereon (after as well as before any demand or judgment) at such rate as FGFSL shall in its absolute discretion determine with reference to the prevailing market rate. The aforesaid interest rate may be changed by FGFSL in its absolute discretion, at any time and from time to time and without notice to and without consent from Client or any third party. Client shall immediately settle, upon demand, all liabilities outstanding to FGFSL, together with all costs of collection (including, without limitation, reasonable legal fees) on a full indemnity basis. Client agrees that FGFSL shall be entitled (but not be obliged), at any time and from time to time, without prior notice, to debit any Account with FGFSL and/or any other account(s) of Client with other member(s) of the Group) with any interest payable by Client in accordance with this Clause 13.3.4 of Section 2 and Client undertakes to, immediately upon demand by FGFSL, do such act(s) and/or execute such document(s) as may be required by FGFSL at any time and from time to time in order to give full effect to each such debit.

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

13.4.1 in satisfaction of all costs, levies, charges, expenses and payments (including, without limitation, legal or other professional fees, stamp duty, commission and brokerage) incurred by FGFSL on a full indemnity basis;

13.4.2 in or towards the satisfaction of the amount secured by this Agreement whether principal or interest or otherwise in such order as FGFSL may in its discretion decide;

13.4.3 in or towards the satisfaction of any other amount owing to FGFSL or any member of the Group, and the surplus if any shall be paid to Client or to its order. If there is any deficiency after the sale, Client shall pay such deficiency to FGFSL without the need for any demand.

13.5 A declaration, determination or decision by FGFSL that the power of sale has become exercisable under this Clause 13 of Section 2 shall be conclusive evidence of that fact in favour of any purchaser or other person deriving title under the sale.

13.6 Without prejudice to any other provision of this Agreement, when FGFSL exercises any of FGFSL's rights:

13.6.1 by closing or giving-up all or any positions in the Account; or

13.6.2 by closing-out all or any positions or sale or purchase of commodities in any accounts which FGFSL or any member of the Group may carry on Client's behalf or maintain with Client, and such closing or giving-up or closing out or sale or purchase (in this Clause 13.6 of Section 2 referred to as "the transactions") may be made on an Exchange or market where the transactions are usually transacted or in such manner as shall be decided by FGFSL. Client agrees that in respect of the transactions, FGFSL shall not be liable for any resulting loss. Without prejudice to the foregoing, Client shall not make any claim against FGFSL concerning the manner or timing of the transactions. Client understands that in all cases, FGFSL has the right to exercise closing out or giving up without demand or notice. A prior demand or call or notice of such closing out or giving up shall not be considered as a waiver of FGFSL's above-mentioned rights.

14 LIABILITY AND INDEMNITY

14.1 Client agrees that FGFSL or any member of the Group or any of their respective officers, employees or agents shall not have any liability whatsoever (other than those resulting from fraud or wilful default on FGFSL's part) for any loss, expense or damage which Client may incur as a result of the performance or failure to perform this Agreement or as a result of any act or omission of any third party (whether or not appointed by FGFSL or any member of the Group) or howsoever arising out of any cause beyond the control of FGFSL or any member of the Group. Further, FGFSL or any member of the Group or any of their respective officers, employees or agents accept no liability as a result of compliance with any applicable Regulatory Rules. This Clause 14.1, however, shall not be construed as in any way binding any member of the Group to comply with any provision of this Agreement unless otherwise explicitly agreed by such member of the Group.

14.2 Client undertakes to indemnify and to keep indemnified FGFSL and its officers, employees and agents on a full indemnity basis from and against all losses, damages, interest costs, actions, demands, claims, proceedings, expenses, costs and liabilities of any nature whatsoever (other than those resulting from fraud or wilful default on FGFSL's part) incurred, suffered or sustained by or made or brought against or threatened to be made or brought against each or any of them directly or indirectly arising out of or in connection with the performance of any act or exercise of any right or discretion or any inaction taken or chosen by or for FGFSL and/or any member of the Group pursuant to this Agreement, or arising directly or indirectly from an Event of Default, or any act or omission by Client whether or not constituting a breach of any of its obligations under this Agreement or directly or indirectly as a consequence of reliance on by FGFSL or any of its officers, employees or agents any representation stated in this Agreement or any information provided by or for Client or directly or indirectly as a result of acting on by FGFSL or any of its officers, employees or agents any instruction, signature, instrument, notice, resolution, request, certificate, report or other document believed to be signed or given by the proper party(ies), whether the same is given verbally or in written form and whether the same is an original, facsimiled or electronic copy.

14.3 If any claim is made against FGFSL or Client in connection with this Agreement, FGFSL may, without prejudice to Clause 14.1 above, take any such steps at its sole discretion, including the withholding of payment or delivery to Client of any money or commodities.

14.4 Client acknowledges that discretionary handling of clients' accounts by FGFSL's representatives is generally not permitted by FGFSL policy (and that if exception is granted it must be properly documented in a further FGFSL discretionary account agreement with a power of attorney) and that Client shall not hold FGFSL responsible in any way, and shall indemnify FGFSL, for all and any loss, damage, interest cost, action, demand, claim, liability, expense or proceeding of any nature whatsoever relating to or resulting from the Client's instruction, permission, acquiescence or approval to, or arrangement or understanding with, any FGFSL representative (whether explicit or tacit) to conduct discretionary trading on the Account or otherwise in respect to any of the Client's money.

15. DISCLOSURE OF INFORMATION

15.1 Client warrants and undertakes to FGFSL that all information provided by Client from time to time in, under or pursuant to this Agreement is and will be accurate, complete and up-to-date. Client shall notify FGFSL forthwith of any change to such information. FGFSL shall be entitled to rely fully on all such information for all purposes until FGFSL is notified to the contrary in writing and any such written notification shall be duly signed by Client. Client understands and accepts that notwithstanding anything to the contrary which may be contained in this Agreement, any change to any such information shall not take effect until five (5) days after the actual receipt by FGFSL of the relevant written notification or until such

shorter period of time as may be agreed by FGFSL in writing.

- 15.2 FGFSL shall notify Client of any material change to the information relating to FGFSL provided in, under or pursuant to this Agreement.
- 15.3 Client shall immediately on demand by FGFSL at any time and from time to time supply to FGFSL such financial and/or other information in connection with the subject matter of this Agreement as FGFSL may reasonably require. Client agrees that FGFSL may conduct a credit enquiry or check on Client for the purpose of ascertaining the financial situation of Client.
- 15.4 FGFSL may provide any information relating to Client and/or any contract and/or any transaction and/or the Account to any Regulator or other person to comply with the lawful requirements or requests (whether such requirements and requests are mandatory or otherwise) or otherwise where in FGFSL's sole discretion, it deems it appropriate in the circumstances.
- 15.5 If Client shall at any time open one or more accounts with members of the HK Exchange other than FGFSL for the purpose of carrying out transactions relating to F/O Contracts, and Client's number of open F/O Contracts in aggregate amounts to a "Large Open Position", as determined by the board of the HK Exchange ("Board"), Client shall report to FGFSL immediately of such "Large Open Position" and provide FGFSL with such information as FGFSL may require in connection therewith, Client hereby confirms and acknowledges that FGFSL is obliged to report information relating to Client's "Large Open Position" to the HK Exchange as required by Rule 628 of the Rules of the HK Exchange and Client hereby consents to the release of such information by FGFSL to the HK Exchange.
- 15.6 FGFSL is subject to the Personal Data (Privacy) Ordinance (Cap. 486 of the Laws of Hong Kong) which regulates the use of personal data concerning individuals. FGFSL's policies and practices relating to the use of personal data are set out in Second Schedule to this Agreement.
- 15.7 Client acknowledges that any failure, delay or refusal to provide relevant information to FGFSL would constitute a breach, and that in accordance with Clause 14 of Section 2, the Client will fully indemnify FGFSL for such breach.
- 15.8 Client represents and warrants to FGFSL that Client has taken all action necessary to authorize the disclosure to FGFSL and other persons permitted hereunder of all information (including, without limitation, personal data as defined in the Personal Data (Privacy) Ordinance (Cap. 486 of the Laws of Hong Kong) from time to time provided to FGFSL by or for Client in, under or pursuant to this Agreement and the use of such information for the purpose of this Agreement and/or any contract(s) and/or transaction(s) contemplated hereunder and/or the Account. This representation and warranty are taken to be also made by Client on each date that any information is provided to FGFSL.

16. REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS

- 16.1. Client represents, warrants and undertakes to FGFSL (in this Clause 16, referred to as the "Warranties") that:
 - 16.1.1 where Client is a corporation, it has been duly incorporated or established in accordance with all applicable laws and regulations and has the corporate power to enter into and perform this Agreement and has taken all necessary corporate and other action to authorise this Agreement upon these terms and conditions;
 - 16.1.2 no consent or authority of any person (except, in the case of a corporate client, as already obtained as contemplated in Clause 16.1.1 of Section 2) is required for Client to enter into this Agreement including without limitation the power of borrowing and giving security over its assets, or as the case may be, Client has obtained all such necessary consent or authority (including without limitation, consent from its employer where applicable);
 - 16.1.3 the entering into by Client of this Agreement or any trading or borrowing activity in connection with this Agreement will not place Client in breach of the terms of any other arrangement or document (including any constitutional documents such as Client's memorandum and articles of association if Client is a corporation and/or deed of trust if Client is a trustee or trust corporation), any staff dealing policies or rules of its employer (if any) or of any obligations under general law or imposed by Regulatory Rules; and Client undertakes to fully comply all relevant Laws, Regulatory Rules, terms, policies and rules;
 - 16.1.4 no Event of Default or Potential Event of Default has occurred and is continuing;
 - 16.1.5 no money, securities or other property received by FGFSL from Client in connection with this Agreement is subject to any restrictions on transfer or assignment, any lien, claim, charge or encumbrance or any other interest of any third party (other than a lien routinely imposed on all securities in a relevant clearance system);
 - 16.1.6 Client has not taken any action nor has any step been taken or legal proceeding been started or threatened for the bankruptcy or liquidation of the Client. Nor has the Client entered into a compromise or scheme of arrangement with its creditors;
 - 16.1.7 Client acknowledges that it is Client's duty to ascertain Client's nationality, citizenship, domicile or similar status. Client undertakes not to deal in, purchase or subscribe for any F/O Contracts, commodities or investments which by virtue of the Client's status or other characteristics Client is prohibited to deal in, purchase or subscribe. Client has taken all necessary professional advice including legal, accounting, estate planning or tax advice relating to its tax or other liability under any relevant jurisdiction and Client has not relied in any way on FGFSL relating to any of Client's instructions or orders in respect of dealing in, purchase of or subscription in any F/O Contracts, commodities or investments; and
 - 16.1.8 Client warrants and undertakes to FGFSL that if Client is not a member of the HK Exchange and the account which Client open with FGFSL is to be operated for a client or a number of clients of Client and not Client itself ("Futures Accounts"), Client shall notify FGFSL of the same and shall at all times:
 - 16.1.8.1 in Client's dealings with the person(s) from whom Client receives instructions with respect to the Futures Account, comply with and enforce the margin and variation adjustment requirements and procedures as stipulated in the Rules of the HK Exchange and the rules of the clearing house of the HK Exchange as though Client were a member of the HK Exchange and as though the person(s) for whose account or benefit such instructions are given were the Clients" as defined in the Rules of the HK Exchange;
 - 16.1.8.2 cause Exchange Contracts (as defined in the Rules of the HK Exchange) to be entered into in fulfillment of such instructions so that there shall in no circumstances be any dealing with the instructions in a manner which constitutes unlawful dealing in differences in market quotations of commodities or in a manner which constitutes or involves betting, wagering, gaming or gambling with respect to such items; and
 - 16.1.8.3 impose the requirements of Clauses 16.1.8.1, 16.1.8.2 and 16.1.8.3 of Section 2 upon, and ensure that they are complied with by, the person(s) from whom Client receives instructions.
- 16.2 Client further warrants and represents to FGFSL that each of the Warranties is true, accurate and not misleading.
- 16.3 Client acknowledges that FGFSL has entered into this Agreement on the basis of, and in reliance on, the Warranties. The Warranties are deemed to be repeated on each day up to and including the termination of this Agreement.

