Phillip Commodities(HK) Limited

FUTURES CLIENT AGREEMENT

SCHEDULES:

1. On-line Trading Agreement

2. Personal Information Collection Statement

3. Risk Disclosure Statement

4. Account Opening Form
   (Customer Information Form)

Oct 2026
PCHK-CA15 (10-26)

FUTURES CLIENT AGREEMENT

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

BETWEEN:

(1) **Phillip Commodities (HK) Limited**, a company incorporated in Hong Kong with its principal place of business at 11/F, United Centre, 95 Queensway, Hong Kong and a corporation licensed for Type 2 and Type 7 regulated activities under the Securities and Futures Ordinance with CE No. AAZ038 (the "**Company**") and a Futures Commission Merchant of the HKFE; and

(2) The party whose name, address and details are set out in the Account Opening Form (the "**Customer**").

WHEREAS:

(1) The Customer is desirous of opening one or more non-discretionary account(s) with the company as the Customer may decide from time to time for the purpose of entering into contracts of all kinds for futures and options trading.

(2) The company agrees that it will form time to time at the request of the Customer and at its discretion allow the Customer to open one or more non-discretionary account(s) with the company and will maintain such account or account(s) to be designated by name(s), number(s) or otherwise for the Customer for the purpose of futures and options trading.

1 Definitions

In this Agreement:

"**Account**" means any one or more futures trading accounts now or hereafter opened in the name of the Customer with the Company in connection with this Agreement.

"**Account Opening Form**" means the form attached as Schedule 4.

"**Agreement**" means this agreement, including the Account Opening Form and the various Schedules attached hereto, as originally executed or as thereafter from time to time amended or supplemented.

"**Approved Debt Securities**" means Exchange Fund Bills or Notes issued by the Hong Kong Special Administrative Region Government for the account of the Exchange Fund, Treasury Bills or Notes issued by the government of United States of America (other than United States Treasury Callable Corpus (TCAL) and Separate Trading of Registered Interest and Principal of Securities (STRIPS)) and other debt securities or instruments as may from time to time be approved by the HKFE as cover for margin.

"**Approved Securities**" means TraHK Units and such other securities as may from time to time be approved by the HKFE as a form of cover for margin.

"**Associate**" means, in relation to the Company, a body corporate which is its subsidiary or affiliated company, in Hong Kong or elsewhere including but not limited to Phillip Securities (Hong Kong) Limited, Phillip Capital Management (HK) Limited and Phillip Bullion Limited.

"**Authorised Person**" means, the person or any of the persons designated in or pursuant to this Agreement to issue instruction in relation to the Account.

"**Board**" means the board of directors from time to time of the HKFE or (as the context may require) the majority of directors present and voting at a duly convened meeting of directors at which a quorum is present, or any duly appointed committee of the Board.

"**Business Day**" means any day on which the HKFE or Foreign Futures Exchanges (as the case may be) is open for trading other than Saturdays, Sundays, public holidays and any other days declared by the HKFE or Foreign Futures Exchanges (as the case may be) to be a non-business day.

"**Clearing House**" means the HKFE Clearing Corporation Limited.

"**Clearing House Rules**" means the rules and applicable procedures of the Clearing House and any amendments, supplements, variations or modifications thereto from time to time in force.

"**Code of Conduct**" means the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission of Hong Kong.

"**Contract**" means any contract relating to a Commodity Futures transaction.

"**Correspondent Agents**" means anyone who acts as the Company's agent in effecting Transactions or clearing the same in Hong Kong or elsewhere, including any member of an Exchange or Clearing House.

"**HKFE**" means The Hong Kong Futures Exchange Limited and includes its successors, assigns and any resulting or surviving entity into or with which it may consolidate, amalgamate or merge.

"**Commodity Futures**" means any futures or options contract that is traded on the HKFE or any other Foreign Futures Exchanges, or futures or options contract on any other instrument agreed between the parties. Commodities include, without limitation, currencies, securities, indices of any kind (whether stock market or otherwise), interest rates, exchange rates, physical assets (including precious metals, agricultural produce and oil) or other investments traded, or rights or options in relation to which are traded.

"**Foreign Futures Exchange**" means any futures market which is permitted to operate in a country or territory outside Hong Kong by the law of that country or territory.

"**Foreign Transactions**" means any transaction related to Commodity Futures to be executed on Foreign Futures Exchanges.

"**Hong Kong**" means the Hong Kong Special Administrative Region of the Peoples Republic of China.

"**Instructions**" means any instruction or orders regarding Commodity Futures transactions communicated by the Customer or its Authorised Persons to the Company in accordance with Clause 4.1.

"**Investor Compensation Fund**" means the compensation fund established under the laws of Hong Kong.

"**Market**" means one of the markets from time to time established and operated by the HKFE pursuant to Rule 201 of the Rules.

"**Regulations**" means the regulations by whatever name called and wherever contained, which are prescribed by the Board from time to time in force for regulating the activities of the Markets or, as the context may require, the regulations applicable to one particular Market.

"**Rules**" means the rules of the HKFE, the Regulations and any amendments, supplements, variations or modifications thereto from time to time in force.

"**SFC**" means the Securities and Futures Commission of Hong Kong.

"**SFO**" means the Securities and Futures Ordinance, Cap.571 of the Laws of Hong Kong.

"**TraHK Units**" means units issued in accordance with the unit trust scheme named "Tracker Fund of Hong Kong" established by the trust deed dated 23 October 1999 between (1) State Street Global Advisors (HK) Limited as manager, (2) State Street Bank and Trust Company as trustee, and (3) Exchange Fund Investment Limited as promoter, as from time to time modified or added to.

"**Variation Adjustment**" means, in relation to transactions on the HKFE, the amount payable by or to the Clearing House and/or the Company on behalf of the Customer, calculated on a daily basis in accordance with Rules 408 to 411 of the Clearing House Rules.

2 Scope of Terms and Conditions

2.1 This Agreement shall apply to all Contracts which are effected or to be effected by the Company on behalf of the Customer on the HKFE or any Foreign Futures Exchanges and shall be deemed to be incorporated in each Contract, whether oral or written, entered into between the Company and the Customer. Any other terms and conditions proposed or referred to by the Customer in writing or otherwise (whether express, implied or imported by custom or course of dealing), or upon which the Company and the Customer may previously have entered into Contracts, are hereby excluded.

2.2 All Contracts made on the HKFE and all transactions between the Company and the Customer shall be binding on the parties and shall be subject to, and in accordance with, the procedures of the HKFE, the provisions of the Memorandum and Articles of Association of the HKFE and the Rules.

2.3 Foreign Transactions shall be subject to the rules of the relevant markets or Foreign Futures Exchanges. The Customer may have varying levels and types of protection in relation to transactions on different markets and exchanges.

3 Preliminary and General Matters

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

3.2 In relation to Transactions entered by the Customer without or inconsistent with any of the Company's solicitations or recommendations, the Company is not responsible to the Customer with respect to the suitability of the Transaction. Nor is the Company responsible for the profitability, tax, legal or accounting consequences of any such Transactions.

3.3 Before the Customer enters any transactions, the Customer should note that the Company has no ongoing responsibility to ensure that a product the Company has solicited the sale of or recommended to the Customer remains suitable for the customer and that if circumstances relating to the Customer,

such product, such product's issuer or general market conditions change, such product may no longer be suitable for the Customer.

3.4 In relation to Contracts of the HKFE, the Company shall provide to the Customer, upon request, Contract specifications and any prospectus or other offering document covering such products.

3.5 The Customer shall ensure that all necessary authorisations, approvals and consents of any governmental or other regulatory body or authority applicable to any Commodity Futures transactions are obtained and that the terms thereof and all the applicable regulations of such bodies and authorities are complied with.

3.6 Every Contract is made on the clear understanding that both the Company and the Customer contemplate actual performance thereof.

3.7 The Company may at its absolute discretion and without assigning any reason, refuse to carry out any Commodity Futures transaction on behalf of, or enter into any Contract with, the Customer.

3.8 In relation to Contracts of the HKFE, the Customer acknowledges that in the case of a. default committed by the Company and the Customer having suffered pecuniary loss thereby In relation to transactions on the HKFE, the liability of the Investor Compensation Fund will be restricted to valid claims as provided for in the SFO and the relevant subsidiary legislation and will be subject to the monetary limits specified in the Securities and Futures (investor Compensation – Compensation Limits) Rules and accordingly there can be no assurance that any pecuniary loss sustained by reason of such a default will necessarily be recouped from the Investor Compensation Fund in full. In part or at all.

3.9 The Customer acknowledges that Customer's assets received or held by the Company outside Hong Kong, including but not limited to received or held through its overseas counterparties are subject to the applicable laws and regulations of the relevant overseas jurisdiction which may be different from the standard of the Securities and Futures Ordinance of Hong Kong and the rules made thereunder. Consequently, such client assets may not enjoy the same protection as that conferred on client assets received or held in Hong Kong.

