Midas Securities Limited

TERMS AND CONDITIONS FOR TRADING ACCOUNTS

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SECTION I – GENERAL TERMS AND CONDITIONS

This Section is applicable to all types of Accounts. All transactions and dealing effected, conducted, carried on and entered into by the Client with and through Midas Securities Limited for or on the Account, and the Account opened and maintained by the Client with Midas Securities Limited shall be subject to and upon the terms and conditions of this Section.

1. DEFINITIONS

1.1 In these Terms, unless the context requires otherwise:

"**Account**" means the Securities Account, as the case may be;

"**Account Opening Form**" means the Account Opening Form including the declaration, information, statements and notes thereto or, as the context requires, any amendments made thereto from time to time, to be completed and signed by the Client;

"**Agreement**" means the agreement made between the Client on the one part and Midas Securities Limited on the other part and constituted by the Account Opening Form, these Terms and such other documents referred to therein or added thereto (including any amendment made thereto from time to time);

"**Broker**" means Midas Securities Limited as selected by the Client in the Account Opening Form with whom to maintain Securities trading account(s);

"**Custodian Account(s)**" means the trading account(s) which the Client established with the Broker to govern the purchase and sale of Securities effected by the Broker;

"**Clearing House**" means the Hong Kong Securities Clearing Company Limited and/or HKFE Clearing Corporation Limited and/or other relevant clearing house;

"**Client**" means the person or persons who have signed the Account Opening Form and where the Account(s) is opened by more than one person means all of such persons collectively and any personal representative or successor in title thereof and any permitted assign thereof;

"**Companies Ordinance**" means the Companies Ordinance (Cap. 622 of the Laws of Hong Kong);

"**Exchange**" means the Stock Exchange and/or any other relevant stock exchange;

"Financial product" means any securities, futures contracts or leveraged foreign exchange contracts as defined under the SFO. Regarding "leveraged foreign exchange contracts", it is only applicable to those traded by persons licensed for Type 3 regulated activity.

"**GEM Listing Rules**" means the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange as amended from time to time;

"**holding company**" has the meaning attributed to it in section 2 of the Companies Ordinance;

"**Hong Kong**" means the Hong Kong Special Administrative Region of the People's Republic of China;

"**Investor Compensation Fund**" means the investor compensation fund established pursuant to the Securities and Futures Ordinance.

"**Listing Rules**" means the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time;

"**Margin Account**" means the margin trading account(s) which the Client established with the Broker to govern the purchase and sale of Securities effected by the Broker and in respect of which the Broker provides the Client with the Credit Facilities (as defined in Section III);

"**Midas Securities Limited**" means Midas Securities Limited Midas Securities Limited including, where the context admits, their respective successors in title and assigns;

"**Securities**" means all kinds of instruments commonly known as securities, including, but not limited to, shares, stocks, debentures, loan stocks, unit trusts, mutual funds, warrants, bonds or notes of, or issued by, anybody, whether incorporated or unincorporated, or of any government or local government authority, and rights to and options in respect of Securities, and securities as defined in the Securities and Futures Ordinance as the Broker may at its absolute discretion from time to time offer to deal in;

"**Securities Account**" means the Custodian Account(s) and the Margin Account(s);

"**Securities and Futures Ordinance**" means the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong);

"**Settlement Account**" means the bank account (s) nominated by the Client as the settlement bank account(s) in the Account Opening Form;

"**SFC**" means the Securities and Futures Commission established under Part II of the Securities and Futures Ordinance;

"**SFC Code**" means the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission in force from time to time;

"**Stock Exchange**" means The Stock Exchange of Hong Kong Limited;

"**subsidiary**" has the meaning attributed to it in section 2 of the Companies Ordinance;

"**these Terms**" means these terms and conditions comprising all the Sections of this document as from time to time amended or

supplemented including where applicable, the Account Opening Form and, where applicable, notice of authorised account signatories; and

"**Transaction**" means any transaction in Securities effected by the Broker on the Client's instruction.

1.2 In these Terms, unless the context otherwise requires:

(a) reference to a statute or statutory provision includes a reference to it as amended, extended, replaced, substituted or re-enacted from time to time and shall include any subordinate legislation made under the relevant statute or statutory provision;

(b) reference to a Section, Paragraph or Part is to a section, paragraph or part of these Terms respectively and reference to the Account Opening Form is to the Account Opening Form as completed by or on behalf of the Client and where such information provided in the Account Opening Form has been amended by subsequent notice to or by Midas Securities Limited means the Account Opening Form as amended by such notice;

(c) words importing the singular shall include the plural and vice versa, words importing one gender shall include every gender and references to a person shall include an individual and body corporate or unincorporate; and

(d) reference to "transaction" means any transaction or instruction of any nature whatsoever.

2. INFORMATION FOR THE ACCOUNT

2.1 Each relevant member of the Midas Securities Limited will keep information relating to the Account confidential, but may provide any such information to the Exchange, the SFC and other regulatory bodies to comply with their requirements or requests for information or to any other group member, subsidiaries or affiliates or their agents engaged to provide services to them in their normal course of business or to such other persons as provided for in the Section headed Personal Data Privacy Information. The members of Midas Securities Limited shall not be liable in any way to the Client for any disclosure made pursuant to this Paragraph 2.1.

2.2 Where the Client is an individual, the Client agrees to be bound by the Section headed Personal Data Privacy Information and to the use of his/her personal data in the manner specified in the Section headed Personal Data Privacy Information.

3. LAWS AND RULES

All transactions with the Broker under these Terms shall be subject to any laws, rules, regulations, bye-laws, customs and usages from time to time in force or applicable in the relevant markets or exchanges on which Securities are traded and all laws, rules, regulations and orders of any governmental or regulatory authorities that may be applicable from time to time. This includes the rules of the Exchange and of the Clearing House. All actions taken by the Broker in accordance with such laws, rules and directions shall be binding on the Client.

4. REMUNERATION

On all transactions, the Client will pay the Broker commissions notified to the Client, as well as applicable levies imposed by the Exchange, or the SFC, and all applicable stamp duties. The Broker may deduct such commissions, other charges, levies and duties from the relevant Account.

5. INDEMNITY

The Client hereby irrevocably agrees to indemnify and keep indemnified Midas Securities Limited and its directors, officers, employees and agents (collectively, the "**Indemnified Parties**") against any and all actions, claims, liabilities, losses, damages, costs and expenses whatsoever which any Indemnified Party may suffer or incur or which may be instituted against any Indemnified Party, arising out of any act or omission of any Indemnified Party or otherwise in connection with these Terms (unless due to the proven gross negligence or willful default of such Indemnified Party) or arising out of or otherwise connected with the breach by the Client of any of his obligations hereunder.

6. CLIENT IDENTITY RULE

6.1 If the Client effects transactions for the account of his clients, whether on a discretionary or non-discretionary basis, and whether as agent or by entering into matching transactions as principal with his clients, the Client hereby agrees that, in relation to a transaction where any member of Midas Securities Limited has received an enquiry from the Exchange, the SFC and/or other regulators (the "**Regulators**"), the following provisions shall apply:

(a) Subject to as provided below, the Client shall, immediately upon request by Midas Securities Limited (which request shall include the relevant contact details of the Regulators), inform the Regulators of the identity, address, occupation and contact details of his client for whose account the transaction was effected and (so far as known to the Client) of the person with the ultimate beneficial interest in the transaction. The Client shall also inform the Regulators of the identity, address, occupation and contact details of any third party (if different from the client/the ultimate beneficiary) who originated the transaction.

(b) If the Client effected the transaction for a collective investment scheme, discretionary account or discretionary trust, the Client shall, immediately upon request by Midas Securities Limited (which request shall include the relevant contact details of the Regulators), inform the 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 Client to effect the transaction.

(c) If the Client effected the transaction for a collective investment scheme, discretionary account or discretionary trust, the Client shall, as soon as practicable, inform Midas Securities Limited when the Client's discretion to invest on behalf of the scheme, account or trust has been overridden. In the case where the Client's investment discretion has been overridden, the Client shall, immediately upon request by Midas Securities Limited (which request shall include the relevant contact details of the Regulators), inform the Regulators of the identity, address, occupation and contact details of the person(s) who has or have

(d) given the instruction in relation to the transaction.

(e) If the Client is aware that his client is acting as intermediary for its underlying client(s), and the Client does not know the

identity, address, occupation and contact details of the underlying client for whom the transaction was effected, the Client confirms that:

(i) the Client has arrangements in place with his client which entitle him to obtain the information set out in Paragraph (a), (b) and/or (c) above from his client immediately upon request or procure that it be so obtained; and

(ii) the Client will, upon request from the Broker in relation to a transaction, promptly request the information set out in Paragraph (a), (b) and/or (c) above from his client on whose instructions the transaction was effected, and provide the information to the Regulators as soon as received from his client or procure that it be so provided.

(f) The Client 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 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.

7. CREDIT CHECK

The Client hereby authorises Midas Securities Limited to conduct a credit enquiry or other checks as deemed appropriate by Midas Securities Limited on the Client for the purpose of ascertaining the financial situation and investment objectives of the Client.

8. TRANSACTIONS EFFECTED THROUGH OTHER PARTIES

8.1 The Client acknowledges that Midas Securities Limited may, subject to applicable laws and regulations, effect transactions for the Client or delegate the performance of all or any part of its obligations hereunder to with or through or arrange transactions to be effected by an affiliate of any of Midas Securities Limited or any other third party (collectively the "**Third Parties**") without prior notice to the Client. Without limiting the generality of the aforesaid, transactions may be effected by such Third Parties for and on behalf of Midas Securities Limited as nominee and/or agent of the Client (whether by omnibus accounts or otherwise).

8.2 Midas Securities Limited or such affiliate may, subject to applicable laws and regulations, have a material interest in the transactions effected for the Client, in particular, Midas Securities Limited and/or its affiliate may:

(a) effect transactions with the Client as principal for its or such affiliate's own account;

(b) effect transactions in Securities where the Broker or such affiliate has a position in the Securities or is involved with those Securities as underwriter, sponsor or otherwise; or

(c) match the Client orders with those of other clients,

and Midas Securities Limited or such affiliate shall not be obliged to disclose any profits or benefits so received. Where Midas Securities Limited has a material interest in a transaction with or for the Client or a relationship which gives rise to an actual or potential conflict of interests in relation to such transaction, Midas Securities Limited shall not advise, nor deal (in the exercise of discretion), in relation to the transaction unless it has fairly disclosed that material interest to the Client (either orally or in writing), and has taken all reasonable steps to ensure fair treatment of the Client. Further, where Midas Securities Limited effects any transaction with the Client as principal for Midas Securities Limited's own account, Midas Securities Limited shall inform the Client of this fact.

8.3 It is hereby expressly agreed that, any nominee holding Securities as custodian or otherwise and any party to whom Midas Securities Limited had delegated its duties pursuant to Paragraph 8, may, subject to applicable laws and regulations, receive and retain for its own benefit all commissions, rebates or other fees arising out of its acting for the Client in effecting any transaction or otherwise howsoever dealing in the Securities pursuant to these Terms.

9. SAFEKEEPING OF SECURITIES

9.1 Any Securities which are held by the Broker for safekeeping may, at the Broker's discretion:

(a) be deposited in safe custody in a segregated account which is designated as a Custodian account or client account and established and maintained in Hong Kong with the Broker's bankers or with any other institution approved by the SFC as being suitable for safe custody of the Securities and securities collateral or with any other person licensed for dealing in securities; or

(b) (in the case of registrable Securities) be registered in the Client's name or in the name of any associated entity (as that term is defined in the Securities and Futures Ordinance) of the Broker.

9.2 Where Securities are not registered in the Client's name, any dividends or other benefits arising in respect of such Securities shall, when received by the Broker's nominee, be credited to the Client's Account or paid or transferred to the Client, as agreed with the Broker. Where the Securities form part of a larger holding of identical Securities held for the Broker's clients, the Client shall be entitled to the same share of the benefits arising on the holding as the Client's share of the total holding.

9.3 If, in relation to any Securities deposited with the Broker but which are not registered in the name of the Client, any loss is suffered by the Broker arising therefrom, the relevant Account may be debited (or payment made by the Client as may be agreed) with the proportion of such loss equal to the proportion of the total number or amount of relative Securities which shall comprise Securities held on behalf of the Client.

10. VALIDITY OF INSTRUCTIONS

Unless otherwise specifically agreed between the Broker and the Client, all instructions given by the Client for sale or purchase of Securities for any of the Securities Accounts shall only be valid for the day for which such instructions are given and any instructions which remain

unexecuted at the end of the official trading day of the relevant exchange for whatever reason shall be deemed to have been cancelled automatically.

11. CONFIRMATION OF RECORDS

Midas Securities Limited will send a written confirmation to the Client in accordance with Paragraph 25 of this Section promptly following execution of an instruction and a monthly statement of the Account. Such written confirmations and monthly statements of the relevant Accounts shall be conclusive and deemed to be accepted by the Client if not objected to by notice in writing by the Client within such time as is stipulated in the relevant confirmation from Midas Securities Limited. The Client shall be deemed to have waived any alleged errors or omissions in the absence of such notification.

12. REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS

The Client hereby warrants, represents and undertakes to Midas Securities Limited that:

(a) the Client is signing the Account Opening Form as principal and is not trading on behalf of any other person unless Midas Securities Limited is notified otherwise in writing and that such warranties, representations and undertakings are to continue for so long as the Agreement remains subsisting;

(b) the Account Opening Form has been validly executed by the Client, and the Account Opening Form, these Terms and all documents signed by the Client constitute a valid and legally binding agreement on the Client enforceable in accordance with its terms;

(c) these Terms and performance of the obligations of the Client contained herein do not and will not:

(i) contravene any existing applicable law, rule, regulation or any judgment, decree or permit or any constitutive documents to which the Client is subject; or

(ii) conflict with or result in any breach of the terms of or constitute any default under any agreement or other instrument to which the Client is a party or is subject or by which any of his property is bound;

(d) the Client is the beneficial owner of the Securities under the relevant Accounts free from any lien, charge, equity or encumbrance save as created by or under these Terms;

(e) unless otherwise disclosed in the Account Opening Form as amended from time to time or otherwise notified in writing to Midas Securities Limited, the Client is ultimately responsible for originating all instructions in relation to any transaction in any of the Client's Accounts and is the sole owner of all beneficial interests comprised in any of the Client's Accounts;

(f) the information provided in the Account Opening Form or otherwise given by the Client or on the Client's behalf to Midas Securities Limited is true, accurate, correct, complete and not misleading in all respects Midas Securities Limited is entitled to fully rely on such information and representation for all purposes;

(g) where the Client is a body corporate, it is duly incorporated and validly existing and in good standing under the laws of its country of incorporation and has full power and capacity to enter into and perform its obligations hereunder; its signing of the Account Opening Form has been duly authorised by its governing body and is in accordance with the Memorandum and Articles of Association or by-laws as the case may be of the Client; there is no order granted or petition presented or resolution passed for its winding up or dissolution;

(h) where the Client is an individual, he/she is legally capable of entering into and performing all the obligations under these Terms and that he/she has attained the age of 18 and is of sound mind, legal competence and is not a bankrupt; and

(i) the Client undertakes to perform such acts, sign and execute all such agreements or documents whatsoever as may be required by Midas Securities Limited for the performance or implementation of these Terms or any part thereof.

13. TERMINATION AND EVENTS OF DEFAULT

13.1 These Terms as applicable to each of the Accounts shall continue in force unless either party hereto notifies the other party hereto by not less than one (1) week's prior written notice of its intention to terminate the Agreement, specifying which Accounts that party wishes to terminate.

13.2 Any revocation/termination, however, shall not affect any transactions entered into by Midas Securities Limited pursuant to these Terms or the continued operation of these Terms on other Accounts not terminated before written notice of the revocation/termination has been actually received by Midas Securities Limited or any rights of Midas Securities Limited hereunder existing at such time and all obligations of the Client to Midas Securities Limited hereunder shall remain in full force and effect and shall be enforceable by Midas Securities Limited notwithstanding such revocation/termination.