17. NOMINEE ARRANGEMENTS

- 17.1 Subject to Clauses 11.1 and 11.2 of Section 2 above and applicable Regulatory Rules, FGFSL shall be entitled (and is hereby authorised), at any time and from time to time, to deposit or transfer any property (including, without limitation, any F/O Contract) of Client ("Property" for the purposes of this Clause 17 of Section 2 only) with or to or interchangeably between any banker(s), institution(s), custodian(s), clearing house(s), intermediary(ies) and/or other person(s) (whether any such banker, institution, custodian, clearing house intermediary or other person is in Hong

Kong or elsewhere) and/or register or re-register any Property in the name of FGFSL, any member of the Group or any nominee appointed or agreed by FGFSL (whether such nominee is a person in Hong Kong or elsewhere) and/or cancel any such registration.

17.2 If any Property is registered in the name of a nominee for Client ("Nominee"), whether or not such Nominee is a member of the Group, Client agrees as follows:

17.2.1 that the Nominee shall have no liability (in negligence or otherwise howsoever) for failure to forward to Client any notice, information or other communication in respect of such Property;

17.2.2 that the Nominee shall have full liberty to exercise or refrain from exercising any rights or to satisfy or refrain from satisfying any liabilities arising from or in connection with the holding of such Property without the need to consult or notify Client beforehand and without being in any way liable therefor and Client shall indemnify the Nominee for all losses, costs, claims, liabilities and expenses incurred by the Nominee and arising directly or indirectly from any action taken or not taken by the Nominee in good faith;

17.2.3 to pay such fees, expenses and charges as the Nominee may from time to time prescribe in consideration of the nominee services, such fees, expenses and charges to be deducted as FGFSL sees fit from any monies standing to Client's credit in any account with FGFSL and/or any member of the Group and until payment the Property held by the Nominee is subject to a lien in favour of the Nominee for the amount(s) concerned and such lien shall be in addition and without prejudice to other rights of the Nominee; and

17.2.4 that the Nominee may act on the instructions of any one Authorised Person or Authorised Third Party.

18. GOVERNING LAW AND DISPUTE RESOLUTION

18.1 This Agreement shall be governed by and construed in accordance with the laws of Hong Kong and Client hereby irrevocably submits to the non-exclusive jurisdiction of the courts of Hong Kong. This Agreement, all rights, obligations and liabilities under this Agreement and all contracts and all transactions contemplated hereunder shall ensure to the benefit of, and bind FGFSL, FGFSL's successors and assigns, whether by merger, consolidation or otherwise, as well as Client and the heirs, executors, administrators, legatees, successors, personal representatives and permitted assigns of Client.

18.2 Any unresolved dispute between FGFSL and Client shall be settled by arbitration in accordance with the provisions of the arbitration rules of the board of arbitration (if any) of the organised market or board of trade or exchange upon which the transaction giving rise to such dispute was effected or (without limitation to the foregoing) in any other arbitral forum, provided that FGFSL only, in the sole discretion of FGFSL, may at any time before the hearing of the arbitration give notice to Client in writing that FGFSL veto either the arbitral forum or the arbitration of such dispute. The sole obligation of either FGFSL or Client under any claim in court of law by the other shall be to pay such sum as may be awarded under arbitration pursuant to this clause, except where FGFSL shall have vetoed such arbitration. Any award resulting from such arbitration shall be final, and a judgment upon the award rendered may be entered in any court having jurisdiction.

19. FGFSL'S ROLE, MATERIAL INTERESTS AND CONFLICTS OF INTERESTS

19.1 FGFSL's role

FGFSL may act as principal or as agent in relation to any transaction undertaken by FGFSL pursuant to this Agreement.

Client is fully aware and hereby agrees that FGFSL may, subject to the applicable Laws and Regulatory Rules, contract as a principal in any transaction entered into between FGFSL and Client under this Agreement.

19.2 Material interests and conflicts of interest

Circumstances may arise in which FGFSL, another member of the Group or one of their respective officers, employees or agents (each, a "Relevant Party") has a material interest in a transaction with or for Client or where a conflict of interest arises between Client's interests and those of other clients or counterparties or of itself. However, if FGFSL acts in circumstances where it has a material interest or conflict of interest, FGFSL will take reasonable steps to ensure Client is treated fairly. FGFSL may, in its discretion, without giving any reason therefor, without notice and without incurring any liability of any nature to Client or any third party, decline to act for Client in such circumstances. Material interests and conflicts of interest that may arise include, without limitation, the matters described in the following Clauses 19.2.1 to 19.2.6 of Section 2.

19.2.1 FGFSL may make recommendations with respect to, effect or arrange a transaction with Client or on Client's behalf or for the Account in relation with which a Relevant Party may have direct or indirect material interests. In particular, a Relevant Party may:

19.2.1.1 deal with Client as principal for its own account;

19.2.1.2 deal with Client as agent for both Client and for any other person;

19.2.1.3 match any order by Client with the order of any other person, receiving, in some cases, a fee or commission from that other person;

19.2.1.4 otherwise make a profit in respect of a transaction pursuant to this Agreement; and

19.2.1.5 recommend that Client buy or sell an investment in which the Relevant Party has a long or short position.

19.2.2 In addition, a Relevant Party may also:

19.2.2.1 have interests or act as an adviser to clients in investment banking, financial advisory, underwriting, asset management and other capacities;

19.2.2.2 issue, underwrite or act in a proprietary capacity, as a market maker (or "principal trader") or liquidity provider, or for other clients in relation to investments of all types including those in which the Account or Client may invest or deal;

19.2.2.3 give advice to, and take action in relation to, any of its clients, companies or proprietary accounts that differs from advice given to Client, or involves different timing or actions taken;

19.2.2.4 make a market in and have a position in an investment held, purchased or sold for the Account; and

19.2.2.5 have an interest in, or serve as a director of, any company in which the Account or Client may invest or deal.

19.2.3 FGFSL may use any information Client provides in relation to an instruction or transaction to facilitate its execution and can take account of it in managing its market making positions or otherwise limiting the risks to which it is exposed in the course of its market making activities. In particular, where that information relates to a proposed transaction for which Client has asked FGFSL to quote terms, and in which FGFSL would commit its capital, FGFSL may also use that information to enter into transactions for the purpose of executing the proposed transaction (or facilitating such execution) on terms that are competitive in the market at that time. Such transactions could be at a different price from the price at which FGFSL executes Client's transaction or instruction, which could result in FGFSL making a profit or loss. The effect of these and other trading activities of FGFSL may be to increase the market price of investments Client is buying or decrease the market price of investments Client is selling.

19.2.4 Subject to applicable Laws, FGFSL is not under any obligation to:

19.2.4.1 disclose that any Relevant Party has a material interest in a particular transaction with or for Client or that a conflict of interest or a conflict of duty has arisen or may arise, although FGFSL will generally manage such conflicts to ensure, with reasonable confidence, that risks of damage to Client's interests will be prevented; or

- 19.2.4.2 account to Client for any profit, commission or remuneration made or received in connection with transactions or circumstances in which a Relevant Party has a material interest, where a conflict of interest or a conflict of duty arises, or otherwise.
- 19.2.5 Client agrees and acknowledges that FGFSL may receive from, pay to or share with third parties (including other members of the Group) fees, commissions or other benefits. The amount or basis of any such fee, commission or other benefit will be disclosed to Client to the extent required by applicable Laws, and such disclosure may be in summary form only.
- 19.2.6 FGFSL may recommend to Client the services of (and may introduce Client to) any person (which may include a Relevant Party). These persons may not be regulated or subject to applicable Laws or Regulatory Rules for the protection of investors, including such rules and regulations in respect of clients' money held or received for clients by such persons, and accordingly such money may not be protected as effectively as if such rules and regulations applied.
- 19.3 No fiduciary relationship
 Client and FGFSL acknowledge that neither:
 19.1.1 the relationship between FGFSL and Client;
 19.1.2 the services to be provided under this Agreement; nor
 19.1.3 any other matter,
 gives rise to any fiduciary or equitable duties on FGFSL's part in favour of Client. In particular, there are no duties which would oblige FGFSL (or any other Relevant Party) to accept responsibilities more extensive than those set out in the Agreement or which would prevent or hinder FGFSL (or any other Relevant Party) in carrying out any of the activities contemplated by this Agreement.

20. MISCELLANEOUS

- 20.1 Enforceability
 If any provision of this Agreement shall be void or unenforceable by reason of any provision of applicable Laws, the remaining provisions shall continue in full force and effect and if necessary, be so amended as shall be necessary to give effect to the spirit of this Agreement so far as possible.
- 20.2 FGFSL's right to report
 Without prejudice to any right or obligation that FGFSL may have under the Laws, Client acknowledges FGFSL's unfettered discretion to report all and any suspicious trading conduct or account irregularity or other relevant matter to any Regulator(s), authority(ies) or the issuer of the financial product concerned. Client shall not challenge any decision to make such report, or attempt to hold FGFSL responsible for resulting action against or loss incurred by Client. Client undertakes to provide FGFSL with such information as lawfully requested by FGFSL within (1) Business Day of such request. Further, FGFSL may in its sole discretion suspend the operation of the Account or decline to act on any instruction without incurring any liability whatsoever to Client or any other person for any claim, loss, proceeding or expense howsoever related to FGFSL's suspension of the Account or its delay or refusal to act upon any instruction relating to the Account.
- 20.3 Client's obligation
 20.3.1 Client undertakes to do and execute any act, deed, document or thing which FGFSL may require in connection with the implementation, execution and enforcement of the terms of this Agreement. Client irrevocably appoints FGFSL as its attorney to do and execute any act, deed, document and thing which it undertakes to do or execute under this Agreement but fails to do or execute upon the request of FGFSL.
 20.3.2 If Client suspects that a fraud or an irregularity may have occurred with respect to the Account, it shall notify FGFSL of the same immediately by calling FGFSL at (852) 3719 9733 or such other telephone number as subsequently notified to Client by FGFSL in writing from time to time.
- 20.4 Joint account
 20.4.1 Where the Account is a joint account, unless otherwise stated in the Account Application, FGFSL may accept instructions from any of the account holders, and each joint account holder agrees with the others to be jointly and severally liable for all obligations in connection with this Agreement. FGFSL has no obligation to inquire into the purpose or propriety of any instruction given or to see to the application of any funds delivered by Client or any or more of the joint account holders in respect of the Account. FGFSL shall be at liberty to release or discharge any of the account holders from their liability hereunder or to accept any proposition from or make other arrangements with any of the account holders without releasing or discharging the other or others or otherwise prejudicing or affecting the rights and remedies of FGFSL against the other or others and none of them nor shall this Agreement be released or discharged by the death of any one of them.
 20.4.2 Any Advice, report, notice or communication given to any joint account holder in accordance with this Agreement shall be deemed to have been duly given to all joint account holders unless: (i) Client's correspondence address has been provided in the Account Application, in which case, any such Advice, report, notice or communication shall be sent to that correspondence address or such other correspondence address as subsequently notified to FGFSL in accordance with this Agreement; or (ii) Client has requested and FGFSL has accepted that all Advices shall be sent to the email addresses of all joint account holders, being the last notified email addresses on FGFSL's records and in such case, all Advices shall be so given. Any Advice, report, notice or communication given by FGFSL pursuant to the foregoing shall be deemed to have been received by all joint account holders and shall be binding on all of them.
- 20.5 Client's authorization
 Where Client has an account with another member of the Group and instructs FGFSL to obtain cash, commodities and/or other property from such account, Client authorises FGFSL, on behalf of Client, to request such member of the Group to release such cash, commodities and/or other property to FGFSL.
- 20.6 Telephone recording
 All telephone conversations between FGFSL and Client made in the course of business will be recorded on a centralized tape recording system operated by FGFSL and the contents of any such recording shall be final and conclusive evidence of the conversation concerned and its content.
- 20.7 Client's representation
 Client acknowledges that FGFSL has offered to explain to Client the terms of this Agreement, and either Client has received such explanation or that Client fully understands the terms of this Agreement without the need for such explanation. Client acknowledges that Client has been advised, and has had the opportunity, to consult Client's own independent legal and other professional advisers. Client declares that Client has read and understood the contents of the Option Information Statement, Disclaimer in Relation to Trading of Stock Index Futures Contracts, Disclaimer in Relation to Trading of Stock Index Option Contracts and the HK Exchange Disclaimer, which have been fully explained to him in a language he understands.