3.10 The Company has to fulfil the Customer's and its clients' obligations with its Correspondent Agent, however, Customer's asset held by the Company in Correspondent Agents would not be affected by any default of other client of the Company.

3.11 The Company discloses to the Customer that it trades on its own account or on the account of any Associate and any of its directors or employees may trade on its own account.

3.12 In relation to transactions on the HKFE, the Customer acknowledges that the Company is bound by the Rules which permit the HKFE to take steps to limit the positions or require the closing out of relevant Contracts on behalf of such customers who in the opinion of the HKFE are accumulating positions which are or may be detrimental to any particular Market or Markets or which may be capable of adversely affecting the fair and orderly operation of any Market or Markets as the case may be.

3.13 All monies, securities and other property received by the Company from the Customer or from any other person (including a clearing house) for the account of the Customer shall:

(i) be held by the Company as trustee, segregated from the Company's own assets; and

(ii) not form part of the assets of the Company for insolvency or winding-up purposes but shall be returned to the Customer promptly upon the appointment of a provisional liquidator, liquidator or similar officer over all or any part of the business or assets of the Company.

3.14 The Customer shall not be entitled to any interest as may be received by the Company attributable to any credit balance of the Customer in the Account. 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.

3.15 In relation to transactions on the HKFE, the Customer acknowledges that in respect of any account of the Company maintained with the Clearing House, whether or not such account is maintained wholly or partly in respect of Commodity Futures transacted on behalf of the Customer and whether or not monies or Approved Debt Securities or Approved Securities paid or deposited by the Customer have been paid to or deposited with the Clearing House, as between the Company and the Clearing House, the Company deals as principal and accordingly no such account is impressed with any trust or other equitable interest in favour of the Customer and monies, Approved Debt Securities and Approved Securities paid to or deposited with the Clearing House are thereby freed from the trust referred to in Clause 3.9 herein.

3.16 In relation to transactions on the HKFE, any monies, Approved Debt Securities or Approved Securities received by the Company from the Customer or from any other person (including the Clearing House) are held in the manner specified under paragraphs 7 to 12 of Schedule 4 to the Code of Conduct. The Customer authorises the Company to apply any monies or Approved Debt Securities or Approved Securities in the manner specified under paragraphs 14 to 15 of Schedule 4 to the Code of Conduct. In particular the Company may apply such monies, Approved Debt Securities or Approved Securities in or towards meeting the obligations of the Company to any party insofar as such obligations arise in connection with or incidental to Commodity Futures transacted on the Customer's behalf.

3.17 The Customer confirms that the information supplied in the Account Opening Form is true and complete and agrees to notify the Company forthwith of any material changes in such information supplied. The Company will notify the Customer forthwith of any material changes in the information supplied in this Agreement.

3.18 The Customer will advise the Company promptly whether they are a U.S. person or acquire or hold Commodity Futures beneficially owned by or for a U.S. person or in violation of any applicable law.

3.19 **THE COMPANY MAY, SUBJECT TO THE PROVISIONS OF THE SFO AND ANY APPLICABLE LAW, TAKE THE OPPOSITE POSITION TO THE CUSTOMER'S ORDER IN RELATION TO ANY EXCHANGE TRADED FUTURES AND OPTIONS CONTRACTS, WHETHER ON THE COMPANY'S OWN ACCOUNT OR FOR THE ACCOUNT OF ITS ASSOCIATES OR OTHER CUSTOMERS OF THE COMPANY, PROVIDED THAT SUCH TRADE IS EXECUTED COMPETITIVELY ON OR THROUGH THE FACILITIES OF THE HKFE IN ACCORDANCE WITH THE RULES OR THE FACILITIES OF ANY OTHER COMMODITY, FUTURES OR OPTIONS EXCHANGE IN ACCORDANCE WITH THE RULES AND REGULATIONS OF SUCH OTHER EXCHANGE.**

3.20 The Customer acknowledges that there may, on occasions, be a delay in making prices or in dealing by the Company due to the physical restraints on the HKFE or other Foreign Futures Exchange and the rapid changes in the prices of commodities and the Company may not, after using reasonable endeavours, be able to trade at the prices quoted at any specific time. The Customer agrees that the Company shall not be liable for any loss arising by reasons of its falling, or being unable, to comply with any terms of the Customer's instruction.

3.21 The Customer acknowledges that where the Company is unable after using reasonable endeavours to execute any Instruction in full, it is entitled to effect partial performance only without prior reference to the Customer for confirmation. The Customer shall accept and be bound by the outcome of any performance, partial performance or non-performance when the Customer's request to execute an order is made.

3.22 Any Customer's Instruction that has not been executed before the close of business of the relevant exchange or such other expiration date required by the relevant exchange or such other later time as the Customer and the Company may agree shall be deemed to have been cancelled automatically.

3.23 The Customer acknowledges that due to the trading practices of the HKFE or other Foreign Futures Exchange in which transactions are executed, it may not always be able to execute orders at the prices quoted "at best" or "at market" and the Customer agrees in any event to be bound by transactions executed by the Company following Instructions given by the Customer.

3.24 The Customer hereby authorizes the Company to conduct a credit enquiry (or personal credit enquiry in case of individual Customer) or check on the Customer for the purpose of ascertaining the financial situation and investment objectives of the Customer and Customer shall keep the Company informed regarding its financial standing and shall immediately report to the Company any information that indicates that it is insolvent, or threatened with insolvency or guilty of any irregularities or practices affecting the good name of HKFE.

3.25 The Customer authorises the Company, at any time and at 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 Contracts on the Customer's behalf with similar instructions received from the Company's other customers. The Customer agrees that in the event of there being insufficient Contracts available to satisfy the purchase/sell orders so consolidated, the number of Contracts actually purchased/sold shall be attributed to the relevant customers in the order in which those orders were received by the Company.

3.26 Subject to applicable laws and regulations and market requirements, the Company may at its 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.

3.27 If the Customer shall at any time open one or more accounts with members of the HKFE other than the Company for the purpose of carrying out transactions relating to Contracts, and the Customer's number of Contracts in aggregate amounts to a "Large Open Position", as determined by the board of the HKFE, the Customer shall report to the Company immediately of such "Large Open Position" and provide the

Company with such information as the Company may require in connection therewith. The Customer hereby confirms and acknowledges that the Company is obliged to report information relating to Customer's "Large Open Position" to the HKFE as required by Rule 628 of the Rules, Regulations and Procedures of the Futures Exchanges and the Customer hereby consents to the release of such information by the Company to the HKFE.

4 Authority

4.1 The Company shall be authorised by the Customer but not bound to purchase and sell Commodity Futures for the account of the Customer in accordance with the oral Instructions, either in person or by telephone, of the Customer or its Authorised Person(s) (subsequently to be confirmed in writing but the absence of such written authority shall not affect the Company's authority to act in accordance with such oral Instructions} or written Instructions given by the Customer or its Authorised Person(s) by post or delivered by hand or purported to be given by the Customer or its Authorised Person(s) in such other form as from time to time accepted by the Company. The Company may act on any Instructions which it believes to be from the Customer or its Authorised Person(s). Once given. Instructions may only be withdrawn or amended with the Company's consent. Instructions, in writing, whether faxed, emailed, or posted, are deemed to have been received when the instructions are acted on by the company.

4.2 The Company shall not be responsible for any delays or inaccuracies in the transmission of orders or other information due to any cause whatsoever beyond its reasonable control.

4.3 The Company shall upon the request of the HKFE or the SFC or any other exchange, governmental or regulatory authority in any jurisdiction (collectively the "relevant regulators") and Correspondent Agents disclose the name, beneficial Identity and such other Information concerning the Customer as the relevant regulators and Correspondent Agents may require. The Customer undertakes to disclose such other information concerning itself to the Company within the time the Company specified as may be required for the Company to comply with the Rules, the SFO and/or the requirements of the relevant regulators or Correspondent Agents. The Customer irrevocably authorises the Company to make any such disclosure. In relation to transaction on HKFE, In the event that the Company falls to comply with the disclosure requirement under Rule 606(a) or Rule 613(a) of the HKFE the Chief Executive of the HKFE may require the closing out of positions on behalf of the Customer or the imposition of a margin surcharge on the positions of such Customer.

4.4 The Company may take one or more of the following actions at any time as may be determined in the Company's sole and absolute discretion to be required to ensure compliance with the applicable laws and regulations on the part of the Company:

(i) deduct from or withhold part of any amounts payable to the Customer under the Account;

(ii) terminate the Account without notice with immediate effect and discontinue entirely or in part the Company's relationship with the Customer;

(iii) provide (whether before or after the termination of the Account) the tax information relating to the Customer to such authority in any jurisdiction, as may be required for the Company to ensure compliance with any applicable laws and regulations.

4.5 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 2 to this Agreement and the Customer acknowledges mat it fully understands and accepts the provisions in Schedule 2.

4.6 In relation to transactions on the HKFE, the Customer acknowledges that the Clearing House may do all things necessary to transfer any open positions held by the Company on the Customer's behalf and any money and security standing to the credit of its account with the Company to another participant of the HKFE in the event the rights of the Company as exchange participant of the HKFE are suspended or revoked.

