



**Convoy Investment Services Limited**

**CASH ACCOUNT AGREEMENT**

**THIS AGREEMENT** is made the date stated in the Customer Information Form.

**B E T W E E N : -**

- (1) **Convoy Investment Services Limited, a company incorporated in Hong Kong with its principal place of business at 34/F, One Island East, 18 Westlands Road, Quarry Bay, Hong Kong and a licensed corporation under the Securities and Futures Ordinance with CE No.: API164 (the “Company”) and an exchange participant of the SEHK; and**
- (2) **The party whose name, address and details are set out in the Customer Information Form (the “Customer”).**

**NOW IT IS HEREBY AGREED** as follows:-

**INTERPRETATION**

1. In this Agreement the following expressions shall have the following meanings except where the context otherwise requires:-

"Account"	means any one or more cash securities accounts now or hereafter opened in the name of the Customer with the Company in connection with this Agreement;
"Agreement"	means this agreement, and the various Schedules attached hereto, and other written agreement between the Company and the Customer regarding the opening, maintenance and operation of the Account, including (but not limited to) the Customer Information Form as originally executed or thereafter may from time to time be amended or supplemented;
"Associate"	means, in relation to the Company, a body corporate which is its subsidiary or affiliated company, in Hong Kong or elsewhere;
"Authorised Person"	means, in relation to a corporate Customer, the person(s) initially so named in the Customer Information Form or such other person(s) as the Customer may thereafter from time to time so nominated by written nomination to the Company and, in the case of an individual Customer, the person(s) who hold valid power of attorney from the Customer and is/are initially so named in the Customer Information Form or is/are thereafter nominated by written nomination of the Customer to the Company;
“Banking Ordinance”	means the Banking Ordinance (Chapter 155 of the Laws of Hong Kong) as amended from time to time;
"Business Day"	means any day on which the Exchange opens for trading other than Saturdays, Sundays, public holidays and any other day declared by the Exchange to be a non-business days;
“Cash Account Agreement”	means this agreement, excluding the Schedules attached hereto;
"Clearing House"	means the HKSCC in relation to SEHK and, in relation to any other Foreign Stock Exchange, the clearing house providing services similar to those of HKSCC to such Foreign Stock Exchange;
“Client Money Rules”	means the Securities and Futures (Client Money) Rules made by the SFC under section 149 of the Securities and Futures Ordinance as amended from time to time;
"Correspondent Agent"	means any member or participant of an Exchange and/or Clearing House of which the Company may not be a member or participant who, as the Company's agent, enters into a Transaction on such Exchange and/or clears the same, as the case be;

"Customer Information Form"	Information	means the name, address and details of the Customer are contained in the Customer Information Form and the various supplementary agreement attached, with Customer's signature;
"Electronic Service"		means any facility provided by the Company which enables the Customer to give electronic instructions to purchase, sell and otherwise deal in Securities and/or obtain Information;
"Exchange"		means SEHK and any Foreign Stock Exchange;
"Foreign Stock Exchange"		means a stock exchange which is permitted to operate in a country or territory outside Hong Kong by the law of that country or territory or, any OTC markets;
"Funds"		means unit trusts, mutual funds and other collective investment schemes of similar nature;
"Hong Kong"		means the Hong Kong Special Administrative Region of The People's Republic of China;
"HKSCC"		means The Hong Kong Securities Clearing Company Limited;
"Information"		means any transaction data, bid and ask quotations, news reports, third party analysis' reports, research and other information relating to securities and the securities markets;
"Instructions"		means any instructions or orders communicated by the Customer or its Authorized Persons to the Company in accordance with Clauses 21 to 24;
"Securities"		means shares, stocks, debentures, warrants, loan stocks, Funds, bonds, notes and commercial paper of any description whatsoever and wheresoever of or issued by any body (whether incorporated or unincorporated) or any government or local government authority and includes <ul style="list-style-type: none"> <li>(a) rights, options, or interests (whether described as units or otherwise) in or for the shares, stocks, debentures, warrants, loan stocks, Funds, bonds, or notes;</li> <li>(b) certificates of interest or participation in or temporary or interim certificates for, receipts for, or warrants to subscribe for or purchase, the shares, stocks, debentures, warrants, loan stocks, Funds, bonds or notes;</li> <li>(c) options on stock indices; and</li> <li>(d) instruments commonly know as securities;</li> </ul>
"Securities and Futures Ordinance"	and Futures	means the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended from time to time;
"SEHK"		means The Stock Exchange of Hong Kong Limited and includes its successors, assigns and any resulting or surviving entry into or with which it may consolidate, amalgamate or merge;
"SFC"		means The Securities and Futures Commission of Hong Kong; and
"Transactions"		means any transactions concerning the purchase, subscription, sale, exchange or other disposal or and dealings in any and all kinds of Securities including (but not limited to) safe-keeping of securities and the provision of nominee or custodian service therefor and other transactions effected under or pursuant to this Agreement.

2. References herein to Clauses and Schedules are to clauses in and schedules to this Agreement, unless the context requires otherwise, and the Schedules to this Agreement form part of this Agreement.

3. Unless the context requires otherwise, words importing the singular include the plural and vice versa and words importing a gender include every gender.
4. The headings are inserted for convenience only and shall not affect the construction of this Agreement.

#### **APPLICABLE LAWS AND RULES**

5. All Transactions shall be effected in accordance with all laws, rules and regulatory directions, by-laws, customs and usage as amended from time to time of the Exchange and the Clearing House applying to the Company and shall be binding on the Customer.
6. Each of the terms of this Agreement is severable and distinct from the others. If any term in this Agreement is inconsistent with any present or future law, rule or regulation of the Exchange, the Clearing House or any authority having jurisdiction over the subject matter of this Agreement, such term shall be deemed to be rescinded or modified in accordance with any such law, rule or regulation. In all other respects, this Agreement shall continue and remain in full force and effect.

#### **AUTHORITY**

7. The Company is authorized to open and operate an Account and effect Transactions as an agent on behalf of the Customer pursuant to this Agreement unless the Company indicates in writing otherwise for the relevant Transactions.
8. The Customer (in the case of a corporation) authorizes the Authorized Persons to have full authority to represent the Customer in all matters in relation to all Transactions with the Company and to sign on the Customer's behalf all agreements and documents relating to the Account and its operation, Transactions and this Agreement. All such documents, instructions or orders which, if given or signed by the Authorized Persons, shall be absolutely and conclusively binding on the Customer provided that verbal orders or instructions from any one of the Authorized Persons shall be valid and effective and, if in writing and requires manual signature, the same shall be signed in accordance with the signing instructions specified in the Customer Information Form.
9. If the Customer is an individual who wishes to appoint Authorized Persons, the Customer shall in addition to completing the Customer Information Form, furnish to the Company a duly executed power of attorney or other similar instrument of appointment in a form prescribed by or acceptable to the Company.
10. The Customer acknowledges and agrees that the Customer retains full responsibility for all Transactions and the Company is responsible only for the execution, clearing and carrying of Transactions and has no responsibility or obligation regarding any conduct, action, representation or statement of any introducing firm, investment advisor or other third party in connection with the Account or any Transaction therein. The Company is also not responsible to the Customer with respect to the suitability, profitability, tax, legal or accounting consequences of any Transactions.
11. Any information provided by the company, its directors, officers, employees or agents, whether or not solicited, shall not constitute an offer to enter into a transaction or investment advice and the Company shall be under no liability whatsoever in respect of such advice or information and the Customer independently and without reliance on the Company, makes its own judgements. Any information provided is for reference only and no reliance should be placed on any conversations that take place with the Company's personnel. In respect of any transaction with the Customer, the Company is not acting as an adviser or in a fiduciary capacity to the Customer. The Company has not given any representation, guarantee or other assurance as to the outcome of any investment. The Customer should seek his/her own professional advice from suitably qualified adviser. Further, the Customer represents to the Company that as of the date of giving any relevant instruction and entering into any transaction:-
  - 11.1. he/she is fully capable of assessing the merits of and understanding (where needed, with or through independent professional advice), and fully understands and accepts, the terms, conditions and risks of the resulting transaction and he/she also fully understands and is capable of assuming and assumes, the risks of the transaction;
  - 11.2. he/she is acting on his/her own account and has reviewed carefully his/her specific financial needs and investment objectives, and has made his/her own independent decisions to enter into the

transaction and as to the legality, suitability and appropriateness of the transaction based on his/her own judgment and upon advice from such advisers as he/she has deemed necessary;

- 11.3. he/she is not relying on any communication (written or oral) of the Company as investment advice or as a recommendation to enter into the transaction. The Customer understands that information and explanation provided by the Company including in relation to the terms and conditions of the transaction, shall not be considered investment advice or a recommendation to enter into the transaction; and
- 11.4. no communication (written or oral) received from the Company shall be deemed to be an assurance representation or guarantee as to the expected results of the transaction.
12. The Customer authorizes the Company to instruct such Correspondent Agent as the Company may in its absolute discretion deem fit to execute Transactions and acknowledges that the terms of business of such Correspondent Agent and the rules of any Exchange and Clearing House on and through which such Transactions are executed and settled shall apply to such Transactions and shall be binding on the Customers.
13. The Customer hereby authorizes the Company to deal with money held or received by the Company in the Account on behalf of the Customer in accordance with the provisions of the Standing Authority (Client Money) as the Customer may give to the Company from time to time.

#### **COMMISSIONS, CHARGES AND INTEREST**

14. On all Transactions, the Company is authorized to deduct the Company's commissions and charges in connection with any Transactions effected with any person for the Customer (as notified to the Customer from time to time), all applicable levies imposed by the Exchange or Clearing House, brokerage, stamp duty, bank charges, transfer fees, interest and nominee or custodial expenses immediately when it is due.
15. The Company shall be entitled to deposit all monies held in the Account and all monies received for or on the account of the Customer into one or more trust account(s) at one or more authorized institution(s) as defined in the Banking Ordinance or as otherwise permitted by the Securities and Futures Ordinance.
16. The Customer shall pay interest on all debit balances on the Account (including any amount otherwise owing to the Company at any time) at such rates and on such other terms as the Company notifies the Customer 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 the Company. Overdue interest shall be compounded monthly and shall itself bear interest.
17. The Customer agrees that any interest accrued on the credit balance in the Account shall belong to the Company absolutely. If by separate written agreement the Company shall agree to pay to the Customer interest on the credit balance in the Account, interest shall be calculated at such rate as the Company may from time to time notify the Customer in writing.
18. To comply with the Client Money Rules, the Customer agrees that the Company will be entitled to receive for Company's own account benefit all sum derived by way of interest from the payment into and retention of all amounts received for or on account of the Customer in any trust account or segregated account.
19. Without prejudice to any other rights and remedies available to the Company, the Company may charge a half-yearly maintenance fee of such amount in such currency as the Company may determine from time to time on the dormant Account if the Customer has no trading activity for six months or more. Payment of such fees will be automatically deducted from the Account.
20. The Customer agrees that the Customer shall pay the Company such commissions, fees, charges and expenses and in such manners and terms as set out in the Company Fee Schedule which is provided and posted on the Company's website. The Customer understands and agrees that such commissions, fees, charges and expenses may be revised at any time by the Company and the Customer shall go to the website to read and understand the updated Fee Schedule from time to time, in particular, before giving any Instruction or intending to effect any Transaction.

## **INSTRUCTIONS**

21. All Instructions shall be given by the Customer (or its Authorized Person) orally either in person or by telephone, or in writing, delivered by hand, by post or by facsimile transmission or through Electronic Service in accordance with Clauses 78 to 80.
22. The Customer acknowledges and agrees that any Instructions given or purported to be given by any means to the Company by the Customer or by any Authorized Person and which are acted on or relied on by the Company shall at all times be irrevocable and bind the Customer, whether or not such Instructions are in fact given or authorized by the Customer. Under no circumstance the Company has any duty to enquire or verify the identity or authority of the person giving instruction by any accepted means.
23. The Customer acknowledges that once an Instruction has been made it may not be possible to cancel or change the Instruction.
24. The Company may, in its absolute discretion and without assigning any reason therefor, refuse to act for the Customer or its Authorized Person in any particular Transactions. In particular, the Company shall refuse to act on an Instruction of the Customer if at the time of such Instruction, there are insufficient Securities or, as the case may be, monies in the Account(s) in order to effect settlement of the relevant transaction on the due settlement date.
25. In the event of death or liquidation of the Customer or in the event of the Customer being rendered incapable or disabled from managing and administering the Customer's Account(s), properties or affairs, then prior to the actual receipt by the Company of written notice of death, liquidation or incapacity or disability of the Customer, the Company may, but not obliged to, continue to act upon the Instruction of the Customer or the Authorized Person as if the Client were still alive, existing or capable of managing and administering the Customer's Account(s), properties or affairs.
26. Where the Company knows of or suspects a breach of security or other suspicious circumstances in respect of or in connection with the operation of one or more of the Customer's Accounts or any service to the Customer generally, the Company may, in its absolute discretion and without any liability, refuse to act on or delay acting on the Instruction and in that event, the Company will, to the extent possible, inform the Customer as soon as practicable.

## **DEALING PRACTICE**

27. Any day order for purchase or sale of Securities placed by the Customer that has not been executed before the close of business of the relevant Exchange or such other expiration date required by the Exchange or such other later time as the Customer and the Company may agree shall be deemed to have been cancelled automatically.
28. The Customer authorizes the Company, at any time and at the Company's absolute discretion, for the purpose of obtaining a better execution price and/or reducing the volume of Instructions, to consolidate and/or disaggregate the Customer's Instructions to purchase and/or sell Securities on the Customer's behalf with similar instructions received from the Company's other customers, provided that such consolidation or disaggregation shall not result in the execution of the Instructions at a price less favourable than could have been achieved had the Instructions been executed individually, and provided further that, in the event of there being insufficient Securities available to satisfy purchase orders so consolidated, the number of Securities actually purchased shall be given to each individual Instruction in the order in which those orders were received by the Company.
29. By reason of physical restraints on the Exchanges and rapid changes in the prices of Securities that frequently take place, there may, on occasions, be delay in quoting prices or in dealing. The Company may not after using reasonable endeavours be able to trade at the prices quoted at any specific time. The Company is not liable for any loss arising by reason of its failing, or being unable, to comply with any terms of the Instructions. Where the Company is unable after using reasonable endeavours to execute any Instruction in full, the Company is entitled to effect partial performance only without prior reference to the Customer's confirmation. The Customer shall in any event accept and be bound by the outcome when any request to execute orders is made.
30. The Customer acknowledges that due to the trading practices of the Exchange or other markets in which Transactions are executed, it may not always be able to execute orders at the prices quoted "at best" or "of market" and the Customer agrees in any event to be bound by Transactions executed by the Company following Instructions given by the Customer.

31. Subject to applicable laws and regulations and market requirements, the Company may in its absolute discretion determine the priority in the execution of its customers' orders, having due regard to the sequence in which such orders were received, and the Customer shall not have any claim of priority to another customer in relation to the execution of any order received by the Company.
32. Unless otherwise agreed, in respect of each Transactions, unless the Company is already holding cash or Securities on the Customer's behalf to settle the Transactions, the Customer shall pay the Company cleared funds (including payment in a currency other than Hong Kong dollars) or deliver to the Company Securities which are fully paid with valid and good title and in deliverable form by such time as the Company has notified the Customer in relation to the Transactions. The Customer shall be responsible to the Company for any losses and expenses resulting from the Customer's settlement failures. Any and all securities acquired for or on the Customer's behalf, or in which the Client has an interest which are held for the Customer's account shall be subject to a general lien for the discharge of the Customer's obligation to the Company arising from the business of dealing in securities. If within two Business Days (or such other period as the Company has notified the Customer) after a transaction has been duly executed for on the Customer's behalf, the Customer has defaulted in making the payment due to the Company in connection therewith the Company is hereby authorized to (i) in the case of a purchase transaction, to transfer or sell any such purchased securities; and/or (ii) in the case of a sale transaction, to borrow and/or purchase such sold securities (as the case may be) to satisfy any general lien or obligation to the Company, after giving notice to the Customer by letter sent by registered post or facsimile transmission or other form of electronic transmission.
33. The Account shall be in Hong Kong dollars or such other currencies as the Company may agree from time to time with the Customer. In the event that the Customer instructs the Company to effect any Transactions in a currency other than Hong Kong dollars, any profit or loss arising as a result of fluctuation in the exchange rate of the relevant currencies will be for the account of the Customer solely. Any conversion from one currency into another required to be made for performing any action or step taken by the Company under this Agreement may be effected by the Company in such manner and at such time as it may in its absolute discretion decide.
34. The Customer acknowledges that telephone calls or other forms of communication between the Customer and the Company may be recorded or otherwise electronically monitored without any warning messages and that the record may be used as final and conclusive evidence of the Instructions in case of disputes.
35. If the Company engages the service of Correspondent Agent, the Company shall be entitled to accept and keep, for its own account, any commission or rebate which the Company may receive in respect of any business the Company supplies to them on behalf of the Customer.