20.8 Suitability

For the avoidance of doubt, both FGFSL and the Client agree and confirm:

20.8.1 FGFSL does not solicit the sale of, or provide recommendations or advice of any financial products and futures contracts dealings to the Client. The scope of services under this Agreement does not include solicitation of sale or provide recommendations or advice of any financial product and futures contracts dealings to the Client. At present, FGFSL only provides limited services and executes trading instructions in accordance with the Client's instruction;

20.8.2 If both FGFSL and the Client agree in the future to amend the scope of the above service and allow FGFSL to solicit the sale of or provide recommendations or advice of any financial product and futures contracts dealings to the Client, before FGFSL takes steps to solicit sale or provide recommendations or advice (if any), FGFSL must believe, from FGFSL's perspective, that the financial product is reasonably suitable for the Client having regard to the Client's financial situation, investment experience and investments objectives. No other provisions in these Terms or any other document which FGFSL may ask the Client to sign and no statement which FGFSL may ask the Client to make would derogates from this Clause. For the purpose of this Clause, "financial product" means any securities, futures contracts or leveraged foreign exchange contracts as defined under the SFO;

20.8.3 For the purpose of this Agreement, if FGFSL informs the Client, either verbally or in writing, of the fact that FGFSL provides certain types of financial services and permits the Client to unilaterally reserves the right to subsequently decide whether or not to make an inquiry to FGFSL, such a conduct does not constitute an act of solicitation of sales or provide recommendations or advice to the Client.

20.9 Waiver

Save as expressly provided in this Agreement, no failure to exercise, or delay in exercising, on the part of any party hereto any right, power or privilege under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege preclude any other or further exercise thereof, or the exercise of any other right, power or privilege. No waiver by FGFSL shall be effective unless it is in writing. The rights and remedies of FGFSL are cumulative and not exclusive of any rights or remedies provided by the Laws.

20.10 Assignment

20.10.1 Client shall not assign, delegate, sub-contract, transfer or otherwise dispose of any rights or obligations under this Agreement to any person without FGFSL's previous written consent. Subject to the Laws, FGFSL may assign, sub-contract, delegate, transfer or otherwise dispose of any of its rights and obligations under this Agreement as FGFSL may see fit.

20.10.2 In the event that FGFSL consolidates, amalgamates, reorganises or transfers its business to another entity (including within the Group), FGFSL may assign any of the rights and obligations under this Agreement to such entity. FGFSL shall give Client notice which will specify a date upon which the assignment will become effective. This date will be at least ten (10) days after the date of the notice. Such assignment will have the effect of creating a novated agreement between Client and the entity to which such rights or obligations are assigned. Therefore, in such event, Client hereby consents for any future assignment of this Agreement by FGFSL.

20.11 Force majeure

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

20.12 Trading by FGFSL

20.12.1 The Client acknowledges that FGFSL, its directors and/or employees may trade on its/their own account or on the account of any members of the Group subject to any applicable Laws and Regulatory Rules.

20.12.2 The Client consents that, without prior notice from FGFSL, when FGFSL executes sell or buy orders on behalf of the Client on the Exchange, FGFSL, its directors, officers, employees, agents, and/or any floor broker may buy or sell for an account in which any such person has a direct or indirect interest, subject to any applicable Laws and Regulatory Rules.

20.13 Open Positions

20.13.1 Client acknowledges that the clearing house of the HK Exchange may do all things necessary to transfer any open positions held by FGFSL on behalf of Client and any money and security standing to the credit of Client's account with FGFSL to another exchange participant of the HK Exchange in the event the rights of FGFSL as an exchange participant of the HK Exchange are suspended or revoked.

20.13.2 Client acknowledges that FGFSL is bound by the Rules of the HK Exchange which permits the HK Exchange or the Chief Executive of the HK Exchange to take steps to limit the positions or require the closing out of contracts on behalf of Client who in its or his opinion are accumulating positions which are or may be detrimental to any particular market or markets established and operated by the HK Exchange or which are or may be capable of adversely affecting the fair and orderly operation of any such market or markets as the case may be.

20.13.3 (i) Liquidation instructions for open futures positions maturing in the current month must be given to FGFSL prior to the first notice day in the case of long positions and, in the case of short positions, prior to the last trading day. (ii) Alternately, subject to Clause 20.12.3(iii) of Section 2 below, in respect of open futures positions maturing in the current month, sufficient clear funds to take delivery or the necessary delivery documents must be delivered to FGFSL at least five (5) Business Days prior to the first notice day in the case of long positions and, in the case of short positions, at least five (5) Business Days prior to the last trading day. (iii) Notwithstanding Clauses 20.12.3(ii) and 20.12.3(iv) of Section 2 or anything to the contrary which may be contained in this Agreement or other document, FGFSL shall be entitled, at any time and from time to time, without assigning any reason therefor and without any liability to Client or any third party, at its absolute discretion, to refuse to make or receive physical delivery of the underlying assets in relation to any transaction or contract contemplated hereunder or refuse to deliver or receive any certificate or document of title in respect of such underlying assets or refuse to procure the transfer or receipt of such underlying assets or of any certificate or document in title in respect of such underlying assets. (iv) Subject to Clause 20.12.3(iii) of Section 2 above, if neither the aforesaid liquidation instructions, nor the aforesaid clear funds, nor the aforesaid documents are received by FGFSL within the relative time period required under this Clause 20.12.3 of Section 2, FGFSL may without notice, either liquidate Client's position(s), or make or receive delivery, on behalf of Client upon such terms and by such methods which FGFSL shall in its absolute discretion deem appropriate.

20.14 Notice

- 20.14.1 Any Confirmation, report, notice or communication to be made or given to Client shall be in writing and may be sent by ordinary post to its address stated in the Account Application, or by facsimile transmission or electronic means (including through the E-Service, as defined in Third Schedule) to the fax number or e-mail address stated in the Account Application (or to such other address, fax number, or e-mail address as subsequently notified by Client in writing in accordance with this Clause 20.13 of Section 2). Any notification so given shall be deemed to have been received forty-eight (48) hours after dispatch if sent by post or at the time of transmission if given by facsimile or electronic means.
- 20.14.2 FGFSL may also give notice to Client by telephone on the telephone number given in the Account Application or on such other number as Client shall notify FGFSL in writing. All notifications so given to Client shall be deemed to have been received instantaneously if given by telephone.
- 20.14.3 In all cases if any notice or communication of whatsoever nature is given or delivered to FGFSL, it shall only be deemed to have been given or delivered to FGFSL on the day of actual receipt by it.

20.15 Amendment and termination

- 20.15.1 FGFSL may, at its absolute discretion and without giving reasons, suspend or terminate the Account and at any time cease to act on Client's behalf. Upon termination or suspension of the Account, all monies owing from Client to FGFSL shall immediately become due and payable and Client shall immediately repay such monies to FGFSL.
- 20.15.2 Client agrees that the terms of this Agreement may be amended by FGFSL from time to time, at its discretion, by notice in writing from FGFSL to Client, in which event such terms and conditions as so amended shall apply with effect from the effective date specified in such notice, whether the specified effective date is before or after the date of such notice but subject to applicable Laws. Such amendments shall be deemed incorporated into and form part of this Agreement.
- 20.15.3 Client agrees that this Agreement may be amended by FGFSL from time to time without prior notice to Client in order to comply with the Laws and/or Regulatory Rules then in force which are applicable to FGFSL, this Agreement and/or the transactions contemplated under it. Such amendments shall be deemed incorporated into and form part of this Agreement.
- 20.15.4 Either party may terminate this Agreement at any time by notice to the other provided that such termination shall not affect:
 - 20.15.4.1 the rights or liabilities of either party arising prior to such termination;
 - 20.15.4.2 the warranties, representations, undertakings and indemnities given by Client under this Agreement, all of which shall survive termination; and
 - 20.15.4.3 any of the Client's obligations to FGFSL pursuant to this Agreement.
- 20.15.5 Termination of this Agreement shall not affect any action by FGFSL, or any of its agents or any third party permitted under this Agreement initiated prior to the date of termination or any indemnity or warranty given by Client under this Agreement.

20.16 Investor Protection

- 20.16.1 Every HK Exchange contract shall be subject to the charge of a compensation fund levy and a levy pursuant to the Securities and Futures Ordinance, the cost of both of which shall be borne by the Client.
- 20.16.2 If Client suffers pecuniary loss by reason of FGFSL's default, the liability of the Investor Compensation Fund will be restricted to valid claims as provided for in the Securities and Futures Ordinance and the relevant subsidiary legislation and will be subject to the monetary limits specified in the Securities and Futures (Investor Compensation – Compensation Limits) Rules and accordingly there can be no assurance that any pecuniary loss sustained by reason of such a default will necessarily be recouped from the Investor Compensation Fund in full, in part or at all.

20.17 Time

Time shall, in all respects, be of the essence of the performance of all the obligations of Client under this Agreement and all contracts and transactions contemplated hereunder.

20.18 Others

FGFSL shall designate an employee to be primarily responsible for Client's affairs. Client shall be notified of the name of that employee and such particulars of the licence of that employee as required by the applicable Laws. FGFSL may, in its absolute discretion, at any time and from time to time, designate another employee of its to replace the first-mentioned employee and such replacement will be effective on such date as conclusively determined by FGFSL. Any information provided pursuant to this Clause 20.17 shall form part of this Agreement.