5 Delivery

The Customer shall promptly deliver any monies, securities, financial instruments, documents or other commodities or property deliverable by it under any Contract in accordance with any instructions given by the Company to meet margin calls and demands for Variation Adjustments applicable to any HKFE transaction or to meet margin requirements applicable to any Foreign Futures Exchanges.

6 Margin and Deposit

6.1 The Customer shall on demand pay to or deposit with the Company as margin, and/or Variation Adjustments for account or accounts of the Customer with the Company such amount of money, and/ or other security as contemplated in Clause 5, as the Company may from time to time in Its absolute discretion require together with such documents as the Company may In Its absolute discretion require It to exercise its rights in connection therewith ("Margin Call"). In relation to transactions on the HKFE, the Company may be required to report to the HKFE and the SFC particulars of all open positions in

respect of which two successive Margin Calls and demands for Variation Adjustments are not met within the period specified by the Company. The Company may require more margin or Variation Adjustments than that specified by the HKFE and/or the Clearing House and may close out open positions in respect of which any Margin Calls and demands for variation Adjustments are not met within the period specified by the Company or at the time of making such call(s) or demand(s).

6.2 For the purpose of a Margin Call, the Company shall use its best endeavours to contact the Customer promptly by phone on the telephone numbers indicated by the Customer on the Account Opening Form and/or by sending to the Customer a Margin Call notice by post, fax, email or otherwise. The Customer agrees that it shall be deemed properly notified of the Margin Call even if the Company fails to contact it by phone or the Customer fails to receive the written notice.

6.3 Subject to applicable law and rules, the Company may from time to time, without prior notice to the Customer, transfer all or any part of any money or other security held by the Company for the account of the Customer between accounts of the Customer with the Company or to any account with a clearing or non-clearing member of the HKFE as it may at its sole discretion consider to be necessary or desirable in order to meet any margin requirement of the Customer. The Company shall notify the Customer upon making any such transfer.

6.4 Any documents or other property held by the Company as security for any margin, deposit or other obligation of the Customer to the Company shall be held by it by way of pledge unless it is held expressly subject to some other security arrangement.

7 Fees and Charges

7.1 The Customer shall pay to the Company the commission and exchange fees prescribed by the HKFE or any Foreign Futures Exchange for Commodity Futures contracts and such additional charges as may be determined by the Company from time to time and notified to the Customer. Please refer to separate leaflet for the commission and fees which may be charged to the Customer.

7.2 Every HKFE Contract shall be subject to the charge of an Investor Compensation Fund levy and a levy pursuant to the SFO, both levies shall be borne by the Customer.

8 Payments

8.1 All payments pursuant to this Agreement or otherwise in connection with any Financial Futures transaction shall be made in immediately available funds (or other funds determined by and acceptable to the Company at its absolute discretion) in such currency as the Company may in its absolute discretion require, on the due date of such payment and be exclusive of any deductions or withholding.

8.2 If the Customer defaults in the payment on the due date of any sum due hereunder to the Company, the Customer shall on demand pay interest calculated on the daily amount outstanding of such sum at the rate which is from time to time notified to the Customer by the Company. The Customer will, in addition, reimburse the Company on demand for all expenses which may be incurred by the Company in protecting any of its rights, or in suing for or recovering any sum due to it in respect of any Commodity Futures transaction effected by it for the Customer.

9 Transaction Notices and Reports

9.1 The Company will report to the Customer executions of Commodity Futures transactions (i) promptly by telephone calls or facsimile or other means as agreed and (ii) by sending to the Customer via mail, or electronic mail (if the Customer requests and the Company agrees), a copy of the transaction confirmation and account statement within two Business Days of the execution of the transaction. Unless there have been no transactions or any revenue or expense item in the Account during any particular month and the Account does not have any outstanding balance or holding of position of Contracts, the Company will send to the Customer a monthly statement showing a transaction summary for the month in accordance with the relevant law, regulations and rules.

9.2 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 48 hours or such other period of time as may be specified by the Company generally or in any particular case, after the date of despatch of such confirmation or statement. The Customer agrees that the Company is not liable for any damages or market fluctuations resulting from any delay in reporting an error to the Company. Otherwise, in the absence of a manifest error, the transaction confirmations, account statement and monthly statement shall be conclusive and the Customer shall be deemed to have waived any such error 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. In the case that there is an overpayment of money or Contracts to the Account, the Customer agrees to notify the Company as soon as it is aware of the overpayment and agrees not to remove (or if it is removed, to return) the money.

10 Events of Default

10.1 The following events shall be **Events of Default** for the purposes of this Agreement:

(i) in respect of any Contract, the Customer 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 agreement or transaction between the Customer and the Company, the Customer fails to observe or perform on its due date any provision thereof or the Customer assigns or purports to assign the whole or any part of the benefit of any Contract; or

(ii) the Customer (in the case of an individual) dies, or is judicially declared insane or incompetent, or commits an act of bankruptcy or, (in the case of an corporate) is insolvent or, (in the 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

(iii) an encumbrancer takes possession or a receiver, trustee or other similar officer is appointed in respect of any part of the Customer'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 Customer and is not removed, discharged or paid out in full within 7 days; or

(iv) an administrator, liquidator or similar officer is appointed or an administration order made with respect to the Customer or the whole or any part of the Customer's assets or business; or

(v) any money or security deposited as margin by the Customer shall be determined by the Company at its sole discretion to be inadequate having regard to the value of Contracts entered into, or proposed to be entered into, by the Customer; or

(vi) there shall, without the prior written consent of the Company, be a debit balance on any Account of the Customer with the Company; or

(vii) notwithstanding that none of the above events has occurred, the Company considers it necessary for its own protection.

10.2 Without prejudice to any other rights or remedies which the Company may have, if any of the Events of Default shall occur, without prior demand, call or notice to the Customer or without obtain Customer's consent :-

(i) The Company shall be entitled to immediately close the Account;

(ii) The Company shall be entitled to terminate all or any part of this Agreement;

(iii) The Company shall not, pending remedy thereof, be obliged to pay over any sum or deliver any assets held by way of security to the Customer in respect of any Commodity Futures transaction;

(iv) The Company shall be entitled to suspend performance of any of its obligations to the Customer 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 Customer has fully complied with all its obligations to the Company;

(v) The Company shall be entitled at any time after the occurrence of any Event of Default to close out all or any existing Contracts in such manner as it considers necessary or desirable having regard to the Rules notwithstanding that the settlement date(s) thereof shall not have arrived and to take such other steps as it may consider necessary to protect its interests, but in no circumstances shall the Company 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 the Customer;

(vi) The Company 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 Customer to the Company; and

(vii) The Company may combine, consolidate and set-off any or all accounts of the Customer in accordance with Clause 14.

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. Any demand, call or notice given by the Company to Customer prior to its exercise of any rights under this Clause shall not be construed as a waiver of the right of the Company to exercise its rights under this Clause without prior notice.

10.3 In the event of any sale/dispose any Contract pursuant to Clause 10.2:

(i) the Company shall not be responsible for any loss occasioned thereby howsoever arising if the Company has used reasonable endeavours to sell or dispose of the Contract or any part thereof at the then available market price;

(ii) the Company shall be entitled to keep for itself or sell or dispose of the Contract or any part thereof at the available market price to any person at its discretion without being in any way responsible for loss occasioned thereby howsoever arising and without being accountable for any explanation of profit made by the Company and/ or any of the Associates;

(iii) the Customer agrees to pay to the Company and/or any of the Associates any deficiency if the net proceeds of action taken pursuant to Clause 10.2 shall be insufficient to cover all the outstanding balances owing by the Customer to the Company and/or any of the Associates; and

(iv) Any proceeds remaining after discharge of all the Customer's liabilities to the Company shall be paid to the Customer.

11 Termination

11.1 Provided that there is no outstanding Contract in the Account, either party may terminate this Agreement at any time by giving the other party no less than 3 Business Days' notice in writing.

11.2 Termination under this Clause:

(i) shall not affect any transactions entered into by the Company pursuant to this Agreement before the termination;

(ii) 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 the Company and shall be without prejudice to the Company's rights to all deposits, margin and other sums held by it and this Agreement shall continue to apply thereto; and

(iii) shall not terminate or affect any warranties made by the Customer under this Agreement or any Contract.

11.3 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 conduct Commodity Futures transactions on behalf of the Customer in accordance with the provisions of this Agreement, notwithstanding any Instructions from the Customer to the contrary.

12 Notice and Communications

12.1 All notices, reports, statements, confirmations and other communications shall be in written or electronic form (if applicable) which may be personally delivered or transmitted by post, facsimile or electronic mail, if to the Customer, at the address, facsimile number or electronic mail address given in the Account Opening 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 to the Customer.

12.2 All such notices, reports, statements, confirmations and other communications shall be deemed to have been duly served:

(i) at the time of delivery or transmission, if delivered personally, by facsimile or by electronic mail; or

(ii) 2 Business days after the date of posting, if sent by local mail; or

(iii) 5 Business days after the date of posting, if sent by overseas mail.