13.3 Midas Securities Limited may, also by giving notice in writing to the Client at any time on the occurrence in the sole opinion of Midas Securities Limited of any of the following events of default (the "**Events of Default**"), terminate any of the Accounts and the Sections of these Terms which affect those Accounts immediately:

(a) any breach of these Terms by the Client; or

(b) any failure by the Client or any of them to pay monies of whatever nature when due under these Terms, to pay any purchase monies when due, or to pay when due any other monies payable by the Client to Midas Securities Limited of whatever nature; or

(c) the death, insolvency or liquidation of the Client, the filing of a petition in bankruptcy or winding up or the commencement of any analogous proceedings against the Client or any of them; or

(d) the levying of any attachment against any of the Accounts or any of the Securities; or

(e) any dispute or proceedings between any of the persons making up the Client where there is more than one; or

(f) any other matter or event including any regulatory requirement which in the opinion of Midas Securities Limited renders termination necessary or advisable in the interests of Midas Securities Limited.

13.4 In respect of the Margin Account(s), if the Client commits a default in payment on demand of the deposits or margins or any other sums payable to the Broker hereunder, on the due date therefor, the Broker may terminate the Margin Account(s) without notice to the Client and sell or dispose of any or all Securities held for or on behalf of the Client in any manner and for such consideration as the Broker may think fit and apply the proceeds thereof and any cash deposit(s) to pay to the Broker all outstanding balances owing to the Broker. Any monies remaining after such application of proceeds shall be refunded to the Client. The Client shall not have any right or claim against the Broker in respect of, and the Broker shall not in any way be responsible for, any loss arising out of such disposal howsoever such loss may have been caused and whether or not a better price could or might have been obtained.

14. CONSEQUENCES ON TERMINATION AND EVENTS OF DEFAULT

Without affecting any other rights Midas Securities Limited may have in the Agreement or any other agreements, on termination of the Agreement as applicable to any or all of the Accounts pursuant to Paragraph 13 of this Section, or on the occurrence of any of the Events of Default referred to in (a) to (f) of Paragraph 13.3, Midas Securities Limited may at their discretion, without notice to the Client:

(a) cancel any outstanding instruction(s); and/or

(b) close any outstanding contracts entered into on behalf of or with the Client; and/or

(c) consolidate all or any of the Accounts held by the Client with Midas Securities Limited and/or

(d) demand the Client to repay to Midas Securities Limited any amounts due or owing to Midas Securities Limited; and/or

(e) dispose of any Securities or collateral as Midas Securities Limited may determine to satisfy any outstanding obligations of the Client to Midas Securities Limited; and/or

(f) take such actions as Midas Securities Limited will think fit and appropriate.

15. CONSOLIDATION OF ORDERS

Midas Securities Limited has the right to consolidate and/or disaggregate an instruction to purchase and/or sell with other similar instruction(s) placed by other clients of Midas Securities Limited provided that the execution price of the instructions would not be less favourable than that which could otherwise have been achieved if the instruction is executed individually and in the event of insufficient Securities (as the case may be) available to satisfy the consolidated purchase or sell order, the number of Securities (as the case may be) actually purchased or sold shall be given to each individual instruction in the order in which those orders were received by Midas Securities Limited.

16. SET-OFF AND TRANSFER

16.1 Midas Securities Limited may, at any time and with written notice to the Client, notwithstanding any settlement of account or other matter whatsoever, combine or consolidate all or any of the Client's Accounts with any member of the Midas Securities Limited or any of its branch offices and set-off or transfer: (i) any sum standing to the credit of any one or more of such accounts; or (ii) any Securities or other assets or rights in any such accounts, in or towards satisfaction of any of the Client's indebtedness, obligations or liabilities to Midas Securities Limited on any other accounts with Midas Securities Limited or otherwise pursuant to these Terms or in any other respect whatsoever, whether such indebtedness, obligations or liabilities be present or future, actual or contingent, primary or collateral, several or joint and secured or unsecured. Where any such set-off, consolidation, combination or transfer requires the conversion of one currency into another, such conversion shall be calculated at the rate of exchange conclusively determined by Midas Securities Limited to be applicable.

16.2 For the purpose of exercising the right of set-off or of discharging any liabilities under Paragraph 16.1, the Broker may sell or dispose of any of the Securities, receivables or monies from time to time held in or for the account of the Securities Account or any other account with the Broker. The Broker shall be under no duty to the Client as to the price obtained in respect of any such sale or disposal.

17. NO LIABILITY

17.1 Midas Securities Limited shall not be under any liability whatsoever to the Client for any loss or damage howsoever suffered or incurred by the Client which arises directly or indirectly from the performance by Midas Securities Limited of its obligations under these Terms unless such loss or damage is proven to be directly caused by the gross negligence or wilful default of Midas Securities Limited.

17.2 The Client shall indemnify Midas Securities Limited from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, legal expenses and other expenses or disbursements of any kind or nature whatsoever (other than those resulting

from fraud, gross negligence or willful default on the part of Midas Securities Limited) which may be imposed on, incurred by or asserted against Midas Securities Limited (or any of its directors, officers, delegates, agents, employees, nominees, correspondents or representatives) in performing its services under these Terms or resulting from the default or breach by the Client of any provision of, or any of the Client's obligations under these Terms, save where the same were caused by Midas Securities Limited or the relevant person's own fraud, gross negligence or willful default.

17.3 The Client shall further indemnify the Broker against any claim which may be made against the Broker by a purchaser or any other person by reason of any defect in the title of the Client to the Securities.

18. OWN DECISION

18.1 The Client agrees and acknowledges that the Client shall make the Client's own judgements and decisions independently with respect to each transaction dealing with Securities. Subject to Paragraph 18.2 below, Midas Securities Limited shall be under no liability whatsoever in respect of any information or suggestion rendered by any of its directors, officers, employees or agents irrespective of whether or not such suggestion was given at the Client's request save that Midas Securities Limited would ensure the suitability of any recommendation or solicitation for that Client is reasonable.

18.2 If Midas Securities Limited solicit the sale of or recommend any financial product to the Client, the financial product must be reasonably suitable for the Client having regard to the Client's financial situation, investment experience and investment objectives. No other provision of this agreement or any other document Midas Securities Limited may ask the Client to sign and no statement Midas Securities Limited may ask the Client to make derogates from this Paragraph 18.2.

19. NOT CONNECTED

The Client warrants, represents and undertakes to Midas Securities Limited that the Client is not a connected person (as defined in the Listing Rules and/or GEM Listing Rules as the case may be) of the company(ies) the Securities of which the Client shall place instructions with Midas Securities Limited for the purchase or disposal of or otherwise deal in such Securities unless the Client specifically notifies Midas Securities Limited to the contrary prior to the placing of such instructions.

20. CURRENCY CONVERSION

In the event that the Client directs Midas Securities Limited to enter into any transactions for Securities on an exchange or market on which such transactions are effected in a currency other than the currency in which the relevant Account is denominated:

(a) the costs thereof and any profit or loss arising as a result of fluctuations in the exchange rates between the relevant currencies will be entirely for the account and risk of the Client;

(b) all initial and subsequent deposits for Collateral (for the Margin Account) purposes shall be made in such currency and in such amounts as Midas Securities Limited may, in its sole discretion, from time to time designate. If upon agreement by Midas Securities Limited, any such deposit is made in a currency other than that as Midas Securities Limited may designate as aforesaid, Midas Securities Limited may determine a rate of exchange to be the then prevailing market rate of exchange between the relevant currencies for such deposit and such determination shall be binding on the Client; and

(c) when such transactions in Securities are closed out or otherwise liquidated, Midas Securities Limited shall debit or credit the relevant Accounts in the currency in which the relevant Accounts are denominated at a rate of exchange determined by Midas Securities Limited to be the then prevailing market rate of exchange between the relevant currencies and such determination shall be binding on the Client.

21. SETTLEMENT ACCOUNT

21.1 The Client hereby authorises Midas Securities Limited to deposit, transfer or pay all or any part of the proceeds of sale or moneys payable to the Client under these Terms into the Settlement Account.

21.2 The Client unconditionally and irrevocably agrees and declares that deposit, transfer or pay all or any part of the proceeds of sale or moneys into the Settlement Account shall be deemed as valid and sufficient payment of the whole of the said money by Midas Securities Limited to the Client under the Agreement in all respects and for all purposes, and be deemed as valid and sufficient release and discharge of all liabilities and obligations of Midas Securities Limited in respect of the payment of the whole of the said money to the Client under the Agreement in all respects and for all purposes.

21.3 Without prejudice to Paragraph 21.2, the Client unconditionally and irrevocably agrees and declares that the transfer, remittance or payment of moneys out from the bank account of Midas Securities Limited to the Settlement Account or to any intermediary bank, agent bank for further forward transfer, remittance or payment of said moneys to the Settlement Account, whether inside or outside Hong Kong, shall be deemed as valid and sufficient payment of the whole of the said money by Midas Securities Limited to the Client under the Agreement in all respects and for all purposes.

21.4 Without prejudice to Paragraphs 21.2 and 21.3, the Client unconditionally and irrevocably agrees and declares that if the Settlement Account is a bank account of an oversea bank, Midas Securities Limited shall not be responsible for: -

(a) any transfer, remittance, clearance and settlement risks involved in the transfer, remittance, clearance and settlement of money between banks, whether inside or outside Hong Kong; or

(b) any default, negligence, delay, loss and damages by any of the banks involved in the transfer, remittance, clearance and settlement of money between banks, whether inside or outside Hong Kong.

22. INCENTIVES

Midas Securities Limited may from time to time be offered with arrangements whereby Midas Securities Limited and/or their employees and/or agents are offered cash or money rebates or soft dollar arrangement or other incentives in whatever form and nature by issuers, other brokers or other third parties in relation to transactions effected by the Midas Securities Limited for the Client (collectively the "**Incentives**").

The Client, notwithstanding any provision to the contrary in these Terms, agrees and gives consent to the acceptance of the Incentives by the relevant member(s) of the Midas Securities Limited and/or their employees and/or agents (as the case may be) with which the Client established an Account or Accounts (as the case may be).

23. GENERAL

23.1 (a) Unless the Broker expressly indicates (in the contract note or other documents for the relevant transactions under these Terms or otherwise) that the Broker is acting as principal, the Broker will act as the Client's agent in effecting transactions under these Terms. Nothing herein contained shall constitute Midas Securities Limited as trustee for the Client or a partnership between Midas Securities Limited and the Client.

(b) Notwithstanding that Midas Securities Limited is acting as the Client's agent in effecting any transaction, Midas Securities Limited may, in its absolute discretion, decline to accept instructions for any transaction without giving any reason therefor. Midas Securities Limited shall not be liable to the Client for any loss whatsoever arising out of or in connection with its not accepting or acting on such instructions or omitting to give notice of the non-acceptance of any instructions.

(c) Where the Client is approved by the Broker to engage in margin trading, the Client will be subject to the further terms and conditions set out in Section III – Terms and Conditions for Margin Trading. However, nothing herein requires the Broker to provide such other facilities. Where pursuant to these additional facilities, liabilities arise, then, in addition to any rights which the Broker may have, the Securities held hereunder shall be subject to the charge herein as security or collateral therefor (without the need for any other documentation signed by the Client) and the same applies to all liabilities howsoever arising.

23.2 All Securities held for the Client's Account shall be subject to a general lien in the favour of Midas Securities Limited (as applicable), for the performance of the Client's obligations to Midas Securities Limited (as applicable) arising in respect of dealing in Securities for the Client.

23.3 The Client confirms that he has read the English or Chinese version of these Terms and that the contents of these Terms have been fully explained to him in a language which he understands, and that the Client agrees to these Terms. The Client is aware that in the event of any conflict between any provisions of the English version and the Chinese version of these Terms, the English version prevails. Where the Client has read the Chinese version of these Terms, the Client waives his right to obtain the English version of the same and acknowledges that the English version is available on the website of the Midas Securities Limited.

23.4 These Terms are governed by, and may be enforced in accordance with, the laws of Hong Kong and the Client hereby irrevocably submits to the exclusive jurisdiction of the courts of Hong Kong. The submission to such jurisdiction shall not (and shall not be construed so as to) limit the right of any member of the Midas Securities Limited to take proceedings against the Client in the courts of any other competent jurisdiction, nor shall the taking of proceedings in any one or more jurisdictions preclude the taking of proceedings in any other jurisdiction, whether concurrently or not.

23.5 Midas Securities Limited with whom the Client holds an Account may amend these Terms by giving the Client not less than twenty-one (21) business days prior notice of the change via notices/announcements as shall be uploaded in "Customer Services – Company Notice" of our websites, including but not limited to our websites at www.midas.com.hk from time to time. Please note that the aforesaid notices/announcements and the latest version of these Terms would be contained in our websites and you agree and acknowledge that you need to and have been advised to check the aforesaid notices/announcements and the latest version of these Terms in our websites on a regular basis, where should you need any assistance and/or support, you agree and acknowledge that you would and have been advised to contact our Customer Service Hotline at 2527 6966. Such amendment shall be binding on the Client if the Client continues to maintain the Account on or after the effective date of amendment. The Client is hereby reminded of his right to terminate the Agreement under Paragraph 13 of this Section.

23.6 The Client acknowledges that telephone calls between the Client and Midas Securities Limited may be taped or otherwise recorded and agrees that the tape or recording may be used in evidence of the contents of the call.

23.7 Where the Client comprises more than one person, the agreements and liabilities of the Client herein contained or implied are joint and several agreements and liabilities of each such person and, as the context may require, words and phrases herein denoting the singular include the plural. Any notice hereunder to any one such person shall be deemed effective notice to all such persons.

23.8 These Terms shall be binding on the Client's heirs, executors, administrators, personal representatives, successors and assignees, as the case may be.

23.9 The Client hereby undertakes to notify Midas Securities Limited in the event of any material change to any of the information (in particular as specified in paragraphs 6.2(a) of the SFC Code) provided in the Account Opening Form. Midas Securities Limited will notify the Client of material changes in respect of its business which may affect the services any of them provided to the Client (in particular as specified in paragraphs 6.2 (b), (d), (e) and (f) of the SFC Code).

23.10 Each of the terms and conditions in these Terms is severable and distinct from the others and if at any time one or more of such provisions is or becomes invalid or unenforceable, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.

23.11 In the event that any member of the Midas Securities Limited commits a default as defined in Part XII of the Securities and Futures Ordinance and the Client thereby suffers a pecuniary loss, the Client understands that the right to claim under the Investor Compensation Fund established under Part XII of the Securities and Futures Ordinance will be restricted to the extent provided for therein. Accordingly,

there can be no assurance that any pecuniary loss suffered by the Client by reason of such a default will necessarily be recouped from the

Investor Compensation Fund in full, in part or at all.

24. SECURITIES AND FUTURES (CLIENT MONEY) RULES

24.1 For the purpose of Rule 6 of the Securities and Futures (Client Money) Rules made pursuant to Section 149 of the Securities and Futures Ordinance, the Client hereby agrees that the Midas Securities Limited shall be entitled to pay/transfer any money of the Client (a) into any account(s) maintained by the Client with any of Midas Securities Limited for the purpose of satisfying any margin requirements or any amount due under any Account; and/or (b) into a segregated account of any of Midas Securities Limited to hold on behalf of the Client, via the Client's written authorisation to Midas Securities Limited, which written authorisation may take the form of a standing authority.

24.2 For the purpose of Paragraph 24.1 and for the avoidance of doubt, the term "segregated account" shall carry the meaning as ascribed to it in the Securities and Futures (Client Money) Rules made pursuant to Section 149 of the Securities and Futures Ordinance, as extended to include any segregated account that is established and maintained with any financial institutions within Hong King and/or in any jurisdictions.

24.3 For the purpose of Rule 6 of the Securities and Futures (Client Money) Rules made pursuant to Section 149 of the Securities and Futures Ordinance, the Client hereby agrees that the Broker shall be entitled to retain for its own benefit all sums derived by way of interest on all amounts held in the Securities Custodian Account or the Margin Account for or on account of the Client and shall be entitled to pay such sums out of the Custodian Account or the Margin Account within one business day after:

(a) the interest is credited to the Custodian Account or Margin Account; or

(b) Midas Securities Limited becomes aware that the interest has been credited to the Custodian Account or Margin

Account, whichever is the later.