20.19 Entire agreement

This Agreement constitutes the entire agreement of the parties about its subject matter and supersedes all previous agreements, understandings and negotiations on that subject matter.

20.20 Service of Legal Documents

- 20.20.1 In case of any disputes arising from or in connection with this Agreement or any related supplemental agreement amongst the parties hereto, FGFSL shall be entitled to serve all legal documents including the Writ of Summons or Originating Summons on the parties at their addresses (either in Hong Kong or overseas) as shown on this Agreement or their subsequent updated addresses by way of unregistered post through the Hong Kong Post whether or not the location of such addresses are within the jurisdiction of the Hong Kong courts. The legal documents through such unregistered post shall be deemed to have been duly served on the parties. The receiving party shall be deemed to have received the legal documents 7 days after FGFSL has sent out the legal documents through the Hong Kong Post.
- 20.20.2 For the avoidance of doubt, the above contractual arrangement for service of legal documents will be without prejudice and additional to FGFSL's rights for service of legal documents under the Hong Kong laws.

FIRST SCHEDULE

CLIENT IDENTIFICATION

1. INTERPRETATION

- 1.1 Terms and expressions defined in this Agreement shall have the same meaning in this First Schedule unless the context otherwise requires. References to clauses in this First Schedule shall refer to clauses contained in this First Schedule, unless the context otherwise requires.
- 1.2 In the event of any inconsistency between the provisions of this Agreement and this First Schedule, the provisions of this First Schedule shall prevail.
2. Client shall immediately upon FGFSL's request and within two (2) days (or such other time period as may be specified by FGFSL) provide to FGFSL and/or a Regulator information (including, without limitation, details of identity, address, occupation, contact details and/or in the case of a corporate entity, nature and scope of business activities, source of funds, business structure, shareholdings and other information) relating to the ultimate beneficial owner(s) of the Account and/or the person(s) ultimately responsible for the giving of instructions in relation to any transaction or in relation to any dealings with any F/O Contracts or investments in the Account.
3. Where Client is not trading on Client's own account in any transaction, it shall prior to the placing of any orders with FGFSL inform FGFSL of the same and provide FGFSL with such information regarding the ultimate beneficiary(ies) as FGFSL may request within two (2) days (or such other time period as may be specified by FGFSL) of such request. Client hereby acknowledges and agrees that such information may be supplied by FGFSL to the Regulators in compliance with the applicable Regulatory Rules.
4. In the event that FGFSL fails to comply with the disclosure requirements under Rules 606(a) or 613(a) of the Rules of HK Exchange, the Chief Executive of HK Exchange and/or any designated staff of Hong Kong Exchanges and Clearing Limited may require the Closing Out of positions on behalf of Client or the imposition of a margin surcharge on the positions of Client.
5. If Client operates the Account or effects any transaction for a collective investment scheme, discretionary account or trust, Client shall:
 - 5.1 immediately upon FGFSL's request and within two (2) days (or such other time period as may be specified by FGFSL) provide to FGFSL and/or a Regulator the name, address and contact details of such scheme, account or trust and, if applicable, the identity, address, occupation or business structure and contact details of the person who, on behalf of such scheme, account or trust, ultimately originated the instruction to Client to operate the Account and/or effect the transaction; and
 - 5.2 as soon as practicable, inform FGFSL when Client's discretion or power to operate the Account or to invest on behalf of such scheme, account or trust has been overridden, revoked or terminated. In such case, Client shall, immediately upon FGFSL's request and within the time specified by FGFSL, provide to FGFSL and/or a Regulator the identity, address, occupation and contact details of the person who has given such overriding instruction or notice of revocation or termination.
6. If Client does not know the information referred to in Clauses 2, 3 and 5 above, Client must confirm that:
 - 6.1 Client has arrangements in place which would entitle Client to obtain and provide to FGFSL and/or a Regulator upon its request all such information or to procure that such information be so obtained within two (2) days;
 - 6.2 Client shall, upon FGFSL's request, immediately obtain all such information from any relevant third party, and provide that information to FGFSL and/or a Regulator within two (2) days or such other time period as may be specified by FGFSL and/or the Regulators; and
 - 6.3 FGFSL may, pending receipt by it and/or by a Regulator of such information, or if such information is not received within two (2) days or such other time period as may be specified by FGFSL and/or the Regulators, decide in its absolute discretion and at any time, not to act (even if such declining may result in any loss) or not to give effect to any of Client's instructions and/or to suspend or terminate the effecting of any transaction or the operation of the Account.
7. Client confirms that Client is not subject to any Regulatory Rules, or any law of any relevant jurisdiction, which prohibits Client's performance of the obligation under this First Schedule or, if Client is subject to such Regulatory Rules and/or such laws, that Client or Client's own clients, as the case may be, has or have waived the benefit of such Regulatory Rules and/or such laws or consented in writing to the performance by Client of the obligations under this First Schedule. Client confirms that such waivers are valid and binding under the laws of all relevant jurisdictions.
8. The Client's obligation to provide information under this First Schedule shall continue in full force and effect notwithstanding the termination of this Agreement.

SECOND SCHEDULE PERSONAL DATA

INTERPRETATION

- 1.1 Terms and expressions defined in this Agreement shall have the same meaning in this Second Schedule unless the context otherwise requires. References to clauses in this Second Schedule shall refer to clauses contained in this Second Schedule, unless the context otherwise requires.
- 1.2 In the event of any inconsistency between the provisions of this Agreement and this Second Schedule, the provisions of this Second Schedule shall prevail.
2. From time to time, it shall be necessary for Client to supply FGFSL with data (including personal data as defined in the Personal Data (Privacy) Ordinance (Cap. 486 of the Laws of Hong Kong) as amended from time to time) in connection with the establishment or continuation of accounts or the provision of services by FGFSL and generally Client's relationship with FGFSL in Hong Kong. This may include but will not be limited to information obtained in relation to Client's identity (name, date of birth, passport/identity card number, address(es), marital status, education level and employment information), as well as information collected for the purposes of ascertaining Client's financial profile, risk appetite, income (including sources of income) and net worth. Failure to supply, or to allow FGFSL to use or disclose, such data may result in FGFSL being unable to provide, or continue to provide any of the above facilities or services to or for Client in Hong Kong or elsewhere.
3. The purposes for which data may be collected, used and/or disclosed by FGFSL (whether before or after the termination of Client's relationship with FGFSL) are set out as follows:
 - 3.1 the processing of applications for, and daily operation of services provided to Client or to other persons for whom Client acts as guarantor or for whom Client provides third-party security;
 - 3.2 conducting, seeking or obtaining credit checks, matching procedures, data verification, due diligence and risk management;
 - 3.3 assisting other financial institutions to conduct credit checks and collect debts;
 - 3.4 ensuring Client's or any surety's ongoing creditworthiness;
 - 3.5 maintaining Client's or any surety's credit history for present and future reference;
 - 3.6 improving, enhancing, designing or launching existing or new financial services or related products for Client's use (including, where appropriate, providing Client with financial advice);
 - 3.7 if Client has consented (including an indication of no objection) to the use of Client's personal data for direct marketing purposes by members of the Group and/or entities outside the Group in the Account Application, or otherwise marketing the following goods, products, services and facilities;
 - 3.7.1 Financial services;
 - 3.7.2 Related investment products;
 - 3.7.3 Financial and investment advice;
 - 3.7.4 Client relationship management services;
 - 3.7.5 Client credit protection and maintenance services; or
 - 3.7.6 Any other related goods, products or services that FGFSL or a member of the Group may develop under paragraph 3.6 of this Second Schedule, unless Client instructs FGFSL otherwise, and seeking or obtaining the same;
 - 3.8 determining the amount of indebtedness owed to or by Client or any surety;
 - 3.9 collecting of amounts outstanding from Client or any surety;
 - 3.10 meeting any requests or requirements to make disclosure under the Laws;
 - 3.11 enabling an actual or proposed assignee of FGFSL in connection with merger, amalgamation, reconstruction or otherwise to evaluate the transaction intended to be the subject of the assignment;
 - 3.12 any other purpose disclosed in the website(s) of FGFSL or a member of the Group from time to time;
 - 3.13 any purpose permitted by the Laws;
 - 3.14 commencing, defending or otherwise participating in any legal or administrative proceedings or inquiry before any court or competent authority;
 - 3.15 satisfying any requirements under the codes on takeovers and mergers and share repurchases issued by the SFC (as amended from time to time) and/or any other applicable Laws and/or Regulatory Rules in relation to takeovers in Hong Kong and/or any part of the world;
 - 3.16 seeking or obtaining administrative, telecommunications, computer, payment, debt collection or securities clearing, custodian, audit, banking, financing, insurance, business consulting, outsourcing, or other services to FGFSL in connection with the operation of its business; and
 - 3.17 any other lawful purpose directly or indirectly relating or incidental to any of the above.
4. Data held by FGFSL relating to Client, or any surety's and/or the Account shall be kept confidential but FGFSL may, at its sole discretion, provide such information to:
 - 4.1 any agent, contractor or third party service provider (whether in Hong Kong or elsewhere) who provides administrative, telecommunications, computer, payment, debt collection or securities clearing, custodian, audit, banking, financing, insurance, risk management, business consulting, outsourcing, customer relationship management, marketing or other services to FGFSL in connection with the operation of its business;
 - 4.2 any branch or office of FGFSL or any member of the Group, whether in Hong Kong or elsewhere;
 - 4.3 any person acting or proposing to act as surety;
 - 4.4 any person under a duty of confidentiality to FGFSL (or any member of the Group) or who has undertaken to keep such information confidential;
 - 4.5 any financial institution with which Client has or proposes to have dealings;
 - 4.6 credit reference agencies and, in the event of default, to debt collection agencies;
 - 4.7 the drawee bank providing a copy of a paid cheque (which may contain information about the payee) to the drawer;
 - 4.8 any actual or proposed assignee or transferee of FGFSL;
 - 4.9 any person or entity who has established or proposes to establish any business relationship with FGFSL or the recipient of the data; and
 - 4.10 any person in accordance with the Laws or Regulatory Rules including through or pursuant to any rules, judgment, decision or ruling of the courts, arbitral tribunals, Financial Dispute Resolution Centre Limited, governmental, regulatory or other bodies or institutions, whether as required by the Laws and Regulatory Rules that are applicable to any member of the Group, or otherwise, or any company issuing a notice under section 329 of the Securities and Futures Ordinance.
5. Client agrees that data may be transferred overseas pursuant to the provisions of this Second Schedule.
6. Client acknowledges and accepts the risks that the information disclosed pursuant to this Second Schedule may be subject to further disclosure by the recipient to other parties in accordance with the laws of the country in which the recipient is located. Such laws may be wider in scope and implemented under less restrictive terms than would otherwise be the case in Hong Kong due to difference in applicable laws and regulations.
7. Client agrees to allow FGFSL to disclose Client's data for the purposes or to those persons as set out in this Second Schedule and to use such data pursuant to this Second Schedule.
8. Where Client supplies FGFSL with any data (including personal data), Client represents and warrants to FGFSL that Client has taken all action necessary to authorise the disclosure of such data to FGFSL and the use by FGFSL of such data pursuant to this Agreement.
9. Client may request to ascertain whether FGFSL holds Client's personal data and FGFSL's policies and practices in relation to personal data. Further, Client may request access to and correction of Client's personal data. Client also has the right to be informed about the kind of personal data held by FGFSL and which items of data FGFSL routinely discloses to credit reference agencies, and to be provided with further information to enable the making of a data access and correction request to the relevant credit reference agency. Any requests should be made in writing with fourteen (14)-day advance notice to the Data Privacy Officer, Future Growth Financial Services Limited, 28/F, Tower 2, The Gateway, Harbour City, Tsim Sha Tsui, Kowloon, Hong Kong or such other address as FGFSL may subsequently notify from time to time. FGFSL may charge a reasonable fee for processing any data access request.
10. Where FGFSL grants any credit facilities to Client or to another person for whom Client acts as guarantor, in the event that Client or the borrower default(s) in repayment for a period exceeding sixty (60) days or such other period as prescribed by the laws or the relevant Regulators from time to time, data (which has been provided by FGFSL to the

relevant credit reference agency) may be retained by that credit reference agency until the earlier of the expiry of five (5) years from the date of final settlement of the amount in default and five (5) years from the date of Client's discharge from bankruptcy as notified to that credit reference agency. In the event of termination of the relevant account by full repayment and on condition that there has not been, within five (5) years immediately before account termination, any material default on that account, Client may instruct FGFSL to make a request to the relevant credit reference agency to delete from its database any account data relating to the terminated account but such instruction should be given within five (5) years after account termination.