12.3 The Customer acknowledges that telephone calls between the Customer and the Company may be recorded and that the record may be used as final and conclusive evidence of the Instructions in the case of disputes.

13 Assignment

13.1 The Customer may not assign any rights hereunder or under any Contract without the consent of the Company. The Customer's rights arising under each Financial Futures transaction or Contract shall be subject to all rights, liabilities and obligations arising out of the application of this Agreement to every other Commodity Futures transaction entered into by the Customer with the Company.

13.2 The Customer agrees that the Company may transfer its rights and obligations under this Agreement without the Customer's consent.

14 Consolidation of Customer's Accounts and Set Off

14.1 The Company shall be entitled but not obliged at any time without notice, either for itself or as agent for its Associate, to combine and/or consolidate any or all of the Customer's accounts, of any nature and either individually or jointly with others, with the Company or any Associate, and liabilities to the Company and/or any Associate.

14.2 Subject to applicable law and rules, without prejudice to any other right that the Company may have, whether at law or otherwise, it may set off, transfer or apply any money, securities or other property in

any of the accounts referred to in Clause 14.1 above and/or any amounts owing by the Company to the Customer under any Contract or otherwise howsoever to satisfy obligations or liabilities of the Customer to the Company and/or any Associate whether such obligations and liabilities are due and payable, actual or contingent, primary or collateral, secured or unsecured, or joint or several.

14.3 Any security given to the Company by the Customer for any purpose shall extend to any amount owing from the Customer to the Company after exercise of any right of set off, combination or transfer referred to in Clause 14.2 above.

15 Currency

15.1 The Company may, without prior notice to the Customer, make any currency conversions it considers necessary or desirable for the purposes of complying with its obligations or exercising its rights under this Agreement or any Contract. Any such conversions shall be effected by it in such manner and at such rates as it may at its discretion determine having due regard to the prevailing rates for freely convertible currencies.

15.2 All foreign currency exchange risk arising from any Contract or from the compliance by the Company with its obligations or the exercise by it of its rights under this Agreement shall be borne by the Customer.

16 Omnibus Account

In the case that the Customer operates an omnibus account and is not an exchange participant of the HKFE, the Customer shall, in relation to transactions on the HKFE:

(i) in the Customer's dealing with the person(s) from whom the Customer receives instructions with respect to the omnibus account, comply with and enforce the margin and Variation Adjustment requirements and procedures as stipulated in the Rules as though the Customer were an exchange participant of HKFE and as though the person(s) for whose account or benefit such instructions are given were clients;

(ii) cause the Exchange Contract (as defined in the 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 quotations of commodities under the laws of Hong Kong or any other applicable jurisdiction or in a manner which constitutes or involves betting, wagering, gaming or gambling with respect to such items in contravention of Hong Kong laws or any other applicable laws; and

(iii) ensure that the persons from whom the Customer receives instructions comply with the margin and Variation Adjustment requirements as stipulated in the Rules, with the result that, as between HKFE and the Company, the Company 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.

17 Anti-Money Laundering and Counter-Terrorist Financing

17.1 Where the Customer is an Intermediary as defined in the Anti-Money Laundering and Counter-Terrorist Financing (Financial Institutions) Ordinance (“AMLO”), the Customer undertakes the following:

17.1.1 Maintenance of internal policies, procedures and controls to comply with anti-money laundering/countering the financing of terrorist laws, regulations, and guidelines including performing ongoing monitoring of clients and their transactions;

17.1.2 Performance of the client due diligence measures specified in section 2 of schedule 2 of AMLO; and

17.1.3 Provision without delay of the documentary evidence obtained in the course of carrying out client due diligence measures upon request from overseas or local regulators or the Company.

18 Limitation of Liability and Indemnity

18.1 Neither the Company nor any of its directors, officers, employees and agents or any correspondents shall be liable to the Customer for any direct, Indirect or consequential loss or damage (Including economic loss or damage) suffered by the Customer arising out of or connected with any act or omission in relation to this Agreement, any Contracts or in respect of any Commodity Futures transactions unless such loss results from its or any of its fraud, negligence or wilful default The Customer undertakes to keep the Company and its directors, its officers, employees and agents indemnified against all costs, charges, loss, claims, damages, liabilities, demands or proceedings (including, without limitation, any costs and expenses incurred in settling any claim, demand or proceeding) incurred by the Company or them arising out of anything done or omitted pursuant to any Instruction given by the Customer or the Authorised Persons or In relation to any matters contemplated by this Agreement by any of the Contracts or in respect of any Commodity Futures transactions or arising out of or connected with any breach by the Customer of the Customers obligations to the

Company pursuant to this Agreement, any of the Contracts or in respect of any Commodity Futures transactions. Without prejudice to the foregoing, the Customer in any event acknowledges and accepts that the Company's liability to the Customer for each incident shall not under any circumstances exceed the greater of an amount equal to HK$1,000,000 or ten (10) times the monetary benefits received from the Customer for the Transaction in dispute.

18.2 In addition to any lien, right of set-off or other right which the Company may have, the Company shall be entitled at any time and without notice to the Customer to set-off the indemnity herein given or any such charge, fee or monies owing to the Company in respect of the services herein rendered against any of the Customer's account whether in Hong Kong or elsewhere notwithstanding that the credit balances on such accounts and the Customer's liabilities may not be expressed in the same currency. The Customer hereby authorises the Company to effect any necessary conversion of the currency at the Company's prevailing rate of exchange and the Customer hereby waives any rights, claims, actions or proceedings which the Customer may have against the Company for any loss or liabilities which the Customer may suffer as a consequence of the Company acting in accordance with this authorisation.

19 Joint and Several Liability/Successors

19.1 Where the Customer comprises two or more individuals:

(i) the Account shall be owned by the individuals as joint tenants with the right of survivorship and each such individual shall be jointly and severally liable for all obligations under this Agreement;

(ii) the Company may accept Instructions from, give receipts to and for all purposes deal with any one of such individuals without notice to the other individual and the Company is not responsible for determining the purposes or propriety of an Instruction the Company receives from any such individual or for the disposition of payments or deliveries among such individuals. The Company reserves the right to require written Instructions from all such individuals at its discretion;

(iii) any payments made to any one of such individuals shall be a valid and complete discharge of the Company's obligations to each individual regardless of whether such payment is made before or after the death of any one of more of such individuals;

(iv) any notices and communications sent to one such individual will be deemed notice to all individuals holding the Account;

(v) on the death of any of such individual (being survived by any other such individual), 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 also be enforceable by the Company against such deceased Customer's estate. The surviving Customer(s) shall give the Company written notice immediately and provide proof of a death certificate upon any of them becoming aware of any such death.

19.2 This Agreement shall be binding on the Customer's heirs, executors, administrators, personal representatives, successors and assigns, as the case may be.

20 Tax compliance

20.1 The Customer and any person acting on its behalf acknowledge that it is the sole responsibility of the Customer to understand and comply with its tax obligations in all jurisdictions. The Customer is advised to seek independent legal and tax advice and neither the Company nor its agents provide tax advice.

20.2 The Customer undertakes to provide the Company with information, documents and certificates as required by the Company in order to meet obligations imposed by applicable Inter-jurisdictional Tax Compliance Rules. "Inter-jurisdictional Tax Compliance Rules" includes but without limitation to:

(a) "FATCA", which means:

(i) sections 1471 through 1474 of the United States Internal Revenue Code of 1986 (as amended) or any amended or successor version thereof;

(ii) any intergovernmental agreement, memorandum of understanding, undertaking and other arrangement between governments and regulators in connection with Clause 19.2(a)(i), including as entered into the government of Hong Kong;

(iii) agreements between the Company and the Internal Revenue Service of the United States or other regulator or government agency pursuant to or in connection with Clause 19.2(a)(i); and

(iv) any laws, rules, regulations, interpretations or practices adopted in the United States, Hong Kong or elsewhere pursuant to any of the foregoing; and

(b) "Tax Information Sharing Arrangements", which means any local or foreign laws, regulations and rules including, without limitation to, the obligations under FATCA and associated rules and regulations and other international exchange arrangements affecting the Company.

20.3 The Customer acknowledges and agrees that the Company may report and disclose any information, document, certification or account details (including but not limited to the relevant account balances, gross amounts of relevant interest incomes, dividend incomes and withdrawals) given by or relating to the Customer, any beneficial owners, any authorised signatories or other representative, any account

with the Company or any transaction to the Tax Authorities, as required under the applicable local or foreign laws, regulations and rules and as determined by us. The Customer also acknowledges and understands that the Company's obligations imposed by applicable local or foreign laws are continuous.

20.4 The Customer will, from time to time, supply the Company with identity information and personal data in connection with the establishment or continuation of any account with the Company or provision of its services. Failure to supply the information may result in the Company being unable to effect a transaction, provide the services or operate or maintain any of the Customer's accounts. It may also result in the Company having to withhold or deduct amounts as required under the local or foreign laws, regulations and rules.

20.5 Without limiting any other indemnity provided by the Customer, the Customer will indemnify the Company, its affiliates or agents on demand against any liability, reasonable loss or expense (including tax and levy) arising from its instructions, account or provision of services to the Customer, including as a result of any failure by the Customer to comply with these Clauses or any other undertakings given by the Customer providing misleading or false information in respect of its account or any other person or matter in connection with these Clauses, unless the Company is negligent or guilty of wilful misconduct.

21 Amendments

The Customer agrees that the Company may amend the terms of this Agreement by giving the Customer reasonable notice of the changes in writing at any time. Any amendment to this Agreement shall take effect on expiry of such notice period and the Customer will be deemed to have accepted the amendment if it does not terminate the Account.

22 Client Identity Rule

Notwithstanding Clause 3.3, if the Customer effects Commodity Futures transactions 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 such transaction where the Company has received an enquiry from a relevant regulator, the following provisions shall apply.

22.1 Subject as provided below, the Customer shall, immediately upon request by the Company (which request shall include the relevant contact details of the relevant regulators), inform the relevant regulators of the identity, address, occupation and contact details of the client for whose account the transactions were 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 relevant regulators of the identity, address, occupation and contact details of any third party (if different from the client/ultimate beneficiary) who originated the transactions.

22.2 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 relevant regulators), inform the relevant 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.

22.3 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 relevant regulators), inform the relevant 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.

22.4 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:

(i) it has arrangements in place with its client which entitle the Customer to obtain the information set out in Clauses 21.1 and 21.2 from its client immediately upon request or procure that it be so obtained; and

(ii) it will, on request from the Company in relation to a transaction, promptly request the information set out in Clauses 21.1 and 21.2 from the client on whose instructions the transactions was effected, and provide the information to the relevant regulators as soon as received from its client or procure that it be so provided.

22.5 For the purposes of investigating suspicious transactions, the Customer shall, immediately upon request by the company inform the Company of the identity, address, occupation and contact details of the client for whose account the Transactions were effected.

22.6 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 relevant regulators of the identity and contact details of such clients, collective investment schemes, discretionary accounts or discretionary trusts, 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.

22.7 The provisions of this Clause shall continue in effect notwithstanding the termination of this Agreement.

23 Governing Law

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.

24 General

24.1 Each term 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 HKFE, the Clearing House or any authority having jurisdiction over the subject matter of this Agreement, such provision 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.

24.2 Time shall in all respect be of essence in the performance of all of the Customer's obligations under this Agreement.

24.3 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.

24.4 In the event of any difference in the interpretation or meaning between the Chinese and English version of this Agreement, the Customer and the Company agree that the English version shall prevail. The Chinese translation of this Agreement is available at http://www.poems.com.hk.

24.5 This Agreement, including any schedules and appendices (as may be amended from time to time), contains the entire understanding between the Customer and the Company and supersedes all previous agreements and arrangements (if any) made between the Company and the Customer in relation to the Account.

25 Risk Disclosure and Disclaimer

The Company refers the Customer to the Risk Disclosure Statements and Disclaimers as contained in Schedule 3.

26 Representations and Warranties

The Customer represents warrants and undertakes that:

26.1 The Customer shall read and comply with all the relevant regulations stipulated by HKEx, any other foreign exchanges and relevant regulatory authority including but not limited to foreign shareholding restrictions, and shareholding disclosure obligations.

SCHEDULE 1

ON-LINE TRADING AGREEMENT

This On-line Trading Agreement is supplemental to the Futures Client Agreement entered into by the Company and the Customer to which this On-line Trading Agreement is annexed whereby the Company agrees to provide to the Customer Electronic Services which enable 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 ("**Electronic Services**"). Where any conflict arises between the Futures Client Agreement and the provisions of this On-line Trading Agreement, the provisions of the latter shall prevail.

1 Interpretation

1.1 Terms defined in this On-line Trading Agreement have the same meanings as in the Futures Client Agreement unless stated otherwise.

1.2 The following expressions shall, unless the context requires otherwise, have the following meanings:

"**Login ID**" means the Customer's identification, used in conjunction with the Password, to gain access to the Electronic Services;

"**Information**" means any transaction or market data, bid and ask quotations, news reports, third party analysts' reports, research and other information relating to Commodity futures contract and the futures markets;

"**Password**" means the Customer's password, used in conjunction with the Login ID, to gain access to the Electronic Services.

1.3 References to "Instructions" in the Futures Client Agreement are deemed to include electronic Instructions given by means of Electronic Services.

1.4 "Transaction Notice and Reports" and "Notices and Communications" referred to in Clauses 9 and 12 of the Futures Client Agreement respectively may be sent solely by means of Electronic Services if the Customer so consents and such consent can be given initially as indicated in the Account Opening Form or subsequently by Electronic Services. Confirmations delivered by Electronic Services shall be deemed to have been duly delivered at the time of transmission.

2 Using Electronic Services

2.1 On the issuance by the Company to the Customer of its Login ID and Password, the Electronic Services shall be activated and the Company shall notify the Customer.

2.2 The Company is entitled to require the Customer to place a cash and/or securities deposit prior to execution of any Instructions as will be informed by the Company from time to time.

2.3 The Customer agrees:

(i) that it shall use the Electronic Services only in accordance with this On-line Trading Agreement, the Futures Client Agreement and the instructions and procedures as set out in the Company's Instruction Manual which is supplied to the Customer from time to time;

(ii) that it shall be the only authorized user of the Electronic Services;

(iii) that it shall be responsible for the confidentiality and use of its Login ID and Password.

(iv) that it shall be solely responsible for all Instructions entered through the Electronic Services using its Login ID and Password and any Instructions so received by the Company shall be deemed to be made by the Customer at the time received by the Company and in the form received;

(v) that it shall immediately inform the Company if it becomes aware of any loss, theft or unauthorized use of its Login ID or Password;

(vi) that the Company has the right to suspend the Electronic Services if an incorrect Login ID and Password are entered on more than 3 occasions;

(vii) to provide the Company with the Customer's e-mail address, and promptly provide the Company with any changes to the Customer's e-mail address, and to accept electronic communications from the Company at the e-mail address the Customer has specified;

(viii) that the Company may in its absolute discretion impose restrictions on the types of orders, and the range of prices for orders which can be placed through the Electronic Services;

(ix) to pay all subscription, service and user fees, if any, that the Company charges for the Electronic Services and authorises the Company to debit the Customer's Account with the same;

(x) that it shall be bound by any consent the Customer gives through the Electronic Services for the Company to provide any notices, statements, trade confirmations and other communications to the Customer solely through Electronic Services; and

(xi) that it shall logoff the Electronic Services immediately following the completion of each Electronic Services session.

2.4 After the giving of an Instruction via the Electronic Services, the Customer shall check via the Electronic Services that its Instruction has been correctly acknowledged by the Company.

2.5 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 it has been given through the Electronic Services 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 an acknowledgement by the Company 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.

2.6 In the case the Electronic Services is not available, the Customer shall place its Instructions in accordance with the Futures Client Agreement.

3 Provision of Information

3.1 The Company may convey Information to the Customer by Electronic Services. The Customer may be charged a fee for Information the Company provides that has been obtained from any markets and from other third-parties that transmit Information (collectively referred to as the "**Information Providers**").

3.2 The Information is the property of the Company, the Information Providers or others and is protected by copyright. The Customer shall:

(i) 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; and

(ii) not use the Information or any part thereof other than for its own use or in the ordinary course of its own business.

3.3 The Customer agrees not to:

(i) reproduce, retransmit, disseminate, sell, distribute, publish, broadcast, circulate or commercially exploit the Information in any manner without the express written consent of the Company and the relevant Information Provider(s);

(ii) use the Information for any unlawful purpose;

(iii) 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 in futures listed on the HKFE.

3.4 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 Services.

3.5 The Customer shall comply with such reasonably directions as the Company may give from time to time concerning permitted use of the Information.

4 Intellectual Property Rights

4.1 The Customer acknowledges that the Electronic Services, and any 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 Services or any of the software comprised in it. The Customer agrees that the Company shall be entitled to terminate this On-line Trading 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.

5 Limitation of Liability and Indemnification

5.1 The Company, Associates, its agents and the Information Providers shall not be responsible for any losses, costs, expenses or liabilities suffered by the Customer resulting from circumstances beyond their reasonable control including, without limitation:

(i) 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;

(ii) delays, inaccuracies or omissions in or unavailability of research, analysis, market data and other Information prepared by Information Providers;

(iii) unauthorized access to communications systems, including unauthorized use of the Customer access number(s), password(s) and/or account numbers; and

(iv) war or military action, government restrictions, labour disputes or closure of or disruption to orderly trading on any market or exchange, severe weather conditions and acts of god.

5.2 The Customer agrees to defend, indemnify and hold the Company, its Associates, 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 attorneys' fees) arising from the Customer's violation of the Futures Client Agreement (including this On-line Trading Agreement), applicable 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 On-line Trading Agreement.

5.3 The Customer accepts that while the Company endeavours to ensure the accuracy and reliability of the Information provided, the Company does not guarantee its accuracy or reliability and accepts no liability (whether in tort, contract or otherwise) for any loss or damage from any inaccuracies or omission.

6 Termination of Electronic Services

6.1 The Company reserves the right to terminate the Customer’s access to the Electronic Services 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’s Login ID, Password and/or account number(s), breach of this On-line Trading Agreement or the Futures Client 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 Information Providers.

6.2 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 Services not furnished to the Customer as of the date of such termination.

7 Risk Disclosure

The Company refers the Customer to the Risk Disclosure Statements and Disclaimers contained in Schedule 3.

8 General

8.1 In the event of any dispute between the parties, the Customer agrees that the records of the Company (including electronic records) shall prevail.

8.2 The Company may change the terms in this On-line Trading Agreement from time to time by giving the Customer reasonable notice in writing or via Electronic Services.

SCHEDULE 2

PERSONAL INFORMATION COLLECTION STATEMENT

This Statement is provided to the Customer as an individual Customer of Phillip Group (the "Group") in accordance with the requirements of the Hong Kong Personal Data (Privacy) Ordinance (the "**Ordinance**").

1. Definitions

"Account" means any one or more accounts now or hereafter opened in the name of the Customer with the Company;

"Account Opening Form" means the prescribed document the Customer completes and signs for the opening of an account with the Company;

"Associate" means, in relation to the Group, a body corporate which is its subsidiary or affiliated company in Hong Kong or elsewhere including, where appropriate, but not limited to Phillip Securities (Hong Kong) Limited, Phillip Commodities (HK) Limited, Phillip Capital Management (HK) Limited, Phillip Financial Advisors Limited, and Phillip Bullion Limited;

"Client Agreement" means the agreement signed between the Customer and the Company, including the Account Opening Form and the various schedules attached, as originally executed or as thereafter from time to time amended or supplemented;

"Company" means the corporate body with whom the Customer entered into a Client Agreement;

"Correspondent Agent" means anyone who acts as the Company's agent, contractor or third party service provider (whether in Hong Kong or elsewhere) who provides administrative, telecommunications, computer, payment, debt collection or securities clearing, custodian, audit, banking, financing, insurance, risk management, business consulting, outsourcing, customer relationship management, marketing or other services to the Group in connection with the operation of its business;

"Customer" means the party whose name, address, and details are set out in the Account Opening Form; and

"Instructions" means any instructions or orders communicated by the Customer or its authorized persons to the company.

2. Disclosure Obligation

Unless otherwise stated the Customer must supply the personal data requested on the enclosed Account Opening Form to the Company. 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.

3. Use of Personal Data

3.1 Users

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 Client Agreement containing this information) may be used by any of the following companies or persons (each, a "**User**"):

(i) any member of the Group;
(ii) any director, officer or employee or agent of the Group;
(iii) any person (such as lawyers, advisers, nominee, custodian etc.) authorized by the Group when carrying out the Customer's Instructions and/or the business of the Group;
(iv) any actual or proposed assignee of any rights and obligations of the Group in relation to the Customer;
(v) any governmental, regulatory or other bodies or institutions, whether as required by law or regulations applicable to any member of the Group; and
(vi) any Correspondent Agent.

3.2 Purposes

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

(i) processing the Customer's Account opening application;
(ii) carrying out new or existing client verification and credit checking procedures and assisting other financial institutions to do so;
(iii) ongoing Account administration, including the collection of amounts due, enforcement of security, charge or other rights and interests ;
(iv) designing further products and services or marketing a Group product to the Customer.
(v) transfer of such data to any place outside Hong Kong;
(vi) 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);

(vii) providing on the terms of any other agreements and services relating to the Customer;

(viii) any purpose relating to or in connection with compliance with any law, regulation, court order or order of any regulatory body;

(ix) investigating suspicious transactions; and

(x) any other purpose relating to the execution of the Customer's Instructions or in connection with the business or dealings of the Group.

3.3 Use of Data in Direct Marketing

The Company intends to use and /or transfer the Customer's data to its Associates for direct marketing and the Company requires the consent (including no objection) of the Customer for that purpose. In this connection, please note that:

(i) the name, contact details, portfolio information, transaction pattern and financial background of the Customer may be used in direct marketing of investment or financial related products and services of the Group; and

(ii) if a Customer does not wish the Company to use and /or transfer the Customer's data for use in direct marketing, the Customer may, without charge, exercise the right to opt-out.

3.4 Duration of Use

The Company shall store the Customer's data for no longer than required under the rules, regulations, and laws of all relevant regulators.

4. Rights of the Customer

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 an Associate holds personal data in relation to the Customer;

(ii) request access to the Customer's personal data within a 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;

(iv) be given reasons if a request for access or correction is refused, and object to any such refusal;

(v) object to the use of its data as listed under clause 3.2 above, however the objection to any one of the uses contained therein shall prevent the Company from administering the account. Therefore any objections shall be treated as a request to close the Customer's account with the Company; and

(vi) lodge a complaint with a relevant supervisory authority if the Customer considers that the processing of his/her data infringes on his/her rights.

5. Disclosure of Personal Data

Upon the death of the Customer, the Company shall upon the request of the surviving spouse, child, or parent of the Customer (the Applicant) disclose the account balance and such other information concerning the Customer as the Applicant may require if the Applicant provides a certified true copy of the Customer's government issued death certificate to the Company.

6. Contact Person

If the Customer wishes to request access to and /or correct personal data and/or opt out of receiving direct marketing material, the Customer should contact the Data Protection Officer of the Company on 2277 6555 or cs@phillip.com.hk.

SCHEDULE 3

RISK DISCLOSURE STATEMENTS

Risk of Trading Futures and Options

The risk of loss in trading futures contracts or options is substantial. In some circumstances, you may sustain losses in excess of your Initial margin funds. Placing contingent orders, such as "stop-loss" or "stop-limit" orders, will not necessarily avoid loss. Market conditions may make it impossible to execute such orders. There is a possibility that any stop-toss order may be cancelled by a futures exchange due to various reasons including where orders are 'out of price limits' during a fluctuating market You should closely monitor your orders, as we may be unable to contact you in the event of cancellation. You may be called upon at short notice to deposit additional margin funds. If the required funds are not provided within the prescribed time, your position may be liquidated. You will remain liable for any resulting deficit in your account. You should therefore study and understand futures contracts and options before you trade and carefully consider whether such trading is suitable in the light of your own financial position and investment objectives. If you trade options you should inform yourself of exercise and expiration procedures and your rights and obligations upon exercise or expiry.

Risks of Customer Assets Received or Held outside Hong Kong

The Customer's assets received or held by the Company 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 Customer assets may not enjoy the same protection as that conferred on Customer assets received or held in Hong Kong.

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

FUTURES

1 Effect of "Leverage" or "Gearing"

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

2 Risk-reducing orders or strategies

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

OPTIONS

3 Variable degree of risk

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

The purchaser of options may offset or exercise the options or allow the options to expire. The exercise of an option results either in a cash settlement or in the purchaser acquiring or delivering the underlying interest. If the option is on a futures contract, the purchaser will acquire a futures position with associated liabilities for margin (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 unfavourably. 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.

RISKS COMMON to FUTURES and OPTIONS

4 Terms and conditions of contracts

You should ask the firm with which you deal about the terms and conditions of the specific futures or options which you are trading and associated obligations (e.g. the circumstances under which you may become obliged to make or take delivery of the underlying interest of a futures contract and, in respect of options, expiration dates and restrictions on the time for exercise). Under certain circumstances the specifications of outstanding contracts (including the exercise price of an option) may be modified by the exchange or clearing house to reflect changes in the underlying interest.

5 Suspension or restriction of trading and pricing relationships

Market conditions (e.g. illiquidity) and/or the operation of the rules of certain markets (e.g. the suspension of trading in any contract or contract month because of price limits or "circuit breakers") may increase the risk of loss by making it difficult or impossible to effect transactions or liquidate/offset positions. If you have sold options, this may increase the risk of loss.

Further, normal pricing relationships between the underlying interest and the futures, and the underlying interest and the option may not exist. This can occur when, for example, the futures contract underlying the option is subject to price limits while the option is not. The absence of an underlying reference price may make it difficult to judge "fair" value.

6 Deposited cash and property

You should familiarise yourself with the protections given to money or other property you deposit for domestic and foreign transactions, particularly in the event of a firm insolvency or bankruptcy. The extent to which you may recover your money or property may be governed by specific legislation or local rules. In some jurisdictions, property which had been specifically identifiable as your own will be pro-rated in the same manner as cash for purposes of distribution in the event of a shortfall.

7 Commission and other charges

Before you begin to trade, you should obtain a clear explanation of all commission, fees and other charges for which you will be liable. These charges will affect your net profit (if any) or increase your loss.

