



PHILLIP CAPITAL MANAGEMENT (HK) LIMITED

# ASSET MANAGEMENT AGREEMENT

## Schedules:

1. Account opening form (Customer Information Form)
2. Personal Information Collection Statement
3. Risk Disclosure Statement
4. Investment Objectives, Strategies, Restrictions and Risk Disclosure
5. Plan Selection and Charges Form
6. Mandate for Discretionary Accounts with Phillip Securities (Hong Kong) Limited

# ASSET MANAGEMENT AGREEMENT

In consideration of PHILLIP CAPITAL MANAGEMENT (HK) LIMITED (the “Investment Manager”) of 11<sup>th</sup> Floor, United Centre, 95 Queensway, Hong Kong which is a Licensed Corporation (CE No. AEP527) licensed with the Securities and Futures Commission in respect of carrying on the regulated activities of asset management and advising on securities agreeing to provide discretionary asset management services to the Client as identified in the Customer Information Form (the “Client”) who has opened one or more such asset management accounts with the Investment Manager, the Client HEREBY AGREES that it shall give sufficient authority to the Investment Manager to provide the discretionary asset management services and all the aforesaid services and the transactions in the aforesaid account(s) shall be subject to the Agreement (including without limitation the Asset Management Agreement and the Customer Information Form) as amended from time to time and notified to the Client. The current provisions of the Asset Management Agreement are hereinafter set out:

## 1. Definitions

1.1 In this Agreement, unless the context otherwise requires, the following words and phrases shall bear the following meanings:

**“Account”** means the asset management account in the name of the Client to be opened and maintained by the Investment Manager in its books.

**“Agreement”** the written agreement between the Client and the Investment Manager regarding the opening, maintenance and operations of the Account(s) as amended from time to time, including but not limited to the Asset Management Agreement, the Customer Information Form, Risk Disclosure Statement, Data Privacy Policy and any authority given by the Client to the Broker with respect to the Account(s).

**“Associate”** Means in relation to the Investment Manager, a body corporate which is its subsidiary or affiliated company, in Hong Kong or elsewhere.

**“Broker”** means any company as the Client may from time to time appoint and agreed by the Investment Manager, including (without limitation) Phillip Securities (Hong Kong) Limited and Phillip Commodities (HK) Limited, for the purpose of executing investment orders, holding or providing the safe-keeping of all cash and investments comprising the Investment Assets.

**“business day”** means a day (other than Saturday) upon which banks are open for normal banking business in Hong Kong.

**“Customer Information Form”** means the form attached as Schedule 1.

**“Electronic Media”** any electronic or telecommunications media, including but not limited to the internet, interactive television systems, telephone, facsimile, wireless application protocol or any other electronic or telecommunications devices or systems as the Investment Manager may from time to time determine and prescribe;

**“HKFE”** means 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;

**“Investment” or “investments”** means all or any of the following:  
(a) any share, stock, warrant, unit trusts and mutual funds (including collective investment scheme authorised or not authorised under the Securities and Futures Ordinance), equity linked notes (ELN), equity linked instruments (ELI), debenture, loan stock, bond, note, certificate of deposit, commercial paper, acceptance, trade bill, treasury bill, bill of exchange or promissory note in, of or issued by or under the guarantee of any person;

- (b) any other instrument, asset or obligation (whether in the nature of equity or debt or otherwise) known or treated as an investment;
- (c) commodities, foreign exchange, spot and forward contracts, options, warrants, futures contracts, contracts for differences, swaps, exchanges and derivatives (whether or not linked to any way to any of the foregoing or to any money, index, securities or other asset, property of item); and
- (d) any item of any other description which may from time to time be agreed by the Investment Manager and the Client;

in each case whether listed or unlisted, traded or not traded on any exchange or market, privately placed or publicly offered and whether or not constituted, evidenced or represented by a certificate or other document (bearer, negotiable or otherwise) or by an entry in the books of an issuer, a clearing house, a depository, a custodian or any other person, together with rights against any issuer, clearing house, depository, custodian or any other person in respect of the foregoing and other rights, benefits and proceeds in relation to any of the foregoing.

**“Investment Account”**

means the account as set out under Clause 4.1.

**“Investment Assets”**

means all cash (in whatsoever currency), investments and other assets for the time being and from time to time held by or on behalf of the Broker and credited by the Investment Manager to the Account (comprising the moneys and investment deposited by the Client to the Account initially and all investments, reinvestments and proceeds of sale thereof, including without limitation, all dividends and interests on investments, and all appreciations thereof and additions thereto and additions thereto less depreciations thereof and withdrawals therefrom and otherwise).

**“Investment Guidelines”**

means the investment guidelines and restrictions in relation to the management of the Investment Assets given by the Investment Manager to the Client in writing as amended from time to time.

**“margin trading”**

means trading in investment by depositing cash or non-cash collateral (known as margin) with Broker to cover adverse movement in market risk of the concerned investment and in case of investment being securities, also has meaning of acquisition of securities on a lending basis; **“margin basis”** means the manner or basis of margin trading.

**“SEHK”**

means the Stock Exchange of Hong Kong Limited and includes its successors, assigns and any resulting or surviving entity into or with which it may consolidate, amalgamate or merge.

**“SFC”**

means the Securities and Futures Commission.

1.2 In this Agreement, words importing the singular shall, where the context permits, include the plural and vice versa and words importing gender or neuter include both gender and neuter. The expression "person" shall include any firm, partnership, association of persons and body corporate and any such persons acting jointly and the personal representatives or successors in title of any such person. References to "writing" shall include texts transmitted through Electronic Media. Headings are for convenience only. Any reference to Clauses or Schedules in the Asset Management Agreement is a reference to the clauses of or the schedules to Asset Management Agreement, unless otherwise stated.

## 2. DISCRETION AND AUTHORITY OF THE INVESTMENT MANAGER

- 2.1 The Client hereby appoints the Investment Manager as agent and attorney-in-fact of the Client for the purpose of investing and reinvesting the Investment Assets in the Account on a discretionary basis in accordance with the terms and provisions set out in this Agreement. The Investment Manager hereby accepts such appointment by the Client as the investment manager in respect of the Account.
- 2.2 Subject to the terms and conditions contained in this Agreement and to any general or specific written directions made by the Client to, and agreed by, the Investment Manager, the Investment Manager shall have full authority and discretion (without prior reference to the Client) to invest, manage or otherwise deal with and exercise complete control over the Investment Assets and to give instructions to any Broker in connection with the performance by it of any of its obligations or the management of the Investment Assets hereunder. In exercising the authority and discretion conferred upon the Investment Manager hereunder, the Investment Manager shall be entitled to rely on its own judgement and/or any information, advice or opinion supplied or otherwise provided by any person to the Investment Manager.
- 2.3 Without limiting the generality of Clause 2.2, the Client hereby authorizes the Investment Manager to do any of the following acts in relation to the management of the Investment Assets, in each case in such manner, to such extent and on such terms as the Investment Manager thinks fit at its discretion but subject to the terms as otherwise agreed from time to time between the Investment Manager and the Client:
- (A) hold, purchase (whether on cash basis or on margin basis), sell or otherwise deal with any Investment Assets;
  - (B) enter into contracts and commitments in respect of the Investment Assets and arrange for settlement of all necessary transactions or disposition of any Investment Asset (including without limitation payment of options premium, payment to meet margin requirements for futures and options contracts and under margin financing transactions);
  - (C) realise, exchange or convert all or any part of the Investment Assets for or into cash;
  - (D) deposit or withdraw, invest, reinvest and/or convert into any other currency any cash comprised in the Investment Assets;
  - (E) subscribe to or participate in the underwriting or sub-underwriting of any issue or sale of any Investment Assets (whether an initial public offer or not) with or without lending;
  - (F) subject to any specific written voting instructions given by the Client as beneficial owner of such assets, exercise or enforce, or decline to exercise or enforce, any power or right (including without any limitation any right to vote) in relation to any Investment or other asset comprised in the Investment Assets (including without limitation exercising call or put options); and
  - (G) generally do all acts and things which are necessary for or incidental to the provision of the services in connection with the management of the Investment Assets.
- 2.4 Subject to the investment restrictions set out in the Investment Guidelines, in the course of performing any act set out in Clause 2.3, the Investment Manager shall have authority to carry such act in the following manner at its absolute discretion :
- (A) trade, purchase, sell, subscribe for issue of investments on a cash or margin basis with or without lending, enter into long or short position;
  - (B) borrow or lend investments through any market intermediary and to give authority and/or direction to such person; and
  - (C) subject to applicable laws and regulations, maintain with any market intermediary (including without limitation any Broker) any account which may be a cash or margin securities account, futures and options account or otherwise, an omnibus account or a segregated account and instruct such market intermediary to trade on such account.
- 2.5 The Client agrees that the Investment Manager may in its absolute discretion appoint any other person (including, without limitation, any Associate) as its nominees or agents (collectively, "Agents") to perform any of the services pursuant to this Agreement on its behalf and may delegate any of its duties and powers under this Agreement to such Agents. By accepting this Agreement, the Client further agrees that provided that the Investment Manager has selected such Agent in good faith, the Investment Manager shall not be liable for any loss or damage suffered by the Client due to or in connection with any act or omission of such Agents.

- 2.6 The Investment Manager may combine the orders made on behalf of the Client or under Client's instructions with its own orders or orders of its other clients for execution and may in its absolute discretion allocate the bought or sold Investments among the concerned persons, having due regard to market practice and fairness to such persons. The Client acknowledges and accepts that such combination and/or allocation may on some occasions operate to the Client's advantages and on other occasions to the Client's disadvantages.
- 2.7 The Client hereby acknowledges and agrees that all details recorded by the Investment Manager in respect of the Investment Assets and all transactions entered into and all payments and deductions made in connection therewith shall be conclusive and binding on the Client.
- 2.8 If the Investment Manager solicits the sale of or recommend any financial product to the Client, the financial product must be reasonably suitable for the Client having regard to the Client's financial situation, investment experience and investment objectives. No other provision of this agreement or any other document the Investment Manager may ask the Client to sign and no statement the Investment Manager may ask the Client to make derogates from this clause.

### 3. INVESTMENT OBJECTIVES AND GUIDELINES

- 3.1 Without prejudice to the generality of its appointment pursuant to Clause 2, the Investment Manager shall fully and comprehensively manage the Account on a discretionary basis.
- 3.2 The Investment Manager will invest the Investment Assets in accordance with the objectives and guidelines set out in Investment Guidelines. The Investment Manager reserves an absolute right to modify the Investment Guidelines at any time when it considers it is reasonable to do so. The changes will be communicated to the Client in writing. If the modification in Investment Guidelines results in any inconsistency with the composition of the Investment Assets for the time being, such inconsistency will not be regarded as a breach of the Investment Guidelines and the Client authorizes the Investment Manager to take whatever action within such necessary period of time at the discretion of the Investment Manager to resolve the inconsistency.
- 3.3 For the avoidance of doubt, the Investment Guidelines shall not be regarded as having been breached by reason of changes in the price of value of the Investment Assets which are due solely to market forces or movements in the market or other events beyond the Investment Manager's control.
- 3.4 In the event that derivatives products are employed in managing the Investment Assets, the Investment Manager shall provide upon the Client's request product specifications and any prospectus on the products, and full explanation of margin procedures and circumstances under which positions may be closed without the consent of the Client.
- 3.5 The Client may give instructions to the Investment Manager in relation to this Agreement. The Investment Manager is authorised (but not obliged) to act in accordance with and rely on each instruction given by the Client or any Authorised Person by any means of communication and the Investment Manager shall be entitled (but not obliged) to require any instruction to be confirmed by the Client. The Investment Manager shall have no obligation to enquire or investigate the genuineness or authenticity of any instruction, or to clarify or confirm any instruction, and the Client shall bear the risks arising directly or indirectly from any instruction.

### 4. CUSTODY

- 4.1 The Investment Assets shall be held by the Broker(s) in a segregated account(s) as agreed between the Investment Manager and the Client from time to time (the "Investment Account"). The Client acknowledges that Investment Account may be a cash account or a margin financing account imposed with margin requirements. The Client shall read, understand and accept the risks associated with margin financing as set out in Schedule III Risk Disclosure Statement prior to opening of such account with the Broker.
- 4.2 The Client shall pay and/or deliver and/or transfer the moneys and/or investments to the Investment Account in accordance with the minimum amount and on or before the date as prescribed by the Investment Manager.
- 4.3 The Investment Manager shall at no time have custody or physical control of the Investment Assets.
- 4.4 The Client shall maintain in force instructions to the Broker in respect of operations of the Investment Account maintained with any Broker to the effect that such Broker

- (A) shall comply with any instructions of the Investment Manager given in accordance with this Agreement and shall give all necessary notifications referred to in this clause; and
  - (B) shall provide trade confirmations and daily/monthly statements as appropriate to the Investment Manager.
- 4.5 The Investment Manager shall not be responsible for any loss of whatsoever nature suffered by the Client for any act, error or omission on the part of any Broker or any nominee or agent selected by the Broker.

**5. REPORTING**

- 5.1 The Investment Manager shall submit to the Client each month a report on the condition of investment of the Investment Assets based on the monthly statements provided by the Broker.
- 5.2 Where the Investment Manager uses the market prices provided by a third party (e.g. stock exchange, commodity exchange, futures exchange or off exchange market) to calculate the total value of the Client's Investment Assets, the Investment Manager shall calculate the total value of the Investment Assets of such Client account based on the close prices published on the date of settlement at the end of every quarter. If there is no completion of trading of a particular security on that day, the last quoted price published on the same day should be used instead. The Investment Manager shall use its best endeavours to ensure the completeness and accuracy of such report.
- 5.3 The Investment Manager will at a reasonable charge furnish the Client with a copy of all publicly available financial statements or records and other reports relating to securities included within the Investment Assets on basis of reasonable endeavours as the Client may reasonably request from time to time.

**6. FEES AND CHARGES**

- 6.1 As compensation for the Investment Manager's services rendered hereunder, the Client will pay or will cause to be paid to the Investment Manager such management and performance fees as the Investment Manager may specify from time to time. The initial management and performance fees are to be calculated and charged on the basis set out in Schedule V of this Agreement. All such fees are non-refundable after payment in any event.
- 6.2 The Client shall elect to pay fees to the Investment Manager calculated and charged on the basis set out in the respective plan by providing the Investment Manager written notice of its election. In the event that the Client does not elect a plan, the Investment Manager may make the election and notify the Client within 7 days of the date of this Agreement.
- 6.3 The Investment Manager is entitled to review and / or revise any fees in the respective plan and / or the basis on which such fees are calculated and charged from time to time.
- 6.4 The Client shall be responsible for the payment of commission, custodian fee, tax and any other expenses incurred for management of the Investment Assets and shall reimburse the Investment Manager for such payment and the Client hereby authorizes the Investment Manager to deduct such payment out of the cash comprised in the Investment Assets or from the realization of Investment Assets.

**7. SOFT DOLLAR AND CASH COMMISSION REBATES**

- 7.1 The Client hereby agrees that the Investment Manager may receive goods or services (i.e. "soft dollars") from the Broker(s) in consideration of directing transaction business on behalf of the Client to the Broker in a manner from time to time permitted by the SFC and provided that the goods or services are of demonstrable benefit to clients generally (whether or not in any particular case including the Client) of the Investment Manager and that transaction execution is consistent with best execution standards and brokerage rates are not in excess of customary full-service brokerage rate. Such goods and services may include but not be restricted to research and advisory services; economic and political analysis; portfolio analysis, including valuation and performance measurement; market analysis, data and quotation services; computer hardware and software incidental to the above goods and services; clearing and custodian services and investment-related publications. The Client hereby consents to the receipt by the Investment Manager of the aforementioned goods and services. In case the Investment Manager has received soft dollars from the Brokers, the Investment Manager shall provide the Client at least annually with a statement describing the Investment Manager's soft dollar practices, including a description of the goods and services received by the Investment Manager during the preceding year.
- 7.2 The Client agrees that the Investment Manager may also receive and retain any cash or money brokerage commission rebates in relation to transactions effected for and on behalf of the Client and in relation to the management of the Investment Assets provided that the brokerage rates are not in excess

of customary full-service brokerage rate. Moreover, the Investment Manager shall make disclosure of these rebates and their approximate value to the Client in accordance with the applicable regulations. Under the prevailing regulations, in case the Investment Manager has received rebates, the Investment Manager shall provide the Client at least twice annually with a statement showing the approximate value of the rebates.

## 8. **LIABILITY AND INDEMNITY**

- 8.1 Neither the Investment Manager and any Associate nor any of their officers, employees or agents, shall be liable for any error of fact or judgment or for any action taken or omitted to be taken unless to the extent that such error, action or omission arises as a direct result of the wilful default or gross negligence of the Investment Manager, Associate, or such officer, employee or agent.
- 8.2 Without prejudice to Clause 8.1, no representation or warranty is given by the Investment Manager as to the performance or profitability of any Investment purchased by the Investment Manager on behalf of the Client and neither the Investment Manager, nor any of its Associates, officers, employees or agents will in any circumstances be liable for any loss of opportunity whereby the value of the Investment Assets could have been increased or for any decline in such value. The Investment Manager does not guarantee that the Investment Assets or any part of it will not be affected by adverse tax consequences and the Client shall consult its own tax consultant for any advice on its tax affairs.
- 8.3 The Investment Manager shall not be responsible for any default of the Broker, any counterparty, bank, custodian or any party which holds Investment or title documents for the Client or with or through whom transactions on behalf of the Client are conducted in respect of the Investment Assets.
- 8.4 The Client shall indemnify the Investment Manager and its Associates, officers, employees and agents against all liabilities, losses, charges, demands, proceedings, costs and expenses which they may suffer, pay or incur as a result of or in connection with the performance by them in good faith of any of their obligations or the management of the Investment Assets hereunder unless due to their respective wilful default or gross negligence. The Investment Manager shall not be obliged to take any action on behalf of the Client unless the Investment Manager shall be satisfied that the Client has fully indemnified or secured the Investment Manager in respect of all costs and liabilities which may be incurred or suffered by the Investment Manager as a result of taking any such action.
- 8.5 Notwithstanding any other provisions of this Agreement, the Investment Manager shall not be responsible for any loss or expense suffered or incurred by the Client arising from any delay, failure or inability of the Investment Manager to discharge any of its obligations or liabilities under this Agreement as a result of any reason or cause beyond the Investment Manager's reasonable control, including without limitation, any order, law, control, regulation, directive, levy tax, embargo, moratorium, exchange control or restriction or other act of any government whether de facto or de jure or other authority, any breakdown or failure of transmission or instruction or in computer facilities, postal or other strike, closure or suspension of trading on any exchange, board of trade, market or clearing house, any act of God, fire, flood, severe weather or explosion.

## 9. **POTENTIAL CONFLICTS OF INTEREST AND DISCLOSURES**

- 9.1 The Client hereby acknowledges that the Investment Manager, or any of its Associates, officers and employees may from time to time buy, sell and trade in securities for their own accounts. The Investment Manager and its Associates, officers and employees or other clients may at any time have, acquire, increase, decrease or dispose of positions in investments which are at the same time being acquired or disposed of for the Account. Furthermore, the Client acknowledges the existence of the Investment Manager's and its Associates', officers and employees' material interest, relationship or arrangement that may involve a potential conflict with the Investment Manager's duty to the Client. Any of the Investment Manager and its Associates, officers and employees shall not be liable to account to the Client for any profit, commission, remuneration made or received from or by reason of such transactions.
- 9.2 The Investment Manager may perform or continue to perform investment management services or other related services to other persons, and the performance of such services for others shall not be regarded as to violate or give rise to any duty or obligation to the Client.

## 10. **CLIENT IDENTITY**

- 10.1 In this Agreement, (a) the expression "ultimate beneficiary", in relation to any transaction effected or to be effected on markets operated by the SEHK and/or HKFE for the Client pursuant to this Agreement, means each and every person who (i) is the principal for whom the Client is acting as agent in relation to such transaction or (ii) stands to gain the commercial or economic benefit of such transaction and/or to bear its commercial or economic risk or (iii) is ultimately responsible for giving the instruction in relation to

such transaction and (b) the expression "identity information", in relation to any person, means the true and full identity of such person, including such person's alias(es), address(es), occupation(s) and contact details.

- 10.2 If, in respect of any transaction effected or to be effected on the markets operated by the SEHK and/or HKFE for the Client pursuant to this Agreement, the Client is acting as agent and the Client is for any reason prevented from disclosing or providing to the Investment Manager identity information in respect of the ultimate beneficiary in respect of that transaction, the Client undertakes to provide such identity information to the relevant market, clearing house, or regulatory authority, including the SFC, the SEHK, HKFE, overseas exchanges and clearing houses or other governmental or regulatory authorities and entities (the "**Relevant Regulators**") pursuant to any legal obligations and court orders directly within two business days (or such shorter period as the Relevant Regulators may reasonably specify for the purpose of this Clause 10.2) of receipt of a written request either from the Investment Manager or from the Regulators. The Client's undertaking under this Clause 10.2 shall survive any termination of this Agreement.
- 10.3 If, in respect of any transaction effected or to be effected on the markets operated by SEHK and/or HKFE for the Client pursuant to this Agreement, the Client is acting as investment manager of any investment scheme, account or discretionary trust (or any other person) and the Client's discretion is overridden by one or more of the beneficiaries of such scheme, account or trust (or such other person), the Client undertakes to (a) inform the Investment Manager of such arrangement and (b) provide the Investment Manager with identity information in respect of the ultimate beneficiary or such other person whose instructions have overridden the Client's discretion. If for any reason the Client is prevented from disclosing or providing such identity information to the Investment Manager, the Client undertakes to provide such identity information to the Relevant Regulators directly within two business days (or such shorter period as the Relevant Regulators may reasonably specify for the purpose of this Clause 10.3 of the receipt of a written request either from the Investment Manager or from the Relevant Regulators. The Client's undertaking under this Clause 10.3 shall survive any termination of this Agreement. Notwithstanding the foregoing paragraph, the Investment Manager is entitled to require the Client to disclose the said identity information direct to the Investment Manager and is entitled to terminate this Agreement and close the Account if the Client fails to comply with such requirements.
- 10.4 If, in respect of any transaction effected or to be effected on the SEHK and/or HKFE for the Client pursuant to this Agreement, the Client is acting as an intermediary in a jurisdiction with client secrecy laws, the Client confirms that (a) an agreement has been entered into by the ultimate beneficiary in respect of such transaction that waives the benefit of such secrecy laws in respect of providing to the Relevant Regulators the information required by the Relevant Regulators upon request pursuant to Clauses 10.1, 10.2 and 10.3 and (b) such agreement is legally binding under the relevant foreign law.
- 10.5 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:
- (A) 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;
  - (B) Performance of the client due diligence measures specified in section 2 of schedule 2 of AMLO; and
  - (C) 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.

## 11. **WARRANTIES GIVEN BY THE CLIENT**

- 11.1 The Client represents and warrants on continuous basis that
- (A) the Client has full power and capacity to enter into this Agreement;
  - (B) the Client is the beneficial owner of the Investment Assets (including those transferred to the Investment Account under Clause 4.2) or has obtained the necessary authorization from the beneficial owner to have adequate power as required by this Agreement to deal with the Investment Assets which are free from liens, charges or other encumbrances and no liens, charges or other encumbrances shall arise from any acts or omissions of the Client;
  - (C) the information given by the Client to the Investment Manager in Customer Information Form or otherwise in connection with the opening and operations of the Account is true, complete and accurate and the Investment Manager is entitled to rely on such information until the Investment Manager receives written notice from the Client of any change thereto; and



- (D) the Client will maintain in full force, validity and effect all governmental and other approvals, authorizations, licences and consents required on him under applicable laws and regulations in connection with the Agreement.
- 11.2 The Client undertakes not to deal, except through the Investment Manager, with any of the Investment Assets or to authorize anyone else to do so.
- 11.3 The Client undertakes to supply to the Investment Manager on demand at any time or times such financial and other information about the Client as the Investment Manager may request.
- 11.4 Without prejudice to Clause 10, the Client shall promptly give (or procure to be given) to the Investment Manager such information as the Investment Manager may require to enable it to comply with the requirements by the SEHK, HKFE, the SFC or other overseas exchanges and clearing houses or share registrar or other entities pursuant to any legal obligations and court orders. The Client also authorizes the Investment Manager to make such disclosure.
- 11.5 The Client acknowledges that the Client has received, read and understood the contents of Schedule III Risk Disclosure Statement.

## 12. GENERAL

- 12.1 The Client undertakes with the Investment Manager to do and execute (and irrevocably authorizes to do and execute on the Client's behalf) any act, deed, document or thing which the Investment Manager may require the Client to do in connection with the implementation, execution and enforcement of any of the terms and any rights conferred by this Agreement including without limitation the execution of the Client of an irrevocable power of attorney appointing the Investment Manager as its lawful attorney to do and execute all such acts, deed, documents or things on behalf of the Client as it considers necessary or desirable in connection with such implementation, execution and enforcement of this Agreement and the Client agrees to ratify or confirm all such acts, deed, documents or things by the Investment Manager.
- 12.2 The Client understands that the Client has supplied or may from time to time supply to the Investment Manager personal data about the Client (the "**Personal Data**"), within the meaning ascribed in the Personal Data (Privacy) Ordinance (Chapter 486 of the laws of Hong Kong) (the "**Privacy Ordinance**"), in connection with the opening or maintenance of any Account or the provision of services pursuant to this Agreement to the Client. The Client acknowledges that the Client is not required to provide any Personal Data to the Investment Manager unless the Client chooses to do so. However, if the Client fails to supply any such Personal Data, the Investment Manager may not be able to operate an Account(s) for the Client and/or provide the Client with any services.
- 12.3 The Client acknowledges that the Client has read the contents of Schedule II Personal Information Collection Statement and agreed to the terms in it.
- 12.4 The Client shall be responsible for filing any tax returns and reports on any transactions undertaken by the Investment Manager for the Account and in respect of the Account and for the payment of all taxes due on capital or income held or collected by the Investment Manager for the Client.
- 12.5 The Investment Manager shall not, during the continuance of this Agreement, or after its termination, disclose to any person (except with the written authority of the Client or unless required by law or any regulatory authority) any information of a confidential nature relating to the affairs of the Client which may come to the Investment Manager's knowledge during the period of this Agreement. The Client shall similarly hold confidential and shall not disclose to any person information, not already in the public domain, which is provided by the Investment Manager to the Client in its portfolio reports.
- 12.6 In the case of the Client consisting of two or more individuals, their obligations under this Agreement shall be joint and several, the Investment Manager shall be entitled (but not bound) to rely on and act in accordance with any instruction, authorization or notice given by any one of them and, on the death of any of them (other than a sole survivor), this Agreement shall not terminate and the interest of the deceased in the Investment Assets and otherwise hereunder shall automatically ensure to the benefit of the survivor(s). The Investment Manager reserves the right to require written instructions from all such individuals at its discretion. Any delivery of payments or Investment Assets to any one of such individuals shall be a valid and complete discharge of the Investment Manager's obligations to each individual regardless of whether such delivery is made before or after the death of any one or more of such individuals.
- 12.7 Without prejudice to the right of the Investment Manager under Clause 2.5, this Agreement is personal to the parties hereto and neither party shall be entitled to assign or transfer any of its rights or obligations hereunder without the prior written consent of the other. However, the Investment Manager may

delegate, at its own costs, all or any part of its functions, powers, discretion, privileges and duties hereunder or any of them to any person, firm or corporation and any such delegation may be on such terms and conditions as the Investment Manager thinks fit.

- 12.8 The parties hereby undertake to notify the other party of any material change in the information provided in the Agreement.
- 12.9 This Agreement sets forth the entire agreement and understanding between the parties hereto as to the matters set out herein and supersedes all previous representations, agreements, understandings, whether oral or written, between them.
- 12.10 If any of the provisions of this Agreement is or becomes invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired.
- 12.11 The Investment Manager may amend the terms of this Agreement by giving the Client reasonable notice of the changes in writing at any time. Any amendment to this Agreement shall take effect of expiry of such notice period and the Client will be deemed to have accepted the amendment if it does not terminate the Account.
- 12.12 This Agreement may be translated into Chinese language but in the event of any conflict arising the English version shall prevail. The Chinese version of this Agreement will be provided upon request.

### 13. **TERMINATION**

- 13.1 This Agreement shall, or (as the case may be) shall be treated as having, come into effect as from the date of this Agreement and shall continue to be in force unless and until terminated by either party giving to the other notice in writing subject to other provisions in this Clause and Schedule V to this Agreement. Notwithstanding the foregoing, the Client has no right to terminate this Agreement if the Client has sums owing to the Investment Manager, open position or any other outstanding liabilities or obligations.
- 13.2 Termination of this Agreement pursuant to Clause 13.1 shall be without prejudice to all acts performed by the Investment Manager prior to the termination and such acts shall be valid and binding upon the Client and his successor in title.
- 13.3 Upon the termination of this Agreement, all amounts (including, without limitation, all accrued fees and expenses and any additional expenses incurred by the Investment Manager in terminating this Agreement) owing by the Client to the Investment Manager shall become immediately due and the Client shall pay all such amount to the Investment Manager (including without limitation all the fees payable under Clause 6.)
- 13.4 The Client shall not be entitled to withdraw the whole or any part of the Investment Assets except upon giving to the Investment Manager 7 (seven) business days' notice to that effect and payment of the necessary expenses for effecting such withdrawal.
- 13.5 The term of this Agreement will extend automatically for successive 12 month terms unless the Client gives the Investment Manager written notice of termination. The Investment Manager will give notice to the Client at least 14 days prior to the last trading day of such 12-month period (the "Expiration Date") and the Client must give notice before the Expiration Date in order to terminate the Agreement.
- 13.6 In the event that the Investment Manager does not receive any termination instruction from the Client in accordance with clause 13.5 above, the Investment Manager is entitled to assume that the client has elected to extend the term of this Agreement for an additional 12 months.

### 14. **INSTRUCTIONS AND NOTICES**

- 14.1 All notices under this Agreement shall be in writing, sent by electronic mails, facsimile or post to the party to receive the same, at the Investment Manager's address shown on the Client's address set out in the Customer Information Form, or at each other's address as each party shall have specified to the other party by written notice similarly given.
- 14.2 The Investment Manager may rely and act on any notifications, instructions or other communication that purports and is reasonably believed by the Investment Manager to have been given by the Client. All such notifications, instructions or other communication shall be binding on the Client and the Investment Manager shall not be liable for acting on such instructions and has no duty to verify the identity or authority of any person giving such instructions or the authenticity of them.

15. **GOVERNING LAW**

This Agreement and the interpretation and application of the provisions hereof shall be governed by and construed in accordance with the laws of the Special Administrative Region of Hong Kong and the Client hereby irrevocably submits to the non-exclusive jurisdiction of the Hong Kong courts.

## PERSONAL INFORMATION COLLECTION STATEMENT

### 1. Disclosure Obligation

Unless otherwise stated the Customer must supply the personal data requested on the enclosed Account Opening Form to Phillip Capital Management (HK) Limited. If the Customer does not supply this data, it will not be possible for the Customer to open an account with the Company as the Company will not have sufficient information to open and administer the Account.

### 2. Use of Personal Data

#### 2.1 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 Agreement containing this information) may be used by any of the following companies or persons (each, a “**User**”):

- (i) any Phillip Capital Management (HK) Limited and/or any of its Associates (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; and
- (v) any governmental, regulatory or other bodies or institutions, whether as required by law or regulations applicable to any member of the Group.

#### 2.2 Purposes

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

- (i) carrying out new or existing client verification and credit checking procedures and assisting other financial institutions to do so;
- (ii) ongoing account administration, including the collection of amounts due, enforcement of security, charge or other rights and interests;
- (iii) designing further products and services or marketing a Group Product to the Customer.
- (iv) transfer of such data to any place outside Hong Kong;
- (v) comparison with the Customer’s personal data (irrespective of the purposes and sources for which such data were collected, and whether collected by a User or any other person) for the purpose of: (A) credit checking; (B) data verification; and/or (C) otherwise producing or verifying data which may be used for the purpose of taking such action that a User or any other person may consider appropriate (including action that may relate to the rights, obligations or interest of the Customer or any other person);
- (vi) providing on the terms of any other agreements and services relating to the Customer;
- (vii) any purpose relating to or in connection with compliance with any law, regulation, court order or order of any regulatory body; and
- (viii) any other purpose relating to the execution of the Customer’s Instructions or in connection with the business or dealings of the Group.

#### 2.3 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. **Rights of Access and Correction**

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

- (i) enquire whether Phillip Capital Management (HK) Limited 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; and
- (iv) be given reasons if a request for access or correction is refused, and object to any such refusal.

4. **Contact Person**

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

## RISK DISCLOSURE STATEMENT

### 1. Risk of securities trading

The prices of securities fluctuate, sometimes dramatically. The price of a security may move up or down, and may become valueless. It is as likely that losses will be incurred rather than profit made as a result of buying and selling securities.

### 2. 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-loss 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.

### 3. Risk of trading Growth Enterprise Market stocks

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

### 4. RISK OF MARGIN TRADING

The risk of loss in financing a transaction by deposit of collateral is significant. You may sustain losses in excess of your cash and any other assets deposited as collateral with the licensed or registered person. Market conditions may make it impossible to execute contingent orders, such as "stop-loss" or "stop-limit" orders. You may be called upon at short notice to make additional margin deposits or interest payments. If the required margin deposits or interest payments are not made within the prescribed time, your collateral may be liquidated without your consent. Moreover, you will remain liable for any resulting deficit in your account and interest charged on your account. You should therefore carefully consider whether such a financing arrangement is suitable in light of your own financial position and investment objectives.

### 5. Risks of client assets received or held outside Hong Kong

Client assets received or held by the Broker or its nominee(s) 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 client assets may not enjoy the same protection as that conferred on client assets received or held in Hong Kong.

6. **Risk of trading Nasdaq-Amex securities on the SEHK**

The securities under the Nasdaq-Amex Pilot Program (“PP”) are aimed at sophisticated investors. You should consult the Broker and become familiarized with the PP before trading in the PP securities. You should be aware that the PP securities are not regulated as a primary or secondary listing on the Main Board or GEM of the SEHK.

7. **RISK RELATING TO SECURITIES DENOMINATED IN RENMINBI (RMB)**

RMB is not freely convertible. Conversion between RMB and foreign currencies (including Hong Kong dollar) is subject to PRC regulatory restrictions which may affect the liquidity of the RMB denominated securities.

As RMB denominated securities may have regular trading or an active market. Therefore you may not be able to sell your investment on a timely basis, or you may have to sell the product at a deep discount to its value.

The Hong Kong dollar value of your investment will go down if the RMB depreciates against the Hong Kong dollar.

8. **RISK OF TRADING FOREIGN SECURITIES, INCLUDING B SHARES LISTED IN THE PEOPLE’S REPUBLIC OF CHINA**

You should only undertake trading of foreign securities if you understand the nature of foreign securities trading and the extent of your exposure to risks. In particular, foreign securities trading is not regulated by the SEHK and will not be covered by the Investor Compensation Fund. You should carefully consider whether such trading is appropriate for you in light of your experience, risk profile, and other relevant circumstances, and seek independent professional advice if you are in doubt.

9. **Risk Relating to Collective Investment Schemes**

Collective Investment Schemes may invest extensively (up to 100%) in financial derivative instruments, fixed income securities and /or structured products (including, but not limited to credit default swaps, sub-investment grade debt, mortgage-backed securities and other asset-backed securities) and be subject to various risks (including but not limited to counterparty risk, liquidity risk, credit risk, and market risk). Collective Investment Schemes may use trading strategies that use financial derivative instruments which may be unsuccessful due to a number of reasons; including but not limited to volatile market conditions, imperfect correlation between the movements in securities on which derivatives are based, lack of liquidity within markets and counterparty default risk.

10. **GENERAL RISK OF TRADING IN DERIVATIVES AND STRUCTURED PRODUCTS**

**General**

**Issuer default risk:** In the event that a structured product issuer becomes insolvent and defaults on their listed securities, 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 structured product issuers.

**Uncollateralised product risk:** Uncollateralised structured products are not asset backed. In the event of issuer bankruptcy, investors can lose their entire investment. Investors should read the listing documents to determine if a product is uncollateralised.

**Gearing risk:** Structured products such as derivative warrants and callable bull/bear contracts (CBBCs) 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 a structured product may fall to zero resulting in a total loss of the initial investment.

**Expiry considerations:** Structured products have an expiry date after which the issue may become worthless. Investors should be aware of the expiry time horizon and choose a product with an appropriate lifespan for their trading strategy.

Extraordinary price movements: The price of a structured 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.

Foreign exchange risk: Investors trading structured products with underlying assets not denominated in Hong Kong dollars are also exposed to exchange rate risk. Currency rate fluctuations can adversely affect the underlying asset value, also affecting the structured product price.

Liquidity risk: The Exchange requires all structured product issuers to appoint a liquidity provider for each individual issue. The role of liquidity providers is to provide two way quotes to facilitate trading of their products. In the event that a liquidity provider defaults or ceases to fulfill its role, investors may not be able to buy or sell the product until a new liquidity provider has been assigned.

#### 11. **SPECIFIC RISK OF TRADING DERIVATIVE WARRANTS (“DW”)**

Time decay risk: All things being equal, the value of a derivative warrant will decay over time as it approaches its expiry date. Derivative warrants should therefore not be viewed as long term investments.

Volatility risk: Prices of derivative warrants can increase or decrease in line with the implied volatility of underlying asset price. Investors should be aware of the underlying asset volatility

#### 12. **SPECIFIC RISK OF TRADING CALLABLE BULL/BEAR CONTRACTS (“CBBC”)**

Mandatory call risk: Investors trading CBBCs should be aware of their intraday “knockout” or mandatory call feature. A CBBC will cease trading when the underlying asset value equals the mandatory call price/level as stated in the listing documents. Investors will only be entitled to the residual value of the terminated CBBC as calculated by the product issuer in accordance with the listing documents. Investors should also note that the residual value can be zero.

Funding costs: The issue price of a CBBC includes funding costs. Funding costs are gradually reduced over time as the CBBC moves towards expiry. The longer the duration of the CBBC, the higher the total funding costs. In the event that a CBBC is called, investors will lose the funding costs for the entire lifespan of the CBBC. The formula for calculating the funding costs are stated in the listing documents.

#### 13. **SPECIFIC RISK OF TRADING EXCHANGE TRADED FUNDS (“ETFs”)**

Market risk: ETFs are typically designed to track the performance of certain indices, market sectors, or groups of assets such as stocks, bonds, or commodities. ETF managers may use different strategies to achieve this goal, but in general they do not have the discretion to take defensive positions in declining markets. Investors must be prepared to bear the risk of loss and volatility associated with the underlying index/assets.

Tracking errors: Tracking errors refer to the disparity in performance between an ETF and its underlying index/assets. Tracking errors can arise due to factors such as the impact of transaction fees and expenses incurred to the ETF, changes in composition of the underlying index/assets, and the ETF manager’s replication strategy. (The common replication strategies include full replication/representative sampling and synthetic replication which are discussed in more detail below.)

Trading at discount or premium: An ETF may be traded at a discount or premium to its Net Asset Value (NAV). This price discrepancy is caused by supply and demand factors, and may be particularly likely to emerge during periods of high market volatility and uncertainty. This phenomenon may also be observed for ETFs tracking specific markets or sectors that are subject to direct investment restrictions.

Foreign exchange risk: Investors trading ETFs with underlying assets not denominated in Hong Kong dollars are also exposed to exchange rate risk. Currency rate fluctuations can adversely affect the underlying asset value, also affecting the ETF price.

Liquidity risk: Securities Market Makers (SMMs) are Exchange Participants that provide liquidity to facilitate trading in ETFs. Although most ETFs are supported by one or more SMMs, there is no assurance that active trading will be maintained. In the event that the SMMs default or cease to fulfill their role, investors may not be able to buy or sell the product.