#### **SHORT SELLING**

36. The Customer acknowledges that applicable laws and regulations may prohibit the Company from placing a sale order on the Customer's behalf when the order relates to Securities which the Customer does not own ("Short Sell Order"). The Customer undertakes that:
  - 36.1. prior to placing a Short Sell Order, it will have entered into an effective securities borrowing arrangement or other form of cover acceptable to the Company which will ensure that the Securities in question will be delivered on the designated settlement date; and
  - 36.2. prior to execution of such an order, it will provide the Company such documentary assurance that any such order is covered as the Company shall specify.
37. The Customer acknowledges that the Company has the right to request delivery of a copy of documentary evidence relating to the relevant Securities borrowing transaction e.g. the lender's confirmation.

#### **CONFLICT OF INTEREST**

38. The Company and its directors, officers or employees may trade on its/their own account of any of the Associate.
39. The Company is authorized to buy, sell, hold or deal in any Securities or take the opposite position to the Customer's order whether it is on the Company's own account or on behalf of the Associate or its other customers.
40. The Company is authorized to match the Customer's orders with those of other customers.

41. The Company is authorized to effect Transactions in Securities where the Company or its Associate has a position in the Securities or is involved with those Securities as underwriter, sponsor or otherwise.
42. In any of the events in this Clause the Company shall not be obliged to account for any profits or benefits obtained.

#### **NEW LISTING OF SECURITIES**

43. In the event that the Customer requests and authorizes the Company to apply for Securities in respect of a new listing and/or issue of Securities on the Exchange as its agent and for its benefit or for the benefit of any other person, the Customer hereby warrants to and for the Company's benefit that the Company has authority to make such application on the Customer's behalf.
44. The Customer shall familiarise himself and comply with all the terms and conditions governing the Securities of the new listing and/or issue and the application for such new Securities set out in any prospectus and/or offering document and the application form or any other relevant document in respect of such new listing and/or issue and the Customer agrees to be bound by such terms and conditions in any such transaction the Customer may have with the Company.
45. The Customer hereby gives the Company all the representations, warranties and undertaking on which application for Securities in a new listing and/or issue is required to give (whether to the issuer, sponsors, underwriters or placing agents of the relevant Securities, the Exchange or any other relevant regulator or person).
46. The Customer hereby further declares and warrants, and authorizes the Company to disclose and warrant the Exchange or any application form (or otherwise) and to any other person as appropriate, that any such application made by the Company as its agent is the only application made, and the only application intended to be made, by the Customer or on the Customer's behalf, to benefit the Customer or the person for whose benefit the Customer's applying. The Customer acknowledges and accepts that the aforesaid declaration and warranty will be relied upon by the Company and by the issuer, sponsors, underwriters or placing agents of the relevant Securities, the Exchange or any other relevant regulator or person in respect of any application made by the Company as the Customer's agent.
47. The Customer acknowledges that any application made by an unlisted company which does not carry on any business other than dealing in Securities and in respect of which the Customer exercises statutory control shall be deemed to be an application made for the benefit of the Customer.
48. The Customer recognizes and understands that the legal, regulatory requirements and market practice in respect of applications for Securities may vary from time to time as may the requirements of any particular new listing or issue of Securities. The Customer undertakes to provide the Company such information and take such additional steps and make such additional representations, warranties and undertakings as may be required in accordance with such legal, regulatory requirements and market practice as the Company may in the Company's absolute discretion from time to time.
49. In relation to a bulk application to be made by the Company or the Company's agent on the Company's own account and/or on behalf of the Customer and/or the Company's other clients, the Customer acknowledges and agrees:
  - 49.1. that such bulk application may be rejected for reason which are unrelated to the Customer and the Customer's application and neither the Company nor the Company's agent shall, in the absence of fraud, negligence or wilful default, be liable to the Customer or any other person in consequence of such rejection; and
  - 49.2. to indemnify the Company in accordance with the Clauses 68 to 71 if such bulk application is rejected either in circumstances where the representations and warranties have been breached or otherwise because of factors relating to the Customer. The Customer acknowledges that the Customer may also be liable in damages to other persons affected by such breach or other factors.

#### **CUSTOMER IDENTIFICATION**

50. If the Customer effects Transactions in Securities listed on the SEHK or derivatives related thereto for the account of clients, whether on a discretionary or non-discretionary basis, and whether as agent or by entering into matching transactions as principal with its clients, the Customer hereby agrees that, in relation to a

Transaction where the Company has received an enquiry from the SEHK and/or the SFC (collectively the "Hong Kong regulators"), the following provisions shall apply:

- 50.1. Subject as provided below, the Customer shall, immediately upon request by the Company (which request shall include the relevant contact details of the Hong Kong regulators), inform the Hong Kong regulators of the identity, address, occupation and contact details of the client for whose account the Transactions was effected and (so far as known to the Customer) of the person with the ultimate beneficial interest in the Transactions. The Customer shall also inform the Hong Kong regulators of the identity, address, occupation and contact details of any third party (if different from the client/ultimate beneficiary) who originated the Transactions.
- 50.2. If the Customer effected the Transactions for a collective investment scheme, discretionary account or discretionary trust the Customer shall, immediately upon request by the Company (which request shall include the relevant contact details of the Hong Kong regulators), inform the Hong Kong regulators of the identity, address and contact details of the scheme, account or trust and, if applicable, the identity, address, occupation and contact details of the person who, on behalf of the scheme, account or trust, instructed the Customer to effect the Transactions.
- 50.3. If the Customer effected the Transactions for a collective investment scheme, discretionary account or discretionary trust, the Customer shall, as soon as practicable, inform the Company when the Customer's discretion to invest on behalf of the scheme, account or trust has been overridden. In the case where the Customer's investment discretion has been overridden, the Customer shall, immediately upon request by the Company (which request shall include the relevant contact details of the Hong Kong regulators), inform the Hong Kong regulators of the identity, address, occupation and contact details of the person(s) who has or have given the instruction in relation to the Transactions.
- 50.4. If the Customer is aware that its client is acting as intermediary for its underlying clients, and the Customer does not know the identity, address, occupation and contact details of the underlying client for whom the Transactions was effected, the Customer confirms that:
  - (a) it has arrangements in place with its client which entitle the Customer to obtain the information set out in Clauses 50.1, 50.2 and 50.3 from its client immediately upon request or procure that it be so obtained; and
  - (b) it will, on request from the Company in relation to a Transaction, promptly request the information set out in Clauses 50.1, 50.2 and 50.3 from the client on whose Instructions the Transactions was effected, and provide the information to the Hong Kong regulators as soon as receipt thereof from its client or procure that it be so provided.
- 50.5. The Customer confirms that, where necessary, it has obtained all relevant consents or waivers from clients, collective investment schemes, discretionary accounts or discretionary trusts for whose account Transactions may be effected to release information to the Hong Kong regulators of the identity and contact details of such clients, collective investment schemes, discretionary accounts or discretionary trust, and of the person(s) with the ultimate beneficial interest in any such Transactions, and (if different from the client/ultimate beneficiary) of the person(s) who originated the Transactions.
- 50.6. The provisions of this Clause shall continue in effect notwithstanding the termination of this Agreement.

## **CONFIDENTIALITY**

51. The Company will keep information relating to the Account confidential but may provide any such information to the Exchange and the SFC or any other regulatory authority (including overseas regulatory authorities) to comply with their requirements or requests for information and to any of the Company's branches or associates without any consent from or notification to the Customer.
52. Where the Customer is an individual, the Company is subject to the Hong Kong Personal Data (Privacy) Ordinance, which regulates the use of personal data concerning individuals. The Company's policies and practices relating to personal data are set out in Schedule I to this Agreement and the Customer acknowledges that it fully understands and accepts the provisions in Schedule I.

## **SAFEKEEPING AND DISPOSAL OF SECURITIES**

53. The Customer appoints the Company to act as Custodian for the Customer to provide custody of Customer's Securities. The Customer agrees not to pledge, charge, sell, grant an option or otherwise deal in any Securities or money forming part of any Account without the prior written consent of the Company.
54. Any Securities held by the Company for safekeeping on behalf of the Customer may, at the Company's discretion:
  - 54.1. (in the case of registerable Securities) be registered in the name of the Customer or in the name of the Company's nominee; or
  - 54.2. deposited in safe custody in a designated account of an authorized institution as defined in the Banking Ordinance or with other institutions (in Hong Kong or elsewhere) which provides facilities for the safe custody of Securities. In the case of Securities in Hong Kong, such institution shall be acceptable to the SFC as a provider of safe custody service.
55. Where Securities are held by the Company for safekeeping pursuant to this Clause, the Company shall itself, and shall procure any nominee or custodian appointed by it:
  - 55.1. collect and credit any dividends or other benefits arising in respect of such Securities to the Account or make payment to the Customer as agreed with the Customer. Where the Securities form part of a larger holding of identical Securities held for the Company's clients, the Customer is entitled to the same share of the benefits arising on the holding as the Customer's share of the total holding. Where the dividend is distributed either in the form of cash dividend or other forms, the Company is authorized to elect and receive on behalf of the Customer cash dividend in the absence of contrary prior written Instruction from the Customer; and
  - 55.2. comply with any directions received from the Customer as to the exercise of any voting or other rights attaching to or conferring on such Securities provided that if any payment or expense is required to be made or incurred in connection with such exercise, neither the Company nor its nominee shall be required to comply with any directions received from the Customer unless and until it receives all amounts necessary to fund such exercise.
56. The Company and its nominee are not bound to redeliver to the Customer the identical Securities received from or for the Customer but may redeliver to the Customer, at the office of the Company at which the Account is kept, Securities of like quantity, type and description.
57. Securities held by the Company for safekeeping pursuant to Clause 55 are held by the Company at the sole risk of the Customer and the Company shall not be responsible for or liable in respect of any loss or damage suffered by the Customer in connection herewith unless such loss or damage has been caused as a direct consequence of a gross act of negligence or fraud on the part of the Company.
58. Insofar as any such Securities do not constitute "Collateral" under the Securities and Futures Ordinance, the Customer hereby expressly authorizes the Company to dispose of such Securities for the purpose of settling any liability owed by the Customer (or who is the beneficial owner of such Securities) to the Company for dealing in Securities or financial accommodation provided by the Company to the Customer which remains after the Company has disposed of all other assets designated as Collateral for securing the settlement of the liability.

## **EVENT OF DEFAULT**

59. Any one of the following events shall constitute an event of default ("Event of Default"):
  - 59.1. the Customer's failure to pay any deposits or any other sums payable to the Company or its Associates or submit to the Company any documents or deliver any Securities to the Company hereunder, when called upon to do so or on due date;
  - 59.2. default by the Customer in the due performance of any of the terms of this Agreement and the observance of any by-laws, rules and regulations of the appropriate Exchange and/or Clearing House;
  - 59.3. the filing of a petition in bankruptcy, winding up or the commencement of other analogous proceedings against the Customer;

- 59.4. the death of the Customer or become mentally incapacitated (being an individual);
  - 59.5. the levy or enforcement of any attachment, execution or other process against the Customer;
  - 59.6. any representation or warranty made by the Customer to the Company in this Agreement or in any document being or becoming incorrect or misleading;
  - 59.7. any consent, authorization or board resolution required by the Customer (being a corporation or a partnership) to enter into this Agreement being wholly or partly revoked, suspended, terminated or ceasing to remain in full force and effect; and
  - 59.8. the occurrence of any event which, in the sole opinion of the Company, might jeopardise any of its rights under this Agreement.
60. If an Event of Default occurs, without prejudice to any other rights or remedies that the Company may have against the Customer and without further notice to the Customer, the Company shall be entitled to:
- 60.1. immediately close the Account;
  - 60.2. terminate all or any part of this Agreement;
  - 60.3. cancel any or all outstanding orders or any other commitments made on behalf of the Customer;
  - 60.4. close any or all contracts between the Company and the Customer, cover any short position of the Customer through the purchase of Securities on the relevant Exchange(s) or liquidate any long positions of the Customer through the sale of Securities on the relevant Exchange(s);
  - 60.5. dispose of any or all Securities held for or on behalf of the Customer and to apply the proceeds thereof and any cash deposit(s) to settle all outstanding balances owing to the Company or its Associates including all costs, charges, legal fees and expenses including stamp duty, commission and brokerage properly incurred by the Company in transferring or selling all or any of the Securities or properties in the Account or in perfecting title thereto;
  - 60.6. combine, consolidate and set-off any or all accounts of the Customer in accordance with Clauses 72 to 74.

All amounts due or owing by the Customer to the Company under this Agreement shall become immediately due and payable if an Event of Default occurs.

61. In the event of any sale pursuant to this Clause:
- 61.1. the Company shall not be responsible for any loss occasioned thereby howsoever arising if the Company has already used reasonable endeavours to sell or dispose of the Securities or any part thereof at the then available market price;
  - 61.2. the Company shall be entitled to appropriate to itself or sell or dispose of the Securities or any part thereof at the available market price to any of the Associates without being in any way responsible for loss occasioned thereby howsoever arising and without being accountable for any profit made by the Company and/or any of the Associates; and
  - 61.3. the Customer agrees to pay to the Company any deficiency if the net proceeds of sale shall be insufficient to cover all the outstanding balances owing by the Customer to the Company.

## **TERMINATION**

62. Either party may terminate this Agreement at any time by giving the other party no less than 5 Business Days notice in writing. Service of such notice of termination by the Customer shall not affect any Transaction entered into by the Company before such notice has actually been received by the Company. In particular, the Company may terminate this Agreement upon the occurrence of any one or more of the following events:
- 62.1. the withdrawal or non-renewal upon expiry (or when called upon to do so) of the Customer's authorization to the Company as contained in Clause 58 of this Cash Account Agreement; or

- 62.2. the withdrawal of the Customer's appointment of the Company as the Customer's custodian in Clause 53 Termination under this Clause shall not affect any Transactions entered into by the Company pursuant to this Agreement before the termination.
63. Upon termination of this Agreement under this Clause, all amounts due or owing by the Customer to the Company under this Agreement shall become immediately due and payable. The Company shall cease to have any obligations to purchase or sell Securities on behalf of the Customer in accordance with the provisions of this Agreement, notwithstanding any instructions from the Customer to the contrary.
64. As soon as and in so far as is practicable upon termination of this Agreement, the Company shall sell, realize, redeem, liquidate or otherwise dispose of all or part of the Securities for such consideration and in such manner as the Company shall in its absolute discretion consider necessary to satisfy all indebtedness of the Customer to the Company, at the Customer's sole risk and cost and without any liability accruing to the Company for any loss or damage incurred by the Customer.
65. Any cash proceeds received by the Company pursuant to a sale, realization, redemption, liquidation or other disposal under this Clause shall be credited to the Account and , as soon as is practicable after such cash proceeds have been credited, the net credit balance on the Account (if any) shall be returned to the Customer, after first deducting or providing for all costs, charges, fees and expenses (including legal expenses) incurred by the Company in such sale, realization, redemption, liquidation or other disposal and all other monies and sums due or owing and other liabilities accrued or accruing due to the Company and outstanding (whether actual or contingent, present or future or otherwise). All Securities not realized or disposed of together with any relevant documents of title in the Company's possession shall be delivered to the Customer at the Customer's sole risk and expense. The Company shall have no liability for any loss or damage incurred by the Customer arising from such delivery.
66. If a debit balance on the Account exists after application of the cash proceeds and deduction of any sums pursuant to this Clause, the Customer shall immediately pay to the Company an amount equal to such debit balance together with the Company's cost of funding such amount as notified to the Customer by the Company up to the date of actual receipt of full payment by the Company (after as well as before any judgement).
67. The Company may effect such currency conversions as are necessary for the purposes of this Clause in each case at the spot rate of exchange (as determined by the Company in its absolute discretion) prevailing in the relevant foreign exchange market (as determined by the Company in its absolute discretion) on the relevant date.