25. NOTICE

25.1 Subject to Paragraph 25.2 below, other than any instructions given in accordance with the manner as permitted by any other provisions of these Terms, any notice or communication to be made or given by the Client to Midas Securities Limited and vice versa shall be in writing and made or given by mail (airmail if international) or telex or facsimile and shall be deemed effective on: (i) the date two (2) business days (if local) or seven (7) business days (if international) after posting if delivered by mail, it being sufficient to prove that the notice or communication was properly addressed and posted; or (ii) the next business day following the day on which it was dispatched if delivered by telex; or (iii) the date of transmission if transmitted by facsimile, whichever shall first occur. Such notices and communications shall be addressed:

(a) if to the Client, to the address and facsimile number as set out in the Account Opening Form or to such other address as the Client shall notify in writing from time to time;

(b) if to Midas Securities Limited, to:

Midas Securities Limited
1705, 17/F Jubilee Centre, 18 Fenwick Street, Wan Chai, Hong Kong
Facsimile: (852) 2527 6965

or to such other address or telex or facsimile number as either party hereto may hereafter notify the other party hereto Provided That if given to the Client, it can also be given to the process agent (if any) nominated under the Account Opening Form.

25.2 Notices and other communications delivered to the Client through the internet services shall be deemed to have been personally delivered to the Client when they are sent.

25.3 Where such method is specified in the Account Opening Form, the Client hereby consents to the use of the Internet by Midas Securities Limited to communicate or transmit data or documentation to the Client.

26. ASSIGNMENT

Subject to applicable laws and regulations, the Client hereby expressly agrees that any member of the Midas Securities Limited may assign any of its rights hereunder to any other Midas Securities Limited or to any other third party without the prior consent of the Client, provided that notice of such assignment is given to the Client.

27. ENTIRE AGREEMENT

Without prejudice to any additional terms and conditions that are deemed to have been accepted by and binding on the Client, the Account Opening Form and these Terms and the documents referred to therein constitute the entire agreement, and supersedes any previous agreement between the Client and any member of the Midas Securities Limited in relation to the subject matter of the Account Opening Form and these Terms Provided that this Paragraph 27 shall not exclude or limit any liability which any party may have in respect of any agreements, representations or warranties made at any time prior to execution of the Account Opening Form in relation to the subject matter of the Account Opening Form and these Terms made or given fraudulently or dishonestly in circumstances where there has been willful concealment.

SECTION II – TERMS AND CONDITIONS FOR CUSTODIAN TRADING

This Section is additional and supplemental to the Section headed General Terms and Conditions of these Terms. All transactions and dealing in Securities effected, conducted, carried on and entered into by the Client with and through the Broker for or on the Custodian Account, and the Custodian Account opened and maintained by the Client with the Broker shall be subject to and upon the terms and conditions of this Section and the Section headed General Terms and Conditions of these Terms. Where any conflict or inconsistency arises between any provision of this Section and any provision of the Section headed General Terms and Conditions of these Terms, the provision of this Section shall prevail.

Words and expressions defined in the Section headed General Terms and Conditions of these Terms shall, except as otherwise re-defined herein or unless there is something in the subject or context inconsistent therewith, have the same meanings when used in this Section.

1. SHORT SELLING FACILITIES

The Client shall notify the Broker when a sale order relates to Securities which the Client does not own (i.e. a short sale).

2. TRANSACTIONS

2.1 Unless otherwise agreed, or unless the Broker is already holding cash or Securities on the Client's behalf to settle a Transaction, the Client will:

(a) pay the Broker cleared funds or deliver to the Broker Securities in deliverable form; or

(b) otherwise ensure that the Broker has received such funds or Securities on the due date or by such time as the Broker has notified to the Client in relation to that Transaction.

If the Client fails to do so, the Broker may (in addition to any other rights, powers and remedies), without further notice:

(i) in the case of a purchase Transaction, sell the purchased Securities; or

(ii) in the case of a sale Transaction, borrow and/or purchase Securities in order to settle the Transaction;

or, in addition or as an alternative to (i) or (ii) above, the Broker shall have recourse to its rights of combination and set-off as set out in Paragraph 16 of Section I in order to settle the Transaction.

2.2 The Client hereby acknowledges and agrees that the Client will on demand by the Broker indemnify and keep indemnified the Broker against any and all losses, costs, fees and expenses in connection with the Client's failure to meet the Client's obligations by the settlement dates as described above.

2.3 The Client may from time to time instruct the Broker to effect transactions in Securities for the Custodian Account, and the Broker shall be entitled but not bound to act on such instructions. The Client may give instructions to effect transactions in Securities or for settlement (including the transfer or withdrawal of funds and/or Securities) orally, in writing or through any electronic means as approved by the Broker from time to time and must quote the Custodian Account's name, number or such other forms of identification as the Broker may designate. Where the Broker designates additional terms and conditions (or any amendments thereto) to apply to certain means by which the Client may give such instruction (to such extent as the Broker may designate), such terms and conditions (or amendments) shall be deemed to have been accepted by and binding on the Client if the Client gives any such instructions by such means after being informed of such terms and conditions (or amendments). The Client's instructions shall be irrevocable unless the Broker expressly agrees otherwise and shall only be effective upon actual receipt by the Broker.

2.4 The Client authorises the Broker to instruct overseas brokers and dealers to execute transactions in overseas Securities, and acknowledges that the terms of business of such overseas brokers and dealers shall apply to such transactions, provided that the Broker shall be authorised, subject to applicable laws and rules regarding such transactions, to charge the Client such service fees for arranging such transactions as the Broker shall determine from time to time.

2.5 If any of the Client's instructions to effect transactions in Securities are accepted by the Broker, the Broker shall use reasonable endeavours to execute the transaction in accordance with those instructions. Due to physical or technical restraints and price fluctuations, the Broker may not be able to execute the Client's instructions in full or at the prices quoted at any specific time or "at best" or "at market". The Client hereby agrees to be bound by the outcome when the Client gives any instructions to effect transactions in Securities and the Broker shall incur no liability for failing or being unable to comply with any of the Client's instructions, unless due to its gross negligence or wilful default.

2.6 In the case of a purchase Transaction, if the selling broker fails to deliver on the settlement date and the Broker has to purchase Securities to settle the Transaction, the Client shall not be responsible to the Broker for the costs of such purchase.

3. INTEREST CHARGED

The Client will pay interest on all moneys (including overdue interest) owing to the Broker (after as well as before any judgment), at such rate(s) as demanded by the Broker. Such interest shall be charged from the due date until payment in full is made and shall be payable on the last day of each calendar month or upon any demand being made by the Broker, whichever is earlier. The rate shall, in the case of amounts arising in respect of Transactions on the Stock Exchange, refer to the fees table, or the cost of funds to the Broker (i.e. the interest rate charged by the Broker's bankers), whichever is higher. For all other amounts, the rate shall be such percentage over the cost of funds to the Broker in respect of the relevant amounts as the Broker may notify the Client from time to time.

4. NO REPRESENTATION OR WARRANTY

Unless the Broker otherwise agrees in writing to the contrary, the Broker is not obliged to make or imply nor does it make or imply any

representation or warranty as to the value, merit or suitability for the Client of any Securities purchased by the Client.

5. CASH HELD FOR THE CLIENT

Any cash held for the Client in respect of the Custodian Account, other than cash received by the Broker in respect of Transactions and which is on-paid for settlement purposes or to the Client, or for other proper charges under these Terms or any other applicable rules and laws, shall be credited to a client Custodian Account maintained with a licensed bank as required by applicable laws from time to time.

SECTION III – TERMS AND CONDITIONS FOR MARGIN TRADING

This Section is additional and supplemental to the Section headed General Terms and Conditions of these Terms. All transactions and dealing in Securities effected, conducted, carried on and entered into by the Client with and through the Broker for or on the Margin Account, and the Margin Account opened and maintained by the Client with the Broker shall be subject to and upon the terms and conditions of this Section and the Section headed General Terms and Conditions of these Terms. Where any conflict or inconsistency arises between any provision of this Section and any provision of the Section headed General Terms and Conditions of these Terms, the provision of this Section shall prevail.

1. DEFINITIONS

1.1 Words and expressions defined in the Section headed General Terms and Conditions of these Terms shall, except as otherwise re-defined herein or unless there is something in the subject or context inconsistent therewith, have the same meanings when used in this Section.

1.2 In this Section, unless the context requires otherwise, the following words and expressions shall have the following meanings:

"**Charge**" means the charge over the Collateral constituted by Paragraph 6.1;

"**Collateral**" means such monies or assets of the Client charged to the Broker as continuing security for the Credit Facilities granted by the Broker and for performance of all obligations of the Client to the Broker from time to time hereunder including, without limitation, the Charged Securities (as defined in Paragraph 6.1); and

"**Credit Facilities**" means all or any of the credit facilities agreed to be made available or granted from time to time by the Broker to the Client, including all amounts debited to the Margin Account in accordance with these Terms.

2. SHORT SELLING FACILITIES

The Client hereby undertakes to inform the Broker when a sell order is in respect of Securities which the Client does not own (i.e. a short sale).

3. TRANSACTIONS

3.1 The Client may from time to time instruct the Broker to effect transactions in Securities for the Margin Account, and the Broker shall be entitled but not bound to act on such instructions. The Client may give instructions to effect transactions in Securities or for settlement (including the transfer or withdrawal of funds and/or Securities) orally, in writing or through any electronic means as approved by the Broker from time to time and must quote the Margin Account's name, number or such other forms of identification as the Broker may designate. Where the Broker designates additional terms and conditions (or any amendments thereto) to apply to certain means by which the Client may give such instruction (to such extent as the Broker may designate), such terms and conditions (or amendments) shall be deemed to have been accepted by and binding on the Client if the Client gives any such instructions by such means after being informed of such terms and conditions (or amendments). The Client's instructions shall be irrevocable unless the Broker expressly agrees otherwise and shall only be effective upon actual receipt by the Broker.

3.2 Unless otherwise agreed between the Client and the Broker, the Client agrees that when the Broker has executed a purchase or sale Transaction on the Client's behalf, the Client will by the due settlement date make payment to the Broker against delivery of or credit to the Client's Margin Account for purchased Securities, or make good delivery of sold Securities to the Broker against payment, as the case may be.

3.3 Unless otherwise agreed between the Client and the Broker, the Client agrees that should the Client fail to make such payment or good delivery of Securities by the due date under Paragraph 3.2, the Broker is hereby authorised to:

(a) in the case of a purchase Transaction, transfer or sell any such purchased Securities to satisfy the Client's obligations to the Broker; or

(b) in the case of a sale Transaction, borrow and/or purchase such sold Securities to satisfy the Client's obligations to the Broker.

3.4 The Client hereby acknowledges and agrees that the Client will on demand by the Broker indemnify and keep indemnified the Broker against any and all losses, costs, fees and expenses in connection with the Client's failure to meet the Client's obligations by the settlement dates as described above.

3.5 Notwithstanding the other provisions herein, in the event that the Broker has to obtain Securities, which the Broker has purchased on behalf of the Client, in the open market following the failure of the selling broker to deliver on the settlement date, the Client shall not be responsible to the Broker for the costs of such purchase.

3.6 The Client authorises the Broker to instruct overseas brokers and dealers to execute transactions in overseas Securities, and acknowledges that the terms of business of such overseas brokers and dealers shall apply to such transactions, provided that the Broker shall be authorised, subject to applicable laws and rules regarding such transactions, to charge the Client such service fees for arranging such transactions as the Broker shall determine from time to time.

3.7 If any of the Client's instructions to effect transactions in Securities are accepted by the Broker, the Broker shall use reasonable endeavors to execute the transactions in accordance with those instructions. Due to physical or technical restraints and price fluctuations, the Broker may not be able to execute the Client's instructions in full or at the prices quoted at any specific time or "at best" or "at market". The Client hereby agrees to be bound by the outcome when the Client gives any instructions to effect transactions in Securities and the Broker shall incur no liability for failing or being unable to comply with any of the Client's instructions, unless due to its gross negligence or willful default.

4. CREDIT FACILITIES

4.1 The Client shall be granted Credit Facilities from the Broker up to a maximum aggregate principal amount determined by the Broker in its sole discretion and notified to the Client from time to time. The Client shall from time to time ensure that the debit balance outstanding in his account shall not be greater than the Credit Facilities granted to him.

4.2 The Client shall on demand from the Broker make payments of deposits or margins in cash, Securities or otherwise in amounts as determined by the Broker or which may be required by the rules of any exchange or market of which the Broker is a member. Without prejudice to other rights that the Broker may have under these Terms, the Broker may decline to accept any instruction to effect transactions in Securities for the Margin Account without any notice to the Client unless and until the foregoing is duly performed by the Client.

4.3 Failure to comply with Paragraph 4.2 above shall constitute a default under these Terms and the Broker will, without prejudice to any other rights under these Terms or in law, have the right, and without notice or demand, to terminate the Credit Facilities, close the Margin Account, dispose of the Securities and/or Collateral, cancel the Client's open orders for transactions and/or borrow or buy any Securities required for delivery in respect of any transaction effected for the Client. The proceeds of such transactions shall be applied to reduce the liabilities incurred herein and any outstanding liabilities shall be immediately due and payable by the Client to the Broker.

4.4 For the avoidance of doubt, the Client hereby expressly acknowledges that where any liabilities arise pursuant to the Margin Account, then the Securities held by the Broker under these Terms shall be subject to the charge set out in these Terms as security or collateral therefor (without the need for any other documentation signed by the Client) and the same applies to all liabilities howsoever arising herein.

4.5 The Client hereby irrevocably authorises and instructs the Broker, at any time without prior notice to the Client, to debit the Margin Account with:

(a) all advances under the Credit Facilities required by the Broker for purchasing Securities on the Client's behalf in accordance with the terms hereof;

(b) all transactions, brokerage commissions and custodian fees and all other monies and sums payable to the Broker from time to time under these Terms; and

(c) all other fees, levies, charges, disbursements, taxes and out-of-pocket expenses which the Broker may incur on the Client's behalf whether in connection with the purchase or sale of Securities or otherwise pursuant to these Terms.

4.6 For so long as there exists any amount outstanding to the Broker under the Margin Account, the Broker shall be entitled at any time and from time to time to refuse any withdrawal of any or all of the monies in the Margin Account and/or Securities held by the Broker.

4.7 In general, the Broker has different maximum margin financing ratios for different kinds of Securities. However, the margin financing ratio of each particular Security is subject to change at the sole discretion of the Broker without prior notice to the Client.

5. CASH HELD FOR THE CLIENT

Any cash held for the Client in connection with the Margin Account, other than cash received by the Broker in respect of Transactions and which is on paid for settlement purposes or which is used to reduce any outstanding balance in the Margin Account or any other Accounts or paid to the Client in accordance with his instructions, shall be credited to a client Custodian Account maintained with a licensed bank as required by applicable laws from time to time.

6. CHARGE

6.1 In consideration of the Broker granting or continuing to make available the Credit Facilities to the Client, the Client, as beneficial owner hereby charges, assigns, releases and pledges to the Broker as continuing security for the punctual payment to the Broker on the respective due dates of all amounts outstanding under the Credit Facilities and all other moneys and sums due or owing from the Client to the Broker from time to time pursuant to these Terms (collectively, the "**Liabilities**"):

(a) all his rights, title and interest in and to the Securities (together with all rights and benefits attaching thereto and accruing thereon) which shall at any time hereafter and from time to time be purchased or held by the Broker or its nominees for or on account of the Client pursuant to the terms hereof, together with all dividends or interest paid or payable on or in respect of any of such Securities and all accretions thereto by way of bonus, distributions, options, rights or otherwise howsoever accruing or offered at any time hereafter (collectively the "**Charged Securities**"); and

(b) all and any funds standing to the credit of the Margin Account and all funds held by the Broker for or on account of the Client from time to time.

6.2 The Client hereby represents and warrants to the Broker that for so long as any sums are owing by the Client to the Broker:

(a) the Client has and will maintain unencumbered an absolute beneficial and legal title to the Charged Securities (subject only to the Charge);

(b) the Client shall deposit with the Broker, or to its order, all certificates, instruments and evidence of title to the Charged Securities, together, where appropriate, with all such necessary forms of transfer as the Broker may from time to time require; and

(c) the Client shall execute and deliver such further assignments, charges, authorities and other documents as the Broker may from time to time require for perfecting its title to or for vesting or enabling the Broker to vest the full benefit of the Collateral in its favour.

6.3 If at any time the "**Acceptable Value**" of Securities, which for the purposes of these Terms shall mean the discounted market value of the Collateral (to be determined by the Broker at its discretion), shall be less than the total debit balance outstanding in the Margin Account, the Client shall forthwith transfer or otherwise deposit with the Broker additional Securities to be charged in favour of the Broker pursuant to the terms hereof to form part of the Charged Securities or, alternatively, deposit cash in the Margin Account to reduce the aggregate amount outstanding under the Credit Facilities to such a level that the Acceptable Value of Securities is equal to or more than such total debit balance.

6.4 If the Client fails to comply with any demand by the Broker for payment of any Liabilities, fails to pay any or all of the Liabilities when due, fails to perfom any of its obligations under these Terms, is in breach of any of the terms or conditions of these Terms or is dissolved, or on the occurrence of any of the Events of Default referred to in the Section headed General Terms and Conditions, then:-

(a) the Charge shall be immediately enforceable; and

(b) the Broker (or where appropriate the Broker's nominee) may, without notice to the Client:-

(i) appropriate, transfer or set-off the whole or any part of any monies comprised in the Charged Securities in or towards payment or discharge of any of the Liabilities; and/or

(ii) sell or dispose of the Charged Securities or any part thereof either together or in parcels or in such other manner and for such consideration (whether payable or deliverable immediately or by installments) as the Broker may think fit.

6.5 The Broker and the Broker's nominee shall not be in any way responsible for any loss occasioned by any action taken pursuant to Paragraph 6.4, howsoever such loss may have been caused or arisen, and whether or not a better price could or might have been obtained on such action, by either deferring or advancing the date of taking such action.

6.6 Without prejudice to the generality of Paragraph 6.4, the Broker (or, where appropriate, the Broker's nominee) shall be entitled to appropriate to the Broker or sell or dispose of the Charged Securities or any part thereof at the current market price thereof to any subsidiary, affiliated or associated company of the Broker without being: -

(a) in any way responsible for any loss occasioned thereby howsoever arising; and

(b) accountable for any profit made by the Broker (or, where appropriate, the Broker's nominee as its agent) and/or any subsidiary, affiliated or associated company of the Broker;

and the same shall not be treated as an absolute appropriation of or foreclosure on the Charged Securities to the exclusion of the Client and in extinguishment of its interests therein, unless the Broker shall otherwise notify the Client (whether before or after the relevant appropriation or foreclosure has been effected), in which latter event any such appropriation or foreclosure shall be treated as a sale of the Charged Securities at a fair market value and the Liabilities shall be reduced by an equivalent amount.

6.7 If there is any deficiency arising after the sale or disposal of Charged Securities, the Client hereby undertakes to make good and pay on demand to the Broker such deficiency.

6.8 The amounts realised by the exercise or enforcement of the Charge shall be applied against the Liabilities in such order of priority as the Broker may in its absolute discretion determine.

6.9 The Charge shall be a continuing security notwithstanding any intermediate payment or settlement of account or satisfaction of the whole or any part of the Liabilities. Without prejudice to the foregoing, the Charge shall subsist and continue to have full force and effect after the termination of these Terms until the Client has fully discharged all Liabilities.

6.10 The Charge shall be in addition to and shall not affect or be affected by any other encumbrance, guarantee or indemnity which the Broker may now or in the future hold or take in respect of the Liabilities and may be enforced by the Broker without prior recourse to any such other encumbrance guarantee or indemnity.

6.11 Any monies realised pursuant to the Charge may be placed and kept to the credit of a suspense account for so long as the Broker or its nominee may in its absolute discretion determine without any obligation in the meantime to apply the same or any part thereof in or towards discharge of the Liabilities.

6.12 The Charge shall not be discharged by any amendment or variation to these Terms or by the dissolution or insolvency of the Client. Where the Client is a firm and there is a dissolution, the Charge shall apply to all indebtedness incurred in the firm’s name until receipt of actual notice of dissolution and, if the dissolution is by reason only of the introduction of one or more partners, the Charge shall continue and, in addition to the debts and liabilities of the firm then dissolved, the Charge shall apply to the firm constituted with new partners as if there had been no change in the firm.

6.13 The Client covenants with the Broker that it will not create or permit to subsist any encumbrance (other than any encumbrance arising by operation of law) over any Charged Securities or the Securities Account or dispose of any Charged Securities, other than as provided for in these Terms.

7. CLIENT CONSENT TO LEND SECURITIES

7.1 The Broker hereby notifies the Client that the Broker has the practice of repledging Securities collateral provided to the Broker by its customers to other financial institutions as collateral or security for financial accommodation or facilities provided to the Broker. The

Broker will comply with all the applicable laws and regulatory requirements imposed on the Broker in respect of repledging of Securities collateral carried out by the Broker.

7.2 The Client hereby gives consent to the Broker to lend or deposit as security for any loans or advances made to the Broker, or otherwise part possession for any purpose any Securities owned by the Client held in the Margin Account.

7.3 The Client agrees that the consent under Paragraph 7.2 above shall be for a period of twelve (12) months and either: (a) may be renewed by the Client's written consent on the anniversary of the date on which such consent was granted; or (b) will be deemed to be renewed automatically (i.e. without the Client's written consent) if any member of the Midas Securities Limited issues the Client a reminder at least fourteen (14) business days prior to the expiry of the authority, and the Client does not object to such deemed renewal before the expiry date of the Client's then existing authority, in each instance for a further twelve (12) months.

8. INTEREST CHARGED

The Client will pay interest on all moneys (including overdue interest) owing to the Broker (after as well as before any judgement), at such rate(s) as demanded by the Broker. Such interest shall be charged on the due date until payment in full is made and shall be payable on the last day of each calendar month or upon any demand being made by the Broker, whichever is the earlier. The rate shall, in the case of amounts arising in respect of Transactions on the Stock Exchange, refer to the fees table or the cost of funds to the Broker (i.e. the interest rate charged by the Broker's bankers), whichever is higher. For all other amounts, the rate shall be such percentage over the cost of funds to the Broker in respect of the relevant amounts as the Broker may notify the Client from time totime.

SECTION IV – TERMS AND CONDITIONS FOR ELECTRONIC TRADING SERVICES

The Midas Securities Limited's electronic services is subject to and upon the terms and conditions of this Section.

1. DEFINITIONS

1.1 Words and expressions defined in the Section headed General Terms and Conditions of these Terms shall, except as otherwise re-defined herein or unless there is something in the subject or context inconsistent therewith, have the same meanings when used in this Section.

1.2 In this Section, unless the context requires otherwise, the following words and expressions shall have the following meanings:

"**Access Code**" means together the PIN and the Account No.;

"**Account No.**" means the account number of the relevant Account(s), used in conjunction with the PIN to gain access to Midas Securities Limited's electronic services;

"**Midas Securities Limited**" means the Broker;

"Midas Securities Limited's electronic services" means the mobile phone/Touch Tone/Internet/other electronic trading service and facility provided by Midas Securities Limited under this Section so as to enable the Client to trade Securities through Midas Securities Limited and give electronic instructions to purchase, sell and otherwise deal with Securities through the Client's relevant Account(s);

"**ECSP**" means the electronic communication services provider of the Midas Securities Limited's electronic services as engaged by Midas Securities Limited from time to time;

"**Instruction**" means any instruction given through the Midas Securities Limited's electronic services for the buying or selling of or otherwise dealing in any Securities and any instruction to check the portfolio and fund position in the relevant Account(s); and

"**PIN**" means the Client's personal identification number, which may be changed by the Client at any time, used when instructing Midas Securities Limited in the Midas Securities Limited's electronic services.

2. TRADING SERVICES

2.1 The Client understands that the Midas Securities Limited's electronic services is a facility operated through mobile phone, Touch Tone phone and Internet which enables the Client to send Instructions and send or receive other information relating to any Instructions in respect of any of the Client's Account(s), provided that the Client shall provide the Access Code on each occasion the Client requires access to the Midas Securities Limited's electronic services.

2.2 The Client shall be the only authorised user of the Midas Securities Limited's electronic services. The Client shall be responsible for the confidentiality, use and application of the Access Code. The Client acknowledges and agrees that the Client shall be solely responsible for all Instructions entered through the Midas Securities Limited's electronic services using the PIN as received by Midas Securities Limited and neither Midas Securities Limited nor Midas Securities Limited's directors, officers, employees or agents shall have any liability to the Client, or to any other person whose claim may arise through the Client for any claims with respect to the handling or loss of any Instruction.

2.3 The Client acknowledges that the Midas Securities Limited's electronic services is proprietary to Midas Securities Limited. The Client warrants and undertakes that the Client shall not, and/or shall not attempt to, tamper with, modify, decompile, reverse engineer or otherwise alter in any way, and shall not, and/or shall not attempt to gain unauthorised access to, any part of the Midas Securities Limited's electronic services. The Client undertakes to notify Midas Securities Limited immediately if the Client becomes aware that any of the actions described above in this Paragraph is being perpetrated by any other person.

2.4 In any event, Midas Securities Limited shall not be liable for the Client's failure in observing the aforesaid obligations and the Client shall fully indemnify Midas Securities Limited in respect of any direct or indirect loss or cost of whatsoever nature that Midas Securities Limited may suffer or incur as a result thereof.

2.5 The Client acknowledges that Midas Securities Limited offers the Client two ways of accessing the Midas Securities Limited's electronic services, namely through the internet and by telephone. The Client agrees that should the Client experience any problems in reaching Midas Securities Limited through either method the Client will use the alternative method to communicate with Midas Securities Limited and inform Midas Securities Limited of the difficulty the Client is experiencing.

2.6 The Client acknowledges that the real-time quote service and the message alert service (that is, to receive message alert when the prices of such Securities as specified by the Client reach a preset target price) that may be available through the Midas Securities Limited's electronic services is provided by a third party appointed by Midas Securities Limited from time to time. The Client agrees that Midas Securities Limited shall not be responsible for any losses the Client or any other person may suffer for the failure of sending out the message alert and/or as a result of relying on any real time quote on prices of Securities which may be available to the Client through the Midas Securities Limited's electronic services.

3. IMPORTANT NOTICE

Midas Securities Limited reserves the right to impose subscription fees/charges for using the Midas Securities Limited's electronic services. The Client understands and agrees that for every electronic message sent through a mobile phone, ECSP or any other mobile phone network provider as the case may be, will charge a service fee to the sender.

4. INSTRUCTIONS

4.1 The Client shall submit Instructions to Midas Securities Limited through the Midas Securities Limited's electronic services provided by Midas Securities Limited and Midas Securities Limited shall so far as it considers reasonably practicable sell and/or purchase Securities in

accordance with those Instructions as received, provided always that Midas Securities Limited shall have an absolute discretion to accept or reject any Instructions. These Instructions shall be carried out by Midas Securities Limited on the terms and conditions governing the relevant Account(s).

4.2 The Client understands that each participating exchange or association asserts a proprietary interest in all of the market data it furnishes to the parties who disseminate such data. The Client also understands that no party guarantees the timeliness, sequence, accuracy or completeness of market data or any other market information. Neither Midas Securities Limited nor any disseminating party shall be liable in any way for any loss or damage arising from or caused by any inaccuracy, error, delay or failure in transmission, or omission from any such data, information or message for any reasons whatsoever.

4.3 Unless otherwise agreed between Midas Securities Limited and the Client, Midas Securities Limited will not execute any trading orders of the Client until there are sufficient cleared funds, Securities or other assets acceptable to Midas Securities Limited in the relevant Account(s) to settle the Client's transactions.

4.4 Instructions sent by the Client will be treated as a valid and final electronic record by Midas Securities Limited when Midas Securities Limited has sent an acknowledgement of receipt of the Instruction to the Client ("**Acknowledgement**").

4.5 The Client acknowledges and agrees that, as a condition of using the Midas Securities Limited's electronic services to give Instructions, the Client shall immediately notify Midas Securities Limited if:

(a) an Instruction has been placed through the Midas Securities Limited's electronic services but the Client has not received an instruction number or has not received an accurate Acknowledgement or any acknowledgement of its execution (whether by hard copy, electronic or verbal means);

(b) the Client has received acknowledgement (whether by hard copy, electronic or verbal means) of a transaction which the Client did not instruct;

(c) the Client becomes aware of any of the acts stated in Paragraph 2.3 being done or attempted by any person;

(d) the Client becomes aware of any unauthorised use of the Client's Access Code; or

(e) the Client has difficulties with regard to the use of the Midas Securities Limited's electronic services.

4.6 The Client agrees to review every order before entering it as it may not be possible to cancel the Instructions once given.

4.7 The Client acknowledges and agrees that the Midas Securities Limited's electronic services is, due to unpredictable transmission congestion and other reasons, an inherently unreliable medium of communication and that such unreliability is beyond Midas Securities Limited's control. The Client acknowledges that, as a result of such unreliability, there may be delays, technical errors and failure and/or incompleteness in the transmission and receipt of Instructions and other information and that this may result in delays and/or incompleteness in the execution of Instructions and/or the execution of Instructions at prices different from those prevailing at the time the Instructions were given. The Client further acknowledges and agrees that there are risks of misunderstanding or errors or incompleteness in any communication and that such risks shall be absolutely borne by the Client. The Client acknowledges and agrees that it will not usually be possible to cancel an Instruction after it has been given.

5. OTHERS

5.1 The Client agrees that Midas Securities Limited and its directors, officers, employees and agents shall not be liable for any delay or failure to perform any of Midas Securities Limited 's obligations hereunder or for any losses caused directly or indirectly by any condition or circumstances over which Midas Securities Limited, its directors, officers, employees or agents do not have absolute control, including but not limited to government restrictions, exchange or market rulings, suspension of trading, failure of electronic or mechanical equipment or communication lines, telephone or other interconnect problems, power supply problems, unauthorised access, theft, war (whether declared or not), severe weather, earthquakes and strikes.

5.2 The Client acknowledges and agrees that if the mode of communication used by the Client in the course of the Midas Securities Limited's electronic services becomes temporarily unavailable, the Client can operate the relevant Account through other mode of communication or facility subject to the right of Midas Securities Limited to obtain sufficient information for the purpose of verifying the Client's identity as it may think fit.

6. DECLARATION

6.1 The Client agrees that Midas Securities Limited may accept from ECSP or any other third party engaged in any transaction or providing any services in respect of the Midas Securities Limited's electronic services any rebate or allowance of any fee, brokerage or commission or the likes payable in respect thereof and Midas Securities Limited shall be entitled to retain any profit or other benefit arising by way of fees, brokerage, commissions, rebate, perquisites, or otherwise obtained or received by them in connection with or arising whether directly or indirectly from the Midas Securities Limited's electronic services.

6.2 The Client agrees to the disclosing, transferring or otherwise making available to ECSP or any other third party engaged in any transaction or providing any service in respect of the Midas Securities Limited's electronic services of all personal data of the Client, all information relating to the Client and the Client's Account(s) maintained with Midas Securities Limited, and all information relating to the Client's transactions and dealings with any third parties and their subsidiaries, group members and agents thereof whether in or outside Hong Kong relating to or for the purposes of providing the Midas Securities Limited's electronic services and all related services.

6.3 The Client agrees that Midas Securities Limited shall not have any liability or responsibility of whatsoever nature in respect of the Midas Securities Limited's electronic services under any circumstances, including but without limitation:

(a) any failure or delay in transmission of information to and/or from the Client's telecommunication equipment;

(b) any failure or delay in the processing of the Client's requests or instructions and/or the returning of the responses to the Client's requests or instructions executed using the Midas Securities Limited's electronic services;

(c) any error or inaccuracy in such requests, responses, or generally such information or the transmission thereof;

(d) any consequences arising from any cause beyond the reasonable control of Midas Securities Limited; or

(e) any consequences arising from using or attempting to use the Midas Securities Limited's electronic services,

unless the aforesaid is directly caused by the gross negligence or wilful default of Midas Securities Limited, as the case may be.

6.4 The Client hereby declares and confirms that the Client understands and agrees that, in addition to the terms and conditions applicable to and governing the use of the Midas Securities Limited's electronic services, it is the Client's primary responsibility to immediately contact Midas Securities Limited through the Client's respective account executives, or the hotline of the e-financial services department by telephone or any other means in the event that:

(a) the Client does not receive any response of whatsoever nature to any request or Instruction that the Client may have executed or attempted to execute on any one or more of the Client's Accounts maintained with Midas Securities Limited using the Midas Securities Limited's electronic services within the designated time (as shall be specified by Midas Securities Limited from time to time) of the execution of such requests or instructions to confirm the status of the related transactions and unless otherwise notified to the Client, the aforementioned designated time shall be the office hours of Midas Securities Limited; or

(b) the Client has received a confirmation (no matter by means of hard copies, electronic means or verbal confirmation) relating to any Instructions or request not given by the Client; or such confirmation being inconsistent with the Instructions and/or request given by the Client; or

(c) the Client becomes aware that his PIN has been used by any person other than the Client; or

(d) the Client needs to check order status when the Client's Instruction for dealing in Securities is placed through Touch Tone system because Touch Tone system cannot actively provide order status to the Client.

In any event, Midas Securities Limited shall not be liable for the Client's failure in observing the above obligations and the Client shall fully indemnify Midas Securities Limited in respect of any direct or indirect loss or cost of whatsoever nature that Midas Securities Limited may suffer or incur as a result thereof. For the avoidance of doubt, it is the responsibility of the Client to take its own initiative to contact Midas Securities Limited to check the status of any Instructions given through the Midas Securities Limited's electronic services.

6.5 The Client further undertakes to indemnify Midas Securities Limited, on a full indemnity basis, on demand, for any loss or damage Midas Securities Limited may suffer as a result of the use of the Midas Securities Limited's electronic services, except to the extent that such loss or damage is outside the Client's control.

6.6 The Client understands and acknowledges that the Midas Securities Limited 's records on Instructions actually received and responses actually sent shall be binding, final and conclusive unless and until the contrary is judicially established.

SECTION V – GUARANTEE

This Section sets out the agreement, undertakings, terms and conditions of the guarantee given by the Guarantor (as defined, described and referred to in the Account Opening Form).

1. DEFINITIONS

1.1 Words and expressions defined in the Section headed General Terms and Conditions of these Terms shall, except as otherwise re-defined herein or unless there is something in the subject or context inconsistent therewith, have the same meanings when used in this Section.

1.2 In this Guarantee, unless the context requires otherwise, the following words and expressions shall have the following meanings:

"**Associated Company**" shall include any company or companies in which Midas Securities Limited beneficially owns 20% or more of the equity share capital;

"**Collateral Instruments**" means notes, bills of exchange, certificates of deposit and other negotiable and non-negotiable instruments, guarantees, indemnities and other assurances against financial loss and any other documents or instruments which contain or evidence an obligation (with or without security) to pay, discharge or be responsible directly or indirectly for, any indebtedness or liabilities of the Client or any other person liable and includes any document granting or evidencing a security interest of any kind;

"**Encumbrance**" means any mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, assignment, trust arrangement or security interest or other encumbrance of any kind securing any obligation of any person or any type of preferential arrangement (including without limitation title transfer and/or retention arrangements with similar effect);

"**Guarantee**" means the guarantee given by the Guarantor on the terms and conditions of this Section;

"**Guaranteed Liabilities**" means all monies, obligations and liabilities covenanted to be paid or performed by the Client at any time under the Agreement, including the monies, obligations and liabilities specified in Paragraphs 2.1 and 2.2 of this Section;

"**Incapacity**" in relation to a person, means the death, bankruptcy, unsoundness of mind, insolvency, liquidation, dissolution, winding up, administration, receivership, amalgamation, reconstruction or other incapacity of that person whatsoever (and, in the case of a partnership, includes the termination or change in the composition of the partnership);

"**Indebtedness**" means any obligation for the payment or repayment of money, whether as principal or as surety and whether present or future, actual or contingent; and

"**Taxes**" includes all present and future income and other taxes, levies, imposts, deductions, charges, fees and withholdings together with interest thereon and penalties with respect thereto, if any.

2. UNLIMITED GUARANTEE AND INDEMNITY

2.1 In consideration of the relevant member of the Midas Securities Limited making/or continuing loans or advances to, or otherwise giving credit or granting financing facilities or accommodation or granting time to the Client for so long as it may think fit, the Guarantor hereby unconditionally and irrevocably guarantees, by way of continuing obligation as primary obligor and not merely as surety, to pay to the relevant member of the Midas Securities Limited on demand all moneys and discharge all obligations and liabilities now or hereafter due, owing or incurred by the Client to the relevant member of the Midas Securities Limited when the same become due for payment or discharge whether by acceleration or otherwise, and whether such moneys, obligations or liabilities are express or implied, present, future or contingent, joint or several incurred as principal or surety, originally owing to the relevant member of the Midas Securities Limited or purchased or otherwise acquired by it, denominated in Hong Kong dollars or in any other currency, or incurred on any margin account or in any other manner whatsoever. Such liabilities shall, without limitation, include all liabilities arising from the issue, acceptance, endorsement, confirmation or discount of any negotiable or non-negotiable instruments, documentary or other credits, bonds, guarantees, indemnities or other instruments of any kinds, and interest (after as well as before judgment) to date of payment at such rates and upon such terms as may from time to time be agreed, commission, fees and other charges and all legal and other costs, charges and expenses on a full and unqualified indemnity basis which may be incurred by the relevant member of the Midas Securities Limited in relation to any such moneys, obligations or liabilities or generally in respect of the Client or the Guarantor. All payments under this Guarantee shall be made in immediately available funds, without set-off or counterclaim and free and clear of any deduction or withholding whatsoever.

2.2 The Guarantor agrees to pay interest on each amount demanded of it under this Guarantee from the date of such demand until payment (after as well as before judgment) at the rate of 6 per cent per annum above the prime rate for the time being of The Hongkong and Shanghai Banking Corporation Limited in relation to the currency in which the Guaranteed Liabilities are denominated calculated on a day to day basis. Such interest shall be compounded monthly in the event of it not being paid when demanded but without prejudice to the relevant member of the Midas Securities Limited's right to require payment of such interest.

2.3 As a separate and independent stipulation, the Guarantor agrees that if any purported obligation or liability of the Client which would have been the subject of this Guarantee had it been valid and enforceable is not or ceases to be valid or enforceable against the Client on any ground whatsoever whether or not known to the relevant member of the Midas Securities Limited (including without limitation, any irregular exercise or absence of any corporate power or lack of authority of, or breach of duty by; any person purporting to act on behalf of the Client or any legal or other limitation of the Client) the Guarantor shall nevertheless be liable to the relevant member of the Midas Securities Limited in respect of that purported obligation or liability as if the same were fully valid and enforceable and the Guarantor were the principal debtor in respect thereof. The Guarantor hereby agrees to keep the relevant member of the Midas Securities Limited fully indemnified on demand against all damages, losses, costs and expenses arising from any failure of the Client to perform or discharge any such purported obligation or liability.

2.4 The liability of the Guarantor shall not be affected nor shall this Guarantee be discharged or reduced by reason of:

(a) the Incapacity or any change in the name, style or constitution of the Client or any other person liable;

(b) the relevant member of the Midas Securities Limited granting any time, indulgence or concession to, or compounding with, discharging, releasing or varying the liability of, the Client or any other person liable or renewing, determining, varying or increasing any accommodation, facility or transaction or otherwise dealing with the same in any manner whatsoever or concurring in, accepting or varying any compromise, arrangement or settlement or omitting to claim or enforce payment from the Client or any other person liable;

(c) any variation to the terms of the Agreement;

(d) any release, discharge, compromise or other arrangement given to or made with the Client;

(e) any act or omission which would not have discharged or affected the liability of the Guarantor had it been a principal debtor instead of a guarantor or by anything done or omitted which but for this provision might operate to exonerate the Guarantor; or

(f) the relevant member of the Midas Securities Limited obtaining a judgment against the Client or any other person for the payment of all or any of the Guaranteed Liabilities.

2.5 This Guarantee shall:

(a) secure the ultimate balance from time to time owing to the relevant member of the Midas Securities Limited by the Client and shall, subject to Paragraph 9, be a continuing security, notwithstanding any settlement of account or other matter whatsoever (including, without limitation, any restriction of any exchange upon which the Client's orders are executed or any contrary provision in any agreement now or hereafter existing between the Client and the relevant member of the Midas Securities Limited);

(b) be separate from, independent of and in addition to any present or future Collateral Instrument, right or remedy held by or available to the relevant member of the Midas Securities Limited;

(c) not be in any way prejudiced or affected by the existence of any such Collateral Instrument, rights or remedies or by the same becoming wholly or in part void, voidable or unenforceable on any ground whatsoever or by the relevant member of the Midas Securities Limited dealing with, exchanging, varying or failing to perfect or enforce any of the same or giving time for payment or indulgence or compounding with any other person liable; and

(d) not oblige the relevant member of the Midas Securities Limited to enforce any such Collateral Instrument or to take any other steps or proceedings before enforcing this Guarantee.

2.6 Any release, discharge or settlement between the Guarantor and the relevant member of the Midas Securities Limited shall be conditional upon no security, disposition or payment to the relevant member of the Midas Securities Limited by the Client or any other person liable being void, set aside or ordered to be refunded pursuant to any enactment or law relating to bankruptcy, liquidation, administration or insolvency or for any other reason whatsoever.

2.7 Where any discharge (whether in respect of any amounts hereby guaranteed, this Guarantee, or any security therefor or otherwise) is made in whole or in part or any arrangement is made on the faith of any payment, security or other disposition which is voided or must be repaid on bankruptcy, liquidation, administration or otherwise without limitation, the liability of the Guarantor under this Guarantee shall continue as if there had been no such discharge or arrangement, and the relevant member of the Midas Securities Limited shall be entitled to concede or compromise any claim that any such payment, security or other disposition is liable to be voided or to be repaid.

2.8 Without prejudice to Paragraph 2.4 of this Section, this Guarantee shall be binding upon and enforceable against the executors, personal representatives, administrators, successors and assigns of the Guarantor and the Incapacity, death, bankruptcy, insanity, liquidation, administration, change in the constitution, retirement or death of any partner or the introduction of any partner or the introduction of any further partner or other incapacity of the Guarantor (as the case may be) shall not terminate liability hereunder. The estate, successors or assigns of the Guarantor shall also continue to be liable with respect to any losses which may be incurred in liquidating any assets standing to the credit of any accounts with the relevant member of the Midas Securities Limited during a reasonable time subsequent to the actual receipt of such notice.

2.9 The Midas Securities Limited shall not be obliged to make any claim or demand on the Client or to resort to any Collateral Instrument or other means of payment now or hereafter held by or available to it before enforcing this Guarantee and no action taken or omitted by the relevant member of the Midas Securities Limited in connection with any such Collateral Instrument or other means of payment shall discharge, reduce, prejudice or affect the liability of the Guarantor under this Guarantee nor shall the relevant member of the Midas Securities Limited be obliged to apply any money or other property received or recovered in consequence of any enforcement or realisation of any such Collateral Instrument or other means of payment in reduction of the Guaranteed Liabilities.

2.10 Until all the Guaranteed Liabilities have been paid, discharged or satisfied in full (and notwithstanding payment of a dividend in any liquidation or bankruptcy or under any compromise or arrangement) the Guarantor agrees that, without the prior written consent of the relevant member of the Midas Securities Limited, it will not:

(a) exercise its rights of subrogation, reimbursement and indemnity against the Client or any other person liable;

(b) demand or accept repayment in whole or in part of any indebtedness now or hereafter due to the Guarantor from the Client or from any other person liable or demand or accept any Collateral Instrument in respect of the same or dispose of the same;

(c) take any step to enforce any right or claim against the Client or any other person liable in respect of any Guaranteed Liabilities; or

(d) claim any set-off or counterclaim against the Client or any other person liable or claim or prove in competition with the relevant member of the Midas Securities Limited in the bankruptcy or liquidation of the Client or any other person liable or have the benefit of, or share in, any payment from or composition with, the Client or any other person liable or any other Collateral

Instrument now or hereafter held by the relevant member of the Midas Securities Limited for any Guaranteed Liabilities or for the obligations or liabilities of any other person liable but so that, if so directed by the relevant member of the Midas Securities Limited, it will prove for the whole or any part of its claim in the liquidation or bankruptcy of the Client or any other person liable on terms that the benefit of such proof and of all money received by it in respect thereof shall be held on trust for the relevant member of the Midas Securities Limited and applied in or towards discharge of the Guaranteed Liabilities in such manner as the relevant member of the Midas Securities Limited shall deem appropriate, but it is agreed that nothing in this sub paragraph shall be deemed to constitute a charge on the assets of the Guarantor.

2.11 If this Guarantee ceases to be continuing for any reason whatsoever the relevant member of the Midas Securities Limited may nevertheless continue any account of the Client or open one or more new accounts and the liability of the Guarantor under this Guarantee shall not in any manner be reduced or affected by any subsequent transactions or receipts or payments into or out of any such account.

2.12 Any statement of account of the Client, signed as correct by an officer of the relevant member of the Midas Securities Limited, showing the amount of the Guaranteed Liabilities shall, in the absence of manifest error, be binding and conclusive on and against the Guarantor.

2.13 The Guarantor warrants that it has not taken or received, and undertakes that until all the Guaranteed Liabilities have been paid or discharged in full, it will not take or receive, the benefit of any security from the Client or any other person in respect of its obligations under this Guarantee. If, contrary to this Paragraph or Paragraph 2.10, the Guarantor takes or receives the benefit of any security or receives or recovers any money or other property, such security, money or other property shall be held on trust for the relevant member of the Midas Securities Limited and shall be delivered to the relevant member of the Midas Securities Limited on demand.

2.14 Any money received in connection with this Guarantee (whether before or after any Incapacity of the Client or the Guarantor) may be placed to the credit of a suspense account with a view to preserving the rights of the relevant member of the Midas Securities Limited to prove for the whole of its claims against the Client or any other person liable or may be applied in or towards satisfaction of such of the Guaranteed Liabilities as the relevant member of the Midas Securities Limited may from time to time conclusively determine in its absolute discretion. Amounts standing to the credit of a suspense account hereunder will bear interest at the prevailing rate(s) for deposit accounts (as quoted by The Hongkong and Shanghai Banking Corporation Limited).

2.15 The relevant member of the Midas Securities Limited shall be entitled to retain this Guarantee after as well as before the payment or discharge of all the Guaranteed Liabilities for such period as the relevant member of the Midas Securities Limited may determine.

2.16 The Guarantor agrees to reimburse the relevant member of the Midas Securities Limited on demand for all legal and other costs, charges and expenses on a full and unqualified indemnity basis which may be incurred by the relevant member of the Midas Securities Limited in relation to the enforcement of this Guarantee against the Guarantor.