8 Transactions in other jurisdictions

Transactions on markets in other jurisdictions, including markets formally linked to a domestic market, may expose you to additional risk. Such markets may be subject to regulation which may offer different or diminished investor protection. Before you trade you should enquire about any rules relevant to your particular transactions. Your local regulatory authority will be unable to compel the enforcement of the rules of regulatory authorities or markets in other jurisdictions where your transactions have been effected. You should ask the firm with which you deal for details about the types of redress available in both your home jurisdiction and other relevant jurisdictions before you start to trade.

9 Currency risks

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

10 Off-exchange transactions

In some jurisdictions, and only then in restricted circumstances, firms are permitted to effect off-exchange transactions. The firm with which you deal may be acting as your counterparty to the transaction. It may be difficult or impossible to liquidate an existing position, to assess the value, to determine a fair price or to assess the exposure to risk. For these reasons, these transactions may involve increased risks. Off-exchange transactions may be less regulated or subject to a separate regulatory regime. Before you undertake such transactions, you should familiarise yourself with applicable rules and attendant risks.

11 Risk of using the Electronic Services under the On-line Trading Agreement

If you undertake Financial Futures transactions via Electronic Services, you will be exposed to risks associated with the Electronic Services system including the failure of hardware and software, and the result of any system failure may be that your order is either not executed according to your Instructions or is not executed at all;

Due to unpredictable traffic congestion and other reasons, Electronic Services may not be reliable and transactions conducted via Electronic Services may be subject to delays in transmission and receipt of your Instructions or other Information, delays in execution or execution of its Instructions at prices different from those prevailing at the time your Instructions were given, transmission interruption or blackout. 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. You should not place

any Instruction with us via Electronic Services if you are not prepared to accept the risk of such interruptions or delays; and

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 accuracy, completeness or timeliness of any such market data or information.

12 Risk of Trading Structured Products

The prices of structured products may fall in value as rapidly as they may rise and investors should be prepared to sustain a significant or total loss of their Investment. In respect of listed structured products, the issuer of the structured products may sometimes be the only person quoting prices on the relevant exchange. Prospective investors should therefore ensure that they understand the nature and risks of the structured product.

13 Risk relating to Commodity Futures denominated in Renminbi (RMB)

RMB Commodity Futures are subject to exchange rate fluctuations that may provide both opportunities and risks. The fluctuation in the exchange rate of RMB may result in losses in the event that you convert of RMB into Hong Kong dollars ("HKD") or other foreign currencies. RMB is not fully and freely convertible and conversion of RMB through banks is subject to a daily limit and other Imitations as applicable from time to time. You should take note of the limitations and changes thereof as applicable from time to time and allow sufficient time for exchange of RMB from/to another currency if the RMB amount exceeds the daily limit Any RMB conversion In relation to a RMB Commodity Futures transaction shown In statements and contract notes is based on the prevailing exchange rate provided by the Exchange at 11:00am or other time as stipulated by the Exchange on the relevant trade day from time to time. However, actual RMB conversion upon settlement or on any other conversion day will be based on an exchange rate determined by the Company as a principal according to the prevailing exchange rate.

RMB Commodity Futures will be traded and settled in RMB. If you provide a settlement sum in a currency other than RMB, the Company will convert the settlement sum to RMB at the exchange rate determined by the Company as a principal according to the prevailing exchange rate. You should open RMB bank accounts for money settlement purpose if you wish to receive payments (such as sates proceeds and dividends) in RMB via banks.

All trading related fees (Including stamp duty, SFC transaction levy and exchange trading fees) shall be payable to Inland Revenue Department, SFC and Exchange, as the case may be, by the Company on behalf of the Customer in HKD. Of the settlement sum In RMB, the Company shall convert an amount equivalent to the trading related tees into HKD to settle the trading related fees. Any gain or loss arising from the currency exchange regarding the trading related fees shall be for the account of the Company instead of you. You shall not have any rights to claim any gain arising from such currency conversion.

14 Risk relating to Trading in US Exchange-listed or Over-the-counter (OTC) Securities or Derivatives

You should understand the US rules applicable to trades in security or security-like instrument in markets governed by US law before undertaking any such trading. US law could apply to trading in US markets irrespective of the law applicable in your home jurisdiction.

Many (but by no means all) stocks, bonds and options are listed and traded on US stock exchanges. NASDAQ, which used to be an OTC market among dealers, has now also become a US exchange. For exchange-listed stocks, bonds and options, each exchange promulgates rules that supplement the rules of the US Securities & Exchange Commission ("SEC") for the protection of individuals and institutions trading in the securities listed on the exchange.

OTC trading among dealers can continue in exchange-listed instruments and in instruments that are not exchange-listed at all. For securities that are not listed on any exchange, trading can continue through the OTC bulletin board or through the inter-dealer "pink sheets" that carry representative (not actual) dealer quotes. These facilities are outside of NASDAQ.

Options on securities are subject to SEC rules and the rules of any securities exchange on which the options are listed. Options on futures contracts or commodities like wheat or gold are governed by rules of the US Commodity Futures Trading Commission ("CFTC"). There are also commercial options, like options on real estate, that are governed neither by SEC nor CFTC rules.

Whether you are intending to trade in US exchange-listed securities, OTC securities or derivatives (such as Options or Futures), you should understand the particular rules that govern the market in which you are intending trade. An investment in any of these instruments tends to increase the risk and the nature of markets in derivatives tends to increase the risk even further.

Market makers of OTC bulletin board are unable to use electronic means to interact with other dealers to execute trades. They must manually interact with the market, i.e. use standard phone lines to communicate with other dealers to execute trades. This may cause delays in the time it takes to interact with the market place. This, if coupled with increase in trade volume, may lead to wide price fluctuation in OTC bulletin board securities as well as lengthy delays in execution time. You should exercise extreme caution when placing market orders and fully understand the risks associated with trading in OTC bulletin board.

Market data such as quotes, volume and market size may or may not be as up-to-date as expected with NASDAQ or listed securities.

As there may be far fewer market makers participating in OTC securities markets, the liquidity in that security may be significantly less than those in listed markets. As such, you may receive a partial execution or the order may not be executed at all. Additionally, the price received on a market order may be significantly different from the price quoted at the time of order entry. When fewer shares of a given security are being traded, larger spreads between bid and ask prices and volatile swings in price may result. In some cases, the liquidation of a position in an OTC security may not be possible within a reasonable period of time.

Issuers of OTC securities have no duty to provide any information to investors, maintain registration with the SEC or provide regular reports to investors.

15 Default Risks & Counterparty Risks

Every investment products contains default risks and/or counterparty risks. Default risk could come from the issuer's failure to make payments as agreed. At time of market downturn, an issuer may default due to their inability to raise new debt to roll over or repay old one. Credit ratings are the most common tools used for assessing bond default risk. A rating represents the opinion of the rating agency at a particular point of time and may change over time, due to either changes in the financial status of the issuers or changes in market conditions.

Counterparty risk refers to the failure of the trading party in fulfilling their financial contractual obligations. While ratings by credit agencies represented quality assurances, investors should not only reference to the credit ratings of the product issuers, but also seek -full understanding of the product structure and its exposure to the financial derivatives in order to avoid financial loss.

16 General Major Risks associated with Exchange-traded Derivative Products (including but not limited to the following)

A. Issuer default risk

In the event that an exchange-traded derivative product issuer becomes insolvent and defaults on their issued products, investors will be considered as unsecured creditors and will have no preferential claims to any assets held by the issuer. Investors should therefore pay close attention to the financial strength and credit worthiness of exchange-traded derivative product issuers. Since exchange-traded derivative products are not asset backed, in the event of issuer bankruptcy, investor can lose their entire Investment.

B. Gearing risk

Exchange-traded derivative products such as derivative warrants and callable bull/hear contracts are leveraged and can change in value rapidly according to the gearing ratio relative to the underlying assets. Investors should be aware that the value of an exchange-traded derivative product may fall to zero resulting in a total loss of the initial investment.

C. Limited Life

Most of the exchange-traded derivative product issuer has an expiry date after which the products may become worthless. Investors should be aware of the expiry time horizon and choose a product with an appropriate lifespan for their trading strategy.

D. Extraordinary price movements

The price of an exchange-traded derivative product may not match its theoretical price due to outside influences such as market supply and demand factors. As a result, actual traded prices can be higher or lower than the theoretical price.

17 Risks of entering into Virtual Assets Related Products

You must carefully consider whether the risks set out below, along with all other applicable risks, are acceptable to the Customer, and the Customer must comply with all related regulations, including the trading restrictions on Customers from jurisdictions that prohibit any transactions involving virtual assets related products, prior to any transaction. You should seek independent professional advice before making any investment decision.

Virtual assets or virtual assets related products (“VA”) pose significant risks to investors. Some of these risks are inherent in the nature and characteristics of the virtual assets themselves and others stem from the operations of platforms or portfolio managers.

(i) Liquidity, volatility and valuation

Virtual assets are generally not backed by any physical assets or guaranteed by the government. They have no intrinsic value. Some of the virtual assets may not circulate freely or widely, and may not be listed on any secondary markets. There may be lack of secondary markets for investors to trade virtual assets or VA. There may not have any generally accepted valuation principles governing certain types of virtual assets.

The value of the virtual assets or VA may fluctuate significantly over a short period of time. This means there is a high risk that the price of virtual assets or VA may move up or down, and may become

valueless. Investor will lose some or all of your money. Any virtual asset may decrease in value or lose all of its value due to various factors including discovery of wrongful conduct, market manipulation, change to the nature or properties of the virtual asset, governmental or regulatory activity, legislative amendment, suspension or cessation of support for a virtual assets/VA or other exchanges or service providers, public opinions, or other factors outside of our control.

Prices on the secondary market are driven by supply and demand and are short-term and volatile by nature. The volatility faced by investors may be further magnified where liquidity pools for virtual assets are small and fragmented.

(ii) Cybersecurity and safe custody of assets
Trading platform operators and portfolio managers may store clients' assets in hot wallets (ie, online environments which provide an interface with the internet). These can be prone to hacking. Cyber-attacks resulting in the hacking of virtual asset trading platforms and thefts of virtual assets are common. Victims may have difficulty recovering losses from hackers or trading platforms, which can run to hundreds of millions of Hong Kong dollars. Virtual asset funds face a unique challenge due to the limited availability of qualified custodian. Available solutions may not be totally effective.

Transactions involving virtual assets are irrevocable. Lost or stolen virtual assets may be irretrievable. Once a transaction has been verified and recorded on a blockchain, loss or stolen virtual assets generally will not be reversible.

(iii) Market integrity
Unlike regulated stock exchanges, the market for virtual assets is nascent and may not operate under a set of recognised and transparent rules. Outages are not uncommon, as are market manipulative and abusive activities, and these all result in investor losses.

(iv) Conflicts of interest
Virtual asset trading platform operators may act as agents for clients as well as principals. Virtual asset trading platforms may facilitate the initial distribution of virtual assets (e.g., initial coin offerings), facilitate secondary market trading, or both, as in a traditional exchange, alternative trading system or securities broker. If these operators are not under the purview of any regulator, it would be difficult to detect, monitor and manage conflicts of interest and has a risk of price manipulation on trading, lending or other dealing platforms.

(v) Inadequate and inconsistent regulation
Virtual assets/VA may not be subject to regulations associated with a regulated financial product, including, but not limit to, licensing requirement, audit, trade reporting requirements, anti-money laundering rules, market manipulation rules, market integrity principle. The markets for virtual assets/VA are therefore especially susceptible to manipulation and fraud which can have a negative impact on the price of virtual assets/VA.

Among the accounting profession body, there may not be an agreed standards and practices for auditor to perform assurance and valuation procedures to obtain sufficient audit evidence for the existence and ownership of virtual assets, and ascertain the reasonableness of the valuations.

(vi) Fraud
Virtual assets may be used as a means to defraud investors.

Virtual asset trading platform operators or portfolio managers may not have conducted sufficient product due diligence before allowing virtual assets to be traded on their platforms or investing in a virtual asset for their portfolios. As a result, investors may become victims of fraud and lose their investments.

(vii) Absence of robust regulations and protection on virtual assets/VA
Virtual assets/VA may not confer the same level of legal rights and ownership rights as conferred through ownership of a traditional asset. Also, ownership of them may be difficult to be verified.

Virtual assets/VA may or may not be considered “property” under Hong Kong law or laws of overseas jurisdictions, which may affect the nature and enforceability of the interest of investors in such virtual assets/VA.

Not only virtual assets itself, trading, lending, dealing platforms and custodians of virtual assets may be unregulated in some countries. There may not have any guarantees and safeguards provided by Government or regulatory bodies. New unforeseen risks may arise from investing in new types of virtual assets or investing in new market participants’ complex transaction strategies products.

Moreover, there may be an absence of a robust regulatory system for virtual assets/VA. Global regulatory bodies may face difficulties on developing a robust regulatory system for virtual assets/VA due to the continuing evolution and development of virtual assets/VA.

(viii) Virtual assets/VA contains default risks and/or counterparty risks.
Default risk could come from the issuer's failure to make payments as agreed. At time of market downturn, an issuer may default due to their inability to fulfil their commitments.

Counterparty risk refers to the failure of the trading party in fulfilling their financial contractual obligations.

Risks of entering into virtual asset futures contracts

The prices of the virtual assets which underlie these futures contracts fluctuate, sometimes dramatically. This may be due to insufficient liquidity. The difficulty in valuing the underlying virtual assets will in turn pose significant challenges for investors in reliably valuing virtual asset futures contracts.

Investors are exposed to amplified risks due to the highly leveraged nature of futures contracts. Moreover, the complexities and inherent risks of virtual assets and/or virtual asset futures contracts are likely to be difficult for the average investor to understand. From time to time, there have been reports of market manipulative and abusive activities on platforms offering or trading virtual asset futures contracts. Such platforms may not have clear and fair trading rules. Some platforms have been criticised by investors for changing their trading rules during the life of futures contracts, for instance, halting trades or rolling back transactions and causing significant losses to investors.

As VA is a relatively new class of asset, there may be additional risk which have not been identified and mentioned. Due to volatility and unknown risk nature, the Customer should only invest in VA if the Customer are prepared to accept the risk of losing all the monies they have invested in VA.

18 Risk of Contingent Orders

Contingent orders, including market-on-open, market-on-close, good-till-cancel, stop-loss and stop-limit orders, may not be effective in limiting losses or protecting profits. Market conditions, including rapid price movements, price gaps, volatility, corporate action, insufficient liquidity, trading suspensions, system failures and communication delays, may make it difficult or impossible to execute such orders.

A stop-loss order may, once triggered, be executed as a market order at a price substantially different from the stop price. A stop-limit order may not be executed if the market price moves beyond the specified limit price. A contingent order may be executed at a price substantially different from the expected price, may be executed in part only, or may not be executed at all.

The Customer remains responsible for monitoring positions and meeting all applicable settlement, margin and collateral obligations. The Company does not guarantee the acceptance, execution, timing, completeness or execution price of any contingent order and may refuse, suspend, cancel, reject or decline to act on such order as permitted under the Client Agreement, Applicable Laws and Regulations and the relevant market rules

19 Risk of Simplified Electronic Direct Debit Authorisation (eDDA)

Simplified Electronic Direct Debit Authorisation (“eDDA”) is a service under the Faster Payment System operated by Hong Kong Interbank Clearing Limited and enables the Customer to arrange deposits into the Customer’s account with the Company from a designated bank account held in the Customer’s own name. With the Customer’s pre-authorisation and information, the Company may initiate an eDDA setup request through its bank for verification and acceptance by the Customer’s bank. Depending on the Customer’s bank’s procedures, the Customer may not be asked to confirm the setup request separately with that bank. An account held jointly, or in the name of a third party, cannot be used, and the identification information the Customer provides — including the type of identification document registered with the bank and the corresponding number — must match the Company's records. The Customer must also ensure that the designated bank account, and any eDDA set up on it, remains valid.

There is a risk that an eDDA setup request or subsequent deposit may be made in error or without the bank-account holder’s authority—for example, through impersonation, unauthorised access to the Customer’s trading account, or misuse of personal or bank-account information.

An eDDA setup request or deposit may also be delayed, rejected or otherwise unsuccessful. The timing and completion of a transfer depend on the relevant bank and on the Faster Payment System; the Company does not control, and does not warrant the availability, functionality or reliability of, the systems of the relevant bank. The Customer should not assume that funds are available for trading or settlement until the Company confirms their availability. Once the Customer confirms and submits a deposit instruction, the instruction and the resulting transfer are irrevocable and binding on the Customer.

The Company will disclose to the Customer the eDDA settings applicable to the arrangement, including any limits on the amount or frequency of debits and any expiry date. If the Customer does not accept those settings, the Customer should not proceed with the eDDA setup. The Customer should check the designated bank

account details and the disclosed eDDA settings before consenting to the setup. The Customer should also regularly review those settings with the relevant bank and amend them where necessary. The Customer should also regularly review the bank accounts registered with the Company for eDDA deposits, including the number of such accounts and any changes made to them, and monitor bank transactions for unusual or unauthorised activity. The Customer should contact the relevant bank directly to arrange any changes to the limits on amount or frequency of debits or to the expiry date, any promptly inform the Company of any such changes. If Customer may cancel the eDDA authorization by contacting the relevant bank. The Company can cancel or suspend the authorization or the eDDA service at any time.

If the Customer suspects an error or unauthorised activity, the Customer should immediately inform the Company or the relevant bank and, where appropriate, report the matter to the Hong Kong Police Force.

The Company may, where appropriate, decline or delay an eDDA setup request or deposit instruction, require further verification, or apply limits or a holding period in accordance with the Client Agreement and applicable requirements. If a deposit is delayed or unsuccessful, the Customer remains responsible for meeting any applicable payment, settlement and margin obligations. Nothing in this disclosure excludes or limits the Company's responsibilities under applicable law or regulatory requirements.

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

Disclaimer delivered by Circular (Ref. No. CIR/LEGAL/980274) issued by the HKFE dated 31st July 1998

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