



華盛証券

新浪旗下互聯網券商

Client Agreement

(Futures Trading Account)

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THIS IS AN IMPORTANT DOCUMENT. PLEASE READ IT CAREFULLY.

IF YOU ARE IN ANY DOUBT ABOUT THIS AGREEMENT OR ABOUT THE PURCHASE AND SALE OF SECURITISE AND OTHERWISE, PLEASE CONSULT YOUR LEGAL ADVISOR, ACCOUNTANT AND OTHER PROFESSIONAL ADVISOR.

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Client Agreement (Futures Trading Account)

THIS AGREEMENT is made the date stated in the Account Opening Form.

BETWEEN

- (1) **VALUABLE CAPITAL LIMITED**, a company incorporated under the laws of Hong Kong whose registered office is at Room 3606, 36/F., China Merchant Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong and a corporation is licensed for Type 1 Regulated Activity (i.e. Dealing in Securities), Type 2 Regulated Activity (i.e. Dealing in Futures Contracts), Type 4 Regulated Activity (i.e. Advising on Securities), Type 5 Regulated Activity (i.e. Advising on Futures Contracts) and Type 9 Regulated Activity (i.e. Asset Management) under the Securities and Futures Ordinance with CE No. AUL711, an Exchange Participant of The Stock Exchange of Hong Kong Limited and Hong Kong Futures Exchange Limited (hereinafter referred to as “VCL”); and
- (2) The party whose full name, address and other details are set out in the Account Opening Form (hereinafter referred to as the “Client”).

NOW IT IS HEREBY AGREED as follows:

1. DEFINITION AND INTERPRETATION

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

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

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

“**Automatic Exchange of Financial Account Information**” or “**AEOI**” means one or more of the following, as the context requires: (i) Foreign Account Tax Compliance Act (“FATCA”); (ii) the OECD Standard for Automatic Exchange of Financial Account Information in Tax Matters – the Common Reporting Standard (“CRS”) and any associated guidance; (iii) any intergovernmental agreement, treaty, regulation, guidance, standard or any other arrangement between Hong Kong and any other jurisdiction (including between any government bodies in each relevant jurisdiction), entered into to facilitate, implement, comply with or supplement the legislation, regulations, guidance or standards described in (i) and (ii) above; and (iv) any legislation, regulations or guidance implemented in Hong Kong to give effect to the matters outlined above.

“**Agreement**” means this Client Agreement between VCL and the Client (including the Account Opening Form) as may be carried, amended or supplemented from time to time. It manifests the contractual relationship between VCL and the Client wherein VCL acts as the Client’s agent, or in such other capacity as disclosed to the Client, in relation to purchase, sale, exercising, exchange of, trading or dealing in Commodity.

“**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 VCL in writing as being authorized to operate the Account and issue such Instruction.

“**Beneficial Owner**”, 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 banks are open for business.

“**Close Out**” in relation to a Contract held by VCL on behalf of the Client, means entering into a second Futures Contract or Options Contract (as the case may be) on identical terms to the first-mentioned Contract, except:

- (i) That the price may not be the same as the price specified in the first-mentioned Contract; and
- (ii) The Client takes the opposite side to the side the Client held under the first-mentioned Contract;

For the purpose of crystallizing the profit or loss on the first-mentioned Contract, and the expression “close out” shall be construed accordingly.

“**Commodity**” or “**Commodities**” means any Futures Contract or Options Contract that is traded on the HKFE or any other foreign futures exchanges, or Futures Contracts or Options Contracts on any other instrument agreed between the parties. Commodity includes, but not limited to, currencies, securities, indices of any kind (whether stock market or otherwise), interest rates, exchange rates, physical assets (including precious metals, non-precious metals, agricultural produce and oil) or other investment traded, or rights or Options in relation to which are traded.

“Common Reporting Standard” or “CRS” means as a worldwide information-gathering and reporting requirement for financial institutions that is used to fight against tax evasion and protect the integrity of tax systems. Under the CRS, VCL is required to determine where clients are “tax residents” (this will usually be where they are liable to pay income or corporate taxes) and give their national tax authorities information on those clients that are tax residents/paying tax outside Hong Kong. VCL will share client information with the tax authority of the Country(ies) where clients are tax residents.

“Contract” means any contract relating to Commodity.

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

“Exchange” means HKFE or any foreign futures exchanges, market or association of dealers in any part of the world on which a Futures Contract or an Options Contract is traded.

“Financial Product” means, where applicable, any securities, futures contracts or leveraged foreign exchange contracts as defined under the SFO.

“Foreign Account Tax Compliance Act” or “FATCA” 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.

“Futures Contract” or “Futures” means a Contract executed on any Exchange, the effect of which is that:

- (i) One party agrees to deliver to the other party at any agreed future time an agreed Commodity or quantity of a Commodity at an agreed price; or
- (ii) The parties agree to make an adjustment between them at an agreed future time according to whether the agreed Commodity is worth more or less or, as the case may be, stands higher or lower at that time than a level agreed at the time of making the Contract, the difference being determined in accordance with the rules of the Exchange on which the Contract is made.

“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 Options Contracts or Futures Contracts.

“HKFE Rules” means the rules, regulations and procedures of the Hong Kong Futures Exchange Limited (as revised, amended or substituted from time to time).

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

“Investor Compensation Fund” means the investor compensation fund established pursuant to Section 236 of the SFO.

“Log-In Name” means the name chosen by the Client to gain an access to and use VCL’s Electronic Trading Services (ETS). The Log-In Name can be an e-mail address, a mobile number or HS Number of the Client.

“Log-In Password” means the personal password which is created and changed by the Client. This Log-In Password is owned by the Client and used to identify the identity of the Client. It is used in conjunction with the Log-In Name to gain access to the VCL’s Electronic Trading Services.

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

“Omnibus Account” means an account opened with VCL by the Client in respect of which VCL 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.

“Open Contracts” means a Futures Contract or an Options Contract that has not been closed out.

“Options Contract” or “Options” 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 (as the case may be) before a specified date, to acquire or (as the case may be) to dispose of a specified quantity of a Commodity at an agreed price.

“Regulator(s)” refers to the SFC, the HKEX, the HKFE and/or other relevant regulatory bodies in Hong Kong or elsewhere.

“SFC” means the Securities and Futures Commission of Hong Kong.

“SFO” means the Securities and Futures Ordinance, Chapter 571, Laws of Hong Kong and any subsidiary legislation made thereunder, as amended or substituted from time to time.

“Trading Password” means “personal identification number” created by the Client, as a security measure, to identify and verify the identity of Client, and identify the identity of individual giving Instruction.

“**Transaction**” means any transactions concerning the purchase, sale, exchange, exercise, other disposal of and dealings in any or all kinds of Futures Contracts and Options Contracts on any Exchange, including, but not limited to, the provision of nominee or custodian service therefore and other transactions effected under or pursuant to this Agreement.

“**Variation Adjustment**” includes the amount payable by or to HKFE Clearing House, and/or VCL on behalf of the Client, calculated in accordance with Rules 408 to 411 of HKFE Clearing House.

“**VCL Group**” means VCL’s holding company (as defined in the Companies Ordinance of Hong Kong) or any of VCL’s subsidiaries/affiliates or subsidiaries (as defined in the Companies Ordinance of Hong Kong) of such holding company.

- 1.2 In this Agreement, words denoting any gender include all genders; words denoting the singular include the plural; words denoting the plural include the singular; and reference to persons include a natural person, firm, company, sole proprietorship, partnership and corporation.

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. The Client undertakes to inform VCL of any changes to that information. It is the Client’s responsibility to ensure the Account accuracy and to notify VCL immediately with regard to such discrepancies. VCL also undertakes to inform the Client of any material change of VCL’s name, address, registration status, financial products and services, remuneration and margin facilities.
- 2.2 **Credit Inquiries:** The Client hereby authorizes VCL to conduct from time to time credit enquiries or checks on the Client and to verify the information the Client has provided.
- 2.3 **Legal Capacity:** The Client represents that he is of required legal age and mentally fit to enter into this Agreement.
- 2.4 **Beneficial Owner(s) of the Account:** The Client represents that the Client ultimately owns, controls the Account or on whose behalf a Transaction or activity is being conducted. Should the direct ownership or direct beneficial interest have changed, the Client agrees to inform and notify VCL in writing promptly.
- 2.5 **Power of Attorney:** The Client agreed to and hereby irrevocably appoint VCL 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 provision of this Agreement and taking any action and executing any instrument, which VCL deems necessary or advisable to accomplish the purposes of this Agreement.
- 2.6 **Safeguard of Account Number, Log-In Password and Trading Password:** For the protection of the security and integrity of the Client’s Account, the Client will create a Log-In Password and Trading Password to enter into and 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 Log-In Password and Trading Password. The Client accepts the full responsibility for monitoring and safeguarding the integrity and security of the Client’s Account Number, Log-In Password and Trading Password. The Client will immediately notify VCL in writing, if the Client becomes aware of any loss, theft or unauthorized use of the Client’s Account Number, Log-In Password and/or Trading Password. In the absence of such notification, VCL is not liable for any consequential damage in connection therewith.
- 2.7 **Material Change:** VCL 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 prescribed in the account opening form shall not be effective with respect to the operation of the Account, unless VCL is notified of such change in writing pursuant to Clause 18.1 below.
- 2.8 **Genuine Signature:** The signature of the Client, the Client’s authorized signatory, director 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.
- 2.9 **Disclosure of Information:** VCL may from time to time be required to share the Client’s confidential information with certain third parties (whether in Hong Kong or elsewhere) for the purposes of proper and effective operation of the Account and provision of products and services to the Client, for the purposes of implementation of credit control or risk management policies of VCL, and/or for the purposes for complying with and/or enabling VCL to comply with any local or foreign laws, regulations (including FATCA, Automatic Exchange Of Financial Account Information, CRS and similar regulations), notifications, directives, guidelines or guidance given or issued by or in agreement with any legal, regulatory, governmental, tax, law enforcement or other authorities, exchanges, or self-regulatory or industry

bodies or associations of financial services providers, within or outside Hong Kong, existing currently and in the future. For these purposes, the Client authorizes VCL to disclose such confidential information to the following entities, whether in Hong Kong or elsewhere, (i) other entities within the VCL; (ii) any VCL's professional advisor (including any legal advisor or auditor), rating agency, insurer, insurance broker, direct or indirect provider of credit protection, or third party provider of services, (such as operational, administrative, data processing, back office support, payment or futures clearing, telecommunications, computer and technological service providers); and (iii) as required by any applicable law, regulation or contractual commitment, regulatory and other authorities (including government, administrative, regulatory or supervisory body or authority or court or tribunal having jurisdiction over VCL).

3. JOINT ACCOUNTS

- 3.1 If the Client is a joint account holder, the Client's obligations and liabilities under the Agreement shall be joint and several and VCL may in its absolute discretion take recourse against any one or all of the Clients. Unless terminated in accordance with this Agreement, the death of one joint holder does not operate to terminate this Agreement. Any notice, payment or delivery by VCL to either or any one of the joint account holders shall be a full and sufficient discharge of VCL's obligations to notify, pay or deliver under this Agreement. VCL is also authorized by the Client to accept or carry out Instructions from either or any one of the joint account holders. For the avoidance of any doubt, upon the death of a joint account holder, all rights and interests of such joint account holder in the joint account will be vested in the survivor(s) under such account by operation of the rule of survivorship.

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 VCL 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 VCL and the Client in respect of Transactions concluded on the Client's Instruction, and these rules contain provisions requiring VCL in certain circumstances to disclose the Client's name, the identity of Beneficial Owner and other client information.
- 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 VCL in accordance with such laws, rules and regulations shall be binding on the Client.
- 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. The Client hereby irrevocably submits to the non-exclusive jurisdiction of the Hong Kong courts.

5. PROVISIONS PRESCRIBED BY THE HKFE

- 5.1 **Rules of the HKFE:** Without prejudice and in addition to any other provisions of this Agreement, all Transactions entered into on the HKFE shall be subject to the provisions of the HKFE Rules, and which shall constitute, and be construed as, part of this Agreement.
- 5.2 **Investor Compensation Fund:** In the event that the Client suffers pecuniary loss by reason of default committed by VCL, 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 and accordingly there can be no assurance that any pecuniary loss sustained by the Client by reason of such a default will necessarily be recouped from the Investor Compensation Fund in full, in part or none at all.
- 5.3 **Conflicts of Interests:**
- (a) VCL or any member within the VCL Group may act in any capacity for any other person to execute Transactions in Commodity as well as acting for the Client, whether in the same Transaction or otherwise. VCL or any member of the VCL Group, 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, VCL or any member of the VCL Group may take the opposite position to the Client's order in relation to any Commodity, whether for its own account or for the account of VCL's other

clients or VCL's associated companies, provided that such Transactions 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.

- (b) The Client acknowledges and agrees that VCL may solicit, accept and retain for its own benefit any rebate, brokerage, commission, fee, discount, and/or other benefit or advantage from any Transaction effected by VCL. VCL will disclose such benefit or advantage to the Client upon request or otherwise in accordance with applicable laws, regulations and rules. VCL may also offer at its discretion any benefit or advantage to any person in connection with such Transaction.

5.4 **Dealing in Non-HKFE Markets:** If the Client wishes to deal in any Commodity 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 the 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 offered by HKFE Rules.

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

5.6 **Custody of Funds:** All monies and other assets that VCL 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 VCL as trustee, properly segregated from its own assets and be paid into a segregated bank account as soon as practicable and in any event within two (2) Business Days after its receipt. VCL shall be entitled and is hereby authorized to hold any monies held by VCL on behalf of the Client whether for the Account or otherwise, in a bank account whether situated in Hong Kong or not.

5.7 **Authorization to Appropriate Funds:** The Client authorizes VCL to apply any monies which the Client may pay to VCL, in particular, VCL may apply such monies in or towards meeting VCL's obligations to any party insofar as such obligations arise in connection with or incidental to the business of dealing in Commodity transacted on the Client's behalf.

5.8 **VCL Deals As A Principal:** The Client acknowledges that in respect of any Account that VCL maintained with the HKFE Clearing House or any other clearing house, whether or not such Account is maintained wholly or partly in respect of Commodity 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 VCL and the HKFE Clearing House or such other clearing house, VCL deals as a principal. The Client agrees that VCL 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.

6. INSTRUCTIONS AND TRANSACTIONS

6.1 **Agency Trading:** VCL will act as the Client's agent in effecting Transactions unless VCL indicates (in the contract note for the relevant Transaction or otherwise) that VCL is acting as principal. Unless otherwise disclosed to the Client orally or in writing, VCL and its directors and employees will carry out Instruction and effect Transactions for the Account as agent for the Client and not as principal. Unless otherwise proved to the contrary, the Client acknowledges that any sale or purchase of Commodity effected by VCL pursuant to the Client's Instruction or any Authorized Person on behalf of the Client as aforesaid will not result from the selection or advice in the selection of such Commodity by VCL.

6.2 **Client Instruction:** Instructions may be given orally, in writing or electronically, and shall be irrevocable once given. VCL shall be entitled to rely and act upon any Instruction which purports or which VCL believes in good faith to have been given by the Client or by an Authorized Person. Subject to prior written agreement with VCL, the Client may limit the powers and authorities of individual Authorized Persons. Amendments to the list of Authorized Persons shall take effect only when VCL 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 VCL. VCL 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 as well as when the Client gives Instruction to VCL via

ETS, those Instructions will be linked to the Client's Account Number, Log-In Password and Trading Password. VCL 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. VCL 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 VCL may consider appropriate regardless of the nature of the transaction or agreement or the value, type and quantity of Commodity 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, facsimile transmission, internet transmission, electronic mail, mail, orally or otherwise are transmitted at the Client's own risks.

- 6.4 **Orders are for Good for the Day:** Unless the Client gives specific Instruction to VCL to the contrary and which Instruction is accepted by VCL, the Client acknowledges that all orders, Instruction or requests in relation to the Account are good for the day only (i.e. a day order) and that they will automatically 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 Commodity, 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 VCL shall not be under any liability for any loss arising by reason of VCL'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 willful default of any of VCL's employees or agents.
- 6.6 **Voice recording:** VCL 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 VCL shall constitute conclusive evidence of the communications so recorded.
- 6.7 **Third Party Instruction:** The Client understands that VCL will not accept any Instruction from a third party, 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 VCL from any disputes, losses, costs, expenses and other claims arising from reliance thereupon. Should the Client decide to authorize a third party to give Instructions, the Client agrees to supply VCL with an accurate and truthful identification and personal information about the designated third party.
- 6.8 **Order Amendment or Cancellations:** The Client may amend or cancel his Instruction that has been previously transmitted. The Client agrees that VCL 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.
- 6.9 **Order Refusal:** VCL 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 Futures Contracts or Options Contracts, or the exercise of any rights thereunder. In such event, VCL will endeavour to notify the Client accordingly, but VCL 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 VCL declining to act on such Instruction or omitting so to notify the Client.
- 6.10 **Independent Judgment:** Subject to Clause 6.11 below, the Client agrees that the Client shall independently make his own judgement and decisions with respect to each Instruction executed in the Account and VCL is only responsible for the execution, clearing and carrying out of transactions for the Account in accordance with the Client's Instruction.
- 6.11 **Suitability of Recommendation:** If VCL 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 his own financial situation, investment experience and investment objectives. No other provision of this Agreement or any other document that VCL may ask you to sign and no statement VCL may ask you to make derogates from this Clause.
- 6.12 **No Guarantee of Executions:** If VCL 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, VCL 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 price, future price, general market conditions, and/or the restrictions or limits imposed by any relevant Exchange may make it impossible or impracticable for VCL 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. The Client acknowledges and accepts that VCL 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.

- 6.13 **Restriction on Trading:** The Client agrees that VCL may, in VCL's sole discretion and without giving the Client prior notice, prohibit or restrict his ability to place orders in the Client's Account for cause. The Client agrees that VCL is not liable for any losses and/or damages, actual or hypothetical, as a result of such prohibition or restriction.
- 6.14 **Transaction in Foreign Currency:** In the event that the Client instructs VCL to execute any Commodity 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 and at the Client's risk; (ii) Margin shall be recorded in such currency or currencies and in such amounts as VCL may in VCL's sole discretion elect; and (iii) VCL is authorized to convert funds in the Account into and from such foreign currency at a rate of exchange determined by VCL, in its sole discretion, on the basis of the prevailing money market rates.
- If, for any purpose, the Client is required to convert any amount due to VCL into a currency other than that in which it would otherwise have been due, the Client shall pay VCL such additional amounts as are necessary to ensure that, when received and reconverted, VCL will receive the full amount in the original currency as it would have received had no such conversion taken place.
- 6.15 **Choice of Exchange:** Unless the Client gives VCL 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 VCL may, in its absolute discretion, determine that it is appropriate.
- 6.16 **Market Information:** Subject to Clause 6.11 above, the Client acknowledges that (a) any market recommendations and information communicated to the Client by VCL do not constitute an offer to sell or the solicitation of any offer to buy any Commodity; (b) such recommendations and information, although based upon information obtained from sources believed by VCL to be reliable, may be incomplete and may not be verified; and (c) VCL 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.
- 6.17 **Dealing in Options Contracts:** The Client understands that some exchanges and clearing houses have established cut-off times for the tender of exercise Instructions and such 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 not to exercise the Option Contract, as the case may be; VCL 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 not to exercise an Option automatically, except upon the Client's express Instructions. The Client further understands that VCL has established exercise cut-off times, which may be earlier than the times established by exchanges and clearing houses.
- 6.18 **Short Position of an Options Contract:** The Client understands that (i) all short positions of Options Contracts are subject to assignment at any time, including positions established on the same day that exercises are assigned, and (ii) notices of exercise assignment are allocated randomly among all VCL clients' short positions of Options Contracts, which are subject to exercise.

7. COMMISSION AND CHARGES

- 7.1 **Commission and Charges:** In consideration of VCL carrying out or entering into Transactions in Commodity, on the Client's behalf or for the Account, the Client agrees to pay VCL commissions at such rate or rates and on such basis as it may, from time to time, determine solely by VCL 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 VCL forthwith on demand all commission, brokerage, levies, fees, duties, taxes and all other charges and expenses suffered or incurred by VCL arising out of or in connection with any purchase or sale of Contracts entered into by VCL on behalf of the Client or otherwise arising out of or in connection with the performance of any of VCL's duties under this Agreement. All such amounts may be deducted from the Account and/or any other Accounts maintained by the Client with VCL.
- 7.2 **Levies and Charges:** Every Transaction executed on any Exchange shall be subject to any levies and charges that such Exchange may from time to time impose. VCL is authorized to collect from the Client any such levies and charges in accordance with the rules prescribed by such Exchange from time to time.

8. MARGIN

- 8.1 **Margin:** In respect of all Contracts entered into by VCL as agent on behalf of the Client, the Client shall before the relevant Contract is entered into or immediately upon demand provide VCL with such Margin together with such guarantees and other security in such form and amount and on such terms as VCL may in its absolute discretion require from time to time. Such Margin shall be maintained with VCL and the Client shall not withdraw the same until the Open Contract to which it relates has been Closed Out. The Margin required by VCL may exceed any margin requirements prescribed by any exchange, clearing house, broker and may be changed by VCL with immediate effect without prior notice to the Client. VCL shall be entitled to refuse to execute the Client's Instruction unless the Margin required by VCL has been provided to VCL.
- 8.2 **Additional Margin:** VCL shall be entitled to demand from the Client from time to time such additional Margin as VCL shall think fit in its absolute discretion, whether to comply with any requirements imposed by law or by any exchange, clearing house, broker or otherwise whatsoever or howsoever, and the Client shall immediately upon demand provide VCL with such additional Margin.
- 8.3 **Form of Assets Other Than Cash:** Margin in the form of assets other than cash will only be accepted by VCL in its absolute discretion. Where shares, stocks, and/or other valuables are deposited as Margin, VCL shall have an absolute discretion to assign a notional value (which need not correspond to the market value) to the asset for purpose of Margin, which value may change from time to time as determined by VCL in the light of the prevailing market value of the asset or otherwise.
- 8.4 **Assets Held For the Account:** Without prejudice and in addition to any other rights and remedies of VCL hereunder, the Client hereby irrevocably authorizes VCL, without prior notice to the Client, to apply all or any part of any cash deposit or other assets held for the Account of the Client by VCL on any Account whatsoever and whether or not relating to trading in Contracts, notwithstanding that any such application may result in the Client being required by VCL to provide additional Margin:
- (a) In or towards the provision of any Margin or additional Margin demanded by VCL pursuant to Clause 8.1 and Clause 8.2;
 - (b) In payment to any exchange, clearing house and/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 Contract entered into by VCL on behalf of the Client, or towards provision of security (whether in the form of mortgage, deposit, charge, pledge or otherwise) in favor or to the order of any exchange, clearing house and/or broker, without prior notice to the Client and free of any beneficial interest of the Client or of any other person in the Margin, as security for VCL's obligations to (and upon terms specified by) the exchange, clearing house and/or broker in respect of any Contract entered into by VCL on behalf of the Client, with power to such exchange, clearing house and/or broker to enforce the security in satisfaction of any obligations of VCL, provided that the Client's deposit or property shall not be applied to finance or act as security for any clearing house margin requirements or trading liabilities in respect of Contracts entered into by VCL on behalf of any other client (and in either event, such deposit or property will be dealt with according to the rules and regulations of the relevant exchange, or clearing house, or the terms of trading of the broker);
 - (c) In satisfaction of any other obligations of VCL to any party insofar as such obligations arise in connection with or incidental to any Contracts entered into by VCL on behalf of the Client; and/or
 - (d) In or towards payment of money properly required to meet commissions, brokerage, levies or other proper charges directly relating to any Contract entered into by VCL on behalf of the Client;

Notwithstanding that any such application may result in the Client being required by VCL to provide additional Margin.

- 8.5 **Margin Call:** Margin calls must be met on demand of VCL or such other time limit as may be specified by VCL from time to time (but not later than a time required by the relevant exchange to meet margin calls). If Clients failed to meet such margin calls, VCL will have the right to or will have a duty under the rules or regulations of the relevant exchange and/or clearing house to Close Out the Open Contracts held on behalf of the Client in respect of such margin calls, and/or to notify the relevant exchange, clearing house or brokers the particulars of such Open Contracts. In particular, VCL may be required to report to HKFE and SFC the particulars of all Open Contracts in respect of margin calls which have not been met by the Client for many occasions within the period specified by VCL.
- 8.6 **Set Off:** Unless specifically instructed by the Client, 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.

- 8.7 **Options Premium:** The Client shall pay VCL the full cash value of the premium of the Options Contract on the date of the Client's Instruction to VCL to purchase the Options Contract.

9. ADDITIONAL MARGIN REQUIREMENT OR DEMANDS FOR VARIATION ADJUSTMENT

- 9.1 **Additional Margin Requirement or Demands For Variation Adjustment:** In respect of all Transactions entered into VCL on behalf of the Client, the Client shall provide to VCL such Margin, additional Margin or demands for Variation Adjustment or as VCL may in its absolute discretion require immediately upon demand. Such calls for Margin, additional Margin requirements or demands for Variation Adjustment by VCL may exceed any margin requirements or Variation Adjustments prescribed by HKFE or HKCC and may be changed by VCL with immediate effect without prior notice to the Client.

10. PAYMENT

- 10.1 **Demand by VCL:** The Client shall pay VCL forthwith upon demand by VCL at any time the full amount of all losses, debit balances and deficiencies resulting from any Transaction between the Client and VCL, or from the operation of the Client's Account. Payment shall be made in such currencies as VCL may prescribe from time to time.
- 10.2 **Effect Payment On Demand:** 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 VCL 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 **Transfer to Clients:** Subject to the deduction of all amounts which VCL 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 VCL, VCL shall as soon as practicable after receiving a demand in writing from an Authorized Person transfer to Client all or part of the monies forming part of the Account and/or the proceeds of sale of any Commodity. All monies payable by VCL to the Client shall be transferred by VCL 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 VCL's obligation to make payment to the Client.
- 10.4 **Failure to Meet the Client's Obligations:** The Client will be responsible to VCL 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.
- 10.5 **Payments By the Client:** 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 VCL:
- (a) Free of any restrictions, conditions or equities;
 - (b) Free and clear funds 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 **Interest:** The Client agrees to pay interest on all overdue debit balances (including interest arising after a judgment debt is obtained against the Client) charged at an annual rate of eight point seven five (8.75) per cent above the best lending rate (Prime Rate) on Hong Kong dollars quoted by bank from time to time or at such rate as be stipulated by VCL's sole discretion from time to time. Such interest shall accrue on a day-to-day basis and shall be payable on the last day of each calendar month or upon any demand being made by VCL. The Client also agrees that any interest accrued on the credit balances of the Account shall belong to VCL absolutely.

- 11.2 **Costs of Collection:** The Client agrees to pay for the reasonable costs and expenses of collection of the debit balance and any unpaid deficiency in the Client's Account, including, but not limited to, attorney's fees, court costs and any other expenses incurred or paid by VCL.

12. SETTLEMENT

- 12.1 **Delivery:** Subject to Clause 12.5, in respect of each Open Contract for the Client which remains subsisting on the maturity date for its settlement, VCL and the Client shall each have an obligation to make or take delivery (as the case may be) of the Commodity the subject matter of the Contract on the maturity date, provided that where, according to the rules of the relevant Exchange, the outstanding obligations of the buyer and seller of an Open Contract shall be satisfied solely by cash settlement based on a difference in price or value, VCL or the Client (as the case may be) shall settle the Open Contract by paying the relevant difference to the other on the maturity date of the Open Contract. The Client shall take all necessary actions to enable VCL to effect due settlement of each Open Contract on behalf of the Client in accordance with the rules of any local or foreign clearing houses.
- 12.2 **Close Out:** Subject to the terms of this Agreement and to the requirements of the markets, the Client may, at any time before the last trading day of a Contract, request VCL to Close Out the same. Any amount payable by the Client arising out of the Closing Out of any Contract shall become immediately due and payable to VCL upon Closing out.
- 12.3 **Exercise Instruction/Notice:** To exercise an Option pursuant to an Option Contract entered into by VCL on the Client's behalf, the Client shall deliver to VCL a notice of exercise at least two (2) Business Days before the cut-off date for the tender of exercise instructions/notices prescribed by the writer of the Option or the relevant exchange, clearing house or broker (whichever prescribes the earliest cut-off date). Unless required by the rules of the relevant exchange or otherwise agreed between VCL 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, a notice of exercise from the Client shall only be considered to be valid when accompanied:
- (a) In the case of a Put Option, with the underlying Commodity or document of title thereof for making delivery; or
 - (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, VCL shall not have any responsibility whatsoever to tender any exercise instructions on behalf of the Client in respect of any Option Contract on or before the relevant cut-off date applicable to the Option Contract.

- 12.4 **The Options Contract is Exercised:** Where the Client holds a short position under an Options Contract and the Options Contract is exercised (or deemed to be exercised on expiry or otherwise), the Client shall on demand pay VCL in cash the settlement amount payable by the Client or make or take delivery (as the case may be) of the Commodity the subject matter of the Option Contract pursuant to the terms of the Option Contract.
- 12.5 **Physical Settlement:**
- (a) VCL is not under any obligation to effect physical settlement for the Client in respect of any physical delivery Contract. Any physical settlement in respect of a physical delivery Contract at the request of the Client is entirely at VCL's absolute discretion. For all physical delivery Contracts in respect of which VCL has not expressly agreed to effect physical settlement, the Client shall (a) at least five (5) Business Days prior to the relevant first notice day or last trading day (whichever is the earlier) in the case of long positions of Futures Contracts, (b) at least five (5) Business Days prior to the relevant last trading day in the case of long positions of Options Contracts, and (c) at least five (5) Business Days prior to the relevant last trading day in the case of short positions of Futures Contracts and Options Contracts, give VCL timely instructions to Close Out such Contracts to avoid physical settlement or delivery. If such timely instructions are not received by VCL by the above relevant deadline date, VCL shall be entitled (but not obliged) in its absolute discretion to, without notice to the Client and entirely at the Client's risk and for the Client's account, either Close Out such Contracts or make or take delivery on behalf of the Client at any time upon such terms and in such manner as VCL may deem fit.
 - (b) If the Client requests and VCL expressly agrees to effect physical settlement in respect of a certain physical delivery Contract, the Client shall, at least two (2) Business Days prior to the relevant delivery date (or such earlier date as may be prescribed by VCL in each case), take all necessary actions to enable VCL to effect due physical settlement of such Open Contract on behalf of the Client in accordance with the requirements

of exchanges and clearing houses. Without prejudice and in addition to any other rights and remedies of VCL under the Agreement, if the Client fails to take all such actions by such deadline date, the Client will be or be held responsible to VCL for any and all losses, liabilities, costs, fees and expenses relating to or in connection with such failure of the Client.

- 12.6 **Fail To Receive Payment:** If VCL shall for any reason whatsoever and howsoever fail to receive payment of all or any part of 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 Contract entered into by VCL on behalf of the Client 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, VCL's obligations to make payment or to deliver any Commodity to the Client in respect of such Contract 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 VCL in respect thereof.
- 12.7 **Fully Indemnify:** VCL 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 and/or any other person in respect of any failure by such exchange, clearing house and/or other person to make any payment or to deliver any amount of any Commodity in respect of any Contract entered into by VCL on behalf of the Client as provided in Clause 12.5, provided that if any such action is taken by VCL, the Client shall fully indemnify VCL on demand in respect of all costs, claims, demands, damages and expenses arising out of or in connection with the taking of such action.

13. SECURITY

- 13.1 **Discharge of All Monies and Liabilities:** The Client as the Beneficial Owner of the Account hereby charges any and all Commodity, monies and other property held or carried in the Account or to be acquired by the Client in relation to the Account to and in favor of VCL 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 VCL or any other member of the VCL Group in connection with the Account or otherwise and the payment of all costs, charges and expenses incurred by VCL or any member of the VCL Group in the exercise or enforcement of the charge hereby created.
- 13.2 **Lawful Attorney:** The Client agrees to do all such things and execute all such documents which VCL 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 VCL hereunder including but not limited to the execution by the Client of an irrevocable power of attorney appointing VCL 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 VCL shall in its absolute discretion consider necessary or appropriate.
- 13.3 **Further Security:** At the request of VCL, the Client shall grant or shall procure that such persons as are acceptable to VCL shall grant further security that is satisfactory to VCL 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 VCL may be entitled to by law.

14. CLOSING OUT OF POSITIONS

- 14.1 **Forced Liquidation:** If occurrence of anyone of the followings:
- (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 VCL;
 - (d) Insufficient Margin or VCL'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 VCL deems to require action necessary for its protection.

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

- (a) To satisfy any obligation the Client may have to VCL, 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 VCL;
- (b) Sell any or all Commodity of the Client or to purchase any or all Commodity for the Client; and
- (c) 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, VCL in its sole discretion, may sell or purchase in the same contract month.

Any sales or purchases hereunder may be made according to VCL's own judgment and at its sole discretion on any exchange or other market where such business is then usually transacted, and VCL 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 VCL'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 VCL 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 VCL 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 VCL, the Client promptly shall pay, upon demand, the deficit and all unpaid liabilities, together with interests and all costs of collection including attorney's fees, with respect to any Account of the Client, the Client agrees to be liable therefore.

15. RISK DISCLOSURE STATEMENTS

15.1 **Risk Disclosure Statements:** VCL hereby provides the following risk disclosure statements to the Client:

RISK OF TRADING FUTURES AND OPTIONS

The risk of loss in trading Futures Contracts or Options Contracts is substantial. In some circumstances, the Client may sustain losses in excess of his 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 position of the Client may be liquidated. The Client will remain liable for any resulting deficit in his Account. The Client should therefore study and understand Futures Contracts and Options Contracts before the Client trades and carefully considers whether such trading is suitable in the light of his own financial position and investment objectives. If the Client trades Options, he should inform himself of exercise and expiration procedures and his rights and obligations upon exercise or expiry.

RISK OF CLIENT ASSETS RECEIVED OR HELD OUTSIDE HONG KONG

Client assets received or held by VCL are subject to the applicable laws and regulations of the relevant overseas jurisdiction which may be different from the SFO (Cap.571) 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 VCL 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 his Account and review them in detail to ensure that any anomalies or mistakes can be detected in a timely fashion.

15.2 **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 his own exposure to risk. Trading in Futures Contract and Options Contracts is not suitable for many members of the public. The Client should carefully consider whether trading is appropriate for him in light of his own experience, objectives, financial resources

and other relevant circumstances.

FUTURES

(a) Effect of “Leverage” or “Gearing”:

Transactions in Futures carry a high degree of risk. The amount of initial Margin is small relative to the value of the Futures Contract so that Transactions are “leveraged” or “geared”. A relatively small market movement will have a proportionately larger impact on the funds the Client has deposited or will have to deposit: this may work against the Client as well as for the Client. The Client may sustain a total loss of initial margin funds and any additional funds deposited with VCL to maintain your 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 his position. If the Client fails to comply with a request for additional funds within the time prescribed, his position may be liquidated at a loss and he will be fully liable for any resulting deficit.

(b) Risk-reducing Orders or Strategies:

The placing of certain orders (e.g. “stop-loss” orders, or “stoplimit” orders) by the Client 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.

OPTIONS

(c) Variable Degree of Risk:

Transactions in Options carry a high degree of risk. Purchasers and sellers of Options should familiarize themselves with the type of Option (i.e. put or call) which they contemplate trading and the associated risks. The Client should calculate the extent to which the value of the Options must increase for his position to become profitable, taking into account the premium and all transaction costs.

The purchaser of Options may offset or exercise the Options or allow the Options to expire. The exercise of an Option results either in a cash settlement or in the purchaser acquiring or delivering the underlying interest. If the Option is on a Futures Contract, the purchaser will acquire a futures position with associated liabilities for Margin (see the section on Futures above). If the purchased Options expire worthless, you will suffer a total loss of your investment which will consist of the option premium plus transaction costs. If you are contemplating purchasing deep-out-of-the-money Options, you should be aware that the chance of such Options becoming profitable ordinarily is remote. Selling (“writing” or “granting”) an Option generally entails considerably greater risk than purchasing Options.

Although the premium received by the seller is fixed, the seller may sustain a loss well in excess of that amount. The seller will be liable for additional Margin to maintain the position if the market moves unfavorably. The seller will also be exposed to the risk of the purchaser exercising the Option and the seller will be obligated to either settle the Option in cash or to acquire or deliver the underlying interest. If the Option is on a Futures Contract, the seller will acquire a position in a Futures Contract with associated liabilities for Margin (see the section on Futures above). If the Option is “covered” by the seller holding a corresponding position in the underlying interest or a Futures Contract or another Option, the risk may be reduced. If the Option is not covered, the risk of loss can be unlimited.

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

Additional Risk Disclosure Common To Futures and Options Trading:

(d) 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.

(e) Suspension or Restriction of Trading and Pricing Relationship:

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 Futures, and the underlying interest and the Option may not exist. This can occur when, for example, the Futures Contract underlying the Option is subject to price limits while the Option is not. The absence of an underlying reference price may make it difficult to judge “fair” value.

(f) 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 VCL insolvency or bankruptcy. The extent to which the Client may recover his/her 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.

(g) Commission and Other Charges

Before beginning 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.

(h) 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.

(i) 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.

(j) 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 VCL.

(k) 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.

(l) 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.

16. DISCLAIMERS

16.1 Disclaimer - Hong Kong Futures Exchanges Limited:

Hong Kong Futures Exchange Limited (the "Exchange") may from time to time develop stock indices and other proprietary products (the "Exchange Indices"). The HKFE Taiwan Index is the first of such stock indices developed by the Exchange. The Exchange Indices, including their compilation and computation processes are exclusive property of and proprietary to the Exchange. The Exchange may at any time change or alter the compilation and computation processes of the Exchange Indices without notice. The Exchange may also at any time require that trading in and settlement of Futures or Options Contracts for any of such Exchange Indices be conducted by making reference to an alternative index which is about to trade or settle in the near future. 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 any of the Exchange Indices or for any economic or other losses which may be directly or indirectly sustained as a result thereof by any Member or any third party dealing with Futures or Options Contracts based on any of the Exchange Indices. No claims, actions or legal proceedings may be brought by any Member or any third party against the Exchange in connection with or arising out of matters referred to in this disclaimer. Any Member or any third party engages in transactions in Futures and Options Contracts for any of the Exchange Indices in full knowledge of this disclaimer and can place no reliance on the Exchange in respect of such Transactions.

16.2 Disclaimer Delivered Pursuant to the Relevant Provisions of the Regulations For Trading Futures Contracts on Stock Indices:

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

this disclaimer does not create any contractual or quasi-contractual relationship between any exchange participant or any third party and HSIL and/or HSDS and must not be construed to have created such relationship.

16.3 Disclaimer Delivered Pursuant To the Relevant Provisions of the Regulations For Trading Options Contracts on Stock Indices:

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

17. SET-OFF AND CONSOLIDATION OF ACCOUNTS

- 17.1 Set-off and Withhold:** Notwithstanding any term contained in this Agreement, the Client irrevocably directs VCL to set-off and withhold from and apply (subject to applicable laws and regulations) all of the Client’s interest in any funds, Futures Contract and/or Options Contract and property held by VCL at any time for any purpose, including (without limitation) safe-keeping, for full or partial discharge of all of the Client’s obligations and liabilities to VCL or other member of VCL Group in respect of the Account or in respect of Margin or additional Margin or commissions or expenses in accordance with Clause 8 or other terms of this Agreement, and VCL may not give any notice to Client to combine and/or consolidate all or any of the Accounts and set-off or transfer any money or other property interchangeably between any of the Accounts opened and maintained by the Client with VCL or other member of VCL Group in such manner as VCL may absolutely determine.
- 17.2 Authorisation Letter:** The Client shall deliver to VCL upon signing of Account Opening Form a duly signed and completed authorisation letter. Without prejudice to authorisations granted in the said authorisation letter or in this Agreement, VCL is authorized to transfer any funds standing from time to time between any of the Client’s Account maintained with VCL.
- 17.3 Charge and/or Lien:** Without prejudice to any other powers, authorities, rights and remedies granted to VCL under this Agreement, and until all the aforesaid obligations and liabilities of the Client have been satisfied or discharged in full, VCL shall have a charge and/or lien on and be entitled to retain and withhold all of the Client’s monies, interests in any Futures/Options Contract or other property from time to time in the possession or control of VCL whether the same be held for safe custody, margin trading or otherwise, and whether pursuant to this Agreement or otherwise, and VCL shall have the right and is irrevocably authorised as the agent of the Client to take such measures at such times as VCL may in its sole discretion deem necessary to sell, dispose of or otherwise realize all such monies, (subject to applicable laws and regulations) interests in any Futures/Options Contract or other property from time to time in the possession or control of VCL in or towards satisfaction or discharge of any of the aforesaid obligations and liabilities of Client to VCL or other member of VCL Group.

18. NOTICE AND COMMUNICATIONS

- 18.1 **Mode of Delivery:** All notice and communications from VCL to the Client under this Agreement may be sent and delivered by personal delivery, postal mail, facsimile, electronic mail or other electronic transmission to the address, facsimile number or electronic mail address in the Account Opening Form or as notified to VCL in writing from time to time by at least fourteen (14) days' advance notice. All notices and other communications shall be deemed to be delivered to the Client (i) at the time of dispatch or transmission if delivered personally, by facsimile transmission or by electronic transmission; or (ii) one (1) Business Day after dispatch if sent by post, whichever shall be the first to occur. On the other hand, any notice or other communication to be given to VCL shall be deemed effective only when received by VCL.
- 18.2 **Presumption of Receipt:** All notice and communications so sent whether by messenger, mail, facsimile, electronic mail or otherwise, shall be deemed delivered and received, unless otherwise notify to VCL by the Client. It is the Client's responsibility to ensure the correctness and accuracy of the Account and to contact VCL immediately with any discrepancies.
- 18.3 **Verbal Communications:** VCL may also communicate with the Client verbally. The Client is deemed to have received any message left for the Client on the Client's answer machine, voice mail or other similar electronic or mechanical devices at the time it is left for the Client.
- 18.4 **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 communications from VCL. VCL will not be responsible for any losses that arise from the Client's failure, delay or negligence to check such sources or facilities.
- 18.5 **Monitoring and Recording of Telephone Conversations and Electronic Communications:** For the protection of the Client and VCL, and as a tool to detect and rectify misunderstandings, the Client agrees and authorizes VCL, at VCL's discretion and without further prior notice, to monitor and record any or all telephone conversations and any electronic communications between VCL and the Client.
- 18.6 **Confirmation and Statements of Account:** The Client is responsible for reviewing all acknowledgements, confirmations, contract notes and statements of account in relation to the Client's transactions, other account activities and information upon first receiving them. All transactions and other information therein contained will be binding on the Client unless VCL receives the Client's notice of objection in writing within two (2) Business Days after the Client receives or deemed to have received them. In all cases, VCL has the right to determine the validity of the Client's objection to the relevant transactions or information.
- 18.7 **Undelivered or Returned Confirmations and Statements of Account:** The Client endeavours to keep the Client's account information up to date and correct, and to notify VCL in writing of any changes within fourteen (14) days. The Client understands, for the security and integrity of the Client's Account, that VCL may temporarily or permanently disable or restrict the Client's Account, if and when confirmations and statements of account become undeliverable or are returned as a result of the Client's failure to provide, update and/or notify VCL with most current and accurate account information.

19. ELECTRONIC TRADING SERVICE

- 19.1 **Electronic Trading Service:** The Client understands that the Electronic Trading Service ("ETS") is a semi-automated facility, which enables the Client to send electronically Instructions 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 use by the Client in accordance with the terms of this Agreement.
- 19.2 **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 Log-In Password and Trading Password. The Client acknowledges and agrees that the Client shall be solely responsible for all Instructions entered through the ETS using Log-In Password and Trading Password and neither VCL nor VCL'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 Instructions.
- 19.3 **Proprietary System:** The Client acknowledges that the ETS is proprietary to VCL. 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

VCL may take legal action against the Client, if the Client at any time breaches this warranty and undertaking or if VCL at any time reasonably suspects that the Client has breached the same. The Client undertakes to notify VCL immediately if the Client becomes aware that any of the actions described above in this Clause is being perpetrated by any other person.

- 19.4 **Responsibility to Notify Errors:** The Client further acknowledges and agrees that, as a condition of using the ETS to give Instructions, the Client shall immediately notify VCL 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 the Client did not originate or instruct; and/or (d) the Client become aware of any unauthorized use of the Account Number, Log-In Password and/or Trading Password.
- 19.5 **Alternative Trading Facilities:** The Client agrees that should the Client experience any problems in reaching VCL through the ETS or vice versa, the Client shall attempt to use an alternative method or device, as VCL may make available, to communicate with VCL to place the Client orders and to inform VCL of the difficulty the Client may experience. The Client acknowledges that VCL 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 VCL 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 VCL's service beyond VCL's control.
- 19.6 **Third Party Market Data:** The Client understands that the ETS may provide, for informational purpose only data about securities published by third parties. Owing to market volatility and possible delay in the data-transmission process, the data may not be real-time market quotes for the relevant Futures Contract or Options Contract. The Client understands that whilst VCL 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 VCL shall be inferred from the data provided with respect to any Futures Contract or Options Contract.
- 19.7 **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 VCL from time to time. The Client understands that information provided in the ETS is on an "as is", "as available" basis and VCL does not guarantee the timeliness, sequence, accuracy, adequacy or completeness of such information.
- 19.8 **Termination of Electronic Trading Services:** VCL reserves the right to terminate the Client access to the ETS in its sole discretion, without notice or giving any reasons.
- 19.9 **Sufficient Cleared Funds, Contracts and Other Property:** Unless otherwise agreed by VCL, VCL will not execute the Client's Instructions until there is sufficient cleared funds, Contracts and other property in the Account to settle the Client's Transactions.
- 19.10 **Additional Means:** The ETS provides the Client an additional means to give Instructions to VCL. The Client may also do so by calling one of VCL's licensed representatives directly. If the Client experiences any problems in reaching VCL through the ETS, the Client may use other methods to communicate with VCL and inform VCL of the difficulty the Client is experiencing.
- 19.11 **Beyond the Control of VCL:** 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 reliability is beyond the control of VCL. This may give rise to situations including delays in transmission and receipt of the Client's Instruction or other information, delay 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 VCL and so on. Whilst VCL will take every possible step to safeguard its systems, client information and assets held for the benefit of VCL's Clients, the Client accepts the risk of conducting financial and other Transactions as well as giving Instructions via the ETS.

20. FAX AND ELECTRONIC INSTRUCTION IDEMNITY

- 20.1 **Fax and Electronic Instructions:** The Client acknowledges that from time to time, VCL needs to act on facsimile or electronic Instructions (including but not limited to e-mail or short message service (SMS)) from the Client. The Client understands that facsimile and electronic Instructions are not secure means of communication and there are risks

involved. The Client hereby requests VCL to accept such facsimile or electronic Instructions for the Client's convenience. VCL is hereby authorized to act on any facsimile or electronic Instructions that VCL in its sole discretion believe emanate from the Client. Provided that VCL exercises reasonable care in verifying the signature of the purported authorized person in the facsimile Instructions or the identity of the person giving the electronic Instructions, VCL shall not be liable for acting in good faith on facsimile or electronic Instructions that emanate from unauthorized persons.

- 20.2 **Binding Transaction and Indemnity:** Any Transaction put through by VCL for the Client pursuant to a facsimile or electronic Instruction acted upon in good faith and in the absence of negligence default or fraud shall be binding upon the Client whether made with or without the Client's authority, knowledge or consent. The Client undertakes to indemnify VCL and keep VCL indemnified at all times against all actions, proceedings, claims, losses, damages, costs and expenses which may be brought against VCL or suffered or incurred by VCL and which shall have arisen either directly or indirectly out of or in connection with VCL's accepting facsimile or electronic Instructions and acting thereon, whether or not the same are confirmed in writing by the Client.

21. GENERAL PROVISIONS

- 21.1 **Entire Agreement:** This Agreement, including any Schedules and Appendices (as may be amended from time to time), contains the entire understanding between the Client and VCL and supersedes all previous Agreements and arrangement (if any) made between VCL and the Client in relation to the Account.
- 21.2 **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 persons shall be joint and several and references to the Client shall be construed, as the context requires, to any or each of the persons. VCL shall be entitled to deal separately with any of the persons including the discharge of any liabilities to any extent without affecting the liability of the others.
- 21.3 **Presumption of Delivery:** 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's residential, business or correspondence addresses as they appear from time to time on VCL's records, or by delivering the same to the Client or to any such address, or by facsimile or e-mail to any facsimile number or address notified to VCL from time to time for the purpose and shall be deemed to be received (a) the first 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 VCL's behalf.
- 21.4 **Duty to Notify Error:** The Client shall have a duty to examine notices, statements of account, trading confirmations or other communications carefully and to notify VCL in writing of any alleged error or discrepancy therein within two (2) Business Days after the date of dispatch of such notices, statements of account, trading confirmations or other communications. The Client agrees that VCL is not liable for any damages or losses resulting from any delay in reporting an error to VCL. Otherwise, in the absence of a manifest error, notices, statements of account, confirmations or other communications shall be conclusive and the Client shall be deemed to have waived its right to report any such error and VCL will be released from all claims by the Client in connection with notices, statements of account, confirmations or other communications or any action taken or not taken by VCL regarding the Account.
- 21.5 **Amendment:** To the extent permitted by law, VCL may from time to time amend any of the terms and conditions of this Agreement without prior notice to or approval from the Client, and such amendments shall come into effect immediately upon the receipt of notice from the Client pursuant to this Agreement. The Client acknowledges that the Client does not accept any amendments as notified by the Client from time to time. The Client shall have the right to terminate this Agreement.
- 21.6 **Material Change:** VCL will notify the Client of material changes to any information provided to the Client, which may affect financial product(s) and/or service(s) provided to the Client under this Agreement.
- 21.7 **Waiver:** Waiver of any right under this Agreement must be in writing signed by the party waiving such right. VCL will not be regarded as having waived any right under this Agreement if VCL 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. VCL'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 VCL's part shall, in no event, constitute or be considered

as a waiver by VCL of any of VCL's powers, rights, remedies or privileges.

21.8 **Assignment:** This Agreement shall be binding on and ensure for the benefit of the successors or assigns of the parties respectively, and shall continue to be binding on the Client notwithstanding any change in the name or constitution of VCL, or the consolidation or amalgamation of VCL into or with any other entity. The Client agrees that VCL may transfer its rights and obligations under this Agreement to an associate or successor of VCL, or change the office through which any Transaction is booked, or through which it makes or receives payments or deliveries for the purpose of any service or Transaction without prior consent from the Client. The rights and obligations of the Client under this Agreement may not be assigned without VCL's prior written consent.

21.9 **Event of Default:**

21.9.1 The following events shall be Events of Default for the purpose of this Agreement:

- (a) In respect of any Contract, the Client fails to observe or perform on its due time and date any provision thereof (including, without prejudice to the generality of the foregoing, any of this Agreement), or in respect of any other Schedules and Appendices or Transaction between the Client and VCL, the Client fails to observe or perform on its due date any provision thereof or the Client assigns or purports to assign the whole or any part of the benefit of any Contract; or
- (b) The Client (in the case of an individual) dies, or is judicially declared insane or incompetent, or commits an act of bankruptcy or, (in case of a corporate), is insolvent, or (in case of a partnership) is dissolved or enters into an arrangement or composition for the benefit of its creditors or ceases or threatens to cease to make payment of its debts; or
- (c) An encumbrancer takes possession or a receiver, trustee or other similar officer is appointed in respect of any part of the Client's undertaking, assets or revenues or a distress, execution or other process is levied or enforced or sued out upon or against any property of the Client and is not removed, discharged or paid out in full within seven (7) days or
- (d) An administer, liquidator or similar officer is appointed or an administration order made with respect to the Client or the whole or any part of the Client's assets or business; or
- (e) Any money or security deposited as Margin by the Client shall be determined by VCL at its sole discretion to be inadequate having regard to the value of the Contracts entered into, or proposed to be entered into, by the Client; or
- (f) There shall, without the prior written consent of VCL, be a debit balance on any Account of the Client with VCL; or
- (g) Notwithstanding that none of the above events has occurred, VCL considers it necessary for its own protection.

21.9.2 Without prejudice to any other rights or remedies which VCL may have, if any of the Events of Default shall occur, without prior demand, call or notice to the Client:

- (a) VCL shall be entitled to immediately close the Account;
- (b) VCL shall be entitled to terminate all or any part of this Agreement;
- (c) VCL shall not, pending remedy thereof, be obliged to pay over any sum or deliver any assets held by way or security to the Client in respect of any Transactions of Commodity;
- (d) VCL shall be entitled to suspend performance of any of its obligations to the Client howsoever arising and whether under any Contract or otherwise, including the payment of any sum or sums of money then due or which might thereafter become due, until such time as the Client has fully complied with all of its obligations to VCL;
- (e) VCL shall be entitled to any time after the occurrence of any Events of Default to Close Out all or any existing Contracts in such manner as it considers necessary or desirable having regard to the HKFE Rules notwithstanding that the settlement date(s) thereof shall not have arrived and take such other steps as it may consider necessary to protect its interests, but in no circumstances

shall VCL be under any obligation to exercise any of such rights or, if it does exercise any of such rights, to do so at a time or in a manner beneficial to VCL;

- (f) VCL may sell or subpledge any securities, financial instruments, documents, or other property held by it under this Agreement as it may deem appropriate in order to discharge any obligations of the Client to VCL; and
- (g) VCL may combine, consolidate and set of any or all accounts of the Client in accordance with Clause 17.

All amount due or owing by the Client to VCL under this Agreement shall become immediately due and payable if an Event of Default occurs. Any demand, call or notice given by VCL to the Client prior to its exercise of any rights under this Clause shall not be construed as a waiver of the right of the VCL to exercise its rights under this Clause without prior notice.

21.10 Termination:

21.10.1 Provided that there is no outstanding Contract in the Account, either party may terminate this Agreement at any time by giving the other party notice in writing.

21.10.2 Termination under this Clause

- (a) Shall not affect any Transactions entered into by VCL pursuant to this Agreement before the termination;
- (b) Shall not affect the rights or liabilities of either party in respect of Open Contracts or Contracts in respect of which there is an outstanding liability to VCL and shall be without prejudice to VCL's rights to all deposits, Margin and other sums held by it and this Agreement shall continue to apply thereto; and
- (c) Shall not terminate or affect any warranties made by the Client under this Agreement or any Contract.

21.10.3 Under termination of this Agreement under this Clause, all amounts due or owing by the Client to VCL under this Agreement shall become immediately due and payable. VCL shall cease to have any obligations to conduct Commodity Transactions on behalf of the Client in accordance with the provisions of this Agreement, notwithstanding any Instructions from the Client to the contrary.

21.11 **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.

21.12 Indemnification:

21.12.1 Neither VCL nor any of its directors or employees 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) VCL fails to perform any of its obligations under this Agreement or otherwise as the broker of the Client due to any reasons beyond the control of VCL; or
- (ii) VCL acts or relies on any Instruction given by the Client whether such Instruction was given following any recommendation, advice or opinion given by VCL or by any directors or employees; or
- (iii) Any act or omission of VCL, its directors or employees in relation to the Account unless, in the case of only, such loss or damage results from the fraud, negligence or willful default of VCL, its directors or employees; or
- (iv) Any Conversion of one currency to another in relation to or arising from this Agreement.

21.12.2 Without limiting the generality of the clause 21.12.1, neither VCL nor any of its directors or employees 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 VCL, even if VCL has been advised of the possibility of such losses or damages.

- 21.13.3 The Client undertakes to indemnify and keep VCL, any of its directors or employees 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 VCL directly or indirectly arising out of or in connection with any Transaction entered into by VCL as agent on behalf of the Client or otherwise whatsoever or howsoever arising out of anything done or omitted to be done by VCL 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 VCL's opinion, as is desirable, to ratify or confirm any thing or act done by VCL as the Client's agent or on his behalf pursuant to this Agreement. The Client also agrees to pay promptly to VCL damages, costs, expenses incurred by VCL in the enforcement of any of the provisions of this Agreement.
- 21.13.4 The Client undertakes to indemnify VCL, its officers or employees 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 VCL in collecting any debts due to VCL or in connection with the closure of the Account(s).

22. ELECTRONIC TRADING SERVICE

- 22.1 **Electronic Trading Service:** The Client understands that the Electronic Trading Service ("ETS") is a semi-automated facility, which enables the Client to send electronic instructions 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 use by the Client in accordance with the terms of this Agreement.
- 22.2 **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 Log-In Password and Trading Password. The Client acknowledges and agrees that the Client shall be solely responsible for all Instructions entered through the ETS using Log-In Password and Trading Password and neither VCL nor VCL'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 Instructions.
- 22.3 **Proprietary System:** The Client acknowledges that the ETS is proprietary to VCL. 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 VCL may take legal action against the Client, if the Client at any time breaches this warranty and undertaking or if VCL at any time reasonably suspects that the Client has breached the same. The Client undertakes to notify VCL immediately if the Client becomes aware that any of the actions described above in this Clause is being perpetrated by any other person.
- 22.4 **Responsibility to Notify Errors:** The Client further acknowledges and agrees that, as a condition of using the ETS to give Instructions, the Client shall immediately notify VCL 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 the Client did not originate or instruct; and/or (d) the Client become aware of any unauthorized use of the Account Number, Log-In Password and/or Trading Password.
- 22.5 **Alternative Trading Facilities:** The Client agrees that should the Client experience any problems in reaching VCL through the ETS or vice versa, the Client shall attempt to use an alternative method or device, as VCL may make available, to communicate with VCL to place the Client orders and to inform VCL of the difficulty the Client may experience. The Client acknowledges that VCL 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 VCL 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 VCL's service beyond VCL's control.
- 22.6 **Third Party Market Data:** The Client understands that the ETS may provide, for informational purpose only data

about securities published by third parties. Owing to market volatility and possible delay in the data-transmission process, the data may not be real-time market quotes for the relevant Futures Contracts or Options Contracts. The Client understands that whilst VCL 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 VCL shall be inferred from the data provided with respect to any Futures Contracts or Options Contracts.

- 22.7 **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 VCL from time to time. The Client understands that information provided in the ETS is on an “as is”, “as available” basis and VCL does not guarantee the timeliness, sequence, accuracy, adequacy or completeness of such information.
- 22.8 **Termination of Electronic Trading Services:** VCL reserves the right to terminate the Client access to the ETS in its sole discretion, without notice or assigning any reasons.

23. DISCLOSURES OF CLIENT IDENTITY

- 23.1 **Disclosures:** Without affecting any other provisions of this Agreement, in connection with any lawful request for information made to VCL by Regulator(s) in respect of any Transaction relating to the Account:
- (a) The Client shall, within two (2) Business Days, upon request by VCL, provide VCL and/or the Regulator(s) with such information as may be required by it including but not limited to the identity, name, address, other contact information, employer, occupation 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 or discretionary account, the Client shall within two (2) Business Days, upon request by VCL, inform VCL and/or the Regulator(s) of the identity, address, occupation and contact details of the collective investment scheme or discretionary account and, if applicable, the identity, address, other contact information, employer, occupation and other identification particulars of the person who, on behalf of the collective investment scheme or discretionary account, instructed the Client to effect the Transaction. The Client shall inform VCL within twenty-four (24) hours after the Client’s discretion to invest on behalf of any collective investment scheme or discretionary account has been overridden. In such event, the Client shall also inform VCL and/or the Regulator(s) within two (2) Business Days upon request by VCL, of the identity, name, address, other contact information, employer and occupation 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 other contact details of the underlying client for who the Transaction was effected, the Client confirms that:
 - (i) The Client has arrangements in place with the Client’s client which entitled the Client to obtain the information set up 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 VCL 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 VCL and/or the 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 VCL or the Regulator(s), provide VCL and/or the 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. In addition, the Client hereby authorizes VCL to provide the requested information to the Regulator(s) according to the request, where VCL already has such information.

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 23 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.

24. OMNIBUS ACCOUNT

24.1 **Omnibus Account:** Unless otherwise advised, the Account is not an Omnibus Account.

24.2 **Operation of Omnibus Account:** In the case that the Client operates an Omnibus Account, the Client shall, in relation to Transactions on the HKFE or any other foreign futures exchange:

- (a) In the Client's dealing with the person(s) from whom the Client receives Instructions with respect to the Omnibus Account, comply with and enforce the Margin and Variation Adjustment requirements and procedures as stipulated in the HKFE Rules as through the Client were an exchange participant of HKFE and as through the person(s) for whose account or benefit such Instructions are given were clients:
- (b) Cause the Contract (as defined in the HKFE Rules) to be entered into in fulfillment of such Instructions, so that there shall, in no circumstances, be any dealing with the Instructions in a manner which constitutes unlawful dealing in differences in market quotation of Commodity under the laws of Hong Kong or any other applicable jurisdiction or in a manner which constitutes or involves betting or wagering with respect to such items in contravention of the laws of Hong Kong or any other applicable laws: and
- (c) Ensure that the persons from whom the Client receives Instructions comply with the requirements of Margin and Variation Adjustment as stipulated in the HKFE Rules, with the result that, as between HKFE and VCL, VCL should be responsible for ensuring that such requirements are complied with by all persons through whom Instructions pass with respect to the Omnibus Account as if each in turn was the Client for whom such Omnibus Account was operated.

25. SUMMARY OF PRESCRIBED LIMITS AND REPORTING LEVEL APPLICABLE TO ACCOUNTS

Certain prescribed limits and reporting level set by the SFC under the Securities and Futures (Contracts Limits and Reportable Positions) Rules ("the Rules") made pursuant to Section 35(1) of the SFO will directly affect the Account(s) – these are summarized below. The Client should note that failure to comply with such limits or to report may constitute an offence under the SFO and the Rules.

- 25.1 **SFC Prescribed Limit:** Under these limits, VCL and each of the Clients is prohibited from entering into, holding or controlling more than a specified number of Open Contracts in any one contract month, unless the excess is expressly authorized by SFC or HKFE (as the case may be) under the Rules.
- 25.2 **SFC Reporting Level:** Under these requirements, VCL and each of the Clients is prohibited from holding or controlling more than a specified number of Open Contracts in any on contract month or expiry month unless the position held or controlled is reported to HKFE and/or other recognized exchange pursuant to the Rules.
- 25.3 **Direct Application of the Rules to Clients:** The SFC's prescribed limits and reporting level apply to VCL for its own account and separately and directly to VCL's Clients. Clients using more than one exchange participant of the HKFE continue to be subject to the SFC's prescribed limits and reporting level. The Client is therefore required to report to the HKFE a position which exceeds the prescribed net long or short contracts reporting level and the specific positions held through each exchange participant of the HKFE.
- 25.4 **HKFE'S Large Open Position Report Procedures:** The HKFE has also set large open position limits in a number of markets operated by the HKFE. In particular, the Client should note that the Client shall have direct reporting obligations to the HKFE where the Client holds or controls, in aggregate, open positions equal to or more than the number of Futures Contracts and/or Options Contracts specified by HKFE from time to time, whether directly or through the Client's affiliate, and whether through one or more exchange participants of the HKFE, in which event the Client shall be required to file a Large Open Position Report with the HKFE. For the purposes of the HKFE Rules, large open position means the number of open Futures Contracts and/or Options Contracts in a particular futures contract month or option series in a particular market determined by the Board (as defined in the HKFE Rules) to be a Large Open Position pursuant to Rules 628 of the HKFE Rules. This is similar to the concept of "reportable position"

prescribed in the Rules.

Please refer to the website of the HKEX for a schedule of the prescribed limits and reporting level for some of the corresponding Futures Contract or Options Contract under the HKFE Rules (which is subject to change from time to time without prior notice).

26. AEOI COMPLIANCE

26.1 **Disclosure, Consent and Waiver:** Under the standard of AEOI, financial institutions like VCL are required to identify financial accounts held by tax residents of reportable jurisdictions or held by passive non-financial entities whose controlling persons are tax residents of reportable jurisdiction in accordance with due diligence procedures. Required information of these accounts has to be collected and furnished to relevant government agencies. Such client information (e.g. full name, address, tax identification number (“TIN”), date of birth, account number, account balance or account value as of the end of calendar year) will be exchanged on an annual basis. Clients will be requested to provide self-certifications on their personal information, so as to enable VCL to identify the reportable accounts. Therefore, Clients shall provide to VCL, VCL Group, their agents or service providers, upon request, any documentation or other information regarding the Client and its beneficial owners that VCL, VCL Group, their agents or service providers may require from time to time in connection with their obligations under, and compliance with, applicable laws and regulations including, but not limited to, AEOI. The Client hereby agrees and consents that VCL, VCL Group 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 AEOI and/or other applicable law, including disclosures between VCL and any of them and to the governmental authorities of the United States of America, Hong Kong, China 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 VCL, VCL Group and their agents and service providers with AEOI 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 VCL, VCL Group 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 VCL, VCL Group and their agents and service providers to collect, store, process and disclose his, her or its information as described in this clause.

26.2 Provision of Information:

- (a) The Client shall upon request by VCL confirm to VCL (i) whether the Client is a person who is entitled to receive payments free from any deduction or withholding as required by AEOI (the “AEOI Exempt Person”); and (ii) supply to VCL such forms, documentation and other information relating to the Client’s status under AEOI (including its applicable passthru rate or other information required under the U.S. Treasury Regulations or other official guidance including intergovernmental agreements) as VCL reasonably requests for the purposes of that VCL’s compliance with AEOI (and the compliance of any of VCL Group).
- (b) If the Client confirm to VCL pursuant to the above that the Client is a AEOI Exempt Party and the Client subsequently becomes aware that the Client is not, or has ceased to be a AEOI Exempt Party, the Client shall notify VCL 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 AEOI Exempt Party then the Client will be treated as if the Client is not a AEOI Exempt Party; and
 - (ii) If the Client failed to confirm its applicable passthru rate then the Client will be treated as if its applicable passthru rate is 100%, until such time as the Client provides VCL the requested confirmation, forms, documentation or other information.

26.3 **Withholding or Deduction:** If VCL is required pursuant to AEOI or otherwise by law to withhold or deduct any AEOI 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, VCL may deduct such taxes and VCL will not be required to increase any payment in respect of which VCL 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 VCL such additional documentation reasonably requested by VCL to determine the amount to deduct and withhold from such payment.

PERSONAL INFORMATION COLLECTION STATEMENT

This Personal Information Collection Statement “Statement” is provided to the Client of VCL in accordance with the requirements of the Personal Data (Privacy) Ordinance of Hong Kong. Terms defined in this Statement have the same meaning as in the Client Agreement (Futures Trading Account).

1. DISCLOSURE OBLIGATION

- 1.1 From time to time, it is necessary for the Client to supply VCL with data in connection with the opening or continuing of the Account and the establishment or continuation of credit facilities or provision of dealing services in Futures Contracts or Options Contracts, nominee service or other products or services offered by or through VCL or any member of the VCL Group. At the same time, some of the data are collected pursuant to any applicable laws binding on VCL or any member of the VCL Group.
- 1.2 Failure to supply such data may result in VCL being unable to open or continue accounts or establish or continue credit facilities or provide dealing services in Futures Contracts or Options Contracts, nominee service or other products or services offered by VCL or any member of the VCL Group.
- 1.3 It is also the case that data are collected from the Client in the ordinary course of the commencement or continuation of the business relationship. Information about the Client may also be collected when the Client uses VCL’s website, platform, APP or when the Client applies for or uses other services offered by VCL or any member of the VCL Group.
- 1.4 This statement may be revised, amended or updated from time to time by VCL and is an integral part of all contracts, agreements and other binding arrangements with the Client enter into with VCL.
- 1.5 If there is any inconsistency between the Chinese and English versions of this Statement, the Client agreed that the English version shall prevail.

2. USE OF PERSONAL DATA

2.1 Users

Personal data held by VCL relating to the Client, the Client’s agent(s) or the Client’s guarantor(s) (if any) may be used for the purposes of the maintenance and operation of the Account in accordance with relevant Agreement(s), distribution of research report, enforcement against counterparty, risk assessment, compliance with regulatory requirements of “Know Your Client” and to carry out due diligence to assess the Client’s investment suitability and for any other directly related purposes and will be kept confidential, but VCL may provide such information to:-

- (a) Any agent, contractor or third party service provider who provides administrative, telecommunications, computer, payment or clearing, printing or other services to VCL in connection with the operation of its business;
- (b) Any other companies of VCL or any member in the VCL Group;
- (c) Any other person under a duty of confidentiality to VCL including a company of VCL which has undertaken to keep such information confidential;
- (d) Any financial institution with which the Client has or proposes to have dealings;
- (e) Any actual or proposed assignee of VCL or participant or sub-participant or transferee of VCL’s rights in respect of VCL;
- (f) Any person when we are compelled to make disclosure under the requirements of any law binding on VCL or any member in the VCL Group;
- (g) Any person with the Client’s express or implied consent;
- (h) Any person where our interests require disclosure;

- (i) Any person where the public interest requires disclosure;
 - (j) Any person to conduct credit checks at the time of the account opening and at the time of regular or any reviews which can take place one or more times each year; and
 - (k) The SFC, the Exchange and any regulator, agency, authority or person (where applicable) in compliance with their requirements or requests for information or any applicable laws.
3. Nothing in this Statement shall limit the rights of the Client under the Personal Data (Privacy) Ordinance of Hong Kong.

3. PURPOSES

3.1 The purposes for which data relating to a Client may be used are as follows:

- (a) The daily operation of the services and credit facilities provided to the Client;
- (b) Conducting credit checks;
- (c) Assisting other financial institutions to conduct credit checks;
- (d) Ensuring ongoing credit worthiness of the Client;
- (e) Designing financial services and related products for the Client's use;
- (f) Marketing financial services or related products;
- (g) Determining the amount of indebtedness owed to or by the Client;
- (h) Collection of amounts outstanding from the Client and those providing security for the Client's obligation;
- (i) Meeting the requirement to make disclosure under the requirements of any applicable laws binding on VCL or any member in the VCL Group;
- (j) Complying with any obligations, requirements, policies, procedures, measures or arrangements for sharing data and information within VCL and/or other use of data and information in accordance with any programmes for compliance with sanctions or prevention or detection of money laundering, terrorist financing or any other activities; and
- (k) All other purposes ancillary or relating thereto and such other purposes to which the Client may from time to time agree.

3.2 In the course of performing other duties, VCL may, as permitted by law, match, compare, transfer or exchange any personal data provided by the Client with data held, or hereafter obtained, for these or any other purposes by VCL, government bodies, other regulatory authorities, corporations, organizations or individuals in Hong Kong or overseas for the purpose of verifying those data.

4. USE OF DATA IN DIRECT MARKETING

4.1 VCL intends to use and/or transfer the Client's data to VCL and/or any member of the VCL Group for direct marketing and VCL requires the consent (including no objection) of the Client for this purpose. Permission to use a Client's data for this purpose is voluntary only. In this connection, please note that:

- (a) The name, contact details, products and services, portfolio information, transaction pattern and financial background of the Client held by VCL or any member of the VCL Group may be used in direct marketing of investment or financial related products and services of VCL; and
- (b) If a Client does not wish VCL to use and/or transfer the Client's data for use in direct marketing, the Client may, without charge, exercise the right to opt-out.

- 4.2 To indicate consent/no consent to the use of the Client's personal data for direct marketing, a Client must complete an "Opt-out Request – Use of Personal Data in Direct Marketing" in the Account Opening Form.
- 4.3 If a Client does not wish VCL to use the Client's data or provide their data to other persons for use in direct marketing as described above and also wants VCL to advise those other persons to stop using the Client's data for direct marketing, he/she may say so in the Account Opening Form or notify VCL of the same at any other time.
- 4.4 Failure to complete in Account Opening Form or send a notification to VCL may mean that VCL and any member of the VCL Group will use personal data for direct marketing and that VCL may transfer personal data for gain to any member of the VCL Group or for their direct marketing purposes.

5. RIGHTS OF ACCESS AND CORRECTION

- 5.1 Under and in accordance with the terms of the Personal Data (Privacy) Ordinance of Hong Kong, any individual:
- (a) Has the right to check whether VCL holds data about him and the right of access to such data;
 - (b) Has the right to require VCL to correct any data relating to him which is inaccurate; and
 - (c) Has the right to ascertain VCL's policies and practices in relation to data and to be informed of the kind of personal data held by VCL.
- 5.2 In accordance with the terms of the Personal Data (Privacy) Ordinance, VCL has the right to charge a reasonable fee for the processing of any data access request.

6. NOTICE OF CONTACT PERSON TO REQUEST ACCESS OR CORRECTION

- 6.1 The person to whom requests for access to data or correction of data or opt out of receiving direct marketing material of for information regarding policies and practices and kinds of data held are to be addressed is as follows:

Data Protection Officer
Valuable Capital Limited
Room 3606, 36/F, China Merchants Tower
Shun Tak Centre
168-200 Connaught Road Central
Hong Kong
E-mail: cs_service@valuable.com.hk