3. REPRESENTATIONS AND WARRANTIES

For so long as any Guaranteed Liabilities remain outstanding, the Guarantor hereby warrants, represents and undertakes to the relevant member of the Midas Securities Limited that:

(a) the terms and conditions of this Guarantee constitute a valid and legally binding agreement on the Guarantor and this Guarantee is enforceable in accordance with its terms;

(b) this Guarantee, its execution, delivery and its performance and the obligations contained herein do not and will not:

(i) contravene any law, statute, ordinance, rule or regulation or any judgment, decree or permit to which the Guarantor is subject; and/or

(ii) conflict with or result in any breach of the terms of or constitute any default under any agreement or other instrument to which the Guarantor is a party or is subject or by which any of the Guarantor's assets is bound and will not result in the creation or imposition of any encumbrance or security interest of any kind on any of its assets pursuant to the provisions of any such mortgage, agreement or instrument;

(c) the Guarantor is not in default of any agreement or instrument binding on the Guarantor or affecting the guarantee hereby given or involved in any material litigation, arbitration, administrative or other proceedings, whether current, pending or threatened save for those disclosed to the relevant member of the Midas Securities Limited in writing as at the date hereof;

(d) all action, conditions and things required by any applicable law to be taken, fulfilled or done (including the obtaining of any necessary authority or consents) in order:

(i) to enable the Guarantor lawfully to enter into, exercise its rights and perform and comply with its obligations hereunder;

(ii) to ensure that those obligations are legally binding and enforceable as against the Guarantor; and

(iii) to make this Guarantee admissible in evidence in the courts of Hong Kong,

have been properly taken, fulfilled and done;

(e) neither the Guarantor nor any of its assets is entitled to any immunity or privilege from any suit, execution, attachment or other legal process or from any set-off and the Guarantor's entry into this Guarantee constitutes its legal and binding obligation;

(f) the obligations of the Guarantor under this Guarantee are direct, general and unconditional obligations of the Guarantor and rank at least *pari passu* with all other present and future unsecured and unsubordinated Indebtedness of the Guarantor with the exception of any obligations which are mandatorily preferred by laws and not by contract;

(g) no Taxes are imposed by withholding or otherwise on any payment to be made by the Guarantor under this Guarantee or are imposed on or by virtue of the execution or delivery by the Guarantor of this Guarantee or any document or instrument to be executed or delivered under this Guarantee;

(h) (applicable if the Guarantor is a corporation) the Guarantor is duly incorporated and validly existing under the laws of its country of incorporation and the Guarantor has power to execute, deliver and perform its obligations under this Guarantee;

(i) (applicable if the Guarantor is a corporation) all necessary corporate, shareholder and other action has been taken to authorise the execution, delivery and performance of this Guarantee and no limitation on the powers of the Guarantor to borrow or give guarantees will be exceeded as a result of this Guarantee;

(j) (applicable if the Guarantor is a corporation) the financial statements of the Guarantor delivered to the relevant member of Midas Securities Limited have been prepared in accordance with generally acceptable accounting principles and practices which have been consistently applied and present fairly and accurately the financial position of the Guarantor for the period mentioned in the relevant financial statements;

(k) the representations and warranties herein contained are as at the date hereof true and correct in every respect; and

(l) on and as of each day from the date of this Guarantee until all the Guaranteed Liabilities have been paid, discharged or satisfied in full, the Guarantor shall be deemed to repeat the representations and warranties herein contained as if made with reference to the facts and circumstances existing on each such day.

4. UNDERTAKINGS

4.1 The undertakings in this Section shall (including but without limitation to the undertakings in this Paragraph 4) remain in full force so long as any of the Guaranteed Liabilities is or may be outstanding.

4.2 The Guarantor will deliver to the relevant member of the Midas Securities Limited promptly upon request such information as to the Guarantor's business affairs and financial condition as the relevant member of the Midas Securities Limited may in its sole and absolute discretion deem necessary from time to time.

4.3 The Guarantor will obtain and promptly renew from time to time all consents, licenses, approvals and authorisations as may be required under any applicable law or regulation for the making, performance, validity and enforceability of this Guarantee and shall at all times comply with the terms thereof.

4.4 The Guarantor will not, either in a single transaction or in a series of transactions whether related or not voluntarily or involuntarily, sell, convey transfer or otherwise dispose of all or a substantial part of its assets without the prior written consent of the relevant member of the Midas Securities Limited.

4.5 The Guarantor will procure that no guarantee or other assurance whatsoever against financial loss which has been granted by the Guarantor remains outstanding except those which have been disclosed in writing to the relevant member of the Midas Securities Limited at the date hereof.

4.6 All payments by the Guarantor under or in connection with this Guarantee shall be made in full without set-off or counterclaim, free and clear of and without deduction for or on account of all Taxes, if any. All Taxes in respect of this Guarantee and payments thereunder shall be for the account of and shall be paid by the Guarantor for his own account prior to the date on which penalties attach thereto. If the Guarantor is compelled by law to make payment subject to any Taxes, the sum due from the Guarantor in respect of such payment shall be increased to the extent necessary to ensure that, after the making of such deduction or withholding, the relevant member of the Midas Securities Limited receives on the due date for such payment (and retains, free from any liability in respect of such deduction or withholding) a net sum equal to the sum which it would have received had no such deduction or withholding been required to be made and if the relevant member of the Midas Securities Limited does not actually receive for its own benefit on the due date a net amount equal to the full amount provided for hereunder, the Guarantor will indemnify the relevant member of the Midas Securities Limited in respect of all such Taxes and any losses or costs incurred by the relevant member of the Midas Securities Limited by reason of any failure of the Guarantor to make any such deduction or withholding or by reason of any increased payment not being made on the due date for such payment. The Guarantor shall promptly deliver to the relevant member of the Midas Securities Limited any receipts, certificates or other proof evidencing the amounts (if any) paid or payable in respect of any deduction or withholding as aforesaid.

4.7 The Guarantor will promptly execute and do, and procure such other persons as the relevant member of the Midas Securities Limited may specify to promptly execute or do, all such assurances, acts, deeds and things as the relevant member of the Midas Securities Limited may from time to time reasonably require, for protecting or perfecting the security herein and the exercise of all powers, authorities and discretion vested in the relevant member of the Midas Securities Limited hereunder.

4.8 The Guarantor will promptly inform the relevant member of the Midas Securities Limited of any occurrence of which it becomes aware which might adversely affect its ability to perform its obligations under this Guarantee.

4.9 The Guarantor will ensure that its obligations under this Guarantee shall at all times rank at least *pari passu* with all its other present and future unsecured and unsubordinated Indebtedness with the exception of any obligations which are mandatorily preferred by law and not by contract.

4.10 The Guarantor undertakes that, from the date of this Guarantee and so long as any monies are owing under this Guarantee, it will not, without the prior written consent of the relevant member of the Midas Securities Limited:

(a) permit any Encumbrance by the Guarantor to subsist, arise or be created or extended over all or any part of its present or future undertakings, assets, rights or revenues to secure any present or future Indebtedness of the Guarantor or any other person; or

(b) merge or consolidate with any other company or person; or

(c) sell, transfer, lend or otherwise dispose of or cease to exercise direct control over any part of its present or future undertaking, assets, rights or revenues (otherwise than by transfers, sales or disposals for full consideration in the ordinary course of trading) whether by one or a series of transactions related or not.

5. GENERAL GUARANTEE PROVISIONS

5.1 Each of the terms and conditions in this Guarantee is severable and distinct from the others and if at any time one or more of such provisions is or becomes invalid or unenforceable, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.

5.2 Neither this Guarantee nor any interests or obligations in or under this Guarantee may be transferred or assigned by the Guarantor without the prior written consent of the relevant member of the Midas Securities Limited. The relevant member of the Midas Securities Limited may assign or transfer its interest herein to any person.

5.3 All payments made under this Guarantee shall be made in the same currency in which the relevant liabilities of the Guarantor are denominated and the Guarantor will indemnify the relevant member of the Midas Securities Limited against all losses (including losses flowing from fluctuations in rates of exchange) to the relevant member of the Midas Securities Limited as a result of payment in any other currency or as a result of any order, proof or claim being expressed or payable in a different currency. Any amount due from the Guarantor under this Paragraph
5.3 shall be due as a separate debt and shall not be affected by judgment being obtained for any other sums due under or in respect of this Guarantee and the term "rate of exchange" includes any premium and costs of exchange payable in connection with the relevant currency exchange.

5.4 No failure or delay on the part of the relevant member of the Midas Securities Limited to exercise any power, right or remedy under this Guarantee shall operate as a waiver thereof, nor shall any single or partial exercise or waiver of any such power, right or remedy preclude any other or further exercise thereof or the exercise of any other power, right or remedy. The remedies provided in this Guarantee are cumulative and are not exclusive of any remedies provided by law.

5.5 For the avoidance of doubt and without prejudice to the other provisions of this Guarantee, this Guarantee shall remain binding on the Guarantor and its successors in title and its assignees or transferees notwithstanding any change in the constitution of the relevant member of the Midas Securities Limited or its absorption in, or amalgamation with, or the acquisition of all or part of its undertaking or assets by, any other person, or any reconstruction or reorganisation of any kind, to the intent that this Guarantee shall remain valid and effective in all respects in favour of any assignee, transferee or other successor in title of the relevant member of the Midas Securities Limited in the same manner as if such assignee, transferee or other successor in title had been named in this Guarantee as a party instead of, or in addition to, the relevant member of the Midas Securities Limited. The Guarantor agrees that any person in favour of whom an assignment or a transfer is made shall be entitled to the benefit of this Guarantee.

5.6 The relevant member of the Midas Securities Limited may disclose to a prospective assignee or transferee or to any other person who may propose entering into contractual relations with the relevant member of the Midas Securities Limited in relation to this Guarantee such information about the Guarantor as the relevant member of the Midas Securities Limited shall consider appropriate.

5.7 The Midas Securities Limited is entitled to employ debt collecting agent(s) to collect any sum due under this Guarantee.

5.8 Where the Guarantor is an individual, the Guarantor agrees to be bound by the Section headed Personal Data Privacy Information and to the use of his/her personal data in the manner specified in that Section.

6. JOINT AND SEVERAL LIABILITY

6.1 If this Guarantee is signed as guarantor by more than one person or is signed by one person for himself and on behalf of other persons (whether such person is signing on behalf of himself, of a partnership or otherwise) the expression the "Guarantor" shall include all such persons and the liability of the Guarantor under this Guarantee shall be the joint and several liability of all such persons and any demand for payment by the relevant member of the Midas Securities Limited on any one or more of such persons so jointly and severally liable shall be deemed to be a demand made to all such persons.

6.2 Each person who shall have as guarantor executed agrees to be bound by this Guarantee notwithstanding that any other person intended to execute or to be bound by this Guarantee may not do so or may not be effectually bound and notwithstanding that this Guarantee may be determined or be become invalid or unenforceable against any other person, whether or not the deficiency is known to the relevant member of the Midas Securities Limited.

6.3 The relevant member of the Midas Securities Limited shall be entitled to without any notice or consent of the other Guarantor release or discharge any one or more of the Guarantors from each of their obligations and/or liabilities hereunder or any part thereof or to accept or enter into any settlement or compromise or composition or make any other arrangements with or grant any time, indulgence, waiver or accommodation to any one or more of the Guarantors without discharging, releasing or affecting the liabilities and obligations of the other(s) of them.

7. SET-OFF AND LIEN

7.1 Without prejudice and in addition to any general lien, right of set-off or similar right to which the relevant member of the Midas Securities Limited may be entitled by law, all of the Guarantor's interest in any monies or Securities held by the relevant member of the Midas

Securities Limited for any purpose or carried by the relevant member of the Midas Securities Limited in any account for the Guarantor, either individually or jointly with others or which may be in the possession of the relevant member of the Midas Securities Limited or in the possession of any Associated Company, at any time and for any purpose including safe-keeping, shall be subject to a general lien in favour of the relevant member of the Midas Securities Limited. The relevant member of the Midas Securities Limited shall also have the right to sell such Securities (and the relevant member of the Midas Securities Limited is authorised to do all such things as it shall deem necessary in connection with such sale) and utilise the proceeds to offset and discharge all of the obligations of the Guarantor to the relevant member of the Midas Securities Limited or to any Associated Company, regardless of whether any other person is interested in or the relevant member of the Midas Securities Limited has made advances in connection with such Securities, and irrespective of the number of accounts the Guarantor may carry with the relevant member of the Midas Securities Limited.

7.2 The Guarantor shall duly and promptly pay all calls which may from time to time be made in respect of any unpaid monies under any of the Securities and duly and promptly pay any other moneys which the Guarantor may lawfully be required to pay in respect of any of the Securities. In default the relevant member of the Midas Securities Limited may, if the relevant member of the Midas Securities Limited thinks fit, make such payments on the Guarantor's behalf and any sums so paid by the relevant member of the Midas Securities Limited shall be repayable by the Guarantor on demand, together with any costs or expenses incurred by the relevant member of the Midas Securities Limited as a result.

7.3 The relevant member of the Midas Securities Limited shall be entitled at any time without notice to combine and/or consolidate all or any of the Guarantor's accounts with the relevant member of the Midas Securities Limited and/or its Associated Companies. In respect of any payments by the relevant member of the Midas Securities Limited to offset and discharge any obligations of the Guarantor to any such Associated Company, the relevant member of the Midas Securities Limited shall not be concerned as to whether or not such obligations exist, provided demand has been made on the relevant member of the Midas Securities Limited or the Guarantor by such Associated Company.

7.4 Without limiting or modifying the general provisions of this Guarantee, the relevant member of the Midas Securities Limited is hereby specifically authorised to transfer any sum or sums among the different accounts that the Guarantor has with the relevant member of the Midas Securities Limited and with any of its Associated Companies, to set off any amount at any time owing to the relevant member of the Midas Securities Limited or any Associated Company from the Guarantor under or in respect of, any contract or otherwise against any amount owing by the relevant member of the Midas Securities Limited or any Associated Company to the Guarantor under any contract or otherwise or against any moneys at any time standing to the credit of the Guarantor in any account with any of the relevant member of the Midas Securities Limited or any of its Associated Companies, to convert currencies (at current market rates as determined by the relevant member of the Midas Securities Limited at its sole discretion) into an appropriate currency for the purposes of set off. Any security guarantees or indemnity given to the relevant member of the Midas Securities Limited or any of its Associated Companies shall extend to an amount owing from the Guarantor after any exercise of such set off.

8. WAIVER

The Guarantor waives any right to require proceedings against the Client or to require the filing of any claim against the Client with a court or receiver to realise or enforce security or guarantee in respect of the Guaranteed Liabilities or Collateral Instruments, prior to enforcement of this Guarantee.

9. DETERMINATION

The Guarantor or any one or more of the persons for the time being constituting the Guarantor or any survivor of such persons or the personal representatives of the Guarantor or of any one or more of such persons may at any time give the relevant member of the Midas Securities Limited notice in writing to determine this Guarantee with effect from the date (the "**Termination Date**") specified in such notice being a date falling not less than six (6) calendar months after such notice shall actually have been received by the relevant member of the Midas Securities Limited. Notwithstanding the giving of any such notice, the liability of the Guarantor under the Guarantee shall continue in full force and effect in relation to:

(a) all Guaranteed Liabilities which shall have become due at the Termination Date; and

(b) all Guaranteed Liabilities which may become due, owing or incurred by the Client to the relevant member of the Midas Securities Limited pursuant to any transaction, dealing commitment or other engagement entered into or effected either: (i) prior to the Termination Date; or (ii) on or after the Termination Date pursuant to any commitment, expressed or implied, assumed or undertaken by the relevant member of the Midas Securities Limited to the Client prior to the Termination Date.

10. JURISDICTION AND LAW

This Guarantee and all rights, obligations and liabilities hereunder shall be governed by and construed in accordance with the laws of Hong Kong and the Guarantor hereby irrevocably submits to the exclusive jurisdiction of the courts of Hong Kong. The submission to such jurisdiction shall not (and shall not be construed so as to) limit the right of the relevant member of the Midas Securities Limited to take proceedings against the Guarantor in the courts of any other competent jurisdiction, nor shall the taking of proceedings in any one or more jurisdictions preclude the taking of proceedings in any other jurisdiction, whether concurrently or not.

11. NOTICES AND OTHER MATTERS

11.1 Other than any notice given in accordance with Paragraph 9 of this Section, any notice or communications to be made or given by the Guarantor to the relevant member of the Midas Securities Limited or to the Midas Securities Limited and vice versa shall be in writing delivered personally or made or given by mail (airmail if international) or telex or facsimile and shall be deemed to have been received when delivered personally or two (2) business days (if local) or seven (7) business days (if international) after posting if delivered by mail, it being sufficient to prove that the notice or communication was properly addressed and posted or the next business day following the day on which it was dispatched if delivered by telex or the date of transmission if transmitted by facsimile, whichever shall first occur. Such notice and communication shall be addressed:

(a) If to the Guarantor, to the address and facsimile number as set out in the Account Opening Form or to the process agent (if any) nominated by the Guarantor or to such other address as the Guarantor shall notify in writing from time to time.

(b) If to Midas Securities Limited, to

Midas Securities Limited
1705, 17/F Jubilee Centre, 18 Fenwick Street, Wan Chai, Hong Kong
Facsimile:(852) 2527 6965

or to such other address or telex or facsimile number as Midas Securities Limited may hereafter notify the Guarantor.

11.2 The Guarantor hereby irrevocably appoints the person named in the Account Opening Form as its process agent to accept service of process in Hong Kong in any legal action or proceedings arising out of this Guarantee, service upon whom shall be deemed completed whether or not forwarded to or received by the Guarantor. If such process agent ceases to be able to act as such or to have an address in Hong Kong, the Guarantor irrevocably agrees to appoint a new process agent in Hong Kong and to deliver to the relevant member of the Midas Securities Limited within thirty (30) days a copy of a written acceptance of appointment by the process agent. Nothing in the Guarantee shall affect the right to serve process in any other manner permitted by law or the right to bring proceedings in any other jurisdiction for the purposes of the enforcement or execution of any judgment or other settlement in any other courts.

SECTION VI - RISK DISCLOSURE STATEMENTS AND DISCLAIMERS

By requesting the relevant member of the Midas Securities Limited to provide the Client with the services as outlined under the Agreement, the Client has read, fully understand and agree to the following risk disclosure statements and disclaimers: -

Words and expressions defined in all other Sections of these Terms shall, except as otherwise re-defined herein or unless there is something in the subject or context inconsistent therewith, have the same meanings when used in this Section.

PART A – RISK DISCLOSURE STATEMENTS FOR CUSTODIAN ACCOUNT AND MARGIN ACCOUNT

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.

The Client also acknowledges that there are risks in leaving Securities in the custody of the Broker or in authorising the Broker to lend the client's Securities to or deposit them with certain third parties (e.g. as collateral for loans or advances made to the Broker) under the Securities and Futures Ordinance and related rules. The Client understands that this is allowed only if he consents in writing, which consent must specify the period for which it is current and cannot exceed twelve (12) months if he is not a professional investor. The Client also understands that he is not required by any law to sign these authorities.

2. RISK OF TRADING GROWTH ENTERPRISE MARKET STOCKS

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.

The Client 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.

Current information on GEM stocks may only be found on the internet website operated by the Stock Exchange. GEM Companies are usually not required to issue paid announcements in gazetted newspapers.

The Client should seek independent professional advice if the Client is uncertain of or has not understood any aspect of this risk disclosure statement or the nature and risks involved in trading of GEM stocks.

3. RISK OF TRADING NASDAQ-AMEX SECURITIES AT THE STOCK EXCHANGE

The Securities under the Nasdaq-Amex Pilot Program ("PP") are aimed at sophisticated investors. The Client should consult a licensed or registered person and become familiarised with the PP before trading in the PP Securities. The Client should be aware that the PP Securities are not regulated as a primary or secondary listing on the Main Board or GEM of the Stock Exchange.

4. RISK RELATING TO TRADING IN US EXCHANGE-LISTED OR OVER-THE-COUNTER (OTC) SECURITIES OR DERIVATIVES

The Client 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 the Client's 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.

Whether the Client are intending to trade in US exchange-listed securities, OTC securities or derivatives, the Client 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. The Client 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, the Client 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.

PART B – RISK DISCLOSURE STATEMENTS FOR MARGIN ACCOUNT

1. RISK OF MARGIN TRADING

The risk of loss in financing a transaction by deposit of collateral is significant. The Client may sustain losses in excess of the Client's cash and any other assets deposited as collateral with the relevant member of the Midas Securities Limited. Market conditions may make it impossible to execute contingent orders, such as "stop-loss" or "stop-limit" orders. The Client 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, the Client's collateral may be liquidated without the Client's consent. Moreover, the Client will remain liable for any resulting deficit in the Client's account and interest charged on the Client's account. The Client should therefore carefully consider whether such a financing arrangement is suitable in light of the Client's own financial position and investment objectives.

2. RISK OF PROVIDING AN AUTHORITY TO REPLEDGE YOUR SECURITIES COLLATERAL ETC.

There is risk if the Client provides any member of the Midas Securities Limited with an authority that allows it to apply the Client's Securities or Securities collateral pursuant to a Securities borrowing and lending agreement, repledge the Client's Securities collateral for financial accommodation or deposit the Client's Securities collateral as collateral for the discharge and satisfaction of its settlement obligations and liabilities.

If the Client's Securities or Securities collateral are received or held by the Midas Securities Limited in Hong Kong, the above arrangement is allowed only if the Client consents in writing. Moreover, unless the Client is a professional investor, the Client's authority must specify the period for which it is current and be limited to not more than twelve (12) months. If the Client is a professional investor, these restrictions do not apply.

Additionally, the Client's authority may be deemed to be renewed (i.e. without the Client's written consent) if the Midas Securities Limited issues the Client a reminder at least fourteen (14) business days prior to the expiry of the authority, and the Client does not object to such deemed renewal before the expiry date of the Client's then existing authority.

The Client is not required by any law to sign these authorities. But an authority may be required by the Midas Securities Limited, for example, to facilitate margin lending to the Client or to allow the Client's Securities or Securities collateral to be lent to or deposited as collateral with third parties. The Midas Securities Limited should explain to the Client the purposes for which one of these authorities is to be used.

If the Client signs one of these authorities and the Client's Securities or Securities collateral are lent to or deposited with third parties, those

third parties will have a lien or charge on the Client' Securities or Securities collateral. Although the Midas Securities Limited is responsible to the Client for the Client's Securities or Securities collateral lent or deposited under the Client's authority, a default by it could result in the loss of the Client's Securities and Securities collateral.

A Custodian Account not involving Securities borrowing and lending is available from the Midas Securities Limited. If the Client does not require margin facilities or does not wish the Client's Securities or Securities collateral to be lent or pledged, the Client should not sign the above authorities and ask to open this type of Custodian Account.

PART C – RISK DISCLOSURE STATEMENTS FOR ALL TYPES OF ACCOUNTS

1. RISK OF PROVIDING AN AUTHORITY TO HOLD MAIL OR TO DIRECT MAIL TO THIRD PARTIES

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

2. RISKS OF CLIENT ASSETS RECEIVED OR HELD OUTSIDE HONG KONG

Client assets received or held by the Midas Securities Limited 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 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. WARNING STATEMENT ABOUT COMPLEX PRODUCT

If Client is trading a complex product, Client must read the following warning statement for complex products before trading:

1. Client should exercise caution in relation to the complex products.
2. Client is required to read and understand the all relevant product offering documents and understand the product features and risks of the complex products before making investment decisions.
3. Client of complex products should note that investment involves risks including the possibility of losing all the capital invested or more than the invested amount (if applicable).
4. Client is advised to exercise caution in relation to the offer if the offering documents or information provided by the issuer have not been reviewed by the SFC.
5. For complex products described as having been authorized by the SFC, Client should understand that such authorization is not an official recommendation or that SFC authorization is not a recommendation or endorsement of a product nor does it guarantee the commercial merits of a product and its performance.
6. Prices of complex products may fluctuate and past performance is not indicative of future performance. Investors should read the relevant offering documents and risks disclosure statements in detail before making any investment decisions.
7. For those complex products which are only available to professional investors (PI), please note that the eligible client must be a PI.

Complex Product: Including but not limited to derivative warrant, callable bull/bear contract, exchange traded fund, equity linked instrument/equity linked note, leveraged and inverse product, futures, stock option, other derivative products traded on an exchange in Hong Kong or in a specified jurisdiction, etc.

For list of specified jurisdictions, please refer to SFC website:
https://www.sfc.hk/web/EN/rules-and-standards/suitability-requirement/non-complex-and-complex-products/list-of-specified-jurisdictions.html

For list of publicly offered investment products, please refer to SFC website:
https://www.sfc.hk/web/EN/regulatory-functions/products/list-of-publicly-offered-investment-products/

SECTION VII – PERSONAL DATA PRIVACY

Words and expressions defined in the Section headed General Terms and Conditions of these Terms shall, except as otherwise re-defined herein or unless there is something in the subject or context inconsistent therewith, have the same meanings when used in this Section.

Privacy Policy and Personal Information Collection Statement

Last Update: 17th March, 2017

This Statement is, except where separate and distinctive statements are provided, applicable to Midas Securities Limited, including but not limited to Midas Securities Limited's subsidiaries, fellow subsidiaries or affiliates. Accordingly, references to "we", "us", or "our company" shall mean, as the case may be, the relevant companies mentioned above. This Statement is applicable to and is contained in all our websites, including but not limited to our websites at www.midas.com.hk.

Please note that this Statement may be amended from time to time without prior notice. You are advised that you need to check the latest version on our websites on a regular basis, where should you need any assistance and/or support, please be advised to contact our Customer Service Hotline at 2527 6966. If there is any inconsistency or conflict between the English and Chinese versions of this Statement, the English version shall prevail.

I. Privacy Policy Statement

Our Pledge

We are committed to safeguarding the privacy of individuals with respect to your personal data. We assure that our policies and practices, and those adopted by our affiliated and/or associated companies and agents in relation to the collection, use, retention, disclosure, transfer, security and access of your personal data comply with the requirements of the Personal Data (Privacy) Ordinance (Chapter 486) (the "Ordinance") under the laws of Hong Kong, as well as the relevant code of practice and guidance issued by the Office of the Privacy Commissioner for Personal Data, Hong Kong. The meaning of the term "personal data" adopted in this Statement is defined in the Ordinance.

Where our operations are subject to privacy legislation other than that of Hong Kong (such as due to our carrying out of operational functions outside of Hong Kong), this Statement shall apply so far as it is consistent with such local legislation.

Collection of Personal Data

At times, you may be required to give your personal data and/or survey data including, but not limited to, your name, gender, age, date of birth, identity document number and/or its copy, telephone number, fax number, home address and/or its proof, email address, credit card information, bank account number and etc. Whilst some of the above requested data are optional (and the furnishing of which are subject to your voluntary choice), the refusal to provide certain requested data may render us unable to handle any application, or may deny you access to certain parts of our websites, or may otherwise defeat the objectives of your visit. If you are under the age of 18, consent from your parent or guardian is required before you give us any personal data and/or survey data.

When you provide us your personal data and/or survey data, they would be deemed to be correct, complete and not misleading. We shall not be liable for any losses or damages in relation to or arising from the incorrectness or incompleteness of the personal data and/or survey data provided by you to us from time to time.

Information relating to your use, purchase or order of our services and/or products, such as call/connection time, duration, origin and destination, may be automatically collected for our accurate reporting and administration of your accounts.

Some of our websites may disclose non-personally identifiable aggregate statistics relating to our visitors to advertisers. Some of our websites may collect aggregate information about our visitors, e.g. statistics on the number of visits. This type of data may include, but is not limited to, the browser type and version, operating system, IP address and/or domain name.

Cookies used (if any) in any part of our websites will not be deployed for collecting personal data. For your information, Cookies are small computer files that can be stored in web surfers' computers for the purposes of obtaining configuration information and analysing web surfers' viewing habits. They can save you from registering again when re-visiting a website and are commonly used to track your preferences in relation to the subject matter of the website. You may refuse to accept Cookies by modifying the relevant Internet options or browsing preferences of your computer system, but to do so you may not be able to utilise or activate certain available functions in our websites. Our websites may bar users who do not accept Cookies.

SECTION VII – PERSONAL DATA PRIVACY

Calls between you and our managers/officers/staff/agents/representatives (including our Customer Service) may be recorded for, including but not limited to, regulatory compliance, audit compliance, staff training, service quality control and contractual clarification purposes.

Accuracy of Personal Data

Your application for the use, purchase, subscription or order of any of our services and/or products may be subject to, including but not limited to, credit assessments, verification of your personal details and etc. If we regard results of such checking as unsatisfactory, we will not enter into any agreements, arrangements or engagements with you. In some instances, data provided by you will be validated by using generally accepted practice or against our pre-existing data, or we may require you to show the original documentation before the data may be used, such as personal identifiers and/or proof of address.

Use of Personal Data Collected

Specific purposes for which your personal data may be used are set out in our "Personal Information Collection Statement" set out in Part II below (particularly those contained in points 1. through to 8. in the first paragraph of Part II below).

Data Access and Correction

Under the Ordinance, you have the right to:

1. Check whether we hold any of your personal data;

2. Access your personal data held by us;

3. Request us to correct any inaccurate personal data held by us; and

4. Ascertain our policies and practices established (from time to time) in relation to personal data and the types of personal data held by us.

If you want to access and/or correct your personal data which you have given us via application form, internet or other means, or if you want to ascertain our policies and practices in relation to personal data and the kind of your personal data held by us, please contact our Data Protection Officer in writing, we will respond within 40 days after receiving the request. We may charge you a reasonable fee for each personal data access. However, such fee will be waived if the data access is made for the purpose of correcting your personal data.

Security of Personal Data

We use various encryption techniques to transmit via the Internet your personal data, which can only be accessed by our authorised personnel. Given the operational nature of the Internet, we cannot guarantee that the transmission is 100% secure. Please, however, refer to our "Security Statement" in Part III below for details on the steps that we have taken to ensure that any personal data collected by us via our websites is safe and secure to avoid third party's unauthorised interference.

Internal Guidelines on Record Retention and Access to Personal Data

Our staff are required to strictly adhere to our Internal Guidelines on Record Retention and Access to Personal Data. Physical records containing personal data are securely stored in locked areas when not in use. Access to such physical and/or computer records is strictly controlled and requires management approval for each access. Approvals for access to customers' personal data are granted only on a "need to know" basis. Where we retain, use and/or transmit customers 'personal data, we have put in place adequate measures to protect it from accidental and/or unauthorised disclosure, modifications, loss and/or destruction.

Retention of Personal Data

If you are a customer of ours, your personal data which you have given us via application form, internet or other means, during the subscription period of our services and/or products will be retained for a reasonable period after termination of your subscription. We will erase any unnecessary personal data from our system in accordance with our internal policy.

SECTION VII – PERSONAL DATA PRIVACY

On-line Services

We may promote on-line stores or service providers or product providers operated by third party merchants on our website. If you want to use or order any services and/or products from them, please note that once the information that you provided is transferred to the relevant merchant, it will be beyond our control and thus outside the scope of protection afforded by us.

II. Personal Information Collection Statement

As a customer of our company, or a visitor or user of our websites, it may be necessary for you to provide us with your personal data when you apply to us and/or continue to subscribe with us for any services and/or products. If your personal data is incomplete or incorrect, we may not be able to provide or continue to provide the services and/or products to you. We shall keep your personal data confidential at all times. Our policies and practices with respect to the collection, use, retention, disclosure, transfer, security and access of personal data will be in accordance with requirements under the Ordinance and this Statement. We may use the personal data provided by you for the following purposes and for other purposes as shall be agreed between you and us or required by law from time to time:

1. Processing of your application for the use, purchase, subscription or order of any services and/or products, and provisioning of the services and/or products, service your account and/or carry out your instruction;

2. Subject to your consent, we may use your personal data (which may include name, gender, telephone number, fax number, postal address, email address and/or month and year of birth) for marketing the services and/or products (restricted to insurance, reinsurance, banking, mortgage referral, credit card, property development, retailing, securities and investment (inclusive of, inter alia, securities brokerage/advisory, assets management, corporate finance and etc.), telecommunications, third party reward, loyalty and privilege programme, co-branding, finance, education, media, entertainment and leisure, health and beauty, apparel, jewelry, electrical and electronic products, hotels and travelling, restaurant and catering, logistic and transport, real estate agency, commercial factoring, concierge and social network services) (irrespective of whether we are remunerated for such marketing activities) relating to us, our affiliated and/or associated companies and business partners. We may dispatch to you the promotional information via direct marketing telephone calls, e-mail, e-message[1], facsimile, direct mailings etc. We will enquire your preference on nature of services and/or products before we provide you with the direct marketing promotional materials.