11. Without limiting the other provisions of this Second Schedule where Client applies for credit (including any loan, overdraft facility or any other kind of credit) to be granted to Client or to another person for whom Client acts as guarantor, the data which Client provides to FGFSL may be passed on to a credit reference agency or, in the event of a default, to a debt collection agency in accordance with the provisions of the code of practice on consumer credit data approved and issued under the Personal Data (Privacy) Ordinance as amended from time to time.
12. For the purposes of this Second Schedule, if applicable, account data may include account general data (i.e. general particulars of the relevant account such as account opening date, repayment terms, whether Client as a borrower or guarantor, approved loan amount, repayment terms) and account repayment data (such as the amount repaid, outstanding balance of the loan, default data including the amount and number of days overdue).
13. Without prejudice to the right of FGFSL to rely on grandfathering provision(s) or exemption(s) under the Personal Data (Privacy) Ordinance as amended from time to time or other applicable law, by consenting (including an indication of no objection) to the use of Client's personal data for direct marketing purposes by members of the Group in the Account Application, or otherwise Client agrees and consents that FGFSL may send by telephone, mail, email or other electronic means to Client from time to time direct marketing materials or messages relating to services or products which, in the opinion of FGFSL, Client may be interested in. Client agrees that to the extent permitted by Laws and the Regulatory Rules the consent herein shall constitute specific opt-in for the purpose of any applicable privacy rules or regulations. Notwithstanding this, Client may at any time request not to receive such direct marketing materials or messages from FGFSL if Client so requests in writing to FGFSL at this address:
Data Privacy Officer, Future Growth Investments(HK) Limited, 28/F, Tower 2, The Gateway, Harbour City, Tsim Sha Tsui, Kowloon, Hong Kong or such other address as FGFSL may subsequently notify from time to time. Unless and until Client has so requested in writing, Client shall be deemed to be willing to receive any such information.

THIRD SCHEDULE

The E-SERVICE

1. INTERPRETATION

- 1.1 In this Third Schedule, unless the context otherwise requires, the following words and expressions have the meanings set out below:
 - 1.1.1 "Access Codes" means together any Key File (if applicable), Password and the Login ID;
 - 1.1.2 "E-Service" means the Internet or other facility provided by, and/or on behalf of, FGFSL which enables Client to give electronic instructions for the execution of transactions in accordance with the terms of this Agreement, whether in Hong Kong or elsewhere, and to receive information and related services;
 - 1.1.3 "Key File" means a computer file, disk or other device which contains a file code which may be used in conjunction with the Login ID and the Password to gain access to the E-Service;
 - 1.1.4 "Login ID" means personal identification used in conjunction with other Access Codes to gain access to the E-Service; and
 - 1.1.5 "Password" means Client's personal password, used in conjunction with other Access Codes to gain access to the E-Service.
 - 1.2 Terms and expressions defined in this Agreement shall have the same meaning in this Third Schedule unless the context otherwise requires. References to clauses in this Third Schedule shall refer to clauses contained in this Third Schedule, unless the context otherwise requires.
 - 1.3 In the event of any inconsistency between the provisions of this Agreement and this Third Schedule, the provisions of this Third Schedule shall prevail.
2. FGFSL may at its discretion provide Client with the E-Service on the terms of this Agreement, and the provisions of this Third Schedule apply if FGFSL provides Client with the E-Service.
 3. Client acknowledges receipt of the Access Codes and agrees to be the sole user of the Access Codes and not to disclose the Access Codes to any other person; and to be solely responsible for the use and protection of the Access Codes and all instructions entered through the E-Service using the Access Codes.
 4. FGFSL may at any time block Client's access to the use of the E-Service without prior notice.
 5. Client shall forthwith notify FGFSL if:
 - 5.1 An instruction has been placed through the E-Service and Client has not received an accurate acknowledgment receipt of the instruction or its execution (whether by hard copy, electronic or verbal means) within one working day of the instruction;
 - 5.2 Client has received notification (whether by hard copy, electronic or verbal means) of a transaction which Client did not instruct;
 - 5.3 Client becomes aware of any apparent unauthorised use of any of Client's Access Codes; or
 - 5.4 Client experiences any problems in accessing its Account through the E-Service; or
 - 5.5 Client loses, fails or is otherwise unable to adequately protect confidentiality of the Access Codes.
 6. Any risk, including (without limitation) the risk of transmission error and unauthorised access, arising from or related to the use of the E-Service by Client and/or any software or equipment for accessing and/or using the E-Service (whether provided by FGFSL or otherwise), is at the risk of Client. Client shall provide and maintain, at Client's own risk and cost, the connection equipment (including personal computers, mobile trading devices and modems) and services for accessing and using the E-Service. Further, Client acknowledges that E-Service or internet is an inherently unreliable medium of communication and that such unreliability is beyond FGFSL's control. Client agrees that FGFSL shall not be responsible for any loss, damage, cost, expenses, claim or liability of whatsoever nature, directly or indirectly, arising out of or in connection with such unreliability.
 7. Client shall use materials available through the E-Service for its own needs and shall not resell or otherwise allow or permit access to any such materials or otherwise deal with them in any way.
 8. The E-Service, FGFSL's websites, whether maintained or provided by or on behalf of FGFSL, and the software comprised in them are proprietary to FGFSL and/or its agents, partners or contractors. Client undertakes not to tamper with, modify, de-compile, reverse-engineer or otherwise alter in any way, and shall not attempt to gain unauthorised access to any part of, the E-Service or FGFSL's websites or any of the software comprised in them. Client undertakes to notify FGFSL immediately if Client becomes aware that any such action is being perpetrated or attempted by another person.
 9. Client acknowledges that in providing the E-Service, FGFSL may use such authentication technologies as it deems appropriate. Client acknowledges that no authentication, verification or computer security technology is completely secure or safe and Client agrees to bear all risks of unauthorized access, hacking or identity theft.
 10. Client understands that the Internet Trading Policy prepared by FGFSL setting out the operation policy and procedures of the E-Service applicable at any time shall be available at the E-Service web site the terms of which shall be binding on Client in respect of Client's use of the E-Service. Such Internet Trading Policy is subject to changes by FGFSL from time to time. In the event of inconsistencies between the terms of this Third Schedule and the Internet Trading Policy, the terms of this Agreement shall prevail.
 11. Client acknowledges that the price quotation service available at the E-Service web site is provided by a third party provider appointed by FGFSL from time to time. Client acknowledges and agrees that FGFSL shall not be responsible to Client for any losses, costs, expenses, damages or claims which Client may suffer as a result of or in connection with any aspect of the quote service including Client's reliance on such service.
 12. Client understands that the E-Service may provide, for informational purpose only, data regarding futures published by third parties. Owing to market volatility and possible delay in the data-transmission process, the data may not be real-time market quotes for the relevant futures or investment. Client understands that whilst FGFSL believes such data to be reliable, there is no independent basis for FGFSL to verify or contradict the accuracy or completeness of the information provided. Client understands that no recommendation or endorsement from FGFSL shall be inferred from the data provided with respect to any futures or investment.
 13. Client understands that information provided in the E-Service is provided on an "as is", "as available" basis and FGFSL does not guarantee the timeliness, sequence, accuracy, adequacy or completeness of such information. FGFSL gives no express or implied warranties (including but not limited to warranties of merchantability or fitness for a particular use) with respect to such information.
 14. Client understands that each association asserts a proprietary interest in all of the market data it furnishes to the parties who disseminate such data. Client also understands that no party guarantees the timeliness, sequence, accuracy, adequacy or completeness of market data or any other market information. Neither FGFSL nor any disseminating party shall be liable in any way for any loss or damage arising from or caused by any inaccuracy, error or delay in or omission from any such data, information or message, or the transmission or delivery of the same, non-performance or interruption of any such data, message or information due to any negligent act of FGFSL or any disseminating party, or to any force majeure event, or any other cause beyond FGFSL's control or the reasonable control of any disseminating party. Client shall use stock quotation for Client's individual use only and shall not furnish such data to any other person or entity for any reason.
 15. If Client gives any instruction to FGFSL outside Hong Kong, Client agrees to ensure and represent that such instruction will have been given in compliance with any applicable law of the relevant jurisdiction from which Client's instruction is given, and Client further agrees that Client shall, when in doubt, consult legal advisers and other professionals of the relevant jurisdiction. Client accepts that there may be taxes or charges payable to relevant authorities in respect to any instruction given outside Hong Kong, and Client agrees to pay such taxes or charges as applicable.
 16. Client agrees that notwithstanding anything to the contrary contained herein or in any other document, should there be any inconsistency between the information (including any document but not any Advice) available from or via the E-Service, FGFSL's aforesaid websites, the Internet or other electronic medium (whether or not the same being available in accordance with this Agreement) and the information on FGFSL's records, the information on FGFSL's records shall prevail save for any manifest error and that FGFSL shall accept no liability as a result of the unreliable nature of the Internet or other electronic medium (including E-Service or FGFSL's aforesaid websites) or other reason beyond the control of FGFSL.
 17. Client consents that any document (including, without limitation, any Advice), information, notice or communication may be given or presented to or exchanged with Client electronically on, via or over the Internet, the E-Service and/or any part of FGFSL's aforesaid websites. Any document (including, without limitation, any Advice), information, notice or communication so given or presented to or exchanged with Client as aforesaid shall be deemed to have received by it immediately upon despatch. However, all notices and communications given or delivered to FGFSL electronically on, via or over the Internet, the E-Service and/or any part of FGFSL's aforesaid websites shall be deemed to have been given or delivered to FGFSL on the day of actual receipt by it.

FOURTH SCHEDULE

FORM OF OPTIONS INFORMATION STATEMENT

Please note that this form of Options Information Statement only contains the categories of information that may be supplied to Client with respect to transactions in options.

- (a) Contract information:-
strike price; expiry day; underlying commodity; option type; buy or sell order; opening or closing trade; current quoted price; and order type.
- (b) Underlying commodity:-
method of delivery or settlement; contract size; calculation of settlement prices.
- (c) Exercise procedures:-
American or European style exercise.
- (d) Premium:-
calculation of contract value; settlement of premium.
- (e) Margin:-
approximate margin requirements; variation adjustment payments; collateral that may be lodged as margin; payment details.
- (f) Transaction costs:-
minimum commissions; exchange and clearing house fees; exercise fees; and applicable levies.

FIFTH SCHEDULE INTERPRETATION

Terms and expressions defined in this Agreement shall have the same meaning in this Fifth Schedule unless the context otherwise requires. In the event of any inconsistency between the provisions of this Agreement and this Fifth Schedule, the provisions of this Fifth Schedule shall prevail.

The following disclaimers are furnished to Client pursuant to the Regulations for Trading Stock Index Futures and the Regulations for Trading Stock Index Options, both of which are included in the Rules of the HK Exchange and Client is requested to note the contents of the same.

Disclaimer in Relation to Trading of Stock Index Futures Contracts

Hang Seng Indexes Company Limited ("HSIL") currently publishes, compiles and computes a number of stock indexes and may publish, compile and compute such additional stock indexes at the request of Hang Seng Data Services Limited ("HSDS") from time to time (collectively, the "Hang Seng Indexes"). The marks, names and processes of compilation and computation of the respective Hang Seng Indexes are the exclusive property of and proprietary to HSDS. HSIL has granted to Hong Kong Futures Exchange Limited (the "Exchange") by way of licence the use of the Hang Seng Indexes solely for the purposes of and in connection with the creation, marketing and trading of futures contracts based on any of the Hang Seng Indexes respectively (collectively, "Futures Contracts"). The process and basis of compilation and computation of any of the Hang Seng Indexes and any of the related formula or formulae, constituent stocks and factors may at any time be changed or altered by HSIL without notice and the Exchange may at any time require that trading in and settlement of such of the Futures Contracts as the Exchange may designate be conducted by reference to an alternative index or alternative indexes to be calculated. Neither the Exchange nor HSDS nor HSIL warrants or represents or guarantees to any participant or any third party the accuracy or completeness of the Hang Seng Indexes or any of them and the compilation and computation thereof or any information related thereto and no such warranty or representation or guarantee of any kind whatsoever relating to the Hang Seng Indexes or any of them is given or may be implied. Further, no responsibility or liability whatsoever is accepted by the Exchange, HSDS or HSIL in respect of the use of the Hang Seng Indexes or any of them for the purposes of and in connection with the Futures Contracts or any of them and/or dealings therein, or for any inaccuracies, omissions, mistakes, errors, delays, interruptions, suspension, changes or failures (including but not limited to those resulting from negligence) of HSIL in the compilation and computation of the Hang Seng Indexes or any of them or for any economic or other losses which may be directly or indirectly sustained as a result thereof by any participant or any third party dealing with the Futures Contracts or any of them. No claims, actions or legal proceedings may be brought by any participant or any third party against the Exchange and/or HSDS and/or HSIL in connection with or arising out of matters referred to in this disclaimer. Any participant or any third party deals in the Futures Contracts or any of them in full knowledge of this disclaimer and can place no reliance whatsoever on the Exchange, HSDS and/or HSIL. For the avoidance of doubt, this disclaimer does not create any contractual or quasi-contractual relationship between any participant or third party and HSIL and/or HSDS and must not be construed to have created such relationship.

Disclaimer in Relation to Trading of Stock Index Option Contracts

Hang Seng Indexes Company Limited ("HSIL") currently publishes, compiles and computes a number of stock indexes and may publish, compile and compute such additional stock indexes at the request of Hang Seng Data Services Limited ("HSDS") from time to time (collectively, the "Hang Seng Indexes"). The marks, names and processes of compilation and computation of the respective Hang Seng Indexes are the exclusive property of and proprietary to HSDS. HSIL has granted to Hong Kong Futures Exchange Limited (the "Exchange") by way of licence the use of the Hang Seng Indexes solely for the purposes of and in connection with the creation, marketing and trading of option contracts based on any of the Hang Seng Indexes respectively (collectively, the "Option Contracts"). The process and basis of compilation and computation of any of the Hang Seng Indexes and any of the related formula or formulae, constituent stocks and factors may at any time be changed or altered by HSIL without notice and the Exchange may at any time require that trading in and settlement of such of the Option Contracts as the Exchange may designate be conducted by reference to an alternative index or alternative indexes to be calculated. Neither the Exchange nor HSDS nor HSIL warrants or represents or guarantees to any participant or any third party the accuracy or completeness of the Hang Seng Indexes or any of them and the compilation and computation thereof or any information related thereto and no such warranty or representation or guarantee of any kind whatsoever relating to the Hang Seng Indexes or any of them is given or may be implied. Further, no responsibility or liability whatsoever is accepted by the Exchange, HSDS or HSIL in respect of the use of the Hang Seng Indexes or any of them for the purposes of and in connection with the Option Contracts or any of them and/or dealings therein, or for any inaccuracies, omissions, mistakes, errors, delays, interruptions, suspension, changes or failures (including but not limited to those resulting from negligence) of HSIL in the compilation and computation of the Hang Seng Indexes or any of them or for any economic or other losses which may be directly or indirectly sustained as a result thereof by any participant or any third party dealing with the Option Contracts or any of them. No claims, actions or legal proceedings may be brought by any participant or any third party against the Exchange and/or HSDS and/or HSIL in connection with or arising out of matters referred to in this disclaimer. Any participant or any third party deals in the Option Contracts or any of them in full knowledge of this disclaimer and can place no reliance whatsoever on the Exchange, HSDS and/or HSIL. For the avoidance of doubt, this disclaimer does not create any contractual or quasi-contractual relationship between any participant or third party and HSIL and/or HSDS and must not be construed to have created such relationship.

HK EXCHANGE DISCLAIMER

Stock indices and other proprietary products upon which contracts traded on Hong Kong Futures Exchange Limited (the "Exchange") may be based may from time to time be developed by the Exchange. The HKFE Taiwan Index is the first of such stock indices developed by the Exchange. The HKFE Taiwan Index and such other indices or proprietary products as may from time to time be developed by the Exchange (the "Exchange Indices") are the property of the Exchange. The process of compilation and computation of each of the Exchange Indices is and will be the exclusive property of and proprietary to the Exchange. The process and basis of compilation and computation of the Exchange Indices may at any time be changed or altered by the Exchange without notice and the Exchange may at any time require that trading in and settlement of such futures or options contracts based on any of the Exchange Indices as the Exchange may designate be conducted by reference to an alternative index to be calculated. The Exchange does not warrant or represent or guarantee to any member of the Exchange or any third party the accuracy or completeness of any of the Exchange Indices or their compilation and computation or any information related thereto and no such warranty or representation or guarantee of any kind whatsoever relating to any of the Exchange Indices is given or may be implied. Further, no responsibility or liability whatsoever is accepted by the Exchange in respect of the use of any of the Exchange Indices or for any inaccuracies, omissions, mistakes, errors, delays, interruptions, suspensions, changes or failures (including but not limited to those resulting from negligence) of the Exchange or any other person or persons appointed by the Exchange to compile and compute any of the Exchange Indices in the compilation and computation of any of the Exchange Indices or for any economic or other losses which may be directly or indirectly sustained as a result thereof by any member of the Exchange or any third party dealing with futures or options contracts based on any of the Exchange Indices. No claims, actions or legal proceedings may be brought by any member of the Exchange or any third party against the Exchange in connection with or arising out of matters referred to in this disclaimer. Any member of the Exchange or any third party engages in transactions in futures and options contracts based on any of the Exchange Indices in full knowledge of this disclaimer and can place no reliance on the Exchange in respect of such transactions.

SIXTH SCHEDULE

THIRD PARTY TRADING FACILITY AGREEMENT

This Third Party Trading Facility Agreement ("Supplement Agreement") is supplement to the Client Agreement that it has attached and is an Agreement made between Future Growth Financial Services Limited ("FGFSL") and the Client, whereby FGFSL agrees to provide the Client with third party trading facilities and the related electronic services that enable the Client to issue electronic instructions and provide instructions via computer or telephone transmission on compatible personal, home or small business computers, including Internet devices that can connect to telecommunications networks with devices such as modems, terminals or network computers, obtain quotes and other information ("Third Party Trading Facility"). In the event of any conflict between the terms of the Client Agreement and the terms of this Supplemental Agreement, the latter terms shall prevail.

1. The Client acknowledges that the client's transactions will be effected through third trading facility and the Client hereby agree to accept such arrangement and allow all client's transactions being executed through such third trading facility and such intermediary/counter-broker (as the case may be).
2. The Client acknowledges and accepts the additional costs and expenses is listed out in the Appendix 1 due to use of third party trading facility. The Client acknowledges that the costs and expenses listed out in Appendix 1 may be not exhaustive and may be amended from time to time by this intermediary or the counter broker. The Client agrees to bear the related cost and expense and to be liable for the cost and expenses of using the third trading facility and any other expense incurred in connected with execution of Client's transaction.
3. The Client also agrees that FGFSL do not accept any liability in relation to any online trading facility provided or maintained by a third party (including any of your correspondent brokers) through which the Client's Instructions or transactions may be processed. The use of such third party online trading facility is at the Client's sole risk. FGFSL do not make or give any warranty in connection with the online trading facility provided or maintained by a third party. FGFSL further agree that Client's access and/or use of any such third party's online trading facility is subject in any event to the terms and conditions for such access and/or use imposed on or agreed to by FGFSL and the Client undertake to fully comply with the same in the Client's use of such third party's online trading facility.
4. Neither FGFSL nor the affiliates of FGFSL shall be liable for any delay or failure to perform obligations and any losses, damages or costs resulting therefrom so long as they have acted in good faith. Moreover, FGFSL, FGFSL's agents and FGFSL's affiliates shall not be held responsible for any consequences resulting whether directly or indirectly from any events not within their control including without limitation government restrictions, imposition of emergency procedures, exchange ruling, third party's conduct, suspension of trading, war, strike, market conditions, civil disorder, acts or threatened acts of terrorism, natural disasters, or any other circumstances beyond their control whatsoever.
5. In the event of a failure of the Third Party Trading Facility, FGFSL may place a telephone order on behalf of the customer, but it is limited to canceling outstanding transactions and / or closing out the existing positions.
6. The Client agrees to give the Client Money Standing Authority as below or other authority in order to facilitate the client's use of the third facility and the FGFSL's operation in this connection.

7. Client Money Standing Authority

7.1 The Client Money Standing Authority covers money held or received by FGFSL in Hong Kong (including any interest derived from the holding of the money which does not belong to FGFSL) in one or more segregated account(s) on the Client's behalf ("Monies"). Unless otherwise defined, all the terms used in this Authorization Letter shall have the same meanings as defined in the Securities and Futures Ordinance and the Securities and Futures (Client Money) Rules as amended from time to time. Segregated account(s) include any account(s) designated as client account(s) established and maintained in Hong Kong in accordance with the Securities and Futures (Client Money) Rules or account(s) designated as client account(s) established and maintained outside Hong Kong.

7.2 Clients authorizes FGFSL to:

1. transfer any sum of Monies interchangeable between any of the segregated accounts maintained at any time by FGFSL and any segregated accounts maintained with the intermediary or counter-broker (whether in Hong Kong or overseas) upon or before any instructions have been given, for the purpose of satisfying margin requirement and/or settlement requirement (if applicable);
2. transfer any other sum of Monies based on the Client's verbal instruction to the designated account in the name of the Client;

3. keep Client's Monies with overseas clearing firm(s), broker(s) and financial institution(s) after trading to facilitate future trading or to transfer the Client's Monies interchangeably between the segregated account(s) opened and maintained by FGFSL in Hong Kong and the segregated account(s) opened and maintained by FGFSL with any overseas clearing firm(s), broker(s) and financial institution(s) outside Hong Kong; and

4. convert the Client's Monies into any other currency(ies) upon or before any instructions have been given, for the purpose of satisfying margin requirement and/or settlement requirement (if applicable).

7.3 This authority is given without prejudice to other authority or rights which FGFSL may have in relation to dealing in Monies in the segregated accounts.

7.4 (Remark: This authority shall not apply for transfer of Monies between individual account and joint account.)

7.5 Each of the Client Money Standing Authority is valid for a period of 12 months from the date of this Supplement Agreement, subject to renewal by the Client or deemed renewal under the Client Money Rules.

7.6 The Client Money Standing Authority may be revoked by giving the Company written notice addressed to the Customer Service Department at the FGFSL's address specified in the Account Opening Form or such other address which the Company may notify the Client in writing for this purpose. Such notice shall take effect upon the expiry of 7 days from the date of the FGFSL's actual receipt of such notice.

7.7 The Client understands that the Client Money Standing Authority shall be deemed to be renewed under same terms and conditions and on a continuing basis without the Client's written consent if FGFSL issues the Client a written reminder at least 14 days prior to the expiry date of the relevant authority, and the Client does not object to such deemed renewal before such expiry date.

7.8 Client undertakes to indemnify FGFSL against all costs, expenses, liabilities, losses or damages arising out of or suffered by FGFSL as a result of their acting in accordance with this standing authority.

SEVENTH SCHEDULE

CLIENT IDENTITY UNDERTAKING

1. In compliance with the Client Identity Rule Policy (April 2003), in connection with any request for information made to Future Growth Financial Services Limited, under the Future Growth Group (individually or collectively referred to as "Future Growth") by any Regulators in Hong Kong including but not limited to the Securities & Futures Commission, the Stock Exchange of Hong Kong Limited and the Hong Kong Futures Exchange Limited (collectively referred to as the "Regulators") in respect of any transaction relating to my/our account, I/we shall:-
 - a. within two (2) business days, upon request by the Regulators provide the Regulators with such information as may be required by them, including but not limited to the identity, address, contact details and other identification particulars of (i) the person or entity for whose account the transaction was effected; (ii) the person who has the ultimate beneficial interest in the transaction and/or assume the risk of economic or commercial loss; (iii) any third party who ultimately originated the transaction, to the best of my knowledge, information and belief; and (iv) the instructions given by the person of subparagraph (iii);
 - b. if I/we effect the transaction for a collective investment scheme, discretionary account or discretionary trust, I/we shall within two (2) business days, upon request by the Regulators brought to my attention through Future Growth, inform the Regulators of the identity, address and contact details of the scheme, account or trust and its investment manager(s) who would be responsible for making investment decisions for the scheme, account or trust; and where applicable, if my/our investment discretion is overridden by other person(s) or beneficiary(ies), the identity, address, occupation and contact details of the person(s) or beneficiary(ies) who, on behalf of the scheme, account or trust, instructed me/us to effect the transaction, which information of the person(s) or beneficiary(ies) who has/have overridden my/our investment discretion I/we shall inform Future Growth in writing immediately; and/or
 - c. if I am / we are aware that my/our client is acting as intermediary for its underlying client(s) or for other intermediary(ies) for the latter's underlying clients, and I/we do not know the identity, address, occupation and contact details of the underlying client(s) or other intermediary(ies)' underlying client(s) for whom the transaction was effected, I/we confirm that:-
 - i. I/we have made arrangements in place with my/our client(s) which entitle me/us to obtain the information set out in paragraphs 1 (a) and/or (b) above from my/our client or procure that it be so obtained within two (2) business days after the request; and/or
 - ii. I/we confirm that the intermediary(ies) our client(s) act for has/have made necessary arrangements to ensure that it/they would directly provide the Regulators with the identity information of its/their underlying client(s) within two (2) business days after the request and I/we have no ground to doubt that such requests would not be complied with; and
2. I/We confirm that I/we and my/our underlying clients or the intermediary(ies) we act for are not subject to any law on secrecy or confidentiality which prohibits the performance by them of the above paragraphs 1 (a) (b) and/or (c). If my/our underlying client(s) or the intermediary(ies) we act for is/are subject to such law, I/we or my/our underlying clients or the intermediary(ies) we act for (as may be the case) have already made arrangements to unequivocally waive the benefit or any requirement of such laws and consented in writing to the disclosure to the Regulators of the identity particulars by me/us, our underlying clients or the intermediary(ies) we act for. I/We acknowledge receipt of a template of such Consent and Waiver form as attached in this undertaking which serves as a reference.
3. The obligations under Paragraph 1 and the signed Consent and Waiver shall continue to be effective notwithstanding the termination of the account at Future Growth or the termination of the Client Agreement entered into by me/us with Future Growth Financial, whether or not the same or similar terms of this Undertaking have been incorporated in the Client Agreement. The term, "business day" herein shall mean business day in Hong Kong.
4. I/We understand that failure to comply with the above provisions or to reply to the Regulators' request within two (2) business days, to the Regulators' satisfaction or at all, would amount to fundamental breach of the Client's Agreement and/or this Client Identity Undertaking and would entitle Future Growth to suspend our account(s) or terminate the Client Agreement and the account(s) at Future Growth with no prior notice to me/us and no transaction shall be effected by me/us in

Future Growth's accounts unless and until I/we answer the request satisfactorily. In such event(s), I/we agree that Future Growth would not be liable to any the loss and damage, directly or indirectly, caused to me/us and/or my/our underlying client(s), the intermediary(ies) we act for and the latter's underlying clients. On the contrary, I/we understand that I/we could be liable to indemnify Future Growth for all costs, expenses and penalties incurred therefrom, if any at all.

5. I/We am/are fully aware of the fact that should the intermediary(ies) I/we act for fail to comply with the request within two (2) business days after the request from the Regulators, the latter may contact and report the matter to the Regulators(s) of the intermediary(ies) I/we act for which could lead to disciplinary action against the intermediary(ies). In such event, I/we agree that Future Growth would not be liable to any loss and damage caused to the intermediary(ies) I/we act for, if any at all.
6. I/We agree and understand that this Client Identity Undertaking shall have retrospective effect and be valid and legally binding on me/us on previous transactions made in Future Growth's account(s) by me/us or by Future Growth on my/our behalf.
7. For the above reasons, I/we further confirm that the identity particulars of our underlying clients and those of the intermediary(ies) we act for, as the case may be, should be obtained within two (2) business days from the The English version of this letter shall prevail whenever there is any inconsistency between the English and Chinese versions. Any Chinese version of this Undertaking is for reference only.
8. I/We understand the language of English. I/We have read this Client Identity Undertaking and fully understand the above provisions and was/were invited to ask question by Future Growth in relation to this Undertaking and the above obligations. I/We understand that should I/we be in doubt, I/we should seek independent legal advice before signing this Undertaking.

RISK DISCLOSURE STATEMENTS (FUTURES).

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

RISKS OF SECURITIES TRADING

1. The prices of securities fluctuate, sometimes dramatically, and that the price of a security may move up or down, and may become valueless. It is as likely that losses will be incurred rather than profit made as a result of buying and selling securities.
2. Any representation of past performance is not necessarily a guide to future performance.
3. Where investments involve exposure to foreign currencies, changes in rates of exchange may cause the value of the investments to fluctuate up or down.
4. FGFSL is entitled to act upon your instructions and you cannot assume that FGFSL will warn you if your instructions are ill-timed or inadvisable for any reason or if the instructions are likely to cause you loss.
5. Before you make any investment, you should obtain a clear explanation of all commission, fees and other charges for which you will be liable. These charges will affect your net profit (if any) or increase your loss.

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

You should not enter into a derivative transaction unless you fully understand:

- The nature and fundamentals of a derivative and the financial as set underlying such derivative;
- The legal terms and conditions of the documentation for such derivative;
- The extent of the economic risk to which you are exposed as a result of entering into such derivative transaction (and you have determined that such risk is suitable for you in light of your specific experience in relation to such derivative transaction and/or the relevant derivative and your financial objectives, circumstances and resources);
- The tax treatment of such derivative (which can be complex and /or uncertain); and
- the regulatory treatment of such derivative.

RISKS OF TRADING IN FUTURES AND OPTIONS

The risk of loss in trading in futures contracts or options is substantial. In some circumstances, you may sustain losses in excess of your initial margin funds. Placing contingent orders, such as "stop-loss" or "stop-limit" orders, will not necessarily avoid loss. Market conditions may make it impossible to execute such orders. You may be called upon at short notice to deposit additional margin funds. If the required funds are not provided within the prescribed time, your position may be liquidated. You will remain liable for any resulting deficit in your account. You should therefore study and understand futures contracts and options before you trade and carefully consider whether such trading is suitable in the light of your own financial position and investment objectives. If you trade futures contracts or options, you should inform yourself of exercise and expiration procedures (as relevant) and your rights and obligations upon exercise or expiry (as the case may be). If you are in any doubt about this document or about the sale and purchase of futures contracts or options or otherwise, you should consult your bank manager, solicitor, accountant or other independent professional adviser(s).

This brief statement does not disclose all of the risks and other significant aspects of trading in futures and options. In light of the risks, you should undertake such transactions only if you understand the nature of the contracts (and contractual relationships) into which you are entering and the extent of your exposure to risk. Trading in futures and options is not suitable for many members of the public. You should carefully consider whether trading is appropriate for you in light of your experience, objectives, financial resources and other relevant circumstances.

1. Futures

(a) Effect of "Leverage" or "Gearing"

Transactions in futures carry a high degree of risk. The amount of initial margin is small relative to the value of the futures contract so that transactions are "leveraged" or "geared". A relatively small market movement will have a proportionately larger impact on the funds you have deposited or will have to deposit: this may work against you as well as for you. You may sustain a total loss of initial margin funds and any additional funds deposited with FGFSL to maintain your position. If the market moves against your position or margin levels are increased, you may be called upon to pay substantial additional funds on short notice to maintain your position. If you fail to comply with a request for additional funds within the time prescribed, your position may be liquidated at a loss and you will be liable for any resulting deficit.

(b) Risk-reducing orders or strategies

The placing of certain orders (e.g. "stop-loss" orders, or "stop-limit" orders) which are intended to limit losses to certain amounts may not be effective because market conditions may make it impossible to execute such orders. Strategies using combinations of positions, such as "spread" and "straddle" positions may be as risky as taking simple "long" or "short" positions.

2. Options

Variable degree of risk

Transactions in options carry a high degree of risk. 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. Some options may only be exercised on an expiry day (European-Style Exercise) and other options may be exercised at any time before expiration (American-Style Exercise).

You should calculate the extent to which the value of the options must increase for your position to become profitable, taking into account the premium and all transaction costs.

The purchaser of options may offset or exercise the options or allow the options to expire. The exercise of an option results either in a cash settlement or in the purchaser acquiring or delivering the underlying interest. If the option is on a futures contract, the purchaser will acquire a futures position with associated liabilities for margin (please see the section on "Futures" above). If the purchased options expire worthless, you understand that you will suffer a total loss of your investment which will consist of the option premium plus transaction costs. If you are contemplating purchasing deep-out-of-the-money options, you should be aware that the chance of such options becoming profitable ordinarily is remote.

Under some circumstances it may be difficult to trade the option due to lack of liquidity in the market. You acknowledge that FGFSL has no obligation either to exercise a valuable option in the absence of your instruction, or to give to you prior notice of the expiration date of the option. Selling ("writing" or "granting") an option generally entails considerably greater risk than purchasing options. Although the premium received by the seller is fixed; the seller may sustain a loss well in excess of that amount. The seller will be liable for additional margin to maintain the position if the market moves unfavorably. The seller will also be exposed to the risk of the purchaser exercising the option, and the seller will be obligated to either settle the option in cash or to acquire or deliver the underlying interest. If the option is on a futures contract,

the seller will acquire a position in a futures contract with associated liabilities for margin (please see the section on “Futures” above). If the option is “covered” by the seller holding a corresponding position in the underlying interest or a futures contract or another option, the risk may be reduced. If the option is not covered, the risk of loss can be unlimited.

Certain exchanges in some jurisdictions permit deferred payment of the option premium, exposing the purchaser to liability for margin payments not exceeding the amount of the premium. The purchaser is still subject to the risk of losing the premium and transaction costs. When the option is exercised or expires, the purchaser is responsible for any unpaid premium outstanding at that time.

3. Additional risks common to futures and options

- (a) Terms and conditions of contracts
You should ask FGFSL about the terms and conditions of the specific futures or options which you are trading and associated obligations (e.g. the circumstances under which you may become obliged to make or take delivery of the underlying interest of a futures contract and, in respect of options, expiration dates and restrictions on the time for exercise). Under certain circumstances the specifications of outstanding contracts (including the exercise price of an option) may be modified by the exchange or clearing house to reflect changes in the underlying interest.
- (b) Suspension or restriction of trading and pricing relationships
Market conditions (e.g. illiquidity) and/or the operation of the rules of certain markets (e.g. the suspension of trading in any contract or contract month because of price limits or “circuit breakers”) may increase the risk of loss by making it difficult or impossible to effect transactions or liquidate/offset positions. You acknowledge that if you have sold options, this may increase the risk of loss. Further, normal pricing relationships between the underlying interest and the futures, and the underlying interest and the option may not exist. This can occur when, for example, the futures contract underlying the option is subject to price limits while the option is not. The absence of an underlying reference price may make it difficult to judge “fair” value.
- (c) Deposited cash and property
You should familiarize yourself with the protections given to money or other property you deposit for domestic and foreign transactions, particularly in the event of a firm’s insolvency or bankruptcy. The extent to which you may recover your money or property may be governed by specific legislation or local rules. In some jurisdictions, property which had been specifically identifiable as your own will be pro-rated in the same manner as cash for purposes of distribution in the event of a shortfall.
- (d) Commission and other charges
Before you begin to trade, you should obtain a clear explanation of all commission, fees and other charges for which you will be liable. These charges will affect your net profit (if any) or increase your loss. By commencing any trading activities with FGFSL, you acknowledge that you have been so informed by FGFSL.
- (e) Trading facilities
Electronic trading facilities are supported by computer-based component systems for the order-routing, execution, matching, registration or clearing of trades. As with all facilities and systems, they are vulnerable to temporary disruption or failure. Your ability to recover certain losses may be subject to limits on liability imposed by the system provider, the market, the clearing house and/or participant firms. Such limits may vary: you understand that you should ask the firm with which you deal for details in this respect.
- (f) Electronic trading
Trading on an electronic trading system may differ from trading on other electronic trading systems. If you undertake transactions on an electronic trading system, you will be exposed to risks associated with the system including the failure of hardware and software. The result of any system failure may be that your order is either not executed according to your instructions or is not executed at all.
- (g) Transactions in other jurisdictions
Transactions on markets in other jurisdictions, including markets formally linked to a domestic market, may expose you to additional risk. Such markets may be subject to regulation which may offer different or diminished investor protection. Before trading you should enquire about any rules relevant to your particular transactions. Your local regulatory authority will be unable to compel the enforcement of the rules of regulatory authorities or markets in other jurisdictions where your transactions have been effected. You should ask the firm with which you deal for details about the types of redress available in both your home jurisdiction and other relevant jurisdictions before starting to trade.
- (h) Currency risks
The profit or loss in transactions in foreign currency-denominated contracts (whether they are traded in your own or another jurisdiction) will be affected by fluctuations in currency rates where there is a need to convert from the currency denomination of the contract to another currency.
- (i) Off-exchange transactions
In some jurisdictions, and only then in restricted circumstances, firms are permitted to effect off-exchange transactions. The firm with which you deal may be acting as your counterparty to the transaction. It may be difficult or impossible to liquidate an existing position, to assess the value, to determine a fair price or to assess the exposure to risk. For these reasons, these transactions may involve increased risks. Off-exchange transactions may be less regulated or subject to a separate regulatory regime. Before you undertake such transactions, you should become familiarized with applicable rules and attendant risks. (Please also see the section on “Generic Risks Associated with OTC Derivative Transactions” below.)

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

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

- (a) The internet or other electronic media (including without limitation electronic devices, services of third party telecom service providers such as mobile phones or other handheld trading devices or interactive voice response systems) are an inherently unreliable form of communication, and that such unreliability is beyond FGFSL’s control.
- (b) Information (including any document) transmitted or communication or transactions over the internet or through other electronic media (including without limitation electronic devices, services of third party telecom service providers such as mobile phones or other handheld trading devices or interactive voice response systems) may be subject to interruption, transmission blackout, delayed transmission due to data volume or incorrect data transmission (including without limitation incorrect price quotation) or stoppage of price data feed due to the public nature of the Internet or other electronic media.
- (c) As a result of such unreliability, there may be time-lags or delays or failures or loss of data or loss of confidentiality in the transmission of data and receipt of instructions and instructions may be executed at prices different from those prevailing at the time the instructions were given.

RISKS OF PROVIDING AN AUTHORITY TO REPLEDGE YOUR SECURITIES COLLATERAL ETC.

There is risk if you provide FGFSL with an authority that allows it to apply your securities or securities collateral pursuant to a securities borrowing and lending agreement, repledge your securities collateral for financial accommodation or deposit your securities collateral as collateral for the discharge and satisfaction of its settlement obligations and liabilities.

If your securities or securities collateral are received or held by FGFSL in Hong Kong, the above arrangement is allowed only if you consent in writing. Moreover, unless you are a professional investor, your authority must specify the period for which it is current and be limited to not more than 12 months. If you are a professional investor, these restrictions do not apply.

Additionally, your authority may be deemed to be renewed (i.e. without your written consent) if FGFSL issues you a reminder at least 14 days prior to the expiry of the authority, and you do not object to such deemed renewal before the expiry date of your then existing authority.

You are not required by any law to sign these authorities. But an authority may be required by FGFSL, for example, to facilitate margin lending to you or to allow your securities or securities collateral to be lent to or deposited as collateral with third parties. FGFSL should explain to you the purposes for which one of these authorities is to

be used.

If you sign one of these authorities and your securities or securities collateral are lent to or deposited with third parties, those third parties will have a lien or charge on your securities or securities collateral. Although FGFSL is responsible to you for securities or securities collateral lent or deposited under your authority, a default by it could result in the loss of your securities or securities collateral.

A cash account not involving securities borrowing and lending is available from FGFSL. If you do not require margin facilities or do not wish your securities or securities collateral to be lent or pledged, do 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. You may sustain losses in excess of your cash and any other assets deposited as collateral with FGFSL. Market conditions may make it impossible to execute contingent orders, such as “stop-loss” or “stop-limit” orders. You 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, your collateral may be liquidated without your consent. Moreover, you will remain liable for any resulting deficit in your account and interest charged on your account. You should therefore carefully consider whether such a financing arrangement is suitable in light of your own financial position and investment objectives.

RISK IN RELATION TO AUTHORIZED THIRD PARTY

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

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

If you provide FGFSL with an authority to hold mail or to direct mail to third parties, it is important for you to promptly collect in person all contract notes and statements of your account and review them in detail to ensure that any anomalies or mistakes can be detected in a timely fashion.

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

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

RISKS OF CLIENT ASSETS RECEIVED OR HELD OUTSIDE HONG KONG

Client assets received or held by FGFSL or FGFSL's nominee outside Hong Kong are subject to the applicable laws and regulations of the relevant overseas jurisdiction which may be different from the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) and the rules made thereunder. Consequently, such client assets may not enjoy the same protection as that conferred on client assets received or held in Hong Kong.

GENERIC RISKS ASSOCIATED WITH OTC DERIVATIVE TRANSACTIONS

OTC derivative transactions, like other financial transactions, involve a variety of significant risks. The specific risks presented by a particular OTC derivative transaction necessarily depend upon the terms of the transaction and your circumstances. In general, however, all OTC derivative transactions involve some combination of market risk, credit risk, funding risk and operational risk.

- (a) Market risk is the risk that the value of a transaction will be adversely affected by fluctuations in the level or volatility of or correlation or relationship between one or more market prices, rates or indices or other market factors or by illiquidity in the market for the relevant transaction or in a related market.
- (b) Credit risk is the risk that a counterparty will fail to perform its obligations to you when due.
- (c) Funding risk is the risk that, as a result of mismatches or delays in the timing of cash flows due from or to your counterparties in OTC derivative transactions or related hedging, trading, collateral or other transactions, you or your counterparty will not have adequate cash available to fund current obligations.
- (d) Operational risk is the risk of loss to you arising from inadequacies in or failures of your internal systems and controls for monitoring and quantifying the risks and contractual obligations associated with OTC derivative transactions, for recording and valuing OTC derivative and related transactions, or for detecting human error, systems failure or management failure.
- (e) There may be other significant risks that you should consider based on the terms of a specific transaction. Highly customized OTC derivative transactions in particular may increase liquidity risk and introduce other significant risk factors of a complex character. Highly leveraged transactions may experience substantial gains or losses in value as a result of relatively small changes in the value or level of an underlying or related market factor. Because the price and other terms on which you may enter into or terminate an OTC derivative transaction are individually negotiated, these may not represent the best price or terms available to you from other sources. In evaluating the risks and contractual obligations associated with a particular OTC derivative transaction, you should also consider that an OTC derivative transaction may be modified or terminated only by mutual consent of the original parties and subject to agreement on individually negotiated terms. Accordingly, it may not be possible for you to modify, terminate or offset your obligations or your exposure to the risks associated with a transaction prior to its scheduled termination date.
- (f) Similarly, while market makers and dealers generally quote prices or terms for entering into or terminating OTC derivative transactions and provide indicative or mid-market quotations with respect to outstanding OTC derivative transactions, they are generally not contractually obligated to do so. In addition, it may not be possible to obtain indicative or mid-market quotations for an OTC derivative transaction from a market maker or dealer that is not a counterparty to the transaction. Consequently, it may also be difficult for you to establish an independent value for an outstanding OTC derivative transaction. You should not regard your counterparty's provision of a valuation or indicative price at your request as an offer to enter into or terminate the relevant transaction at that value or price, unless the value or price is identified by the counterparty as firm or binding.

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