#### **LIABILITY AND INDEMNITY**

68. The Company will use all reasonable endeavours to comply with and carry out Instructions given by the Customer and accepted by the Company concerning the Account or Transactions but neither the Company nor any of its directors, employees or agents (save where it has been established that they or any of them have acted fraudulently or in wilful default) shall have any liability whatsoever (whether in contract, tort or otherwise) for any loss, expenses or damages suffered by the Customer as a result of:
- 68.1. any inability, failure or delay on the part of the Company to comply with or carry out any such Instruction or any ambiguity or defect in any such Instruction; or
- 68.2. the Company in good faith acting or relying on any Instruction given by the Customer, whether or not such Instruction was given following any recommendation, advice or opinion given by the Company or any Associate or by any of its or their directors, employees or agents; or
- 68.3. the Company failing to perform its obligations hereunder by reason of any cause beyond its control, including but not limited to any governmental or regulatory restriction, closure of or ruling by any Exchange (or any division thereof), suspension of trading, delays in the transmission of orders due to disruption, breakdown, failure or malfunction of transmission of communication facilities, electronic equipment, telephone or other interconnection problems, postal or other strikes or similar industrial action, or the failure of any Exchange, Clearing House, Correspondent Agent, other company or person whatsoever to perform its obligations; or
- 68.4. any Exchange, Clearing House, Correspondent Agent or other company ceasing for any reason to recognize the existence or validity of Transactions entered into by the Company on behalf of the Customer, or failing to perform or close out any such contract provided that such cessation or failure

shall not affect the Customer's obligations hereunder in respect of any such contracts or other obligations or liabilities of the Customer arising therefrom;

- 68.5. the mis-understanding or mis-interpretation of any Instruction given or placed verbally or electronically, or delays or errors in transmission owing to electronic traffic congestion or any other causes, or any mechanical failure, malfunction, suspension or termination of the continued operation or availability and mechanical failure or inadequacy of the Company's telephone or telecommunication system or installation in connection with the receipt and processing of Instructions transmitted by telecommunication devices and all other related equipment, facilities and Service; or
- 68.6. any inability, failure or delay, whether or not on the part of the Company, any Exchange, Clearing House, Correspondent Agent, other company or person, to transfer Customer's monies and/or Securities to the Account or to the account of the bank designated by the Customer in a timely manner..
69. Without limiting the generality of Clause 68 above, neither the Company, its Associates, its Correspondent Agents nor any of its directors, officers, employees or agents shall have any liability whatsoever (whether in negligence or otherwise) for any loss, expense or damage suffered by the Customer arising out of or alleged to arise out of or in connection with any inconvenience, delay or loss of use of the Electronic Services or any delay or alleged delay in acting or any failure to act on any Instruction given by the Customer to the Company, even if the Company has been advised of the possibility of such loss and damage.
70. The Customer agrees to fully indemnify and keep indemnified the Company and its Associates and its Correspondent Agents and their directors, officers, employees and agents ("Indemnified Persons") against any loss, cost, claim, liability or expense, including but not limited to legal fees, that may be suffered or incurred by any and/or all of the Indemnified Persons, arising out of or in connection with any Transactions, or otherwise arising out of any action or omission by the Company in accordance with the terms of this Agreement, or arising out of any breach by the Customer of any of its obligations under this Agreement, including any costs reasonably incurred by the Company in collecting any debts due to the Company or any unpaid deficiency in the Account, in enforcing the rights of the Company hereunder or in connection with the closure of the Account, and any penalty charged to the Company by any Exchange and/or Clearing House.
71. Clauses 68, 69 and 70 shall continue in effect notwithstanding the termination of this Agreement.

#### **SET-OFF, LIEN AND COMBINATION OF ACCOUNTS**

72. In addition and without prejudice to any general liens, rights of set-off or other similar rights to which the Company may be entitled under laws or this Agreement, all Securities, receivables, monies and other property of the Customer (held by the Customer either individually or jointly with others) held by or in the possession of the Company at any time shall be subject to a general lien in favour of the Company as continuing security to offset and discharge all of the Customer's obligations, arising from the Transactions, to the Company and its Associates.
73. In addition and without prejudice to any general liens or other similar rights which the Company may be entitled under law or this Agreement, the Company for itself and as agent for any of its Associates, at any time without notice to the Customer, may combine or consolidate any or all accounts, of any whatsoever and either individually or jointly with others, with the Company or any of its Associates and the Company may set off or transfer any monies, Securities or other property in any such accounts to satisfy obligations or liabilities of the Customer to the Company or any of its Associates, whether such obligations and liabilities are actual or contingent, primary or collateral, secured or unsecured, or joint or several.
74. Without limiting or modifying the general provisions of this Agreement, the Company may, without notice, transfer all or any such or properties inter changeably between any Accounts and any other accounts of its Associates.

#### **JOINT AND SEVERAL LIABILITY/SUCCESSORS**

75. Where the Customer comprises two or more individuals:
  - 75.1. each such individual shall be jointly and severally liable for all obligations under this Agreement.
  - 75.2. the Company may accept Instructions from, give receipts to and for all purposes deal with any one of such individuals unless the Company has received written Instructions to the contrary;

- 75.3. any payment made to any one of such individuals shall be a valid and complete discharge regardless of whether such payments are made before or after the death of any one of more of such individuals;
- 75.4. on the death of any of such individuals (being survived by any other such individuals), this Agreement shall not be terminated and the interest in the Account of the deceased will thereupon vest in and ensure for the benefit of the survivor(s) provided that any liabilities incurred by the deceased Customer shall be enforceable by the Company against such deceased Customer's estate. The surviving Customer(s) shall give the Company written notice immediately upon any of them becoming aware of any such death.
- 75.5. This Agreement shall be binding on the Customer's heirs, executors, administrators, personal representatives, successors and assigns, as the case may be.

#### **TRANSACTION NOTICES AND REPORTS**

76. The Company will report to the Customer executions of Transactions
- 76.1. promptly by telephone calls or facsimile ; and/or
- 76.2. by sending to the Customer electronic communications of the transaction confirmation and account statement within two Business Days of the execution of the Transaction at the designated e-mail address (the "Designated Email Address") as stated in the Customer Information Form. Unless there has been no Transactions during any particular month, the Company will send the Customer electronic monthly statement showing a transaction summary for the month; and
- 76.3. by delivering to the Customer electronic statement to the Designated Email Address,
- unless by other means of communication otherwise agreed with the Company in such a manner as may prescribed by the Company from time to time.
77. The Customer shall have a duty to examine the transaction confirmation, account statement and the monthly statement carefully and to notify the Company in writing of any alleged error or irregularity therein within 7 Business Days or such other period of time as may be specified by the Company generally or in any particular case, after either the date of despatch of such confirmation or statement. Otherwise, the transaction confirmations, account statement and monthly statement shall be conclusive and the Customer shall be deemed to have waived any such error or irregularity and the Company will be released from all claims by the Customer in connection with the statement or any action taken or not taken by the Company regarding the Account.

#### **ELECTRONIC SERVICE AND ELECTRONIC COMMUNICATION**

78. The Customer agrees to use the Electronic Service and/or electronic communication offered by the Company in the future only in accordance with the Cash Account Agreement and the Electronic Service Agreement annexed as Schedule II to this Cash Account Agreement.
79. The Company may in its absolute discretion impose restrictions on the types of orders, and the range of prices for such orders, which can be placed through the Electronic Service.
80. The Customer agrees to pay all subscription, service and user fees, if any, that the Company charges for the Electronic Service.

#### **REPRESENTATIONS AND WARRANTIES**

81. The Customer represents, warrants and undertakes that:
- 81.1. The information contained pursuant to this Agreement is true, accurate and complete on which the Company is entitled to rely until the Company has received notice in writing from the Customer of any changes therein. The Company will be notified immediately in writing of any material changes in such information;

- 81.2. Its all necessary consents or authorization which may be required for this Agreement have been obtained and are in full force and effect; and
- 81.3. The Customer has the authority and legal capacity to enter into and perform its obligations under this Agreement and this Agreement constitutes the valid and legally binding obligations of the Customer.

#### **RISK DISCLOSURE**

82. The Customer declares and acknowledges that the Customer has been fully explained to the Risk Disclosure Statements annexed as Schedule III and has been invited to seek independent legal and financial advice in relation to the matters as more particularly set out in the Risk Disclosure Statements. The Customer further declares that the Customer has carefully read the Risk Disclosure Statements and fully understands and accepts the contents of the same and agrees to be bound by the same.

#### **NOTICES AND COMMUNICATIONS**

83. All notices, reports, statements, confirmations and other communications shall be in written form which may be personally delivered or transmitted by post or facsimile or through Electronic Service, if to the Customer, at the address, facsimile number or electronic mail address given to the Customer Information Form or at such other address, facsimile number or electronic mail address as shall be designated by the Customer in a written notice to the Company; and if to the Company, at its address at such office of the Company as the Company may from time to time select and notify the Customer.
84. All such notices, reports, statements, confirmations and other communications shall be deemed to have been duly served:
- 84.1. at the time of delivery or transmission, if delivered personally, by facsimile or Electronic Service or Electronic Communication as described in Clauses 78 to 80; or
- 84.2. 2 Business days after the date of posting, if sent by local mail; or
- 84.3. 5 Business days after the date of posting, if sent by overseas mail.

#### **AMENDMENTS**

85. The Customer agrees that the Company may amend the terms of this Agreement by giving the Customer a notice of the changes in writing at any time. Any amendment to this Agreement shall be deemed to have been accepted by the Customer unless written notice of objection is received by the Company within 10 Business Days after the date of despatch of the notification by the Company.