3. Processing of any benefits for you arising out the services and/or products;

4. Analysing, verifying and/or checking of your credit, payment and/or account status in relation to the provision of the services and/or products and conduct credit enquiries/checks on you;

5. Processing of any payment instructions, direct debit facilities and/or credit facilities requested by you;

6. Facilitating the daily operation of your account, provisioning of customer services and/or the collection of overdue amounts in your account in relation to the services and/or products;

7. Enabling us to conform with other industry practices, or to comply with any requests stipulated by governmental or regulatory authorities; and

8. Enabling us in prevention of crime.

[1] E-message means electronic messages delivered via the following means: mobile short messaging service (SMS) / multimedia messaging services (MMS) / cross-platform mobile messaging application (e.g. smartphone messaging application).

We may disclose and transfer (whether in Hong Kong or overseas) your personal data to the following parties to use, disclose, process or retain such personal data for the purposes mentioned above:

1. Our agents and contractors (including IT, network, customer service, sales agents, mailing houses, telecommunication service providers, telemarketing and direct sales agents, call centers, administrative service providers, financial service providers, payment or security clearing service providers, professional and other services providers, data processing service providers, third party reward, loyalty and privilege programme providers, co-branding partners and contractors), telecommunications operators, and service providers for the provision of our services and/or products;

2. Our affiliated and/or associated companies and business partners;

3. Banks, financial institutions, credit providers, any nominees in whose name(s) any securities/assets may be registered and any person(s) with whom we have entered into or propose to enter into transactions on your behalf or account, or persons representing the same;

4. Debt collection agencies, credit reference agencies and security agencies;

5. Regulatory bodies, law enforcement agencies and courts;

6. Our professional advisers, and any other persons under a duty of confidentiality to us; and

7. Any of our actual or proposed assignees, successors or transferees of our rights with respect to you.

In addition, in accordance with your agreement with us or consent given to us (as the case may be), we may disclose and transfer your personal data (whether in Hong Kong or overseas) to our affiliated and/or associated companies and/or business partners for the purposes of carrying out market research and credit assessments and ensuring such personal data provided by you to us fulfills the aforesaid or other purposes as shall be agreed between you and us or as required by law from time to time.

If you do not wish to receive direct marketing promotional information from us with respect to the services and/or products we provide and/or other categories of services and/or products mentioned above, or do not wish us to disclose, transfer or use your personal data for the aforesaid direct marketing purposes, please send your marketing message opt-out request to us via settlement@midas.com.hk or by post to 1705, 17/F Jubilee Centre, 18 Fenwick Street, Wan Chai or contact our Customer Service hotline at 2527 6966.

III. Enquiries

Should you have any enquiries concerning this Statement, please feel free to contact our Data Protection Officer in writing at:

Data Protection Officer
1705, 17/F Jubilee Centre, 18 Fenwick Street, Wan Chai, Hong Kong

SECTION VIII – TERMS AND CONDITIONS OF INDEMNITY FOR DERIVATIVE

Words and expressions defined in the Section headed General Terms and Conditions of these Terms shall, except as otherwise re-defined herein or unless there is something in the subject or context inconsistent therewith, have the same meanings when used in this Section.

In consideration of Midas Securities Limited, as the Client's agent from time to time purchasing and selling derivative products ("**derivative transaction**"), and including without limitation equity-linked notes, credit-linked notes, swaps, currencies, over-the-counter transactions, capital guarantee notes and convertible bonds on the Client's behalf at the Client's request, the Client acknowledges and agrees that:

1. For all derivative transactions which Midas Securities Limited may from time to time on the Client's behalf enter into, Midas Securities Limited act as agent on the Client's behalf, notwithstanding that the issuer ("**Issuer**") and/or guarantor of the relevant derivative product will or may look to Midas Securities Limited as though Midas Securities Limited were acting in the capacity of a principal, and that Midas Securities Limited shall not be liable to the Client in respect of any default or breach committed by the Issuer and/or the guarantor.

2. The Client shall indemnify and hold harmless Midas Securities Limited and all of its staff for all costs, expenses, claims or losses incurred by Midas Securities Limited or any of its staff by reason of entering into derivative transactions on the Client behalf including, without limitation, by reason of any default or breach on the part of the Issuer and/or the Guarantor.

3. The Client hereby warrants, represents and undertakes to Midas Securities Limited that:

   (a) the Client has read and understood the general terms and conditions relating to derivative products;

   (b) the Client is acting on its own account and the Client has made an independent decision to purchase and/or sell derivative products;

   (c) Midas Securities Limited shall be under no liability whatsoever in respect of any information or suggestion rendered by any of its directors, officers, employees or agents in relation to the Client's purchase and/or sale of derivative products irrespective of whether or not such suggestion was given at the Client's request, save that Midas Securities Limited would ensure the suitability of any recommendation or solicitation for that Client is reasonable;

   (d) the Client is capable of assessing and understanding the merits of and risks in and the terms and conditions of executing derivative transactions (irrespective of whether or not the Client has obtained prior independent professional advice);

   (e) the Client assumes and is capable of assuming the risks in dealing with derivative products; and

   (f) no communication either made in writing or orally between Midas Securities Limited and the Client shall constitute any assurance, warranty or guarantee, and Midas Securities Limited and its staff shall not be liable for and the Client will not commence any action against Midas Securities Limited or its staff in connection with any such communication.

4. If the Client comprises two or more persons, such persons shall be jointly and severally liable.

5. The Client should exercise caution in relation to derivative product(s) that are considered complex products as defined under SFC's "Guidelines on Online Distribution and Advisory Platforms" and the Client should exercise caution in relation to such complex products, understand the key nature, features and the risk of the complex products.

6. The Client understood that those complex products which are only available to professional investor ("PI") and only provide to the Client who is qualified as a PI.

SECTION IX – PILOT PROGRAMME FOR TRADING US SECURITIES

Words and expressions defined in the Section headed General Terms and Conditions of these Terms shall, except as otherwise re-defined herein or unless there is something in the subject or context inconsistent therewith, have the same meanings when used in this Section.

Informational Documentation for Clients of Exchange Participants

The material contained herein is for general information and investors should only consider participating in the Pilot Programme if they have sufficient means and resources to acquire and understand the relevant product and market information regarding the Programme which is published on or distributed via the Internet in English.

1. RODUCTION

The Stock Exchange of Hong Kong (the Exchange) is introducing a special arrangement for the trading of global Securities in Hong Kong (HK) called the Pilot Programme (PP). Initially, a small number of large established Securities with track record listed on the National Association of Securities Dealers Automatic Quotations (Nasdaq) and the American Stock Exchange (Amex) are to be quoted on the Exchange under this arrangement.

The PP Securities are aimed at sophisticated investors. You should consult your broker and become familiarised with the PP before trading in the PP Securities.

2. MAIN CHARACTERISTICS OF PILOT PROGRAMME SECURITIES

- Listed on Nasdaq or AMEX;
- May also include a number of exchange traded funds (ETFs);
- Are not regulated as a primary or secondary listing on the Exchange's Main Board or GEM;
- They are admitted into the Exchange for trading only;
- Trading on the Exchange is regulated by HK law and Exchange rules and in particular, the Securities are subject to the market misconduct provisions of the Securities and Futures Ordinance;
- In general, suspension and resumption of trading on PP Securities will follow that of the home market but the Hong Kong Securities and Futures Commission (SFC) and the Exchange retain the right to suspend, halt trading and remove any security from trading;
- There will be no public offering of PP Securities in HK;
- For a full list of the PP Securities, you are advised to refer to the Exchange's website (http://www.hkex.com.hk).

3. TRADING AND SETTLEMENT ARRANGEMENT

- Trading currency - In HK, these Securities are traded and settled in HK or US dollars although they are traded and settled in US dollars in the US.
- Stock codes - To differentiate the PP Securities from other Securities in the Exchange's Main Board and GEM, the stock codes of these Securities are within the 4331 to 4430 range.
- Board lots - The Securities are traded in board lots ranging from ten to one hundred shares per board lot depending on the price of the Securities at the time of admission to trading. You can access the Exchange's website for information on board lot sizes when the Securities commence trading in HK.
- Trading spread - The trading spread follows those of HK Securities and you can refer to the Second Schedule of the Rules of the Exchange or the Exchange's website for details.
- Short selling - Securities under PP are eligible for short selling with the tick rule.
- Settlement - These Securities follow the standard T+2 settlement period by Continuous Net Settlement in CCASS, the central clearing and settlement system operated by Hong Kong Securities Clearing Company Limited (HKSCC), for trades concluded on the Exchange. You should note that the US settlement period is T+3.
- CCASS rules - All CCASS rules for clearing, settlement, custodian and nominee services apply to the PP Securities.
- Trading mechanism - As with HK Securities, the PP Securities are traded through the Exchange's Automatic Order Matching and Execution System (AMS) under an order-driven and auto matching mechanism. Designated market makers for PP Securities may participate in AMS to provide two-way prices on the AMS order book. Market making is continuous and competitive.
- Trading by overseas investors - Overseas investors should note and comply with the applicable regulatory restrictions in their country of domicile governing purchases or sale of overseas Securities prior to trading the PP Securities on the Exchange.

4. INFORMATION DISSEMINATION AND DISCLOSURE OF FINANCIAL INFORMATION

You are advised to obtain information on filings relating to the PP issuers from multiple sources as the information / filings are delivered on a best endeavor basis. The following are, among others, information channels for the PP Securities:

Issuers' disclosure

- Issuers'websites, Nasdaq's website (www.nasdaq.com), Amex's website (www.amex.com) and other third party websites which may or may not be hyperlinked from the Exchange's website;
- EDGAR, the Electronic Data Gathering, Analysis and Retrieval system website (www.sec.gov), which contains all US issuers' filings to the US Securities and Exchange Commission.

Note: You should note that like its US counterpart, the Exchange is not in a position to verify the accuracy of the information disclosed. In addition, third party reports and analysis reflect the views of their authors or commentators.

Trading data of PP Securities in HK

- Market prices and turnover of the PP Securities traded on the Exchange can be accessed through brokers, newspapers and information service providers similar to that of HK Securities.
- PP Securities' US market data are available on the Nasdaq or Amex website.
- PP Securities' US market closing prices and turnovers are disseminated by the Exchange to Exchange Participants and information vendors.

5. SHARE REGISTRATION AND OTHER SERVICES

In some areas, share registration and related services are substantially different from those of other Securities. The following are noteworthy:

- Securities of the PP issuers quoted in HK are fungible to those in the US and shareholders can transfer their Securities in the US for sale in HK and vice versa.
- PP issuers do not have to appoint any share registrar in HK and all Securities in HK are held under HKSCC's account with US Depository Trust Co. (DTC). Owners of these Securities in HK are not registered shareholders but have beneficial interest in the Securities.
- All owners of the Securities may request issuance of physical scrip, if available, indirectly through HKSCC. The issuance process normally takes much longer time than for HK Securities. In addition, HKSCC does not offer deposit service for these Securities and physical scrips can only be deposited through brokers offering such services.
- Similar to HK Securities, odd lots may be created during corporate action on share splitting or consolidations.
- Beneficial owners of the Securities held under HKSCC participants can collect their dividends, if any, in either HK or US dollars, at their option. However, for dividend collection, HKSCC may require the shareholders to declare whether they are US taxpayers, for reporting to the US authorities.
- As the Exchange is not providing trading counters for warrants, rights or debt issues of the Securities quoted under PP, beneficial owners of these additional Securities, if declared by the issuer, may transfer them to brokers or custodians who are DTC participants or to sell or redeem the Securities in the US market on their behalf as part of HKSCC's nominee service.

6. FEES AND CHARGES

The following table illustrates the particulars on fees and charges relating to the PP Securities. For the latest HKSCC fees and charges, please refer to the Exchange's website (http://www.hkex.com.hk).

Summary of transaction costs	
Transaction levy	The same as for HK Securities
Stamp duty	Not applicable
Withholding tax	Will be collected by HKSCC's agent in the US on dividends paid on PP Securities held under HKSCC. Refund of the withholding tax may be a complex and time-consuming process. Upon request, HKSCC will issue a confirmation to investors who have an Investor Participant Account with HKSCC of the net amount of dividends paid (i.e after netting off the withholding tax) with respect to their holdings in the relevant Securities as at the entitlement record date. For other investors, they should approach the Broker or custodians, who will request and obtain the confirmation from HKSCC on their behalf.
Capital gains tax	Apply to US taxpayers who are beneficial owners of US Securities (including the PP Securities) but not to non-US taxpayers.
Summary on tariff for Pilot Programme Securities Standard CCASS tariff applies except for the following, which will be charged to cover the fees payable to DTC and CCASS processing costs.	
Stock maintenance fee	Monthly charge of $0.25 per 100 shares, or fewer. The fee is calculated on the daily average stock balance of PP Securities in stock accounts of each Participant for the month and is payable monthly. No stock custody fee will be charged.
Stock withdrawal fee	$600 per instruction plus out-of-pocket expenses incurred by HKSCC. The fee also applies to the withdrawal of Securities entitlements accruing from PP Securities which are not eligible Securities.
Handling fee for warrant conversions, voluntary takeovers, tender offers, or open offers	$600 per instruction plus out-of-pocket expenses incurred by HKSCC
Cross-border transfer fee for receipts / deliveries of PP Securities *	$200 per receipt / delivery instruction plus out-of-pocket expenses charged to HKSCC by DTC in which the Securities are transferred to or from HKSCC. In addition, HK shareholders may be charged a fee by their appointed agents / brokers offering this service in HK and in the US.

* The Cross-border transfer fee will be charged for the transfer of Securities between DTC and CCASS only. This fee will not be charged on the settlement of trades concluded in HK.

7. FURTHER INFORMATION

For further information on the Pilot Programme, please contact your broker:

SECTION X – CID and BCAN

Midas Securities Limited (the "Broker") may collect, store, process, use, disclose and transfer personal data relating to the Client (including the Client's CID and BCAN (s)) as required for the Broker to provide services to the Client in relation to securities listed or traded on the Stock Exchange of Hong Kong (SEHK) and for complying with the rules and requirements of SEHK and the Securities and Futures Commission (SFC) in effect from time to time. Without limiting the foregoing, this includes:

(a) disclosing and transferring the Client's personal data (including CID and BCAN (s)) to SEHK and / or the SFC in accordance with the rules and requirements of SEHK and the SFC in effect from time to time;

(b) allowing SEHK to : (i) collect, store, process and use the Client's personal data (including CID and BCAN (s)) for market surveillance and monitoring purposes and enforcement of the Rules of the Exchange of SEHK ; and (ii) disclose and transfer such information to the relevant regulators and law enforcement agencies in Hong Kong (including, but not limited to, the SFC) so as to facilitate the performance of their statutory functions with respect to the Hong Kong financial markets ; and (iii) use such information for conducting analysis for the purposes of market oversight ; and

(c) allowing the SFC to: (i) collect, store, process and use the Client's personal data (including CID and BCAN (s)) for the performance of its statutory functions including monitoring, surveillance and enforcement functions with respect to the Hong Kong financial markets; and (ii) disclose and transfer such information to relevant regulators and law enforcement agencies in Hong Kong in accordance with applicable laws or regulatory requirements.

The Client also agree that despite any subsequent purported withdrawal of consent by the Client, the Client's personal data may continue to be stored, processed, used, disclosed or transferred for the above purposes after such purported, withdrawal of consent. Failure to provide the Broker with the Client's personal data or consent as described above may mean that the Broker will not, or will no longer be able to, as the case may be, carry out the Client's trading instructions or provide the Client with securities related services (other than to sell, transfer out or withdraw the Client's existing holdings of securities, if any).

Note: The terms " BCAN " and " CID " used in this clause shall bear the meanings as defined in paragraph 5.6 of the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission.