



中達期貨有限公司

Central Wealth Futures Limited

(CE Number: BFW 317)

期貨客戶協議書 **FUTURES CLIENT AGREEMENT**

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FUTURES CLIENT AGREEMENT

FOR DERIVATIVES TRADING

CENTRAL WEALTH FUTURES LIMITED (“CWF”) of Room 506, 5/F, New East Ocean Centre, 9 Science Museum Road, Tsim Sha Tsui East, Kowloon, Hong Kong, is a licensed corporation (CE No.: BFW317) under the Securities and Futures Ordinance to conduct Type 2 (dealing in futures contracts) and Type 5 (Advising on Futures Contracts) regulated activity. CWF is also an Exchange Participant of Hong Kong Futures Exchange Limited for futures trading.

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

THIS AGREEMENT, effective immediately upon execution of the Account Opening Form for Derivatives Trading, is entered into

BETWEEN

(A) CENTRAL WEALTH FUTURES LIMITED (“CWF”) (CE No. BFW317) whose registered office is at Room 506, 5/F, New East Ocean Centre, 9 Science Museum Road, Tsim Sha Tsui East, Kowloon, Hong Kong); and

(B) the client(s) whose name(s) and identification number are appeared on the signatory page of the Account Opening Form (hereinafter referred to as the “Client”).

WHEREAS

(a) CWF is an Exchange Participant and a Futures Commission Merchant of the HKFE.

(b) In consideration of CWF agreeing to open one or more Accounts and operate such Account(s) in the Client’s name or on the Client’s behalf for the purchase, sale or exchange of, or for the trading or dealing in Derivatives, the Client hereby agrees that the Account shall be operated and maintained by CWF upon the terms and subject to conditions as are set out in this Agreement.

NOW IT IS HEREBY AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 In this Agreement, the following terms shall bear the following meanings:-

“Account” means the dealing account now or in the future opened in the name of the Client with, and operated and maintained by, CWF from time to time for use in connection with the Client’s purchase, sale or exchange of, or the trading or dealing in Derivatives pursuant to this Agreement.

“Access Codes” means the combination of a Password and an Account Number to gain an access to CWF’s Electronic Trading Services (ETS).

“Account Number” means a serial number assigned by CWF to be used as the Client’s personal identification when opening the Account.

“Agreement” means this client agreement and the Account Opening Form for Derivatives Trading as amended or supplemented from time to time.

“Authorized Person” means the person or any of the persons set out in the Account Opening Form as having authority to operate and issue Instruction in relation to the Account or any such person or persons as the Client may from time to time notify to CWF in writing as being authorized to operate the Account and issue such Instruction.

“Beneficial Identity”, in relation to the Client, means the ultimate beneficiary of the Account or, where the Client is a company or body corporate, the individuals who are the ultimate beneficial owners of the share capital of the company or body corporate, and includes a beneficiary holding an interest through a nominee or trust.

“Business Day” means a day (other than a Saturday) on which licensed corporation¹ and the Exchange are open for business.

“Derivatives” means any option or futures in respect of any item including but not limited to gold, silver, precious and non-precious metal or other physical commodities, currencies, interest rates, indices (whether stock exchange or otherwise) or other financial contracts and in each case whether or not the item is capable of being delivered physically.

“Electronic Trading Service” (ETS) means the software, systems and other facilities, including but not limited to CWF Webster, telephone, facsimile, electronic mail and other devices provided by CWF under this Agreement, which enables the Client to give electronic Instruction and to obtain information services provided by CWF.

“FATCA” or “Foreign Account Tax Compliance Act” means (i) sections 1471 to 1474 of the US Internal Revenue Code of 1986 or any associated regulations or other official guidance; (ii) any treaty, law, regulation or other official guidance enacted in any other jurisdiction, or relating to an intergovernmental agreement between the US and any other jurisdiction, which (in either case) facilitates the implementation of the legislation or guidance referred to in (i) above; and (iii) any agreement pursuant to the implementation of the legislation or guidance referred to in (i) or (ii) above with the US Internal Revenue Service, the US government or any governmental or taxation authority in any other jurisdiction.

“HKEx” means the Hong Kong Exchanges and Clearing Limited.

“HKFE” means the Hong Kong Futures Exchange Limited.

“HKFE Clearing House” means the HKFE Clearing Corporation Limited, or such other body appointed by or established and operated by HKFE to provide clearing services to its participants in respect of option or futures

contracts.

“HKFE Rules” means the Rules, Regulations and Procedures of the Futures Exchange as revised, amended or substituted from time to time.

“Hong Kong Regulator(s)” refers to the SFC, the HKEx, the HKFE and other relevant regulatory bodies.

“Holding company and subsidiary” shall have the respective meanings ascribed thereto by section 2 of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong).

“Investor Compensation Fund” means the investor compensation fund established pursuant to the SFO.

“Instruction” means any instruction (including any subsequent amendment or cancellation thereof accepted by CWF) the Client may give for the trading or dealing in Derivatives, whether verbally, through the electronic trading service or in such other manner as CWF may permit.

“Margin” means such amount in such currency and such other security whatsoever as CWF may from time to time demand in accordance with this Agreement from the Client by way of margin, variation adjustments or cash adjustments in relation to contracts.

“Omnibus Account” means an account opened with CWF by the Client in respect of which CWF is notified that the account is to be operated for a customer, or a number of customers, of the Client and not the Client himself.

“Option” or “Option Contract” means a contract pursuant to which one party grants to the other party a right (but not the obligation), exercisable by the latter party on or before a specified date, to acquire or (as the case may be) to dispose of a specified quantity of a commodity or financial contract at an agreed price.

“Password” means the Client’s unique personal password used in conjunction with the Account Number to gain access to the CWF’s Electronic Trading Services.

“PIN” means Personal Identification Number used by the Client, as a security measure, to identify and verify the identity of an authorized individual(s) giving Instruction.

“SFC” means the Securities and Futures Commission established under the SFO or any other body, which assumes in whole or in part the powers and functions of the Securities and Futures Commission and has jurisdiction over the HKFE under that Ordinance.

“SFO” means the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

1.2 Words denoting the singular shall include the plural and vice versa, reference to one gender shall include all genders and words denoting person, the Client and CWF shall include a natural person, firm or a sole proprietorship, partnership, syndicate and corporation and vice versa.

2. THE ACCOUNT

2.1 Accurate Information

The Client confirms that the information provided in the Account Opening Form is true, complete and accurate in all respects and that CWF is entitled to rely on all such information until CWF receives written notice from an Authorized Person of any change.

2.2 Credit Inquiries

The Client hereby authorizes CWF to conduct from time to time personal/credit enquiries or checks on the Client to ascertain the Client's financial situation, investment experience and investment objectives and to verify the information the Client have provided.

2.3 Legal Capacity

The Client represents that the Client has authority, power and legal capacity to enter into and perform the Client's obligations under this Agreement and this Agreement constitutes a valid and legally binding obligation on the Client:-

(a) in the case of an individual, the Client has attained the age of 18, is of sound mind and legal competence and has not been adjudged a bankrupt; or

(b) in the case of a corporate, the Client is duly organized and validly existing under the laws of its place of incorporation or establishment; and no steps have been taken or being taken to appoint a receiver, manager or liquidator over its assets or undertaking, or to wind up or dissolve the business of the Client.

2.4 Ultimate Beneficial Owner(s) of the Account

Unless otherwise advised, the Client is trading on Client's own account and that no one other than the Client has any interest in the Derivatives, monies or property comprised in or held for the Account. Should the ownership or beneficial interests have changed, the Client agrees to inform and notify CWF in writing immediately.

2.5 Omnibus Account

Unless otherwise advised, the Client's own Account is not an Omnibus Account.

2.6 Power of Attorney

The Client agrees to and hereby irrevocably appoint CWF with full power as the Client's true and lawful attorney in fact, to the fullest extent permitted by law, for the purpose of carrying out the provisions of this Agreement and taking any action and executing any instrument, which CWF deems necessary or advisable to accomplish the purposes of this Agreement.

2.7 Safeguard of Password, PIN and Account Number

For the protection of the integrity of the Client's Account, the Client will create a password and Personal Identification Number (PIN) to access the Client's Account. The Client acknowledges, represents and warrants that the Client is the sole and exclusive owner(s) and authorized user(s) of such password and PIN. The Client accepts the full responsibility for monitoring and safeguarding the integrity and security of the Client's password, PIN and Account number. The Client will immediately notify CWF in writing, if the Client becomes aware of any loss, theft or unauthorized use of the Client's password, PIN and/or Account number. In the absence of such notification, CWF is not liable for any consequential damage in connection therewith.

2.8 Material Change

CWF and the Client agree to notify each other forthwith of any material changes in the information supplied in the Account Opening Form. Any change to the particulars as are set out in the Account Opening Form shall not be effective with respect to the operation of the Account unless CWF is notified of such change in writing pursuant to Clause 16.1 below.

2.9 Genuine Signature

The signature of the Client, the Client's authorized signatory, director, secretary or partner (as the case may be), and the signature of each of the Authorized Persons as they appear in the Account Opening Form are the genuine signatures of the individuals concerned.

2.10 Suitability

When CWF solicit the sale of or recommend any financial product to the Client, the financial product must be reasonably suitable for the Client having regard to the Client's financial situation, investment experience and investment objectives. No other provision of this agreement or any other document CWF may ask the Client to sign and no statement CWF may ask the Client to make derogates from this clause.

2.11 Product Information

If services are to be provided to the client in relation to derivative products, including futures contracts or options, CWF will provide to the client upon request product specifications and any prospectus or other offering document covering such products.

3. JOINT ACCOUNTS

3.1 Where the Account is jointly owned by two or more individuals, the Client states that the Client are joint tenants with right of survivorship. The Client's liabilities and obligations shall be joint and several. In the event of death of either or any of the Client, the entire interest in any account opened on the Client's behalf shall be vested in the survivor or survivors on the same terms and conditions in this Agreement.

3.2 Each of the Clients shall have authority to exercise all his rights, powers and discretions hereunder and

generally to deal with CWF as if each of them alone were the Account holder without notice to the other. CWF may follow the Instruction of any of them concerning the Account and shall not be obliged to inquire into or see the application of any monies as between the joint Account holders.

4. APPLICABLE RULES AND REGULATIONS

4.1 Laws and rules

All transactions for the Account shall be subject to the terms and conditions of this Agreement, all applicable laws, rules and regulations, and the constitution, rules, regulations, procedures, by-laws, customs and usages of the HKFE, or of such other exchanges or markets (and their respective clearing houses, if any) in which CWF or its agents are dealing on the Client's behalf or for the Account (whether in Hong Kong or elsewhere). The rules of such exchanges and clearing houses shall be binding on CWF and the Client in respect of transactions concluded on the Client's Instruction, and these rules contain provisions requiring CWF in certain circumstances to disclose the Client's name, Beneficial Identity and sure other information concerning the Client.

4.2 Legally Binding

The Client hereby agrees that this Agreement (including the terms of the Electronic Trading Service) and all the terms herein shall be binding upon the Client and the Client's heirs, estate, executors, representatives, successors and assignees. All actions taken by CWF in accordance with such laws, rules and regulations shall be binding on the Client. The trading in the Derivatives by the Client does not and will not violate any law, rules or regulations to which the Client is subject or bound.

If any term hereof is inconsistent with any present or future law, rules or regulations of the Hong Kong Regulator(s) or any authority having jurisdiction over the subject matter of this Agreement, such inconsistent term shall be deemed to be rescinded or modified in accordance with any such law, rule or regulation. In all other respects, this Agreement shall continue and remain in full force and effect.

4.3 Hong Kong Jurisdiction

This agreement shall be governed by, interpreted and construed in accordance with the laws of the Hong Kong Special Administrative Region of the People's Republic of China. The Client hereby irrevocably submits to the non-exclusive jurisdiction of the Hong Kong courts.

5. PROVISIONS PRESCRIBED BY THE HKFE RULES

Without prejudice and in addition to any other provisions of the Agreement, all transactions entered into on HKFE shall be subject to the provisions of the HKFE Rules, and which shall constitute, and be construed as, part of the Agreement.

5.1 Investor Compensation Fund

Every HKFE traded Derivatives contract shall be subject to the charge of the Investor Compensation Fund levy

and a levy pursuant to the SFO, the cost of both of which shall be borne by the Client. The Client understands that if the Client suffers pecuniary loss by reason of CWF's default, the liability of the Investor Compensation Fund will be restricted to valid claims as provided for in the SFO and will be subject to the monetary limits specified in the Securities and Futures (Investor Compensation – Compensation Limits) Rules (Cap.571 AC) 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.

5.2 Conflicts of Interests

CWF or any member within the Central Wealth Securities Investment Limited ("CWSI") may act in any capacity for any other person to execute transactions in Derivatives as well as acting for the Client, whether in the same transaction or otherwise. CWF or any member of the CWSI, and any of its or their respective directors, officers and employees, may from time to time trade on its or their own account on any exchange. Subject to the provisions of the SFO and any applicable law, CWF or any member of the CWSI may take the opposite position to the Client's order in relation to any Derivatives, whether for its own account or for the account of CWF's other clients or CWF's associated companies, provided that such trade is executed competitively on or through the facilities of the HKFE or of such other exchange in accordance with the applicable exchange rules, regulations and procedures.

5.3 Dealing in non-HKFE Markets

If the Client wishes to deal in any Derivatives contract in markets other than those organized by HKFE, such transactions will be subject to the rules and regulations of those markets and not those of HKFE with the result that the 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 HKFE Rules.

5.4 HKFE Mandatory Transfer

The Client acknowledges that the HKFE Clearing House may do all things necessary to transfer any open positions held by CWF on the Client's behalf and any money and security standing to the credit of the Account with CWF to another exchange participant of HKFE in the event the rights of CWF as an exchange participant of HKFE are suspended or revoked.

5.5 Custody of Funds

All monies and other property that CWF receives from the Client or from any other person (including the HKFE Clearing House and any other clearing house) for the Account shall be held by CWF as trustee, segregated from its own assets and be paid into a segregated bank account as soon as practicable and in any event **within one (1) Business Days** after its receipt.

CWF shall be entitled and is hereby authorized to hold any monies held by CWF on behalf of the Client whether for the Account or otherwise, in a bank account whether situated in Hong Kong or not.

5.6 Authorization to Appropriate Funds

The Client authorizes CWF to apply any monies which the Client may pay to CWF, in particular, CWF may apply such monies in or towards meeting CWF's obligations to any party insofar as such obligations arise in connection with or incidental to the business of dealing in Derivatives transacted on the Client's behalf.

5.7 CWF Deals as Principal

The Client acknowledges that in respect of any account that CWF maintains with the HKFE Clearing House or any other clearing house, whether or not such account is maintained wholly or partly in respect of Derivatives transacted on the Client's behalf and whether or not any monies paid by the Client has been paid to the HKFE Clearing House or such other clearing house, as between CWF and the HKFE Clearing House or such other clearing house, CWF deals as principal. The Client agrees that CWF can deal with such account free of any trust or other equitable interest in favor of the Client and monies paid to the HKFE Clearing House or such other clearing house are thereby free from the trust referred to in this Clause 5.7.

5.8 Position Limits and Reportable Large Open Position

The Client is bound by the HKFE Rules which permits HKFE to take steps to limit the positions or require the closing out of contracts on behalf of the clients who, in the opinion of HKFE are accumulating positions which are or may be detrimental to any particular market(s) or which capable of adversely affecting the fair and orderly operation of any of the market(s) operated by HKFE. CWF, at any time in its sole discretion or as required by the relevant rules and regulations, may limit the number of positions, which the Client may maintain or acquire through CWF. The Client agrees not to exceed the position limits established by the HKFE or any other exchange or by CWF on any contract type, whether acting alone or with others, and to promptly advise CWF if the Client is required to file any reports on positions under the Securities and Futures (Contracts Limits and Reportable Positions) Rules (Cap.571Y).

6. INSTRUCTIONS AND TRANSACTIONS

6.1 Agency Trading

CWF will act as the Client's agent in effecting transactions unless CWF indicates (in the contract note for the relevant transaction or otherwise) that CWF is acting as principal. Unless otherwise disclosed to the Client orally or in writing, CWF and its directors and employees will carry out Instruction and effect transactions for the Account as agent for the Client and not as principal.

6.2 Client Instruction

Instructions may be given orally, in writing or electronically, and shall be irrevocable once given. CWF shall be entitled to rely and act upon any Instruction which purports or which CWF believes in good faith to have been given by the Client or by an Authorized Person. Subject to prior written agreement with CWF, the Client may limit the powers and authorities of individual Authorized Persons. Amendments to the list of Authorized Persons shall take effect only when CWF has received and accepted written notification from the Client.

6.3 Reliance on Instruction

The Instruction, notices or other communications (whether given orally or in writing) of the Client or the Authorized Person shall be a full, sufficient and immediate authority for CWF. CWF may, at its absolute discretion, rely upon and act in accordance with any Instruction, notices or other communications which may be given or made or purported to be given or made by telephone or in writing, and which it believes to have emanated from the Client or an Authorized Person for and on behalf of the Client. CWF shall not be under any duty to verify the identity or authority of the persons giving or making or purporting to give or make the Instruction, notices or communications. CWF shall be entitled (but not bound) to act on or take such steps in connection with or in reliance upon such Instruction, notices or communications as CWF may consider appropriate regardless of the nature of the transaction or agreement or the value, type and quantity of Derivatives involved and notwithstanding any error or misunderstanding, whether apparent or actual, in the terms of such Instruction, notices or communications. All Instruction or orders whether made by telephone, cable, facsimile transmission, internet transmission, electronic mail, mail, orally or otherwise are transmitted at the Client's risks.

6.4 Orders are for Good for the Day

Unless the Client gives specific Instruction to CWF to the contrary and which Instruction is accepted by CWF, the Client acknowledges that all orders, Instruction or requests in relation to the Account are good for the day only and that they will lapse at the end of the official trading day of the exchange or market in respect of which they are given.

6.5 Delays in Making Prices

By reason of physical restraints on the floors of any exchange and rapid changes in the prices of Derivatives that frequently take place, there may, on occasions, be a delay in making prices or in dealing at any specific time or "at best" or "at market". The Client agrees in any event to accept and be bound by dealings which take place on his behalf and agrees that CWF shall not be under any liability for any loss arising by reason of CWF's failing or being unable to comply with any terms of an order of the Client or for any loss incurred as a result of transactions carried out or effected pursuant to this Agreement unless due to the wilful default of any of CWF's employees or agents.

6.6 Voice recording

CWF may use voice-recording procedures in connection with any communications with the Client or in order to record or verify Instruction from the Client or the Authorized Person. Any voice recording made by CWF shall constitute conclusive evidence of the communications so recorded.

6.7 Third Party Instruction

The Client understands that CWF will not accept any third party instruction, unless the Client have formally executed and delivered a valid power of attorney which expressly authorizes a named specific party to emit trade Instruction on the Client's behalf. The Client further agrees to indemnify CWF from any disputes, losses, costs, expenses and other claims arising from reliance thereupon. Should the Client decide to employ a third

party to relate trade Instruction, the Client agrees to supply CWF with an accurate and truthful identification and personal information about the designated third party.

6.8 Order Cancellations

The Client may amend or cancel the Client's Instruction that has been previously transmitted. The Client agrees that CWF is not obligated to accept such amendment or cancellation. Instruction may only be amended or cancelled prior to the execution. The Client shall accept full responsibilities for the transactions, partial or full, executed prior to the processing of the Client's amendment and/or cancellation request.

6.9 Order Refusal

CWF may decline to accept any Instruction from the Client in its absolute discretion and without assigning any reason, whether in relation to the entering into or closing out of any contract, or the exercise of any rights thereunder. In such event, CWF will endeavour to notify the Client accordingly, but CWF shall not in any circumstances whatsoever be liable in any way for any loss of profit or gain, damage, liability, cost or expense suffered or incurred by the Client arising out of or in connection with CWF declining to act on such Instruction or omitting so to notify the Client.

6.10 Independent Judgment

The Client understands that no representations or warranties has been given or implied by CWF as to the value, merits or suitability for the Client to enter into any Derivatives transactions pursuant to this Agreement or otherwise. The Client further acknowledges and agrees that the Client shall retain the responsibility for all trading decisions in relation to the Account.

6.11 No Guarantee of Executions

If CWF shall not be able to enter into such number of contracts on behalf of the Client as may have been specified in the Client's Instruction, CWF may enter into any number of contracts less than the number specified in such Instruction as it may be able to do so after having taken reasonable steps, and the Client shall be bound by such contracts so entered into. Without prejudice to the generality of the foregoing, the Client acknowledges and accepts that the rapid and frequent changes in spot and future prices, general market conditions, and/or the restrictions or limits imposed by any relevant exchange may make it impossible or impracticable for CWF to carry out the Client's Instructions, or to conclude a transaction on behalf of the Client at the prices quoted at any specific time. CWF shall not have any obligation or liability whatsoever and howsoever in respect of any failure to enter into contracts as specified in the Client's Instruction.

6.12 Transaction in foreign currency

In the event that the Client instructs CWF to enter into any Derivatives transactions which are effected in a foreign currency, (i) any profit or loss arising as a result of a fluctuation in the exchange rate affecting such currency will be entirely for the Client's account and at the Client's risk; (ii) Margin shall be recorded in such currency or currencies and in such amounts as CWF may in CWF's sole discretion elect; and (iii) CWF is authorized to convert funds in the Account into and from such foreign currency at a rate of exchange determined by CWF, in its

sole discretion, on the basis of the then prevailing money market rates.

If, for any purpose, the Client is required to convert any amount due to CWF into a currency other than that in which it would otherwise have been due, the Client shall pay CWF such additional amounts as are necessary to ensure that, when received and reconverted, CWF will receive the full amount in the original currency as it would have received had no such conversion taken place.

6.13 Choice of Exchange

Unless the Client gives CWF specific Instructions to the contrary, all Instructions given by the Client, which may be executed on more than one exchange, may be executed on such exchange(s) as CWF may, in its absolute discretion, determine.

6.14 Recommendation

The Client acknowledges that (a) such recommendations and information, although based upon information obtained from sources believed by CWF to be reliable, may be incomplete and may not be verified; and (b) CWF makes no representation, warranty or guaranty as to, and shall not be responsible for, the accuracy or completeness of any information or trading recommendation furnished to the Client.

6.15 Option Trading

The Client understands that some exchanges and clearing houses have established cut-off times for the tender of exercise Instructions and that an option will become worthless if exercise Instructions are not delivered before such expiration time. The Client also understands that certain exchanges and clearing houses automatically will exercise some "in-the-money" options unless instructed otherwise. The Client acknowledges full responsibility for taking action either to exercise or to prevent the exercise of an option contract, as the case may be; CWF is not required to take any action with respect to an option contract, including but not limited to any action to exercise a valuable option prior to its expiration date or to prevent the automatic exercise of an option, except upon the Client's express Instructions. The Client further understands that CWF has established exercise cut-off times, which may be earlier than the times established by exchanges and clearing houses.

6.16 The Client understands that (i) all short option positions are subject to assignment at any time, including positions established on the same day that exercises are assigned, and (ii) exercise assignment notices are allocated randomly from among all CWF customers' short option positions, which are subject to exercise.

7. COMMISSION AND CHARGES

7.1 In consideration of CWF carrying out or entering into transactions in Derivatives, on the Client's behalf or for the Account, the Client agrees to pay CWF commissions at such rate or rates and on such basis as it may from time to time determine and notify the Client as being the rate or rates applicable to the Account provided that such commissions shall at all times be no less than the minimum, if any, as may be specified by any exchange from time to time. In addition, the Client shall pay or reimburse CWF forthwith on demand all commission, brokerage, levies, fees, duties and taxes and all other charges and expenses suffered or incurred by CWF arising out of or in

connection with any purchase or sale of contracts entered into by CWF on behalf of the Client or otherwise arising out of or in connection with the performance of any of CWF's duties under this Agreement. All such amounts may be deducted from the Account and any other accounts maintained by the Client with CWF.

7.2 Every transaction executed on any exchange shall be subject to any levies or charges that such exchange may from time to time impose. CWF is authorized to collect from the Client any such levies in accordance with the rules prescribed by such exchange from time to time.

8. MARGIN

8.1 In respect of all transactions entered into by CWF as agent on behalf of the Client, the Client shall before the relevant transaction is entered into or otherwise immediately upon demand provide CWF with such Margin together with such guarantees and other security in such form and amount and on such terms as CWF may in its absolute discretion require from time to time. Such Margin shall be maintained with CWF and the Client shall not withdraw the same until the transaction to which it relates has been closed out. CWF shall be entitled to refuse to execute the Client's Instruction unless the Margin required by CWF has been provided to CWF.

8.2 Without prejudice and in addition to any other rights and remedies of CWF hereunder, the Client hereby irrevocably authorizes CWF without prior notice to the Client, to apply all or any part of any cash deposit or other property held for the account of the Client by CWF on any account whatsoever and whether or not relating to trading in the transactions:-

- (a) in or towards the provision of any Margin or additional Margin demanded by CWF pursuant to this Clause 8 and Clause 9 ;
- (b) in payment to any exchange, clearing house or broker in or towards satisfaction of any liability to provide margin demanded or required by such exchange, clearing house or broker in respect of any transaction entered into by CWF on behalf of the Client;
- (c) towards provision of security in favour of any exchange, clearing house or broker without prior notice to the Client and free of any beneficial interest of the Client as security for CWF's obligations to (and upon terms specified by) the exchange, clearing house or broker in respect of any transaction entered into by CWF on behalf of the Client;
- (d) in satisfaction of any other obligations of CWF to any party insofar as such obligations arise in connection with or incidental to any transaction entered into by CWF on behalf of the Client; or
- (e) in or towards payment of money properly required to meet commissions, brokerage, levies or other proper charges directly relating to any transaction entered into by CWF on behalf of the Client; notwithstanding that any such application may result in the Client being required by CWF to provide additional Margin.

8.3 Margin Call: All amounts (including Margin) payable by the Client in connection with this Agreement shall be due on demand and in the currency of CWF's choice subject only to any restrictions which may be imposed by the relevant exchange and/or clearing house on which the relevant Derivatives transactions were executed. Demands for Margin must be met within twelve (12) hours or such other time limit as CWF may in its absolute discretion determine to be necessary and notify to the Client. Without prejudice to the provisions of Clause 14, failure to meet margin calls may result in CWF being entitled or obliged by the rules or regulations of the relevant exchange and/or clearing house to close out the Derivatives contracts held on behalf of the Client in respect of

which any Margin calls are not met within the period specified by CWF or at the time of making such call(s), and/or to notify the relevant exchange, clearing house or broker particulars of such contracts.

8.4 The Client shall provide to and maintain with CWF Margin in such amounts and in such form as CWF, in its sole discretion, from time to time may determine. Such Margin requirements established by CWF may exceed the Margin required of CWF by an exchange. CWF may change Margin requirements in its sole discretion at any time. If CWF determines that additional Margin is required, the Client agrees to deposit with CWF such additional Margin when and as required and determined by CWF, and will promptly meet all Margin calls in such manner as CWF shall designate in its sole discretion. Notwithstanding any demand for additional Margin, CWF at any time may proceed in accordance with Clause 15 below, and any failure to proceed shall not be deemed a waiver of any rights by CWF.

8.5 Unless specifically instructed by the Client, the Derivatives contracts held in the Account which the exchange allows to be set off for margin purpose will automatically be set off for the determination of Margin without reference to the Client, but these contracts will not be closed out or treated as netted off for any other purpose.

9. ADDITIONAL MARGIN REQUIREMENT OR DEMANDS FOR VARIATION ADJUSTMENT

In respect of all Derivatives contracts entered into CWF on behalf of the Client, the Client shall provide to CWF such Margin or additional Margin or demands for variation adjustment or as CWF may in its absolute discretion require immediately upon demand. Such calls for Margin or additional Margin requirements or demands for variation adjustment by CWF may exceed any margin requirements or variation adjustments prescribed by HKFE or HKCC and may be changed by CWF with immediate effect without prior notice to the Client. CWF is obliged to report to HKFE particulars of all contracts in respect of which the Client has failed on two successive occasions to meet a demand for Margin or additional Margin or variation adjustments as provided in this Clause and CWF may close out Client contracts in respect of which any demand for Margin or additional Margin or variation adjustments or has not been met.

10. PAYMENTS AND REMISSION OF MONIES

10.1 The Client shall pay CWF forthwith upon demand by CWF at any time the full amount of all losses, debit balances and deficiencies resulting from any transaction between the Client and CWF, or from the operation of the Client's Account. Payment shall be made in such currencies as CWF may prescribe from time to time.

10.2 Without prejudice to the Client's obligation to effect payment on demand, each payment (whether by way of direct payment, transfer, debit or credit) to be made by Client to CWF in relation to this Agreement shall be not later than the close of business (Hong Kong time) on the date on which payment is required to be made.

10.3 Subject to the deduction of all amounts which CWF is entitled to deduct under the HKFE Rules, the rules of any other exchanges or clearing houses, applicable laws and regulations and/or this Agreement, any Margin required as referred to in Clauses 8 and 9 above and subject to the prior discharge in full of all sums or liabilities actual or contingent owed by the Client to CWF or any member of the CWSI, CWF shall as soon as practicable after receiving a demand in writing from an Authorized Person remit to Client all or part of the monies forming part of the Account and/or the proceeds of sale of any Derivatives contracts. All monies payable by CWF to the Client shall be transferred by CWF to the bank account specified by the Client on the Account Opening Form or in such

other manner as may be agreed between the parties from time to time. All monies paid as aforesaid to the Client's specified bank account shall be deemed good discharge of CWF's obligation to make payment to the Client.

10.4 The Client confirms that unless an Authorized Person is also the Client, Authorized Person shall only have authority in placing trade orders on behalf of the Client in relation to this Agreement. No Authorized Person shall be authorized to instruct or direct CWF to transfer or debit any money or property from the Account to any other account the holder of which is or includes an authorized third party, and the Client hereby agrees that if CWF receives any Instruction or directions to such effect from any authorized third party, CWF is expressly authorized not to act on or carry out any such Instruction or directions unless CWF has received notice in writing to the contrary from the Client.

10.5 The Client will be responsible to CWF for any losses, costs, fees and expenses in connection with the Client's failure to meet the Client's obligations by the due settlement date as described above.

10.6 All payments by the Client for transactions or otherwise in connection with this Agreement shall be made in cleared funds in the currency and at the place specified by CWF

- (a) free of any restrictions, conditions or equities;
- (b) free and clear and without any deduction or withholding on account of any taxes; and
- (c) without deduction or withholding on account of any other amount, whether by way of set-off, counterclaim or otherwise.

11. INTEREST

11.1 CWF may retain for its own use any benefit it may derive from cash for the time being in its hands as part of the Account, and the Client agrees that no interest will accrue to the Client upon any amounts which may be held by CWF to the Client's credit, unless there is an agreement to the contrary between the parties hereto.

11.2 The Client undertakes to pay interest on all overdue amounts owed by him to CWF at any time (after as well as before any judgment) at such rate as may be specified from time to time by CWF or failing any such specification at a rate equivalent to five (5) per cent above the prime rate as CWF shall in its sole discretion determine as being the then prevailing prime rate and such interest shall be payable monthly in arrears or forthwith upon any demand being made by CWF.

12. SETTLEMENT

12.1 The Client accepts that every transaction effected for the Account contemplates actual performance in accordance with its terms, including delivery and receipt of any Derivatives and payment for them. Notwithstanding this and subject to Clause 12.4 below, in respect of each open position in relation to the Account which remains subsisting on the maturity date for its settlement, neither CWF nor the Client shall have any obligation to make or take delivery (as the case may be) of the commodities forming the underlying subject matter of the Derivatives transaction on the maturity date, if, according to the rules or usual practice of the relevant exchange, the outstanding obligations of the buyer and seller of such open position shall be satisfied solely by cash settlement based on a difference in price or value, in which case CWF or the Client (as the case may be)

shall settle or close the open position by paying the relevant difference to the other on the maturity date thereof. The Client shall take all necessary actions to enable CWF to effect due settlement of each transaction effected for the Account in accordance with the rules, regulations and requirements of the relevant exchange and/ or clearing house.

12.2 Subject to the terms of this Agreement and to the rules, regulations and requirements of the relevant exchange and/or clearing house, the Client may, at any time before the last trading day of a Derivatives contract or transaction in relation to the Account, request CWF to close out or in the case of an option contract, exercise (providing exercise is then possible) the matching option contract. Any amount (including but not limited to any amount payable by CWF to the relevant exchange and/or clearing house and/or CWF's brokers or agents) payable by the Client arising out of the closing out of any Derivatives contract or transaction or the exercise of any option contract shall become immediately due and payable to CWF upon the closing out or exercise.

12.3 To exercise an option pursuant to an option contract effected for the Account, the Client shall (subject to the rules and regulations of the relevant exchange on which the option contract is traded) deliver to CWF a notice of exercise no later than such time limit as may be specified by CWF from time to time before the cut-off date for the tender of exercise Instruction prescribed by the writer of the option or the relevant exchange or clearing house (whichever prescribes the earliest cut-off date). Unless required by the rules of the relevant exchange or otherwise agreed between CWF and the Client that the outstanding obligations of the buyer and seller of an option contract are satisfied solely by cash settlement based on a difference in price or value, such notice shall only be considered valid when accompanied:-

- (a) in the case of a put option, with the underlying commodity or document(s) of title needed for making delivery; and
- (b) in the case of a call option, with sufficient immediately available funds to take delivery of the commodity.

Unless specifically instructed by the Client and subject to the terms of this Agreement, CWF shall not have any responsibility whatsoever to tender any exercise Instruction on behalf of the Client in respect of any option contract whether on or before the relevant cut-off date applicable to the option contract.

12.4 If CWF or another broker (as the case may be) shall for any reason whatsoever and howsoever fail to receive payment of all or any amount, or to receive delivery of all or any part of any amount of any commodity (whether from the relevant exchange, clearing house and/or any other person), due to be paid or delivered to the Client in respect of any transaction in relation to the Account on the due date for payment or delivery thereof in accordance with the rules and regulations of the relevant exchange and/or clearing house and/or any applicable laws, CWF's obligations to make payment or to deliver any commodity to the Client in respect of such transaction shall thereupon and by virtue of such failure become obligations to make payment of such amount or delivery of such quantity of such commodity as is equal to such payment or such quantity as is actually received by the CWF in respect thereof.

12.5 CWF may in its absolute discretion but shall not be bound to act on any Instruction from the Client to take any action whatsoever or howsoever against any exchange, clearing house, other broker and/or any other person in respect of any failure by such exchange, clearing house, other brokers and/or other person to make any payment or to deliver any amount of any commodity in respect of any transaction executed in relation to the

Account as referred to in Clause 12.4 above, provided that if any such action is taken by CWF, the Client shall fully indemnify and keep CWF indemnified on demand in respect of all costs, claims, demands, damages, fees and expenses arising out of, or in connection with, the taking of such action.

12.6 Where the Client holds a short position under an option contract and the option is exercised (or deemed to be exercised on expiry or otherwise), the Client shall on demand pay CWF in cash the settlement amount payable by the Client or make or take delivery (as the case may be) of the commodity or the subject matter of the option contract pursuant to the terms of the option contract.

12.7 Any statement or confirmation signed by any authorized signatory of CWF stating the price or value at which any Derivatives contract is entered into or closed out, or the exchange rate applicable in any currency conversion, or the amount owed by the Client to CWF at any given time, shall (in the absence of manifest error) be binding on the Client as to the particulars stated.

13. SECURITY

13.1 The Client as beneficial owner hereby charges any and all Derivatives contracts, monies and other property held or carried in the Account or to be acquired by him in relation to the Account to and in favor of CWF free from any encumbrances as continuing security for Client's performance and observance of his obligations under this Agreement, for the discharge of all monies and liabilities (whatever actual or contingent) which are now or at any time hereafter may be due, owed or incurred from or by Client to CWF or any other member of the CWSI in connection with the Account or otherwise and the payment of all costs, charges and expenses incurred by CWF or any member of the CWSI in the exercise or enforcement of the charge hereby created.

13.2 The Client agrees to do all such things and execute all such documents which CWF shall from time to time consider necessary or desirable in connection with the implementation, execution and enforcement of any of the terms of this Agreement or with a view to perfecting or improving any security created in favor of CWF hereunder including but not limited to the execution by the Client of an irrevocable power of attorney appointing CWF to be his lawful attorney (with full power to appoint substitutes and to sub-delegate) to do all such acts and things and execute all such documents on the Client's behalf as CWF shall in its absolute discretion consider necessary or appropriate.

13.3 At the request of CWF, the Client shall grant or shall procure that such persons as are acceptable to CWF shall grant further security in terms satisfactory to CWF in respect of any of the obligations of the Client under this Agreement.

13.4 The provisions of this Clause 13 shall be without prejudice to any rights to which CWF may be entitled to by law.

14. CLOSING OUT OF POSITIONS

14.1 Forced Liquidation: On the happening of any of the following:

(a) the dissolution or liquidation of the Client,

- (b) the filing of a petition in bankruptcy, or a petition for the appoint of a receiver, by or against the Client,
- (c) the filing of any attachment against any of the Client's accounts carried by CWF,
- (d) insufficient margin or CWF's determination that any collateral deposited to protect one or more accounts of the Client is inadequate, regardless of current market quotations, to secure the account, or
- (e) any other circumstances or developments that CWF deems to require action necessary for its protection,

CWF is hereby authorized, according to its judgment and in its sole discretion, to take one or more or any portion of the following actions:

- (1) satisfy any obligation the Client may have to CWF, either directly or by way of guaranty or suretyship, out of any of the Client's funds or property in the custody or control of CWF;
- (2) sell any or all Derivatives contracts of the Client or to purchase any or all Derivatives for the Client; and
- (3) cancel any or all outstanding orders, contracts, or any other commitments made on behalf of the Client.

Any of the above actions may be taken without demand for margin or additional margin, without prior notice of sale or purchase or other notice or advertisement to the Client, and regardless of whether the ownership interests shall be solely the Client's or held jointly with others. In liquidating the Client's long or short positions, CWF in its sole discretion, may sell or purchase in the same contract month.

Any sales or purchases hereunder may be made according to CWF's judgment and at its sole discretion on any exchange or other market where such business is then usually transacted or at public auction or at private sale, and CWF may purchase the whole or any part thereof free from any right of redemption. It is understood that, in all cases, a prior demand, call, or notice of the time and place of a sale or purchase shall not be considered a waiver of CWF's right to sell or buy without demand or notice as herein provided. The Client at all times shall be liable for the payment of any debit balance of the Client upon demand by CWF and shall be liable for any deficiency remaining in the Client's accounts(s) in the event of the liquidation thereof in whole or in part by CWF or by the Client. In the event the proceeds realized pursuant to this authorization are insufficient for the payment of all liabilities of the Client due to CWF, the Client promptly shall pay, upon demand, the deficit and all unpaid liabilities, together with interest thereon equal to an annual rate of five (5) per cent above the best lending rate quoted by the Chong Hing Bank Limited from time to time and all costs of collection including reasonable attorney's fees, with respect to any account of the Client, the Client agrees to be liable therefor.

14.2 Exercise of Option:

(a) Exercise of option on open positions maturing in a current delivery month must be given to CWF 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. Alternatively, sufficient funds to take delivery or the necessary delivery documents must be delivered to CWF within the same periods described above. If neither Instructions, funds, nor documents are received, CWF, without notice may, either liquidate the Client's position or make or receive delivery on behalf of the Client upon such terms and by such methods which CWF deems feasible.

(b) If at any time the Client fails to deliver to CWF any property previously sold by CWF on the Client's behalf or fails to deliver property, securities or financial instruments in compliance with commodity contracts, or CWF shall

deem it necessary (whether by reason of the requirements of any exchange, clearing house, or otherwise) to replace any securities, commodity contracts, financial instruments, or other property delivered by CWF for the account of the Client with other property of like or equivalent kind or amount, the Client authorizes CWF in its judgment to borrow or to buy any property necessary to make delivery or to replace any such property necessary to make delivery thereof or to replace any such party to whom delivery is to be made. CWF may subsequently repay any borrowing thereof with property purchased or otherwise acquired for the account of the Client. The Client shall pay CWF for any cost, loss and damage from the foregoing (including consequential damages, penalties, and fines) which CWF may be required to incur or which CWF may sustain from its inability to borrow or buy any such property.

15. SET-OFF AND COMBINATION OF ACCOUNTS

15.1 CWF may, at any time, combine or consolidate all or any of such accounts as are for the time being opened and maintained by the Client with CWF or other member of CWSI, including the Account, and the Client hereby irrevocably authorizes CWF (without prejudice to the other authorities granted to CWF hereunder):-

(a) to instruct other member of CWSI to transfer on the Client's behalf any funds standing from time to time in any account maintained at any time by the Client with other member of CWSI to any of the Client's account maintained at any time with CWF;

(b) to transfer any funds standing from time to time in any account maintained by the Client with CWF to any account maintained at any time by the Client with other member of CWSI;

(c) to set-off or transfer any sum standing to the credit of any one or more such accounts by the Client in or towards satisfaction of the Client's indebtedness, obligation or liability to CWF, other member of CWSI or CWF's affiliates on any of the accounts or in any other respect whatsoever, whether such indebtedness, obligations or liabilities be present or future, actual or contingent, primary or collateral, several or joint, secured or unsecured; and

(d) to give other member of CWSI notice of such authority, and when such combination, consolidation, setoff or transfer requires the conversion of the currency into another, such conversion shall be calculated at such rate of exchange as conclusively determined by CWF's prevailing in such foreign exchange market as CWF may at its absolute discretion (but shall notify the Client of CWF's decision) select on or about the date of the combination, consolidation, set-off or transfer.

In respect of any payments by CWF to offset and discharge any of the Client's obligations to other member of CWSI or CWF's affiliates, CWF shall not be concerned whether or not such obligation exist, provided demand has been made on CWF by other member of CWSI or CWF's affiliates.

15.2 The rights of set-off hereby conferred are in addition and without prejudice to any general right of set-off arising by law or any other rights granted to CWF under this Agreement or any lien or other security now or hereafter held by CWF.

16. NOTICE AND COMMUNICATIONS

16.1 Mode of Delivery: All notices and communications from CWF to the Client or any Authorized Person under this Agreement may be sent and delivered by personal delivery, postal mail, telegraph, facsimile, electronic mail or other electronic transmission to the address, facsimile number, electronic mail address in the Account Opening Form or as notified to CWF in writing from time to time by at least seven (7) days' advance notice. All notices and other communications shall be deemed to be given:-

- (a) at the time of despatch or transmission if delivered personally, by facsimile transmission or telephone; or
- (b) twenty-four (24) hours after despatch if sent by post, whichever shall be the first to occur;

provided that any notice or other communication to be given to CWF shall be effective only when received by CWF.

16.2 Presumption of Receipt: All communications so sent whether by messenger, mail, telegraph, facsimile, electronic mail or otherwise, shall be deemed delivered and received, unless otherwise notify to CWF by the Client. It is the Client's responsibility to ensure the Account correctness and accuracy and to contact CWF immediately with any discrepancies.

16.3 Responsibility to Retrieve and Review Communications: The Client agrees to check regularly the Client's mailbox, electronic mailbox, facsimile machine and other sources of facilities through which the Client receives communication from CWF. CWF will not be responsible for any losses that arise from the Client's failure, delay or negligence to check such sources or facilities.

16.4 Monitoring and Recording of Telephone Conversations and Electronic Mails: For the protection of the Client and CWF, and as a tool to detect and rectify misunderstandings, the Client agrees and authorizes CWF, at CWF's discretion and without further prior notice, to monitor and record any or all telephone conversations and any electronic communications between CWF and the Client.

16.5 Confirmation and Account Statements: In respect of every transaction of sale, purchase or exchange of Derivatives entered into by CWF for the Account in Hong Kong, CWF will (unless otherwise provided by the SFO) make out a contract note which will contain all the necessary information required by the SFO, and shall deliver the contract note to the Client within the time limit specified in the SFO. In respect of all other transactions, CWF will as soon as practicable after effecting such transactions, confirm the essential features of the transactions to the Client either orally or in writing. CWF will provide the Client with a statement of account in relation to the transactions and dealings, which CWF has entered into in relation to the Account on a monthly basis. The contract notes, statements of account and any confirmations in writing of execution of transactions for the Account which CWF sends to the Client shall be conclusive in respect of all information set out therein, and shall be deemed to have been accepted by the Client, in the case of contract notes, if not objected to by the Client in writing, within twenty-four (24) hours after delivery to the Client, and in the case of statements of accounts and confirmations in writing, within five (5) Business Days after posting thereof to the Client by ordinary mail.

16.6 Undelivered or Returned Mails: The Client agrees to keep the Client's Account information up to date, and to notify CWF of any changes within forty-eight (48) hours. The Client understands, for the security and integrity of the Client's Account, that CWF may temporarily or permanently disable or restrict the Client's Account, if and

when the mails become undeliverable or are returned as a result of the Client's failure to provide, update and/or notify CWF with most current and accurate Account information.

17. ELECTRONIC TRADING SERVICE

17.1 Electronic Trading Service

The Client understands that the Electronic Trading Service (ETS) is a semi-automated facility, which enables the Client to send electronic Instruction and receive information and services. The Client agrees to use the ETS only in accordance with the terms of this Agreement. Any additional services offered through the ETS in the future shall only be used by the Client in accordance with the terms of this Agreement.

17.2 Authorized Access

The Client shall be the only authorized user of the ETS for the Client's Account. The Client shall be responsible for the confidentiality and use of the Access Codes. The Client acknowledges and agrees that the Client shall be solely responsible for all Instruction entered through the ETS using the Access Codes and neither CWF nor CWF's directors, officers or employees shall have any liability to the Client, or to any other person whose claim may arise through the Client, for any claims with respect to the handling, mishandling or loss of any Instruction.

17.3 Proprietary System

The Client acknowledges that the ETS is proprietary to CWF. The Client warrants and undertakes that the Client shall not, and shall not attempt to, tamper with, modify, de-compile, reverse engineer or otherwise alter in any way, and shall not attempt to gain unauthorized access to, any part of the ETS. The Client acknowledges that CWF may take legal action against the Client, if the Client at any time breaches this warranty and undertaking or if CWF at any time reasonably suspect that the Client has breached the same. The Client undertakes to notify CWF immediately if the Client becomes aware that any of the actions described above in this Clause is being perpetrated by any other person.

17.4 Responsibility to Notify Errors

The Client further acknowledges and agrees that, as a condition of using the ETS to give Instruction, the Client shall immediately notify CWF if:-

- (a) an Instruction in respect of the Account has been placed through the ETS and the Client has not received an order number;
- (b) an Instruction in respect of the Account has been placed through the ETS and the Client has not received an accurate acknowledgement of the Instruction or of its execution, whether by hard copy or via electronic or verbal means;
- (c) the Client has received acknowledgement, whether by hard copy, electronic or verbal means, of a transaction which Client did not originate or instruct; and/or
- (d) the Client become aware of any unauthorized use of the Account No. and/or Password.

17.5 Alternative Trading Facilities:

The Client agrees that should the Client experience any problems in reaching CWF through the ETS or vice versa, the Client shall attempt to use an alternative method or device, as CWF may make available, to communicate with CWF to place the Client's orders and to inform CWF of the difficulty the Client may experience. The Client acknowledges that CWF gives no express or implied warranties (including but not limited to warranties of merchantability, functionality or fitness for a particular use) with respect to trade or trade related services. The Client agrees that CWF shall not be responsible to the Client for any losses, costs, expenses, damages or claims which the Client may suffer as a result of any disruption, malfunction or other suspension of CWF's service beyond CWF's control.

17.6 Third Party Market Data

The Client understands that the ETS may provide, for informational purpose only data about price quotation and information published by third parties. Owing to market volatility and possible delay in the data-transmission process, the data may not be real-time price quotes and information for the relevant investments. The Client understands that whilst CWF believes such data to be reliable, it has no independent basis to verify or contradict the accuracy or completeness of the information provided. The Client understands that no recommendation or endorsement from CWF shall be inferred from the data provided with respect to any investments.

17.7 No Guarantee of Accuracy or Timeliness of Information

The Client acknowledges that the price quote service available at the ETS is provided by a third party provider appointed by CWF from time to time. The Client understands that information provided in the ETS is on an "as is", "as available" basis and CWF does not guarantee the timeliness, sequence, accuracy, adequacy or completeness of such information.

17.8 The Client hereby confirms that due to unpredictable traffic congestion and other reasons, the ETS may not be a reliable medium of communication and that such unreliability is beyond the control of CWF. This may give rise to situations including delays in transmission and receipt of the Client's instructions or other information, delays in execution or execution of the Client's instructions at prices different from those prevailing at the time the Client's instructions were given, misunderstanding and errors in any communication between the Client and CWF and so on. Whilst CWF will take every possible step to safeguard its systems, client information, accounts and assets held for the benefit of CWF's clients, the Client accepts the risk of conducting financial and other transactions via the ETS.

18. FAX INDEMNITY

The Client understands that facsimile and electronic instructions are not secure means of communication and there are risks involved. The Client hereby requests CWF to accept such facsimile or electronic instructions (including email and internet message) for the Client's convenience. CWF is hereby authorized to act on any facsimile or electronic instructions that CWF in its absolute discretion believes emanate from the Client. Provided that CWF exercises reasonable care in verifying the signature of the purported authorized person in the facsimile or electronic instructions, CWF shall not be liable for acting in good faith on facsimile or electronic instructions that emanate from unauthorized persons. The Client hereby undertakes to indemnify CWF and keep CWF

indemnified at all times against all actions, proceedings, claims, losses, damages, costs and expenses which may be brought against CWF or suffered or incurred by CWF and which shall have arisen either directly or indirectly out of or in connection with CWF accepting facsimile or electronic instructions and action thereon, whether or not the same are confirmed in writing by the Client.

19. GENERAL PROVISIONS

19.1 Entire Understanding

This Agreement, together with all other written agreements, existing or subsequent, between CWF and the Client related to the Client's Account and terms contained on statements and confirmations sent to CWF, contains the entire understanding between and binding upon CWF and the Client concerning the subject matter of this Agreement.

19.2 Severability

If any provision of this Agreement shall be held to be invalid or unenforceable by any court or regulatory agency or body, such invalidity or unenforceability shall attach only to such provision. The validity of the remaining provisions shall not be affected thereby and this Agreement shall be carried out as if any such invalid or unenforceable provision were not contained here. Time shall be of the essence in relation to all matters arising under this Agreement. Where the Client consists of more than one person, the liability of each of the person shall be joint and several and references to the persons shall be construed, as the context requires, to any or each of the persons. CWF shall be entitled to deal separately with any of the persons including the discharge of any liabilities to any extent without affecting the liabilities of the other persons.

19.3 Presumption of Authorization

All notices and communications to the Client may be effectively given by mailing the same by post addressed to the Client at any of the Client business, residential or mailing addresses as they appear from time to time on CWF's records, or by delivering the same to the Client or to any such address, or by facsimile or telephone or e-mail to any number or address notified to CWF from time to time for the purpose and shall be deemed to be received:-

- (a) on the third Business Day after such notice is mailed (in the case of post); and
- (b) when delivered (in the case of personal delivery), or communicated (in the case of telephone, facsimile transmission or e-mail) and that no such notice or communication need be signed on CWF's behalf.

19.4 Duty to Notify Error

The Client shall inform CWF within seven (7) days of the possession or knowledge of information if the Client is aware of any discrepancies and/or error with regard to and in connection with any of the Client's Account information, transactions, settlements and fund transfers. The Client agrees that the Client's failure to notify of such discrepancy and/or error in a prompt manner would exonerate CWF.

19.5 Amendment

To the extent permitted by law, CWF may from time to time amend any of the terms and conditions of this Agreement by notifying the Client and such amendments shall come into effect immediately upon the Client's deemed receipt of CWF's notice. The Client acknowledges and agrees that if the Client does not accept any amendments as notified by CWF from time to time, the Client shall have the right to terminate this Agreement in accordance with termination clause under this Agreement. The Client further agrees that any amendments shall be deemed to be accepted by the Client, should the Client continue to effectuate transaction(s) in the Client's Account without expressly communicate the Client's objections to such amendments prior to the transaction(s).

19.6 Waive

Waiver of any right under this Agreement must be in writing signed by the party waiving such right. CWF will not be regarded as having waived any right under this Agreement if CWF fails or delays in exercising such right. Any single or partial exercise of any rights under this Agreement will not preclude any further exercise of such right or exercise of any other right. CWF's failure to insist at any time on strict compliance with any of the terms or conditions of this Agreement or any continued course of such conduct on CWF's part shall, in no event, constitute or be considered as a waiver by CWF of any of CWF's powers, rights, remedies or privileges.

19.7 Assignment

CWF may assign CWF's rights or obligations under this Agreement to any of CWF's subsidiaries or affiliates without giving any prior notice, or to any other entity upon prior written notice to the Client. The Client shall not assign any of the Client rights and/or obligations under this Agreement to any other party except with CWF's prior written consent.

19.8 Termination

This Agreement may be terminated at any time by written notice given by either party to this Agreement provided that this Agreement shall not be deemed to be terminated by the Client until CWF accepts the Client's termination notice on the basis that the Client does not have any outstanding balances in the Account. This shall not affect any undertakings or indemnities given by the Client under this Agreement or any rights or obligations under this Agreement outstanding as at the date of termination, all of which shall survive such termination. Without prejudice to the foregoing, any termination shall not affect the rights or liabilities of either party arising out of or in connection with any contracts at the time of such termination, including as to Margin, until all such contracts have been closed out or settlement and/or delivery has been effected and all such liabilities fully discharged.

19.9 English/Chinese Version

The Client confirms that the Client has read the English or Chinese version of this Agreement and that the contents of this Agreement have been fully explained to Client in a language which Client understands, and that the Client accepts this Agreement in its entirety. In the event that there is inconsistency between the English version and the Chinese version of this Agreement, the English version shall prevail.

19.10 Descriptive Headings

The heading of each provision hereof is for descriptive purposes only. They shall not be deemed to modify, qualify or otherwise substitute for any of the rights or obligations set forth in each of the provisions thereof contained in this Agreement.

19.11 Indemnification:

(a) Neither CWF nor any of its directors, employees or agents shall have any liability whatsoever (whether in negligence or otherwise) for any loss, expense or damage suffered by the Client as a result of:-

(i) CWF failing to perform any of its obligations under this Agreement or otherwise as the broker of Client due to any reasons beyond CWF's control; or

(ii) CWF acting or relying on any Instruction given by the Client whether such Instruction was given following any recommendation, advice or opinion given by CWF or by any of its directors, employees or agents; or

(iii) any act or omission of CWF or its directors, employees or agents in relation to the Account unless, in the case of only, such loss or damage results from the fraud, negligence or wilful default of CWF or its directors, employees or agents; or

(v) any conversion of one currency to another pursuant to, in relation to or arising from this Agreement.

(b) Without limiting the generality of 19.11(a) above, neither CWF nor any of its directors, employees or agents shall have any liability whatsoever (whether in negligence or otherwise) for any loss, expense or damage suffered by the Client arising out of or alleged to arise out of or in connection with any inconvenience, delay or loss of use of the ETS or any delay or alleged delay in acting or any failure to act on any Instruction given by the Client to CWF, even if CWF has been advised of the possibility of such losses or damages.

(c) The Client undertakes to indemnify and keep CWF and any of its directors, employees or agents fully indemnified from and against all costs, claims, demands, damages, liabilities and expenses (including legal expenses on a full indemnity basis) whatsoever which may be reasonably suffered or incurred by CWF directly or indirectly arising out of or in connection with any transaction entered into by CWF as agent on behalf of the Client or otherwise whatsoever or howsoever arising out of anything done or omitted to be done by CWF in accordance with the terms of this Agreement or pursuant to any Client's Instruction or communication. Further, the Client agrees to do such things and acts as are necessary, or in CWF's opinion, as is desirable, to ratify or confirm any thing or act done by CWF as the Client's agent or on his behalf pursuant to this Agreement. The Client also agrees to pay promptly to CWF all damages, costs, expenses incurred by CWF in the enforcement of any of the provisions of this Agreement.

(d) The Client undertakes to indemnify CWF and its officers, employees and agents for any loss, cost, claim, liability or expense arising out of or connected with any breach by the Client of its obligations hereunder, including any costs reasonably and necessarily incurred by CWF in collecting any debts due to CWF or in connection with the closure of the Account(s).

20. REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS

20.1 The Client warrants that he has full and unrestricted power to enter into this Agreement and that it has

obtained all necessary consents and has taken all necessary actions (including, where appropriate, any action required under its corporate or other organizational documents) to authorize it to enter into this Agreement and to perform its obligations hereunder.

20.2 The Client confirms that the Account Opening Form in relation to the opening of the Account has been duly completed and that the information therein is true, complete and accurate. CWF is entitled to rely fully on such information and representations for all purposes. CWF is authorized at any time to contact anyone, including the Client's banks, brokers or any credit agency, for the purpose of verifying the information provided in the Account Opening Form.

21. CLIENT IDENTITY DISCLOSURES

Without affecting any other provisions of this Agreement, in connection with any lawful request for information made to CWF by Hong Kong Regulator(s) in respect of any transaction relating to the Account:-

(a) the Client shall, within two (2) Business Days, upon request by CWF, provide the Hong Kong Regulator(s) with such information as may be required by it including but not limited to the identity, address, occupation, contact details and other identification particulars of (i) the party on whose account the transaction was effected (so far as known to the Client); (ii) the person who has the ultimate beneficial interest in the transaction; and (iii) any third party who originated the transaction;

(b) if the Client effected the transaction for a collective investment scheme, discretionary account or discretionary trust, the Client shall within two (2) Business Days, upon request by CWF, inform the Hong Kong Regulator(s) of the identity, address and contact details of the scheme, account or trust and, if applicable, the identity, address, occupation and contact details of the person who, on behalf of the scheme, account or trust, instructed the Client to effect the transaction. The Client shall inform CWF within twenty-four (24) hours after the Client's discretion to invest on behalf of any scheme, trust or account has been overridden. In such event, the Client shall also inform the Hong Kong Regulator(s) within two (2) Business Days upon request by CWF, of the identity, address, occupation and contact details of the person(s) who has or have given the instruction in relation to the transaction; and

(c) if the Client is aware that the Client's client is acting as intermediary for its underlying client(s), and the Client does not know the identity, address, occupation and contact details of the underlying client for whom the transaction was effected, the Client confirms that:-

(i) the Client have arrangements in place with the Client's client which entitle the Client to obtain the information set out in paragraphs (a) and/or (b) above from the Client's client immediately upon request or procure that it be so obtained; and

(ii) the Client shall, upon request from CWF in relation to a transaction under the Account, promptly request the information set out in paragraphs (a) and/or (b) above from the Client's client on whose instructions the transaction was effected such that the information is provided to the Hong Kong Regulator(s) within two (2) Business Days from the date of the request.

Without affecting any other provisions of this Agreement, in respect of any transaction relating to the Accounts, the Client shall, within two (2) Business Days, upon request by the Hong Kong Regulator(s), directly provide the

Hong Kong Regulator(s) with such information as may be required by it including but not limited to the identity, address, occupation, contact details and other identification particulars of (i) the party on whose account the transaction was effected (so far as known to the Client); (ii) the person who has the ultimate beneficial interest in the transaction; and (iii) any third party who originated the transaction.

The Client confirms that neither the Client nor the Client's clients are subject to any law which prohibits the performance by the Client of this Clause 21 or, if the Client or the Client's clients are subject to such law, that the Client or the Client's clients, as may be the case, have waived the benefit of such law or consent in writing to the performance by the Client of these Clauses.

22. PERSONAL DATA (PRIVACY) ORDINANCE (CAP.486)

22.1 The Client understands that the Client may have been or may in future be requested to supply personal information from time to time to CWF relating to the Client, and in the carrying out of transactions contemplated under this Agreement and further information shall or may be collected by CWF (all such information is referred to as "data" in this Clause 22).

22.2 The Client understands that a request for data in the Account Opening Form or otherwise shall oblige the Client to complete the same, and any failure to do so may result in CWF being unable to open or continue the Account, or unable to effect transactions under the Account.

22.3 The Client understands and accept that CWF may provide data received from the Client to the following persons and/or for the following purposes:

- (a) any nominees in whose name securities or other assets may be registered;
- (b) any contractor, agent or service provider which provides administrative, data processing, financial, computer, telecommunication, payment or securities clearing, financial, professional or other services to CWF or to any other person to whom data is passed;
- (c) any person with whom CWF enter into or propose to enter into transaction on the Client's behalf or Account, or persons representing the same;
- (d) any assignee, transferee, participant, sub-participant, delegate, successor or person to whom this Agreement is novated; and
- (e) any governmental, regulatory or other bodies or institutions, whether as required by law or otherwise.

22.4 The Client understands that the purposes for which the data provided by the Client from time to time may be used are:-

- (a) giving effect to the Client's orders relating to transactions or otherwise, and carrying out the Client's other Instruction;
- (b) providing services in connection with the Account, whether the services are provided by or through any other member of CWSI or any other person;
- (c) conducting credit inquiries or checks on the Client and ascertaining the Client's financial situation and investment objectives, and enabling or assisting any other person so to do;
- (d) collection of amounts due, enforcement of security, charge or other rights and interests in favour of CWF or any member of CWSI;

- (e) marketing existing and future services or products, of any other members of the CWSI;
- (f) observing any legal, regulatory or other requirements to which any other persons may be subject; and
- (g) other purposes related or incidental to any one or more of the above.

22.5 The Client understands that the Client may request a copy of such data. The Client also understands that the Client may request the correction of the data. Any such request may be addressed to the Data Protection Officer of CWF at Room 506, 5/F, New East Ocean Centre, 9 Science Museum Road, TST East, Kowloon, Hong Kong.

23. FATCA COMPLIANCE

23.1 Disclosure, Consent and Waiver: The Client hereby agrees and consents that CWF, CWSI and their agents and service providers may collect, store and process information obtained from the Client or otherwise in connection with this Agreement and/or the Client's transactions for the purposes of complying with FATCA and/or other applicable law, including disclosures between CWF and any of them and to the governmental authorities of the United States of America, Hong Kong and/or other jurisdictions. To the extent permitted by law, Client hereby waives any provision of any data protection, privacy, banking secrecy or other law or regulation of any jurisdiction and/or the terms of any confidentiality agreement, arrangement or understanding that would otherwise prevent compliance by CWF, CWSI and their agents and service providers with FATCA and/or other applicable law. The Client acknowledges that this may include transfers of information to jurisdictions which do not have strict data protection, data privacy laws or banking secrecy laws. The Client shall ensure that, before the Client or anyone on its behalf discloses information relating to any third party to CWF, CWSI or their agents or service providers in connection with this Agreement or the Client's transactions that third party has been provided with such information and has given such consents or waivers as are necessary to allow CWF, CWSI and their agents and service providers to collect, store, process and disclose his, her or its information as described in this Clause.

23.2 Provision of Information:

(a) The Client shall upon request by CWF confirm to CWF (i) whether the Client is a person who is entitled to receive payments free from any deduction or withholding as required by FATCA (the "FATCA Exempt Person"); and (ii) supply to CWF such forms, documentation and other information relating to the Client's status under FATCA (including its applicable pass thru rate or other information required under the US Treasury Regulations or other official guidance including intergovernmental agreements) as CWF reasonably requests for the purposes of that CWF's compliance with FATCA (and the compliance of any of CWSI).

(b) If the Client confirm to CWF pursuant to the above that the Client is a FATCA Exempt Party and the Client subsequently becomes aware that the Client is not, or has ceased to be a FATCA Exempt Party, the Client shall notify CWF as soon as reasonably practicable.

(c) If the Client fails to confirm its status or to supply forms, documentation or other information requested in accordance with paragraph (a) above (including, for avoidance of doubt, where paragraph (b) above applies), then::

(i) If the Client failed to confirm whether the Client is (and/or remains) a FATCA Exempt Party then the Client will be treated as if the Client is not a FATCA Exempt Party; and

(ii) If the Client failed to confirm its applicable pass thru rate then the Client will be treated as if its applicable pass thru rate is 100%, until such time as the Client provide CWF the requested confirmation, forms, documentation or other information.

23.3 Withholding or Deduction: If CWF is required pursuant to FATCA or otherwise by law to withhold or deduct any FATCA withholding taxes (including any penalties or interest payable in connection with any failure to pay or any delay in paying any such taxes) on any payments to the Client, CWF may deduct such taxes and CWF will not be required to increase any payment in respect of which CWF makes such withholding. The Client shall be treated for all purposes of this Agreement as if the Client had received the full amount of the payment, without any deduction or withholding. The Client shall provide CWF such additional documentation reasonably requested by CWF to determine the amount to deduct and withhold from such payment.

24. RISK DISCLOSURE STATEMENTS

24.1 The following statements are furnished to the Client in accordance with the Code of Conduct for Persons Licensed By or Registered With the Securities and Derivatives Commission.

Risk of Trading Futures and Options

The risk of loss in trading futures contracts or options is substantial. In some circumstances, the Client may sustain losses in excess of the Client's 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. The Client may be called upon at short notice to deposit additional margin funds. If the required funds are not provided within the prescribed time, the Client's position may be liquidated. The Client will remain liable for any resulting deficit in the Client's account. The Client should therefore study and understand futures contracts and options before the Client trades and carefully consider whether such trading is suitable in the light of the Client's own financial position and investment objectives. If the Client trades options, CWF should inform the Client of exercise and expiration procedures and the Client's rights and obligations upon exercise or expiry.

Risk of Client Assets Received or Held Outside Hong Kong

Client assets received or held by the licensed or registered person outside Hong Kong are subject to the applicable laws and regulations of the relevant overseas jurisdiction which may be different from the SFO and the rules made thereunder. Consequently, such client assets may not enjoy the same protection as that conferred on client assets received or held in Hong Kong.

Risk of providing authority to hold mail or to direct mail to third parties.

If the Client provides CWF with an authority to hold mail or to direct mail to third parties, it is important for the Client to promptly collect in person all contract notes and statements of my/our Account and review them in detail to ensure that any anomalies or mistakes can be detected in a timely fashion.

24.2 Additional Risk Disclosure For Futures and Options Trading

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, the Client should undertake such transactions only if the Client understands the nature of the contracts (and contractual relationships) into which the Client is entering and the extent of the Client's exposure to risk. Trading in futures and options is not suitable for many members of the public. The Client should carefully consider whether trading is appropriate for the Client in light of the Client's experience, objectives, financial resources and other relevant circumstances.

a) Futures

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 the Client has deposited or will have to deposit: this may work against the Client as well as for CWF. The Client may sustain a total loss of initial margin funds and any additional funds deposited with the firm to maintain the Client's position. If the market moves against the Client's position or margin levels are increased, the Client may be called upon to pay substantial additional funds on short notice to maintain the Client's position. If the Client fails to comply with the request for additional funds within the time prescribed, the Client's position may be liquidated at a loss and the Client will be liable for any resulting deficit.

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.

b) Options

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. The Client should calculate the extent to which the value of the options must increase for the Client's 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 future, the purchaser will acquire a futures position with associated liabilities for margin (see the section on Futures above). If the purchased options expire worthless, the Client will suffer a total loss of the Client's investment, which will consist of the option premium plus transaction costs.

Selling ("Call Option" or "Put Option") 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 future, the seller will acquire a position in a future with associated liabilities for margin (see Clause 23.1 on Futures above). If the option is "covered" by the seller holding a corresponding position in the underlying interest or a future or another option, the risk may be reduced.

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.

24.3 Additional Risks Common to Futures and Options

a) Terms and conditions of contracts:

The Client should ask the firm with which the Client deals about the terms and conditions of the specific futures or options which the Client is trading and associated obligations (e.g. the circumstances under which the Client 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. If the Client has sold options, this may increase the risk of loss.

Further, normal pricing relationships between the underlying interest and the future, 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:

The Client should familiarize himself/herself with the protections accorded money or other property the Client deposits for domestic and foreign transactions, particularly in the event of a firm insolvency or bankruptcy. The extent to which the Client may recover the Client's money or property may be governed by specific legislation or local rules. In some jurisdictions, property, which had been specifically identifiable as the Client's 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 the Client begins to trade, the Client should obtain a clear explanation of all commission, fees and other charges for which the Client will be liable. These charges will affect the Client's net profit (if any) or increase the Client's loss.

e) Transactions in other jurisdictions:

Transactions on markets in other jurisdictions, including markets formally linked to a domestic market, may expose the Client to additional risk. Such markets may be subject to regulation, which may offer different or diminished investor protection. Before the Client trades, the Client should enquire about any rules relevant to the Client's particular transactions. The Client's local regulatory authority will be unable to compel the enforcement of the rules of regulatory authorities or markets in other jurisdictions where the Client's transactions have been effected. The Client should ask the firm with which the Client deals with for details about the types of redress

available in both the Client's home jurisdiction and other relevant jurisdictions before the Client starts to trade.

f) Currency risks:

The profit or loss in transactions in foreign currency-denominated contracts (whether they are traded in the Client's own or another jurisdiction) will be affected by fluctuations in currency rates where there is a need to convert from the currency denomination of the contract to another currency.

g) Trading facilities:

Most open-outcry and electronic trading facilities are supported by computer-based component systems for the order-routing, execution, matching, registration or clearing of trades. As with all facilities and systems, they are vulnerable to temporary disruption or failure. The Client's ability to recover certain losses may be subject to limits on liability imposed by the system provider, the market, the clearing house and/or member firms. Such limits may vary: the Client should ask the firm with which the Client deals for details in this respect.

h) Electronic trading:

Trading on an electronic trading system may differ not only from trading in an open-outcry market but also from trading on other electronic trading systems. If the Client undertakes transactions on an electronic trading system, the Client will be exposed to risks associated with the system including the failure of hardware and software. The result of any system failure may be that the Client's order is either not executed according to the Client's Instruction or is not executed at all.

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 the Client deals with may be acting as the Client's counterparty to the transaction. It may be difficult or impossible to liquidate an existing position, to assess the value, to determine a fair price or to assess the exposure to risk. For these reasons, these transactions may involve increased risks. Off-exchange transactions may be less regulated or subject to a separate regulatory regime.

Before the Client undertakes such transactions, the Client should familiarize himself/herself with applicable rules and attendant risks.

25. Disclaimers

25.1 HKFE 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 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 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 and 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 and Member 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 matters referred to in this disclaimer. Any Member 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.

25.2 Hang Seng Indices Disclaimers

a) For Futures Contracts:

HSI Services Limited ("HSI") currently publishes, compiles and computes a number of stock indices and may publish, compile and compute such additional stock indices at the request of Hang Seng Data Services Limited ("HSDS") from time to time (collectively, the "Hang Seng Indices"). The marks, names and processes of compilation and computation of the respective Hang Seng Indices are the exclusive property of and proprietary to HSDS. HSI has granted to the Exchange by way of licence the use of the Hang Seng Index and the four Sub-indices of the Hang Seng Index, the Hang Seng China-Affiliated Clients Index and the Hang Seng China Enterprises Index solely for the purposes of and in connection with the creation, marketing and trading of futures contracts based on such indices respectively and may from time to time grant to the Exchange corresponding use of any other Hang Seng Indices for the purposes of and in connection with futures contracts based on such other Hang Seng Indices (collectively, "Futures Contracts"). The process and basis of compilation and computation of any of the Hang Seng Indices and any of the related formula or altered by HSI 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 indices to be calculated. Neither the Exchange nor HSDS nor HSI warrants or represents or guarantees to any Member or any third party the accuracy or completeness of the Hang Seng Indices 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 Indices or any of them is given or may be implied. Further, no responsibility or liability whatsoever is accepted by the Exchange, HSDS or HSI in respect of the use of the Hang Seng Indices 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 HSI in the compilation and computation of the

Hang Seng Indices or any of them or for any economic or other losses which may be directly or indirectly sustained as a result thereof by any Member or any third party dealing with the Futures contracts or any of them. No claims, actions or legal proceedings may be brought by any Member or any third party against the Exchange and/or HSDS and/or HSI in connection with or arising out of matters referred to in this disclaimer. Any Member 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 HSI.

b) For Option Contracts:

HSI Services Limited ("HSI") currently publishes, compiles and computes a number of stock indices and may publish, compile and compute such additional stock indices at the request of Hang Seng Data Services Limited ("HSDS") from time to time (collectively, the "Hang Seng Indices"). The marks, names and processes of compilation and computation of the respective Hang Seng Indices are the exclusive property of and proprietary to HSDS. HSI has granted to the Exchange by way of licence the use of the Hang Seng Index and the four Sub-indices of the Hang Seng Index, the Hang Seng China-Affiliated Clients Index and the Hang Seng China Enterprises Index solely for the purposes of and in connection with the creation, marketing and trading of option contracts based on such indices respectively and may from time to time grant to the Exchange corresponding use of any other Hang Seng Indices for the purposes of and in connection with option contracts based on such other Hang Seng Indices (collectively, "Option Contracts"). The process and basis of compilation and computation of any of the Hang Seng Indices and any of the related formula or altered by HSI 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 indices to be calculated. Neither the Exchange nor HSDS nor HSI warrants or represents or guarantees to any Member or any third party the accuracy or completeness of the Hang Seng Indices 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 Indices or any of them is given or may be implied. Further, no responsibility or liability whatsoever is accepted by the Exchange, HSDS or HSI in respect of the use of the Hang Seng Indices 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 HSI in the compilation and computation of the Hang Seng Indices or any of them or for any economic or other losses which may be directly or indirectly sustained as a result thereof by any Member or any third party dealing with the Option contracts or any of them. No claims, actions or legal proceedings may be brought by any Member or any third party against the Exchange and/or HSDS and/or HSI in connection with or arising out of matters referred to in this disclaimer. Any Member 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 HSI.

(In the event that there is inconsistency between the English version and the Chinese version of this Agreement, the English version shall prevail.)