#### **ASSIGNMENT**

86. The Customer agrees that the Company may transfer its rights and obligations under this Agreement without prior consent from the Customer. The rights and obligations of the Customer under this Agreement may not be assigned without the Company's prior written consent.

#### **GOVERNING LAW**

87. This Agreement and all rights, obligations and liabilities hereunder shall be governed by and construed in accordance with the Laws of Hong Kong and may be enforced in accordance with the Laws of Hong Kong.
88. If the Customer is an individual or a company domiciled outside Hong Kong, the Customer hereby appoints nominee or any other substitute agent acceptable to the Company from time to time to be its process agent to receive all notices and communications relating to any legal proceedings involving the Customer. The Customer agrees that any service of any legal process on the process agent shall constitute sufficient service on the Customer for the purpose of legal proceedings in the Hong Kong courts.
89. The Customer agrees to submit to the non-exclusive jurisdiction of the Hong Kong courts.

90. General Time shall in all respect be of essence in the performance of all of the Customer's obligations under this Agreement.
91. A failure or delay in exercising any right, power or privilege in respect of this Agreement by the Company will not be presumed to operate as a waiver, and a single or partial exercise of any right, power or privilege will not be presumed to preclude any subsequent or future exercise of that right, power or privilege.
92. The Company undertakes to notify the Customer in the event of any material change in the other information provided to the Customer in their Agreement.
93. The Customer acknowledges and agrees that the legality, validity and enforceability of this Agreement and the provisions and Schedule(s) of this Agreement will not be affected at whatsoever in the event of any mis-spelling and/or type errors.
94. The Customer agrees and understands that (i) the English version of this Agreement and the terms and conditions thereof shall prevail over the Chinese version of this Agreement and the terms and conditions thereof; (ii) the Chinese version of this Agreement and the terms and condition thereof is for reference only; and (iii) if the Customer is in any doubt as to any aspect about this Agreement and the terms and conditions thereof or as to the action to be taken, the Customer would consult the Customer's legal adviser and/or other professional adviser before completing and executing this Agreement.

## SCHEDULE I

### Personal Information Collection Statement

This Statement is provided to the Customer as an individual Customer of the Company in accordance with the requirements of the Hong Kong Personal Data (Privacy) Ordinance (the "Ordinance"). Terms defined in this statement has the same meaning as in the Cash Account Agreement.

1) Disclosure Obligation

Unless otherwise stated the Customer must supply the personal data requested on the Customer Information Form to Convoy Investment Services Limited. If the Customer does not supply this data, it will not be possible for the Customer to "open an Account with the Company as the Company will not have sufficient information to open and administer the Account".

2) Use of Personal Data

a) User

All personal data concerning the Customer (whether provided by the Customer or any other person, and whether provided before or after the date the Customer receives the Cash Account Agreement containing this information) may be used by any of the following companies or persons (each, a "User"):

- i) Convoy Investment Services Limited and/or any of its Associates (the "Group");
- ii) any director, officer or employee of the Group;
- iii) any person (such as lawyers, advisers, nominee, custodian etc.) authorized by the Group when carrying out the Customer Instructions and the business of the Group;
- iv) any actual or proposed assignee of any rights and obligations of the Group in relation to the Customer, and
- v) any governmental, regulatory or other bodies or institutions, whether as required by law or regulations applicable to any member of the Group.

b) Purposes

All personal data concerning the Customer may be used by any User for the following purposes:

- i) carrying out new or existing client verification and credit checking procedures and assisting other financial institutions to do so;
- ii) ongoing Account administration, including the collection of amounts due, enforcement of security, charge or other rights and interests;

- iii) designing further products and Service or marketing a Group product to the Customer;
- iv) transfer of such data to any place outside Hong Kong;
- v) comparison with the Customer's personal data (irrespective of the purposes and sources for which such data were collected, and whether collected by a User or any other person) for the purpose of:
  - (a) credit checking;
  - (b) data verification; and/or
  - (c) otherwise producing or verifying data which may be used for the purpose of taking such action that a User or any other person may consider appropriate (including action that may relate to the rights, obligations or interest of the Customer or any other person);
- vi) providing on the terms of any other agreements and services relating to the Customer;
- vii) any purpose relating to or in connection with compliance with any law, regulation, court order or order of any regulatory body;
- viii) any other purpose relating to the execution of the Customer's Instructions or in connection with the business or dealings of the Group.

### 3) Rights of Access and Correction

The Customer has the right to have access to and correction of the Customer's personal data as set out in the Ordinance. In general, and subject to certain exemptions, the Customer is entitled to:

- i) enquire whether Convoy Investment Services Limited holds personal data in relation to the Customer;
- ii) request access to the Customer's personal data within reasonable time, at a fee which is not excessive, in a reasonable manner and in a form that is intelligible;
- iii) request the correction of the Customer's personal data; and
- iv) be given reasons if a request for access or correction is refused, and object to any such refusal.

### 4) Contact Person

If the Customer wishes to request access to and/or correction of personal data concerning the Customer, the Customer should address the Customer's request to the Data Protection Officer of the Company.

## SCHEDULE II

### Electronic Service Agreement

This Electronic Service Agreement is supplemental to the Cash Account Agreement entered into by the Company and the Customer to which this Electronic Service Agreement is annexed whereby the Company agrees to provide to the Customer Electronic Service which enables the Customer to give electronic Instructions and to obtain quotations and other information via computer or telephonic transmission for use on compatible personal, home or small business computers, including internet appliance with modems, terminals or network computers that can connect to a telecommunication network. Where any conflict arises between the Cash Account Agreement and the provisions of this Electronic Service Agreement, the provisions of the former shall prevail.

#### **INTERPRETATION**

1. Terms defined in this Electronic Service Agreement have the same meanings as in the Cash Account Agreement unless stated otherwise.
2. The following expressions shall, unless the context requires otherwise, have the following meanings:

"Instruction Acknowledgement"	means, in relation to an Instruction, whether to buy or sell Securities or to amend or cancel another prior Instruction, an acknowledgement by the Company of receipt of those Instructions;
"Login ID"	means the Customer's identification, used in conjunction with the Password, to gain access to the Electronic Service;
"Electronic Service"	means the electronic trading facility provided by the Company which enables the Customer to give electronic instructions to purchase, sell and otherwise deal in Securities and to obtain Information;
"Information"	means any transaction data, bid and ask quotations, news, reports, third party analysis' reports, research and other information, whether relating to securities and the securities markets or not;
"Password"	means the Customer's password, used in conjunction with the Login ID, to gain access to the Electronic Service.
3. References to "Instructions" in the Cash Account Agreement are deemed to include such electronic instructions given by means of the Electronic Service.
4. "Transaction Notices and Reports" and "Notice and Communication" referred to in Clauses 76 to 77 and Clauses 83 to 84 of the Cash Account Agreement respectively may be sent solely by means of Electronic Service if the Customer so consents and such consent can be given initially as indicated in the Client Information Form or subsequently by Electronic Service.

#### **USING ELECTRONIC SERVICE**

5. On the issuance by the Company to the Customer of its Login ID and Password, the Electronic Service shall be activated and the Company will notify the Customer.
6. The Customer agrees:
  - 6.1. that it shall use the Electronic Service only in accordance with this Electronic Service Agreement and the Cash Account Agreement;

- 6.2. that it shall be the only authorized user of the Electronic Service;
  - 6.3. that it shall be responsible for the confidentiality and use of its Login ID and Password;
  - 6.4. that it shall be review every Instruction before entering it as it may not be possible to cancel the Instructions once given;
  - 6.5. that it shall be solely responsible for all Instructions entered through the Electronic Service using its Login ID and Password and any Instructions so received by the Company shall be deemed to made by the Customer at the time received by the Company and in the form received;
  - 6.6. that it shall immediately inform the Company if it becomes aware of any loss, theft or unauthorized use its Login ID and Password;
  - 6.7. that the Company has the right to suspend the Electronic Service if an incorrect Login ID and Password are entered on more than 3 occasions;
  - 6.8. if the Customer uses the Electronic Service that the Customer accesses by computer, the Customer agrees to provide the Company with the Customer e-mail address, to promptly provide the Company with any changes to the Customer e-mail address and to accept electronic communications from the Company at the e-mail address the Customer specified; and
  - 6.9. that it shall be bound by the consent given in Annexure A, to this Electronic Service Agreement or any other form of any consent the Customer gives through the Electronic Service for the Company to provide any notices, statements, trade confirmations and other communications to the Customer solely through Electronic Service; and
  - 6.10. that it shall logoff the Electronic Service immediately following the completion of each Electronic Service session.
7. Upon such receipt of Instructions from a Customer, the Company shall send an Instruction Acknowledgement. The Customer agrees that its receipt of an Instruction Acknowledgement is not a guarantee that its Instructions will be executed. If the Customer does not receive an Instruction Acknowledgement within 5 minutes following it entering Instructions into the Electronic Service, or if the Customer receives an Instruction Acknowledgement with error, the Customer is responsible for immediately contacting the Company to confirm that the Instructions were received. The Customer further agrees that non-receipt by it of the Instruction Acknowledgement does not necessarily mean its Instructions will not be executed. In the event that the Customer receives confirmation from the Company that the instructions have been executed but not in Instruction Acknowledgement, the Customer shall still be responsible for settling the trade.
  8. Without limiting the generality of the foregoing, the Customer acknowledges and agrees that it may not be possible to amend or cancel an Instruction after if has been given through the Electronic Service and that an Instruction may only be amended or cancelled if it has not been executed by the Company. In such circumstances the Company will use its best efforts to amend or cancel the Instruction but, notwithstanding any receipt by the Customer of an Instruction Acknowledgement in relation to the amendment or cancellation, there is no guarantee that the amendment or cancellation will occur. If the amendment or cancellation does not occur, the Customer shall remain liable for the original Instruction.
  9. The Company shall not execute any Instructions of the Customer until there are sufficient cleared funds, Securities or other assets acceptable to the Company in the Account(s) to settle the Customer's Instructions.
  10. The Customer shall have a duty to examine the Instruction Acknowledgement, transaction confirmation, account statement and the monthly statement carefully and to notify the Company in writing of any alleged error or irregularity therein within 7 Business Days or such other period of time as may be specified by the Company generally or in any particular case, after either the date of despatch of such confirmation or statement. Otherwise, the transaction confirmations, account statement and monthly statement shall be conclusive and the Customer shall be deemed to have waived any such error or irregularity and the Company will be released from all claims by the Customer in connection with the statement or any action

taken or not taken by the Company regarding the Account.

11. Any notice or other communications including, but not limited to, written confirmations and statements of the Account(s) delivered to the Customer by the Company under this Agreement if by electronic means or devices shall be deemed made or given upon transmission of the message to the Customer. For the avoidance of doubt, the Customer agrees that it is the Customer's duty to notify the Company immediately if the Customer does not receive the Company's regular statements of the Account or such Instruction Acknowledgement and/or other means of advice from the Company in respect of any Transactions within the time usually required for receipt of similar statements, Instruction Acknowledgement and/or advice.
12. The Customer shall only use the Electronic Service in Hong Kong or other jurisdiction where the Electronic Service may lawfully be provided by the Company and its Associates and used by the Customer.

#### **PROVISION OF INFORMATION**

13. The Company may convey to the Customer by Electronic Service Information. The Customer may be charged a fee for the Information. The Company obtains Information from Exchanges and markets and from third-parties that transmit Information (collectively referred to as "the Information Providers").
14. The Information is the property of the Company, the Information Providers or others and is protected by copyright. The Customer shall not use the Information or any part thereof other than for its own use or in the ordinary course of its own business.
15. The Customer agrees not to:
  - 15.1. reproduce, retransmit, disseminate, sell, distribute, publish, broadcast, circulate or commercially exploit the Information for any illegal purposes or in any manner without the express written consent of the Company and the relevant Information Provider(s);
  - 15.2. use the Information for any unlawful purpose;
  - 15.3. use the information or any part thereof to establish, maintain or provide or to assist in establishing, maintaining or providing a trading floor or dealing service for trading securities listed on the SEHK; and
  - 15.4. disseminate the Information to third parties.
16. The Customer agrees to comply with reasonable written requests by the Company to protect the Information Providers' and the Company's respective rights in the Information and the Electronic Service.
17. The Customer shall comply with such reasonable directions as the Company may give from time to time concerning permitted use of the Information.

#### **INTELLECTUAL PROPERTY RIGHTS**

18. The Customer acknowledges that the Electronic Service, and the software comprised in it, is proprietary to the Company. The Customer warrants and undertakes that it shall not, and shall not attempt to, tamper with, modify, decompile, reverse engineer or otherwise alter in any way, and shall not attempt to gain unauthorized access to, any part of the Electronic Service or any of the software comprised in it. The Customer agrees that the Company shall be entitled to terminate this Electronic Service Agreement if at any time the Customer breaches, or if the Company at any time reasonably suspects that the Customer has breached this warranty and undertaking.
19. The Customer acknowledges that the Information or market data made available to it through the Electronic Service may be proprietary to third parties and the Customer agrees that it will not upload, post, reproduce or distribute any Information, software or other material protected by copyright or other intellectual property

right (as well as rights of publicity and privacy) without first obtaining the permission of the owner of such rights.

#### **LIMITATION OF LIABILITY AND INDEMNIFICATION**

20. The Company, its Correspondent Agents and the Information Providers shall not be responsible for any losses, costs, expenses or liabilities suffered by the Customer resulting from circumstances beyond the Company's reasonable control including, without limitation;
  - 20.1. delays, failure or inaccuracies in transmission of communications to or from the Company through telephone, electronic or other systems that are not under our control;
  - 20.2. delays, inaccuracies, omissions in or unavailability of research, analysis, market data, Information and other information, whether provided through the Electronic Service, the Company's website or in any other form, prepared by the Company, its Associates or third parties;
  - 20.3. unauthorized access to communications systems, including unauthorized use of the Customer access number(s), password(s) and/or account numbers; and
  - 20.4. war or military action, government restrictions, labor disputes or closure of or disruption to orderly trading on any market or exchange, severe weather conditions and acts of god.
21. The Customer agrees to defend, indemnify and hold the Company, its Correspondent Agents and the Information Providers harmless from and against any and all claims, losses, liability costs and expenses (including but not limited to legal fees) arising from the Customer violation of the Cash Account Agreement (including this Electronic Service Agreement), applicable securities and futures laws or regulations, or any third party's rights, including but not limited to infringement of any copyright, violation of any proprietary right and invasion of any privacy rights. This obligation will survive the termination of this Electronic Service Agreement.

#### **TERMINATION OF ELECTRONIC SERVICE**

22. The Company reserves the right to terminate the Customer's access to the Electronic Service or any portion of them in its sole discretion, without notice and without limitation, for any reason whatsoever, including but not limited to the unauthorized use of the Customer Log-in ID, Password(s) and/or account number(s), breach of this Electronic Service Agreement or the Cash Account Agreement, discontinuance of the Company's access to any information from any Information Provider or termination of one or more agreements between the Company and the Information Providers.
23. In the event of termination by the Company, the Information Providers and the Company shall have no liability to the Customer; provided, however, that if the termination is without cause the Company will refund the pro rata portion of any fee that may have been paid by the Customer for the portion of the Electronic Service not furnished to the Customer as of the date of such termination.

#### **RISK DISCLOSURE**

24. The Customer acknowledges and accepts the relevant risk of using the Electronic Service contained in Schedule III.

#### **GENERAL**

25. In the event of any dispute between the parties, the Customer agrees that the records of the Company (including electronic records) shall prevail.
26. In the case where the Company has entered into a licensing agreement with the Stock Exchange Information

Service Limited ("SEIS"), the Customer authorizes the Company to provide information on the Electronic Service supplied to the Customer hereunder to SEIS, to enable the Company to comply with the licence agreement between SEIS and the Company relating to market datafeeds.

## **SCHEDULE II**

### **Annexure A**

#### **Customer's Consent (Electronic Communication)**

To: Convoy Investment Services Limited  
34/F, One Island East  
18 Westlands Road  
Quarry Bay  
Hong Kong

Re: Electronic Communication

I/We, the undersigned customer, hereby consent to the Company providing all notices, statements, trade confirmations and other communications by the Company to me/us through electronic communication and I/we hereby request instruct and authorize the Company to transmit, release and send all notices, statements, contract notes, trade confirmations and other communications (the "communications") to me/us at my/our designated e-mail address as specified below.

My/ our Designated E-Mail address:

I/We, acknowledge and accept the risks of receiving the Communications via electronic communications, including but not limited to the risks as set out in Schedule III of the Cash Account Agreement: Clause 8 of the " Risk Disclosure Statements " and agree and undertake to hold the Company harmless from and against all losses, damages, interests, costs, expenses, actions, demands, claims or proceedings of whatsoever nature which I/we may incur, suffer and/ or sustain as a result of the Company's provision of the Communications via electronic communication. I/We understand I/We only can choose either receiving the account statement via physical mail or via electronic communication. Once choosing electronic communication service, I/We will not receive any physical account statement by mail. I/We undertake to notify the Company of any change in my/our email address. If the Company got two successive messages in relation to failure of sending the statement to my/our email address electronically, the Company has the right to send the statement to me/us via physical mail instead.

In the event of any difference in interpretation or meaning between the English and Chinese version of this Consent, the Customer agrees that the English version shall prevail.

This consent has been explained to me/us. I/We declare that I/we fully understand the contents of this Consent.

The Customer has to provide the information and sign on the relevant Customer Information Form to accept and confirm the above Consent.

## SCHEDULE III

### Risk Disclosure Statements

1. Risk of Securities Trading

The prices of securities fluctuate, sometimes dramatically. The price of a security may move up or down, and may become valueless. It is as likely that losses will be incurred rather than the profit made as a result of buying and selling securities. The customer should understand the risks of investment in stock market before they make investment decisions. The customer shall also assess their abilities and willingness in assuming such risks. The customers are also advised to seek the independent financial advice if they wish.

2. Risk of Trading Options

The risk of loss in trading options is substantial. Placing contingent orders, such as stop-loss or stop-limit orders, will not necessarily avoid loss. Market conditions may make it impossible to execute such orders. You will remain liable for any resulting deficit in your account. You should therefore study and understand options before you trade and carefully consider whether such trading is suitable in the light of your rights and obligations upon exercise or expiry.

3. Risk of Providing an Authority to Hold or to Direct Mail to Third Parties

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

4. Risk of Trading Growth Enterprise Market Stocks

- 4.1. Growth Enterprise Market (GEM) stocks involve a high investment risk. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. GEM stocks may be very volatile and illiquid.
- 4.2. You should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.
- 4.3. Current information on GEM stocks may only be found on the internet website operated by The Stock Exchange of Hong Kong Limited. GEM Companies are usually not required to issue paid announcements in gazetted newspapers.
- 4.4. You should seek independent professional advice if you are uncertain of or have not understood any aspect of this risk disclosure statement or the nature and risks involved in trading of GEM stocks.

5. Risk of Trading Nasdaq-Amex Securities at the Stock Exchange of Hong Kong Limited

The securities under the Nasdaq-Amex Pilot Program ("PP") are aimed at sophisticated investors. You should consult your dealer and become familiarised with the PP before trading in the PP securities. You should be aware that the PP securities are not regulated as a primary or secondary listing on the Main Board or the GEM of The Stock Exchange of Hong Kong Limited.

6. Risks of Client Assets Received or Held Outside Hong Kong

Assets of yours which are received or held by us outside Hong Kong are subject to the applicable laws and regulations of the relevant overseas jurisdiction which may be different from the Securities and Futures Ordinance (Cap. 571) and the rules made thereunder. Consequently, such assets may not enjoy the same protection as the conferred on those assets which are received or held in Hong Kong.

7. Risks of leaving Securities in the custody of the Company and its Associates

The Customer acknowledges that there are risks in leaving Securities in the custody of the Company and its Associates. For example, if the Company is holding the Customer's Securities and becomes insolvent, the Customer may experience significant delay in recovering securities. These are risks that the Customer is prepared to accept.

8. Risks of using Electronic Service under the Electronic Service Agreement

- 8.1. If the Customer undertakes Transactions via Electronic Service, it will be exposed to risks associated with the Electronic Service system including the failure of hardware and software, and that the result of any system failure may be that its order is either not executed according to its Instructions or is not executed at all;
- 8.2. Due to unpredictable suspension or traffic congestion in communication and other reasons, Electronic Service may not be reliable and that Transactions conducted via Electronic Service are subject to delays in transmission and receipt of its Instructions or other Information, delays in execution or execution of its Instructions at prices different from those prevailing at the time its Instructions were given, transmission interruption or blackout, that there are risks of misunderstanding or errors in communication, and that there is also usually not possible to cancel an Instruction after it has been given. The Company accepts no responsibility for any loss which may be incurred by the Customer as a result of such interruptions or delays or access by third parties. The Customer should not place any Instruction with us over the Electronic if the Customer is not prepared to accept the risk of such interruptions or delays;
- 8.3. Messages sent over the Electronic Service or the internet cannot be guaranteed to be completely secure. The Customer shall be aware of and bear the risk of any delay, loss, diversion, alteration, corruption or virus infection of any messages or instructions either sent to or received from the licensed or registered person's systems. The Company, its Associates and its Correspondent Agents shall not be responsible for any losses or damages incurred or suffered as a result thereof;
- 8.4. Market data and other Information made available to the Customer through our Electronic Service may be obtained by the Company from third parties. While the Company believes such market data or Information to be reliable, neither the Company nor such third parties guarantees the timeliness, accuracy, completeness or timeliness of any such market data or information. The Company accepts no responsibility for any loss which may be incurred by the Customer as a result of inaccuracy, error in, omission, unavailability or interruption of any such market data or information whether due to any act of the Company or by any forces beyond the control of the Company; and
- 8.5. Access to the Electronic Service or internet may be limited or unavailable during periods of peak demands, market volatility, systems upgrades or maintenance or for other reasons. Any communication through the Electronic Service or the internet or other electronic medium may be subject to interruption, transmission blackout, and delayed transmission due to unpredictable traffic congestion and other reasons beyond the control of the Company, its Associates and its Correspondent Agents. The internet is, due to technical limitation, an inherently unreliable medium of communication. As a result of such unreliability, there may be delays in the transmission and receipt of information. The statements may not be sent to the Designated Email at all. Moreover, communications and personal data may be accessed by unauthorized third parties, and there are risks of misunderstanding or error in any communication and that such risks shall be absolutely borne by the Customer.

## SCHEDULE IV

### Internet Securities Trading Services

#### 1. Note to Clients

- 1.1. To protect your interest, please avoid using computer shares with others to log-in “convoyinvest.com”. If you cannot avoid this, we recommend that you should log-out “convoyinvest.com” from internet and close the browser after you have finished “convoyinvest.com” session.
- 1.2. Please do not leave your computer when you are using.
- 1.3. Please do not disclose your Login ID and password to third parties.
- 1.4. If you wish to record the password in any manner, please carefully arrange for the proper manner of record and do not allow third party to easily identify the relevant numbers as your password.
- 1.5. Please do not change your password to such numbers that are relating to your personal data such as your telephone number or ID card number.
- 1.6. After having dealt with transactions through “convoyinvest.com”, please remember to log-out “convoyinvest.com” before you access to other website(s).
- 1.7. After you have successfully sent out the buy, sell or cancel order, the system will display the order in the completed/pending completion column to show that the relevant order has been received by us. However, this does not mean that your order has been successfully executed in the market. You should access to 'Order Status' field to inquire the latest status of the order.
- 1.8. “convoyinvest.com” only accepts the orders for purchase and sale of shares listed in Hong Kong and denominated in Hong Kong dollars. If you wish to purchase or sell non-Hong Kong listed share (such as Jardine-related shares), bonds, NASDAQ shares, any non-Hong Kong dollars denominated shares or odd lot shares, please visit our office or call the responsible Account Executive to process the relevant transactions.
- 1.9. Under normal circumstances, when an order has been given through the internet, our Company will provide the order status in the completion column to confirm the receipt of such order. If there is breakdown in your computer or disconnection of the internet linkage in the course of the processing of the order and you are uncertain as to whether the order has been duly completed, you may visit our office or call your responsible Account Executive to enquire the status of the order.

#### 2. Disclaimers

Our Company and its employee shall have no responsibilities or liabilities for the completeness, accuracy and validity of the contents of any documents or instructions relating to securities issued by third party(ies) to our Company. Any indication of investment shall not constitute any recommendation for the purchase and/or sale of securities. The customers shall conduct their own independent assessment and research on the contents of those documents or instruments. The securities prices for securities services are provided by the Stock Exchange of Hong Kong and other information provider(s) as selected by our Company. Whilst our Company and The Stock Exchange of Hong Kong and/or the other information provider(s) do not guarantee the accuracy and reliability of such information and shall not be responsible for any losses suffered by the customers as a result of inaccuracy and incompleteness of the information. The securities under the Nasdaq-Amex Pilot Program (PP) are aimed at sophisticated investors. You should consult your dealer and become familiarised with the PP before trading in the PP securities. You should be aware that the PP securities are not regulated as a primary or secondary listing on the Main Board or the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited.