



China Renaissance Securities (Hong Kong) Limited
Unit 8107-08, Level 81, International Commerce
Centre, Austin Road West 1, Kowloon, Hong Kong
Tel: +852 2287 1600
Fax: +852 2287 1699

China Renaissance Securities (Hong Kong) Limited
(“CRSHK”)

Terms and conditions for electronic trading services

Terms and Conditions for Electronic Trading Services

CHINA RENAISSANCE SECURITIES (HONG KONG) LIMITED (“**CRSHK**”) of Units 8107-08, Level 81, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong has developed the CRSHK System which will allow any client requested and approved for Direct Market Access (DMA) services (the “**User**”) to access, directly or indirectly via CRSHK and/or its affiliate to submit Orders relating to the sale and/or purchase of Securities, to the relevant exchange on the basis that each Transaction is or will be governed by these Terms and Conditions which include any Annex hereto and any other terms and conditions applicable to the services provided by CRSHK and/or its affiliates to the User (where applicable) (the “**Other Terms and Conditions**”).

1. Definitions

In these Terms and Conditions, the following words and expressions shall have the meanings set out hereunder unless the context otherwise requires:-

Applicable Laws includes, but is not limited to, any rules, regulations, orders, decisions, procedures and other requirements whatsoever whether having legal force or otherwise of any applicable regulatory body, exchange, clearing house, governmental or other authority to which a party or the execution and/or clearing of any transactions is subject;

CRSHK System means the electronic order management system, which is either a CRSHK proprietary or vendor provided electronic front-end trading interface and certain telecommunications systems, using CRSHK's connectivity to the relevant exchanges and certain of CRSHK's proprietary or vendor licensed software;

Loss means any and all loss, damage, costs, charges and/or expenses of whatsoever nature and howsoever arising, including legal fees on a full indemnity basis, cost of funding and loss or cost incurred by either CRSHK or the User (including, but not limited to, any member of the China Renaissance Group) as a result of the terminating, liquidating or re-establishing of any hedge or related trading position;

Receipt Acknowledgement means an electronic message automatically forwarded to the User by CRSHK acknowledging receipt by CRSHK of an Order;

Securities means the securities listed and traded on the relevant exchange which the User is accessing through the CRSHK System and includes, but is not limited to, equity, debt, warrants and options;

Transaction means any transaction in any Securities as may be permitted by CRSHK.

2. General Conditions

2.1 CRSHK hereby grants the User a limited non-exclusive, non-transferable right to access, directly or indirectly via CRSHK and/or its affiliate, the CRSHK System to submit orders to a

relevant exchange (the "**Orders**"), subject to these Terms and Conditions.

- 2.2 The User's use of the CRSHK System is an automatic and irrevocable confirmation by the User that all of the User's Orders are duly authorized and in accordance with the Applicable Laws. CRSHK is not bound to enquire into the placement of any Order or its terms.
- 2.3 The User acknowledges and agrees that the CRSHK System has not been designed, installed or developed for the User's specific individual needs and has been selected and is used by the User at its risk and that CRSHK, unless it has agreed otherwise in writing, bears no responsibility whatsoever for the User's choice or use.
- 2.4 The User acknowledges that the CRSHK System may not be available at certain times and that CRSHK and/or its affiliates may, in their absolute discretion, periodically shut down the CRSHK System and interrupt any automatic functions for reasons including but not limited to system and software maintenance, seasonal holidays and any other events which they consider require suspension of the CRSHK System. CRSHK may, at any time without notice to the User:-
- (a) limit, suspend or terminate the CRSHK System; and/or
 - (b) revoke or suspend the User's access to and use of the CRSHK System.
- 2.5 The User's relationship with CRSHK pursuant to these Terms and Conditions is limited to the access to and use by the User of the CRSHK System, and the User shall be responsible for compliance with the Applicable Laws.
- 2.6 The User shall, at all times, ensure that the integrity and security of the CRSHK System is preserved and maintained.

3 Term and Termination

- 3.1 Either CRSHK or the User shall be entitled to terminate these Terms and Conditions upon thirty (30) days' prior written notice to the other party, except that CRSHK reserves the right to suspend the User's use of the CRSHK System or immediately terminate these Terms and Conditions at any time.
- 3.2 For the avoidance of doubt, termination of these Terms and Conditions shall not affect the rights and liabilities of the parties that have accrued prior to such termination.
- 3.3 Clauses 10, 11 and 12 shall survive termination of these Terms and Conditions.

4 Orders

- 4.1 All Orders placed through the CRSHK System are at the User's risk.

- 4.2 CRSHK may pass Orders to any of its affiliates for execution and settlement and these Terms and Conditions shall apply to all Transactions entered into by the User via the CRSHK System with any such affiliate.
- 4.3 A Receipt Acknowledgement shall be sent electronically to the User for each Order submitted by the User through the CRSHK System. The CRSHK System shall only be deemed to have received any Order when a Receipt Acknowledgement has been sent in respect of that Order.
- 4.4 The User acknowledges and agrees that the CRSHK System may reject any Order without having to provide a reason. Such rejection shall be notified to the User automatically provided that failure to notify shall not prejudice the effectiveness of any rejection.
- 4.5 It is the User's responsibility to ensure that an Order has been duly transmitted, received and processed.
- 4.6 The User acknowledges that, for the purposes of determining whether to allow an Order to be routed through to the relevant exchange for execution, CRSHK may conduct a systemic review of the Order. Accordingly, any such Order that is cleared to be passed through to the relevant exchange for execution may therefore be delayed.
- 4.7 The User may give CRSHK an Order to cancel or vary a previous Order by submitting a message via FIX to CRSHK's system, or by contacting the CRSHK System support, provided that CRSHK shall have no liability to the User if the Order was not cancelled or varied notwithstanding CRSHK's receipt of such an Order.
- 4.8 The User acknowledges that CRSHK shall implement a limit-checking engine within the CRSHK System which shall only accept for execution those Orders that are within certain specified parameters set by CRSHK. CRSHK may change such limit/parameters from time to time at its discretion and it will notify the User of such change as soon as practicable thereafter.

5 Commission

The User shall promptly pay all of CRSHK's fees and/or other charges at such rates and in such manner as shall be mutually determined from time to time.

6 Trading Restrictions and Conditions

- 6.1 The User's Orders will be subject to trading restrictions and conditions that CRSHK may establish, revise and communicate to the User from time to time.
- 6.2 Whenever the User transacts in Hong Kong securities, Annex 1 shall strictly apply.
- 6.3 For the avoidance of doubt, the User agrees that any Order which amounts to a short sale in any jurisdiction shall be clearly identified as such to CRSHK at the time of placing such Order.

6.4 The foregoing trading restrictions and conditions are not exhaustive.

7 **Authorised Persons**

7.1 The User shall limit access to CRSHK System to those authorised persons for whom such access is necessary to perform their duties as an officer or employee of the User (the “**Authorised Persons**”). The User shall be responsible for the actions of any persons authorised or unauthorised, who gain access to the CRSHK System through the User.

7.2 CRSHK shall not be liable for inappropriate security, if any, of any network services through which the User may access the CRSHK System, or for any unauthorised use of the CRSHK System by the User or any of the User’s directors, officers, employees, contractors or agents.

8 **Representations, Warranties and Undertakings**

8.1 The User represents and warrants to CRSHK as follows:-

- (a) that these Terms and Conditions are legal, valid and binding obligations of the User, enforceable against the User;
- (b) that it has all authorisations, consents, licences or approvals (whether under the Applicable Laws or otherwise) required to accept and agree these Terms and Conditions, to access and use the CRSHK System, and to give CRSHK Orders;
- (c) that any Orders placed are solely and exclusively based on its own judgment and after its own independent appraisal and investigation into the risks associated with such Orders or dealings;
- (d) that any person(s) empowered to act on the User’s behalf have been duly authorised;
- (e) the User has complied with all Applicable Laws in relation to its choice and use of the CRSHK System and that each of the Authorised Persons is familiar with, understands, and will keep themselves updated on the Applicable Laws;
- (f) that it has read and familiarised itself, as appropriate, with the rules of all relevant exchanges;
- (g) that it and its Authorised Persons understand the importance of safety precautions needed to be taken in using the CRSHK System; and
- (h) that it has in place adequate arrangements to monitor Orders entered through the CRSHK System.

8.2 The above representations, warranties, agreement and undertakings shall be deemed repeated whenever the User transmits Orders using the CRSHK System.

9 Notice by the User

The User shall notify CRSHK immediately upon its becoming aware of either of the following:-

- (a) any unauthorised use of the CRSHK System; or
- (b) any failure by the User to receive a Receipt Acknowledgement, statement, confirmation, advice and/or other appropriate response in the ordinary course of business that any Order has been received and/or executed or if the User receives a Receipt Acknowledgement, statement, confirmation, advice and/or response relating to an Order which the User did not place.

10 Confidentiality

10.1 Both parties undertake not to disclose to any person or persons any confidential information and/or documents of the other party that it may acquire in the course of its access and use of the CRSHK System; provided, however, that such confidential information may be disclosed (i) to the extent required by applicable law or regulation, or (ii) to the extent reasonably required for the performance of its obligations under these Terms and Conditions, or (iii) pursuant to a subpoena or order of a court or regulatory, self-regulatory or legislative body of competent jurisdiction or (iv) in connection with any regulatory report, audit or inquiry, or (v) where requested by a regulator with jurisdiction over a party.

10.2 The restrictions set out in Clause 10.1 on both parties shall not apply to information or knowledge which:-

- (a) is publicly available or becomes publicly available through no act or omission or otherwise default of a party;
- (b) is previously known to the disclosing party (which must be demonstrable) without an obligation of confidentiality;
- (c) independently developed by the disclosing party outside of these Terms and Conditions; or
- (d) rightfully obtained by the disclosing party from third parties without an obligation of confidentiality.

11 Intellectual Property

The User accepts and acknowledges the fact that all intellectual property rights (whether by way of copyright or otherwise) in the CRSHK System vest solely in and shall remain the

exclusive property of CRSHK or the relevant third party. The User therefore agrees not to do anything that will violate or infringe the relevant party's intellectual property rights and shall take all necessary measures to preserve and protect these rights.

12 Warranty Disclaimer

The CRSHK System is provided on an "as is", "as available" basis. CRSHK and the China Renaissance Group make no warranty, guarantee or representation of any kind, express or implied, and to the extent permitted by the Applicable Laws, expressly disclaims all statutory or implied warranties in relation to the CRSHK System (and any results to be obtained from its use), including but not limited to warranties of satisfactory quality, quality or fitness for a particular purpose or use, accuracy, completeness, warranties arising from course of performance, course of dealing and usage of trade or their equivalents under the laws of any jurisdiction, and warranties that its functions will meet the User's requirements, that its operation will be timely, accessible, secure, complete, reliable, uninterrupted or error-free, or that it will be free of viruses or harmful components.

13 Regulatory Supervision

CRSHK shall have no liability, and shall not be responsible, for any prejudice, loss or inconvenience which the User may suffer as a result of any action by any regulatory body in the exercise of its regulatory or supervisory functions over CRSHK. The User shall permit CRSHK and/or any regulatory body to have access to such terminals, computer systems or equipment in respect of the CRSHK System as CRSHK and/or the regulatory body may request and the User shall co-operate in answering any of their queries and render all reasonable assistance to CRSHK and/or any regulatory body in relation to any aspect of the CRSHK System.

14 General Indemnity

The User agrees to indemnify CRSHK and each and every member of the CRSHK Group, and each of their respective employees and agents against any and all Loss arising against the indemnified persons as a result of any failure by the User to comply with these Terms and Conditions.

15 General Exclusion

In addition and without prejudice to any other right or remedy of CRSHK (at law or otherwise), so long as CRSHK acts in good faith, CRSHK shall not be liable to the User in any respect for any Loss suffered by the User. CRSHK shall only be liable to the User if CRSHK has been grossly negligent, fraudulent or in wilful default. Without prejudice to the generality of the foregoing, CRSHK shall not be liable to the User for any indirect or consequential Loss suffered by the User, including any anticipated profits or punitive damages.

16 General

- 16.1 Neither CRSHK nor the User may assign any right of, interest in, or obligation under these Terms and Conditions to any third party without the prior written consent of the other party.
- 16.2 These Terms and Conditions supplement and/or amend and are to be read together with the Other Terms and Conditions where applicable. In the event of any inconsistency between these Terms and Conditions and the Other Terms and Conditions, these Terms and Conditions shall prevail.
- 16.3 The User agrees and acknowledges that these Terms and Conditions shall be for the benefit of CRSHK and each and every member of the China Renaissance Group and can be enforced against the User by each of the members of the China Renaissance Group as if they were a party to these Terms and Conditions.
- 16.4 A person who is not a party to these Terms and Conditions has no right under the Contracts (Rights of Third Parties) Ordinance (Cap. 623 of the laws of Hong Kong, the “**Ordinance**”) to enforce any of the Terms and Conditions provided that this does not affect any right or remedy of a third party which exists or is available apart from that Ordinance.
- 16.5 These Terms and Conditions and the relationship between the User and CRSHK shall be governed by, and construed in accordance with, the laws of the Hong Kong Special Administrative Region (“**Hong Kong**”). The parties hereby irrevocably submit to the non-exclusive jurisdiction of the courts of Hong Kong.

ANNEX 1

CONDITIONS RELATING TO ORDERS INVOLVING HONG KONG SECURITIES

1. The User agrees it shall notify CRSHK, at the time of placing an Order, whether or not such Order amounts to a Short Selling Order (as defined in the Hong Kong Securities and Futures Ordinance, the “SFO”).
2. The User agrees that, in connection with any Order that amounts to a Short Selling Order, it shall provide confirmation to CRSHK that such Order amounts to covered Short Selling.

For the purposes of this Annex, “covered Short Selling” takes place where, at the time of placing an Order, the User does not own the Securities but has a presently exercisable and unconditional right to vest the Securities in the purchaser of them by virtue of having:-

- (a) under a securities borrowing or lending agreement, borrowed the securities or obtained a “hold notice” from a stocklender to borrow the amount of securities being sold; or
- (b) owned presently exercisable options, subscription rights, warrants, convertibles, exchangeable securities (such as ADRs and TraHK units) or similar rights to acquire the underlying Securities.

In relation to (b) above, where the User issued unconditional instructions to obtain the underlying Securities prior to placing the Order, the sale is a long sale rather than a covered Short Sale (unless at the time of the Order, the User’s right to deliver those Securities to the purchaser derives from a stock borrowing).

3. To comply with the above requirement, in respect of an order placed with us via FIX message, the User confirms that the following tags in FIX protocol functionality constitute written confirmation and assurance from the User, pursuant to sections 171 and 172 of the SFO, that an order is a Covered Short-selling Order:
 - (a) Tag 54 = “5” (indicating short sale); and
 - (b) Tag 114 = “N” (indicating covered).

Each time the User inputs “N” to set Tag 114 to “N” with an Order, the User hereby agrees and represents that it is providing the following assurance as a confirmation document to CRSHK and its affiliates:

“This confirmation relates to this order to sell. We (for ourselves or any person for whom we are acting) confirm the following:

- (1) our order is a short sale order;

- (2) we have a presently exercisable and unconditional right to vest the securities to which the order relates in the purchaser of such securities; and
 - (3) to the extent that we have (i) borrowed the securities or (ii) obtained a confirmation from the lender that it has the securities available to lend, the lender has the securities available to lend to us.”
4. For the avoidance of doubt, if the User does not notify CRSHK that an Order amounts to a Short Selling Order, in accordance with paragraph 1 above, CRSHK shall treat such an Order as a long sale order.
5. The User is required to ensure full compliance with, among others, all duties and obligations applicable to it, arising under or as a result of the SFO and related rules and regulations.

Note: For the purpose of this Annex, Applicable Laws shall include, but are not limited to, the following:

- (a) The Rules of The Stock Exchange of Hong Kong Limited; and
- (b) the SFO.