



**GRANSING SECURITIES CO., LIMITED**  
**TRADING CLIENT MASTER DOCUMENT**  
**TERMS & CONDITIONS**

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## **PART I – DEFINITIONS**

This section forms part of the Terms & Conditions and throughout the Terms & Conditions, the following terms shall bear the following meanings:

“Account”	Cash Account or Margin Account or any other brokerage trading account opened by the Client with the Company through Offline Operation and/or Electronic Operation and/or any other means
“Account Form”	the account opening form which contains the particulars and other necessary information of the Client and the Account
“Business Day(s)”	business day(s) (other than Saturday) on which banks are generally open for business in Hong Kong
“Cash Account”	the cash securities trading account otherwise opened by the Client with the Company through Offline Operation or Electronic Operation or any other means
“Company”	Gransing Securities Co., Limited (CE Number: AER 434), a limited company incorporated in Hong Kong with current principal place of business in Hong Kong and is a licensed corporation under the Securities and Futures Ordinance and an exchange participant of the Stock Exchange
“Clearing House”	the clearing houses including the Hong Kong Securities Clearing Company Limited and the HKFE Clearing Corporation Limited and Hong Kong Exchanges and Clearing Limited and any other relevant bodies which are recognized by the Governing Rules to provide clearing and settlement service
“Client”	the client of the Company under the Account whose particulars are set out in the Account Form, including the Applicant / Entrant
“Closing Out”	in relation to any contract, the entering into of another contract of the same specification and for the same amount but of an opposite position in order to cancel the former contract and / or to crystallize the profit or loss on such former contract and the term “Close Out” shall be construed accordingly
“Collateral”	all Securities and variable assets acceptable by the Company which shall be maintained at or delivered to the Company by the Client as collateral under the Margin Account

“Electronic Operation”	the electronic brokerage trading operated via Electronic Means by the Client under the Account
“Electronic Means”	including the Internet, electronic mail, mobile phone, personal digital assistant or any other electronic means of communication but also allowing non-electronic communication including verbal and written instructions and communication via facsimile
“Electronic Service”	the electronic facility through Electronic Means which enables the Client to give Instruction(s) and obtain information services provided by the Company for electronic operation
“Event of Default”	the event of default as described in clause 13 of the Standard Terms
“GEM”	the Growth Enterprise Market operated by the Stock Exchange
“GEM Securities”	the Securities listed and traded on GEM
“GEM Statement”	the risk disclosure statement for dealings in GEM Securities as set out in Part IV as Risk Disclosure Statement for GEM Securities
“Governing Rules”	the rules of all regulatory bodies whether located in Hong Kong or under other jurisdiction governing the dealings of the Securities or other instruments under the Account and the operation of the Account
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Instruction(s)”	the instruction(s) (i) for dealing in Securities or other instruments in the Account, (ii) to transfer, deposit or withdraw funds or Securities or other instruments into or out of the Account including transferring into or from any Client’s account with the Company, (iii) for the provision of Securities Margin Financing, and / or (iv) for any other act for the operation of the Account
“Margin Account”	the securities margin financing account otherwise opened by the Client with the Company through Offline Operation or Electronic Operation or any other means
“Margin Facility”	any Securities Margin Financing facility provided by the Company to the Client for the Margin Account

“Obligations”	all monies or Securities or otherwise falling due and owed to the Company by the Client under the Account or owed by the Client under any other account maintained with the Company
“Offline Operation”	the traditional offline brokerage trading operated by the Client under the Account
“Omnibus Account”	the Account otherwise opened by any registered or licensed stock broker or exempted dealer or bank of any territory and operated on behalf of its client as indicated in the Account Form
“Securities”	has the meaning given to that term in Schedule 1 of the Securities and Futures Ordinance
“Securities Margin Financing”	has the meaning given to that term in Schedule 1 of the Securities and Futures Ordinance
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SFC”	the Securities and Futures Commission of Hong Kong
“Standard Terms”	the general terms and conditions as set out in Part II of this document and applicable to all client of any accounts opened with the Company
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“Futures Exchange”	the Hong Kong Futures Exchange Limited
“Terms & Conditions”	this document of terms and conditions including this Part I, the Standard Terms, Part V and the applicable Schedule in Part III and Part IV of this document as may be supplemented and amended from time to time, which shall apply to the operation of the Account and bind the Client
“Trading Limit”	the trading limit allowed for the Client’s Transaction(s) under the Account in accordance with the Trading Policy or otherwise to be fixed by the Company, which limit is subject to change(s) by the Company from time to time
“Trading Policy”	the respective operation policy and procedures applicable to the operation of the Account for Cash Account or Margin Account or any other brokerage trading

account which policy shall be binding and determined by the Company from time to time and will be posted at the website of the Company

“Transaction(s)” the execution of Instruction(s)

“Working Day(s)” a day other than a Sunday, a public holiday or a gale warning day or a black rainstorm warning day (as defined in section 71(2) of the Interpretation and General Clauses Ordinance (Cap.1 of the Laws of Hong Kong)

## **PART II – STANDARD TERMS**

The Standard Terms shall apply to all types of the Account and shall be binding on the Client.

### **1. The Account**

- 1.1 The Terms & Conditions and the Trading Policy shall apply to the operation of the Account.
- 1.2 If any conflict arises between the provisions under the Terms & Conditions and the Trading Policy, those of the former shall prevail.
- 1.3 If an Instruction is operated via Electronic Operation, the following provisions shall apply:-
  - a) The Client shall be the only authorized user of the Electronic Service under the Account.
  - b) The Client shall use any website and/or software provided (whether by the Company or any other third party) for use in accessing or using the Electronic Service at its own risk and costs. The Client shall provide and maintain the connection equipment (including computers and modems) and services for accessing and using the Electronic Service at its own risk and costs.
  - c) The Client shall not attempt to tamper with, modify, decompile, reverse engineer and otherwise alter in any way, and shall not attempt to gain unauthorized access to, any part of the Electronic Service.
  - d) Risks associated with electronic or online devices, including delays or failure in the transmission, receipt or execution of Instructions due to breakdown or failure of transmission or traffic congestion of communications or any other cause(s) beyond the control or anticipation of the Company, may arise which may include a client's Instruction being executed before a client's revised or cancellation Instruction being validly placed and effected, delay in the execution of Instruction and / or price quoted being different from those prevailing at the time the Instruction is given and the Client shall be fully responsible for all such risks.
  - e) All online quoted data and information provided by the Company or any other third party is for reference purpose only and the Company will not be liable for any inaccuracy thereof or any loss and damages whatsoever of the Client in reliance thereon.
  - f) The Client confirms that it fully understands the operation of the Electronic Service and the Client agrees to review every Instruction before entering it. The Client further undertakes that all information supplied or to be supplied by it in connection with the Electronic Service were and would be true and correct. The Client shall indemnify the Company for any losses, damages, costs, expenses or claims which the Company may suffer arising from the Company's reliance on any of the information the Client has given through or in connection with the Electronic Service.
  - g) The Company will not be deemed to have received or executed the Instructions from the Client given through the Electronic Service unless and until the Client has received the relevant acknowledgement or confirmation from the Company.
  - h) The Company may, at its sole discretion, terminate the Electronic Service at any time without any prior notice or reason to the Client and the Company shall not be liable to the Client for any losses or damages which it may suffer as a result of the termination.

- i) The Client shall at all time maintain the required financial resources to be qualified for using the Electronic Service and shall maintain appropriate procedures to ensure that all relevant persons are both familiar with and comply with the rules of the market and have knowledge of and proficiency in the use of the order entry system of the Electronic Services in order to avoid any potential negative impact to market integrity.
  - j) The Client acknowledges that all order status shall be updated upon receipt of the confirmation from the Company's counterbrokers (if applicable).
  - k) The Client shall have proper contingency measures in place covering situations where error trades occur, trading halts, market closures and data recover. The contingency measures shall be established to the Company's satisfaction (if applicable).
  - l) The Client shall immediately notify the Company if (i) an Instruction has been placed through the Electronic Service and the Client has not received an instruction number or, whether accurate or at all, acknowledgement of receipt of the instruction or of its execution from the Company; (ii) the Client has received acknowledgement of a Transaction which the Client did not instruct; (iii) the Client has any suspicion of unauthorized access to the Electronic Service; and/or (iv) the Client becomes aware of or suspicious of any unauthorized disclosure or use of the Client's access codes for Electronic Operation.
- 1.4 If an Omnibus Account is opened by the Client, the Account shall be traded for and on behalf of its clients and the Client must be a registered / licensed stock broker / exempted dealer / bank in the territory where its clients were solicited and its registered license (if applicable) shall remain valid at all times when the Account remains valid and operative. The Company shall have no responsibility for compliance by the Client with any law or regulation governing the Client's conduct as a fiduciary. Moreover, the Company shall continue to treat the Client alone (other than the beneficial owner(s) of the Omnibus Account) as its customers for all purposes and in relation to all Obligations, and the Client shall be liable as such.
- 1.5 The Client and, as the case may be, its directors, officers, employees or agents shall keep confidential all access codes including passwords or otherwise for the operation of the Account and the use thereof and the Client shall be solely responsible for all Instructions placed and / or Transactions transacted at the Account through the use of such access codes.
- 1.6 The Client represents and warrants that:-
- a) the information given by the Client in the Account Form or otherwise is true, full and complete and the Company shall be entitled to rely on such information;
  - b) it has the authority and capacity to enter into and execute this Terms and Conditions;
  - c) this Terms and Conditions and its performance and the obligations contained therein do not and will not contravene any applicable laws, and regulations, contravene any provisions of the memorandum and articles or by-laws (for corporate Client), or constitute a breach or default under any agreement or arrangement by which the Client is bound;



and the Client shall inform the Company of any change to the information given in the Account Form no later than 24 hours after such change has occurred.

- 1.7 The Company has the duty to disclose the information in the Account Form or of the Account to the Stock Exchange, the SFC, the Futures Exchange and any other regulatory bodies as may be requested or otherwise for compliance of the Governing Rules.
- 1.8 Upon request by the Company and / or regulatory bodies, the Client shall provide detailed information of the person or entity who is (a) effecting or originating the Instruction(s), (b) the beneficiary of the Account, (c) the beneficiary of any asset under the Account, within two Business Days, even after the termination of the Account.
- 1.9 The Client's statements or records sent to the Client by the Company shall, in the absence of manifest error reported by the Client to the Company within seven Business Days from the date of the record, be conclusive and binding on the Client.
- 1.10 The Company shall notify the Client in the event of material change to the operations of the Account and to the terms in the Terms & Conditions.
- 1.11 The Client warrants that the information supplied by or on behalf of the Client to the Company in connection with the opening of the Account, including the information contained in the Account Opening Information Form attached to the Terms and Conditions, is complete, true and correct and the Client agrees to indemnify the Company on demand for any losses, damages, costs, expenses or claims which the Company may suffer arising from the Company's reliance on any of the information the Client has given through any mean, including Electronic Service. Any contact details provided by the Client in the Account Form shall be deemed to be the authorized and valid communication channel between the Client and the Company.
- 1.12 The Client confirms that the Client has read and understood the terms and conditions, and agrees to be bound by them. The Client is invited to ask questions and the Client understands that he shall seek independent and professional advice if he is uncertain or do not understand any aspects of the Terms & Conditions.
- 1.13 All notices and communications to the Client may be effectively given by mailing the same by post addressed to the Client at any of the Client's business, residential or mailing addresses as it appears from time to time on the Company's records, or by delivering the same to the Client or to any such address, or by telex, facsimile, telephone or e-mail to any number or address notified to the Company from time to time for the purpose and shall be deemed to be received (a) on the second business day after such notice is mailed (in the case of post) and (b) when delivered (in the case of personal delivery), sent (in the case of telex) or communicated (in the case of telephone, facsimile transmission or e-mail), and that no such notice or communication needs to be

signed on the Company's behalf. For the avoidance of doubt, if the Client shall fail to notify the Company of any change in addresses, the Company shall be entitled to send all notices and communications to the last known address of the Client.

- 1.14 Any Complaints or enquiries from Client could be directed to the Complaint Handling Officer by mailing the same by post addressed to the Company at Unit 4103, 41/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong. The Company shall endeavour to resolve the issues internally with the Client, failing which the Client shall have the right to make complaints to the Financial Dispute Resolution Centre Ltd.

## **2. Laws and rules**

- 2.1 All Transactions under the Account shall be effected in accordance with all Governing Rules including rules and regulations of the Stock Exchange, the SFC, the Clearing House and the laws of Hong Kong as amended from time to time. If a Transaction is executed outside Hong Kong, such Transaction may be subject to governance of governing bodies of other jurisdiction which may give the Client a markedly different level and type of protection for the Transaction otherwise afforded by the local rules.
- 2.2 The Terms & Conditions and the Trading Policy shall not operate insofar as it removes, excludes or restricts any rights of the Client or obligation of the Company under the any Governing Rules or the laws of Hong Kong. In the event of any conflict between (i) the Terms & Conditions and the Trading Policy and (ii) any Governing Rules or the laws of Hong Kong, the latter shall prevail.
- 2.3 Unless specified otherwise, all the Terms and Conditions shall be governed and construed by the laws of the Hong Kong Special Administrative Region and the Client hereby irrevocably submits to the non-exclusive jurisdiction of the courts of Hong Kong. Nonetheless, the Client has the right, to the extent conferred by applicable law and regulations, to refer any dispute arising under or in connection with this Terms and Conditions to the Financial Dispute Resolution Scheme.
- 2.4 The provision of services under this trading document is principally targeted for Hong Kong residents. Non-Hong Kong residents should ensure their legality and compliance under the laws and regulations of their relevant jurisdiction.

## **3. Transactions, charges, expenses and interest**

- 3.1 The Company acts as agent of the Client in effecting the Instruction(s) unless the Company indicates in the contract notes or otherwise as the principal.
- 3.2 The Company shall be authorized but not bound to act on an instruction given by the Client to carry out a Transaction. For any Instruction placed or Transaction transacted, the Client shall observe and comply with the Trading Limit. If the Trading is exceeded, the Company may decline such Instruction and / or shall have

the right to do any act to close the open position of the Transaction in question. The Company shall not be liable for any losses or damages caused to the Client as a result.

- 3.3 Because of physical restraints on any exchange market or the very rapid changes in the prices of Securities that frequently take place, there may, on occasions, be a delay in making prices or in dealing. The Company may not always be able to trade at the prices or rates quoted at any specific time or “at best” or “at market”. The Company shall not be liable for any loss howsoever arising by reason of its failing, or being unable, to comply with the terms of any limit order undertaken on behalf of the Client or under the circumstances contemplated herein. Where the Company is for any reason whatsoever unable to perform the Client’s order in full, it may in its discretion effect performance only in partial or in lesser number. The Client shall in any event accept and be bound by the outcome when any request to execute orders is made.
- 3.4 The Client acknowledges that it may not be possible to cancel or amend its instructions once given. The Client agrees to exercise caution before giving any instruction and accept full responsibility for the Transaction partially or fully executed prior to the processing of the Client’s cancellation or amendment.
- 3.5 In respect of each Transaction, the Client shall pay the Company funds or deliver to the Company Securities in deliverable form. If the Client fails to make such payment or delivery of Securities by the due time, the Company is authorized to (i) in the case of a purchase transaction, sell the purchased Securities, (ii) in the case of a sale transaction, borrow and/or purchase such Securities in order to settle the transaction.
- 3.6 The Client shall pay out of the Account or otherwise, within the time period notified by the Company, commission, premium and all applicable levies, stamp duties, bank charges, transfer fees, interest and other necessary expenses or charges in respect of the Account or any Instruction or any Transaction or otherwise arising therefrom. The Company may deduct all such from the Account or otherwise of the Client without any prior notice.
- 3.7 The Client shall pay interest accrued on all overdue balances standing debit to the Account up to the date of payment at such rates and on such terms as required by the Company from time to time.
- 3.8 If conversion of currency is required for the operation of the Account, the exchange rate(s) shall be determined by the Company in its sole discretion with reference to the prevailing rate(s) in the foreign exchange market.
- 3.9 The Company shall have the right to demand any initial and subsequent deposits in such currency for such Transaction(s) at its sole discretion and to debit or credit any amount in relation to such Transaction(s) in the currency in which the Account is denominated.
- 3.10 The Client authorizes the Company to accept any Instruction in written, facsimile or verbal form or through

Electronic Means as the original instruction or communication from the Client. The Company may act on such Instructions which the Company reasonably believes to come from the Client without any duty to verify the capacity of the person giving the Instructions. However, the Company shall have the sole discretion to insist Instructions from Client to be given, sent, delivered or communicated to the Company in a particular manner to an address or location as notified by the Company from time to time on a case by case basis. The Client shall also fully indemnify the Company on demand against all losses of the Company arising from the Company's reliance on such Instruction(s) or communications.

- 3.11 The Client shall accept facsimile or any Electronic Means (if provided by the Client) as a communication medium with the Company for data transmission and documentation. Subsequent request on paper copies of such information or documents shall be subject to payment of a handling fee amount of which to be determined by the Company from time to time.
- 3.12 For all Transaction(s) or Instruction(s) placed, all confirmation, reply or otherwise communicated by the Company to the Client verbally or through facsimile or Electronic Means on the day of such execution or Instruction shall be deemed authorized, correct, ratified or otherwise unless the Client duly informs the Company to the contrary within the day in question.
- 3.13 The Company 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 the Company provided that the execution price of the Instructions would not be less favorable than that otherwise could 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 sale order, the number of Securities (as the case may be) actually purchased or disposed of shall be given to each individual instruction in the order in which those orders are received by the Company.
- 3.14 The Company may in its absolute discretion determine the priority in the execution of the orders received from its clients, having due regard to the sequence in which such orders were received and the Client shall not have any claim of priority to another client in relation to the execution of any orders received by the Company, provided always that orders of clients should have priority over orders of the account of the Company.
- 3.15 All the trading orders placed by the Client are good for the day and will be automatically cancelled at the close of business of the relevant exchange market to the extent not yet executed unless the Client has indicated to the Company to the contrary.
- 3.16 The Company has the right to electronically monitor or record all Instructions placed through telephone, Electronic Means or otherwise. The Client agrees to accept such record (or a transcript thereof) as final and

conclusive evidence of the contents and the nature of the relevant Instructions and any Transactions in accordance with such Instructions are binding on the Client.

- 3.17 The Client shall be liable for any taxes, charges, tax reporting and other responsibilities to relevant authorities of whatsoever jurisdiction to which the Client shall be subject in respect of placing any Instruction(s) and / or any activities under the Account. The Company has the right to dispose of any assets held in the Account for the settlement of such liabilities on demand by such third party without any prior notice.
- 3.18 The Company has the right to direct the Instruction(s) to other brokers for execution for whatsoever reasons.
- 3.19 The Company shall provide contract notes and statements to the Client in accordance with the Securities and Futures (Contract Notes, Statements of Account and Receipts) Rules. All trades transacted in the AH Session shall be reported as T+1 trades in contract notes, daily and monthly statements of account accordingly.
- 3.20 Except as otherwise agreed, the Client understands that no interest will accrue to the Client on any accounts (including any Margin) held in the Account or for the Broker on behalf of the Client and the Broker may retain for its own benefit any and all amounts derived by way of interest on the Client's money.

#### **4. Own judgment**

- 4.1 The Client shall make its own independent judgment and decision with respect to each Instruction. The Company shall be under no liability whatsoever in respect of any information or suggestion given by any of the directors, officers, employees or agents of the Company irrespective of whether or not such information or suggestion is given at the Client's request.

#### **5. Compensation fund**

- 5.1 If the Client suffers pecuniary loss by reason of the Company's default, the Client's valid claims may be covered under the compensation fund established under the relevant Governing Rules, but subject to such monetary limits and terms provided thereunder and accordingly there can be no assurance that any of such pecuniary loss will be recouped from the compensation fund in full or in part or at all.

#### **6. Conflict of interest**

- 6.1 The Company has the right to solicit, accept and retain for its own benefit any rebates, brokerage, commission, fee, benefit, discount and/or other advantage from any Transaction effected by the Company. Quantification of the value of the rebates shall be specified in each daily statement provided to the Client. The Company may also offer at its discretion any benefit or advantage to any person in connection with such Transaction.
- 6.2 The Client hereby acknowledges that the Company and its directors, employees may from time to time trade on their own accounts. Furthermore, the Client acknowledge the existence of the Company's interest,

relationship or arrangement that is material in relation to any instruction received or Transaction effected for the Client and the Company has no duty to disclose to the Client any information of such. In particular the Company may, without informing the Client:

- a) effect Transactions through the Company or others;
- b) effect Transactions with the Client as a principal for its own account or others;
- c) take position opposite to the order of the Client either for its own account or others; and/or
- d) match the Client's orders with those of other client of the Company or others.

## **7. Payment on demand**

- 7.1 The Client shall pay to the Company all or part of its indebtedness under the Account when due or on demand by the Company.

## **8. Personal data protection**

- 8.1 The Client shall read, understand and accept the provisions set out in notes relating to personal data protection set out in Part V.
- 8.2 The Company may also disclose the personal data of the Client to any party other than those set out in Part V provided always that the Company shall have served request to the Client and receives no objection thereto from the Client.

## **9. Set-off and combination of accounts with the Company**

- 9.1 The Company may at any time, subject to further agreements and / or conditions between the Client, combine or consolidate all or any accounts of whatever type maintained by the Client with the Company, including the Account, or to transfer or to allow the Company to transfer any funds or assets (including any Collateral) from the Account to set off the Obligations provided that the available funds and / or assets (including any Collateral) in the Account are not less than the amount to be transferred out of the Account.

## **10. Directorship, employees and accredited persons**

- 10.1 The Client shall promptly notify the Company if (i) it is a director or employee or accredited person of an exchange participant of the Stock Exchange or the Futures Exchange, or a licensed or registered person of the SFC, or is acting as an intermediary for the Account or is otherwise associated therewith, or (ii) it is associated with any employee or accredited persons of any member of the Company.

## **11. Disclaimer / Force majeure**

- 11.1 The Company shall not be liable to the Client under any circumstances whatsoever (whether under contract, in negligence or otherwise) in the absence of fraud, recklessness or willful default.
- 11.2 The Company shall not be liable to the Client in any way in respect of the failure of obligations of any third

party, including but not limited to the failure of the Company's nominee or foreign brokers or agents, or the Company's foreign broker's and agent's nominee provided that the Company shall notify the Client of the occurrence of the event as soon as it is reasonably practicable. The Company reserves the right to terminate or suspend the Account of the Client pending resolution of the failure of the third party or while the event continues to be subject to a long-stop.

11.3 All communications from the Company to the Client through verbal, written or facsimile form, or Electronic Means or otherwise authorized under the Account (other than via postage) shall be deemed received by the Client at the time of the message being sent out and the Client shall be liable for any consequence arising from any failure of such transmission.

11.4 The Company shall not be liable for any losses or for any failure to carry out the Client's Instructions arising from or resulting directly or indirectly from any government restriction, war, strike, natural disaster or any other events or circumstances or factors which are beyond the Company's reasonable control.

## **12. Power of attorney**

12.1 The Company shall have full power as the true and lawful attorney of the Client to take any action and execute any instrument to accomplish the purposes of the Account or any Instruction, including but not limited to converting Client's monies from one currency into another currency for settling margin deficits or for converting any remaining balance back into the original currency.

## **13. Event of Default**

13.1 Any of the following events shall constitute an Event of Default :-

- a) the Client's failure to provide sufficient funds or Collateral to the Company's satisfaction from time to time, for any Transaction or for the Account when due;
- b) the death, insolvency or liquidation of the Client, the filing of a petition for bankruptcy or winding-up or the commencement of other analogous proceedings against the Client;
- c) the levying of attachment against the Account;
- d) the Client's default in the due performance or observance of any term of this Terms & Conditions;
- e) any representation or warranty made in or in pursuance of this Terms & Conditions or in any certificate, statement or other document delivered to the Company being or becoming incorrect in any material respect;
- f) any of the consents, authorizations, approvals, licenses, or board resolutions required by the Client to enter into this Terms & Conditions or any Transaction being modified in a manner unacceptable to the Company or being wholly or partly revoked, withdrawn, suspended or terminated or expiring and not being renewed or otherwise failing to remain in full force and effect;
- g) the continued performance of this Terms & Conditions becomes illegal or claim by any government authority to the illegal;

- h) the Client being in breach, voluntary or otherwise, of any term of this Terms & Conditions or of any Governing Rules;
- i) in the Company's absolute opinion, the occurrence of an adverse change in the assets or financial condition of the Client or the value of the Collateral (if applicable);
- j) the termination of the Account or the objection of the Client to the Company's alteration of (i) any term of the Terms & Conditions or (ii) the operation of the Account;
- k) the Client's failure to meet any of the Obligations.

13.2 If an Event of Default occurs, the Company will (without prejudice to the Company's rights against or remedies from the Client) be entitled to :-

- a) cancel all outstanding Instruction(s);
- b) cancel all commitments made by the Company;
- c) call upon any security including but not limited and guarantees and letters of credit which may have been issued to or in favour of the Company as securities for the Account;
- d) liquidate or cover all position(s) in the Account by all means;
- e) borrow, buy or sell in any manner any property whatsoever found necessary by the Company or required to make delivery against any sale (including a short sale) effected for the Client;
- f) close the Account;
- g) appropriate or apply or realize or take possession of the credit balance or asset or Collateral (as the case may be) under the Account to offset and discharge any of the Obligations;
- h) charge default interest and / or handling fee as determined by the Company from time to time.

#### **14. Indemnity**

14.1 The Client shall indemnify the Company, its officers, employees and agents on demand against any losses, costs, damages, claims, liability, expenses or demands that the Company may suffer arising out of any act or breach of the Client under the Account, including costs reasonably incurred in collecting debts from the Client, and in closing the Account.

#### **15. Decline of order / Termination**

15.1 The Company has the absolute discretion to refuse to effect any Instruction when Event of Default occurs or the Client fails to meet any of its obligations or requirement hereunder. The Company also has the sole discretion to terminate the Account in accordance with this clause and shall not be obliged to give any reason for such termination.

15.2 The Account may be terminated by written notice given by the Company or the Client provided that the Account shall not be deemed terminated by the Client until the Company accepts the Client's written notice of termination. Such termination shall not prejudice the Company's rights against or remedies from the Client for any debit balance to the Account and the interest accrued and to be accrued thereto.



15.3 To the extent permitted by law, the Company may from time to time amend any term of the Terms & Conditions by prior notice to the Client. If the Client does not accept such amendment, it shall have the right to terminate the Account in accordance with this clause.

15.4 In case of any remaining cash balances in the Account upon its termination, the Client agrees that such balances will be automatically credited into the designated account in the Account Form within seven (7) days from the date on which all position(s) in the Account have been closed out. If there is no such designated account or if such designated account cannot be used by the Company for any reason, the Company may send the Client a cheque representing the credit balances in the Account to the last known address of the Client at the sole risk of the Client.

15.5 In case of any remaining Securities in the Account upon its termination, the Client agrees that such Securities will be collected by the Client or its agent in person at the Company's office within seven (7) days from the date on which all position(s) in the Account have been closed out. To the extent that it is not practicable to transfer any such Securities or the Client fails to collect any such Securities in the manner as stipulated above, the Company is authorized to sell the same and account to the Client for the proceeds in accordance with Clause 15.4 above.

## **16. Assignability**

16.1 All the rights and interests of the Client under the Terms & Conditions may not be assigned by the Client. All the provision of this Terms & Conditions shall survive any changes or successions in the Company's business and shall be binding, where the Client is corporation upon its successors, where the Client is a partnership upon the partners and their personal representatives, and where the Client is an individual upon its personal representatives.

16.2 Subject to the provision of the applicable law, the Company may assign, delegate, transfer or otherwise dispose of any rights or obligations under this Terms & Conditions or any Transactions to another person with prior written notice to the Client.

## **17. General**

17.1 If any provision of the Terms & Conditions shall be held to be invalid or unenforceable by any court or regulatory body, such invalidity or unenforceability shall not affect the validity of the remaining provisions of the Terms & Conditions.

17.2 Words denoting singular shall include plural and vice versa.

17.3 Reference to one gender shall include all genders and words denoting a subject shall include a person, firm,

sole proprietary, partnership, syndicate and corporation or vice versa.

17.4 If the Client consists of more than one party:

- a) all such parties thereto shall be jointly and severally liable as the Client to the Account and the Company shall not be under any obligation to inquire into or to authenticate any Instruction placed or Transaction transacted under Clause 3 given or purportedly given by one party on behalf of the Client;
- b) references to the Client contained hereof shall be construed, as the context requires, to any or each of them;
- c) any notice, payment or delivery by the Company to any one of them shall be a full discharge of the Company's obligations to notify, pay or deliver;
- d) the Company is entitled to deal separately with any one of them on any matter including the discharge of any Obligation to any extent without affecting the liability of any others;
- e) the Client agrees to be bound by instructions given by any one of them to the Company;
- f) notwithstanding the Company is entitled to act on Instructions or requests from any of them, the Company reserves the right to demand such parties thereto to give Instructions or requests before the Company's acceptance or act upon such Instructions or requests;
- g) unless otherwise instructed in writing by all parties of the Client, in the event of the death of any one of them, the entire interest of the deceased in the Account opened with the Company shall be vested in the survivor(s). The liability of the survivor(s) shall be on the same Terms & Conditions as set out herein. The personal representative of the deceased shall remain so liable in respect of any Obligations incurred before or existing at the death of the deceased in respect of the Account. The surviving Client shall give the Company written notice immediately upon any of them becoming aware of any such death.

17.5 When an Account Form to which the Terms & Conditions apply is signed by the Client, the terms of this Terms & Conditions shall constitute the whole agreement between the Company and the Client and shall supersede all previous agreements and arrangements (if any) made between the Company and the Client in relation to the Account.

17.6 In the event that there is any inconsistency between the English version and the Chinese version of the Terms & Conditions, the English version shall prevail.

17.7 No act, omission to act, delay, indulgence or forbearance by the Company or any of its employees, servants or agents shall be, or be deemed to be, a waiver by the Company of any rights against the Client or against Collateral, or any properties of the Client on hand with the Company.

17.8 Time shall in all respects be of the essence in the performance of all the Client's obligations under or in connection with this Terms & Conditions, in particular for the Client's obligation in providing adequate

Collateral to the Company within the prescribed time limit.

## **PART III – TERMS APPLICABLE TO RESPECTIVE ACCOUNTS**

### **Schedule A – Terms for Cash Account / Margin Account**

#### **1. Introduction**

1.1 This schedule is supplemental to the Standard Terms for Cash Account / Margin Account.

#### **2. Transaction**

2.1 The Client shall inform the Company if an Instruction placed involves short-selling where execution of which shall be subject to the Trading Policy from time to time.

2.2 The Client shall inform the Company before it places an Instruction in Securities of a company to which it is a connected person (as defined in the Rules Governing the Listing of Securities on the Stock Exchange).

2.3 The Client may not deal in the GEM Securities unless and until the Client has duly signed the GEM Statement.

#### **3. Securities and security over Securities and other assets**

3.1 Securities under the Cash Account / Margin Account will be registered in the name of the Client or in the name of or deposited with the Company, the Company's nominees, the Company's banker or any other institution providing custodian facilities.

3.2 The Company will credit any dividends or other benefits arising from the Securities received on behalf of the Client to the Cash Account / Margin Account.

3.3 Unless specific authority in writing is obtained from the Client, the Company will not deposit, lend or part with the possession of the Securities for loans or advances to the Company.

3.4 The Company has the right to hold all Securities in the Cash Account / Margin Account as a continuing security for the payment and / or discharge of the obligations of the Client arising from any Transaction. The Company has further right to dispose of all or part of Securities or asset held under the Cash Account / Margin Account for the settlement of any of the Obligations.

3.5 The Company is not obliged to return the Securities originally delivered or deposited by the Client but may return Securities of the same class, denominations and nominal amount and ranking to the Client.

#### **4. General**

- 4.1 The Company has the right to retain for itself all interests accrued on any amount in any trust account or any account established by the Company for the Cash Account / Margin Account unless the Client is notified by the Company to the contrary at such rate and on such terms as determined by the Company from time to time.

### **Schedule B – Terms for Margin Account Only**

#### **1. Introduction**

- 1.1 This schedule is supplemental to the Standard Terms for Margin Account.

#### **2. Authorization to the Company**

- 2.1 The Client authorizes the Company to do the following acts and things relating to the Margin Account on the Client's behalf and at the sole discretion of the Company:-
- a) to deposit into or transfer payment to and from the Margin Account whether to settle any outstanding payments to effect any set-off or for other purpose as the Company shall think fit;
  - b) to draw on the Margin Account for any of its credit balance, including Collateral, for the settlement of any Obligations;
  - c) to ask for and receive from the Company all information relating to the status of any Account maintained with the Company.

- 2.2 The Company shall have the right to do the following acts and things relating to the Margin Account at its sole discretion on the Client's behalf which, subject to the applicable law from time to time, shall be valid for a period of 12 months from the date of the signing of the Account Form:-

- a) to withdraw or take possession of the Collateral and to pledge, charge, dispose of and realize all or part of the Collateral;
- b) to deposit any of its Collateral with an authorized financial institution or an intermediary licensed for dealing in securities as collateral for financial advancement provided to the Company;

to transfer or lend any Collateral to the Company on such terms and conditions as the Company may deem appropriate; which right shall remain in full force and effect until the Client submit a written notice for not less than five Business Day(s) to the Company for its withdrawal thereof provided that such notice shall not be effective if there are any outstanding debt in the Margin Account. If the right of the Company hereunder is revoked or is not renewed by the Client, the Company shall have the sole discretion to charge a higher margin interest rate to the Margin Account or cease to provide Securities Margin Financing to the Client.

#### **3. Collateral**

- 3.1 The Client shall pay the Company and / or to deposit at all times sufficient Collateral in such amount, type and form, manner of delivery and timing of delivery as required by the Company from time to time for the procurement of the Margin Facility. No previous margin shall establish any precedent.
- 3.2 The Collateral must be free from any encumbrances other than that specified under the Margin Account which the Client is lawfully entitled to create security over in favor of the Company.

- 3.3 The Client may not, except with the Company's express written consent, create any form of encumbrance or security on or over any of the Collateral other than that specified under the Margin Account.
- 3.4 Collateral under the Margin Account will be registered in the name of or deposited with the Company, the Company's nominees, the Company's banker or any other institution providing custodian facilities or Securities Margin Financing.
- 3.5 The Company will credit any dividends or other benefits arising from the Collateral received on behalf of the Client to the Margin Account as Collateral.
- 3.6 The Company or its nominee may, at its sole discretion, exercise the voting rights attached to the Collateral and all powers given to trustees by sections 11(4) and (5) of the Trustee Ordinance of Hong Kong.
- 3.7 Upon any release of any part of the Collateral by the Company to the Client, it shall be sufficient if the Company releases to the Client the same class and relevant nominal amount of the Collateral (subject to any capital reorganization of the company to which the Collateral relates).
- 3.8 The Company has the right to hold all Collateral in the Margin Account as a continuing security for the payment and / or discharge of the obligations of the Client arising from any Instruction and / or Transaction. The Company has further right to dispose of all or part of Collateral or asset held under the Margin Account for the settlement of any of the Obligations.

#### **4. Enforcement of Collateral**

- 4.1 The Company has the right without prior notice or consent from the Client, to dispose of or otherwise deal with any part of the Collateral at its absolute discretion when any amount in the Margin Account has become due and payable. In the event of any deficiency after the sale of the above Collateral, the Client shall make good and pay on demand to the Company such deficiency.
- 4.2 The proceeds of such enforcement shall be applied in the following order: (a) in payment of all costs, charges, legal and other fees and expenses including stamp duty, commission and brokerage properly incurred in transferring or perfecting title of any part of the Collateral; (b) in payment of the interest for the time being accruing due; (c) towards the payment of the amount so due (other than the interest) under the Margin Account; (d) towards the payment of all or part of the amount due by the Client to the Company; and (e) the residue, if any, shall be paid to the Client or its order.
- 4.3 The Company may resort to other means of obtaining payment or securing performance as it thinks fit without affecting the security created herein.

- 4.4 The Company has the right to dispense with protest, notice of protest and notice of dishonor of any instruments associated with the Client's liabilities to the Company or the Collateral, whether upon inception, maturity, acceleration of maturity or otherwise, and any other notice and demand whatsoever, whether or not relating to such instruments.
- 4.5 Any forbearance or failure or delay by the Company in exercising any right in this clause shall not be deemed to be a waiver of such right and any single or partial exercise of any right hereunder shall not preclude the future exercise thereof.
- 4.6 The Client shall pay or reimburse the Company immediately upon demand all costs, charges and expenses incurred by the Company in connection with the enforcement of or the preservation of any of the rights of the Company under the Margin Account including but not limited to the legal fees and collection expenses incurred by the Company on a full indemnity basis.

**5. Interest**

- 5.1 The Company may charge interest on the debit balance in the Margin Account on a daily basis at such rate permitted under the Money Lenders Ordinance.
- 5.2 The Company will notify the Client of any changes or amendments in respect of the arrangement of charge of interest set out in this clause. The arrangement set out shall be deemed to be accepted by the Client and shall be binding upon the Client until written objection is received from the Client.
- 5.3 The Company has the right to retain for itself all interests accrued on any amount in any trust account or any account established by the Company for the Margin Account unless the Client is notified by the Company to the contrary at such rate and terms as determined by the Company from time to time.

## **PART IV – RESPECTIVE RISK DISCLOSURE STATEMENTS**

### **Schedule A – Risk Disclosure Statement for Securities for Cash Account / Margin Account**

1. 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. In addition to the normal risks associated with equity investing, international investments may involve risk of capital loss from unfavorable fluctuations in currency values, from differences in generally accepted accounting principles or from economic or political instability in other nations.
2. There are risks in leaving securities in the Company's custody or the custody of the Company's nominee or agent or in authorizing the Company to deposit securities as collateral for loans or advances made to the Company or authorizing the Company to borrow or loan securities. Any securities placed with the Company's nominee or foreign brokers or agents, or the Company's foreign brokers' and agents' nominee are at Client's own risk.
3. Investors trading with assets not denominated in Hong Kong dollars are also exposed to exchange rate risk. Exchange rate fluctuations can change rapidly due to a variety of economic and political events and can adversely affect the asset value. Any profit or loss arising as a result of exchange rate fluctuations will be entirely for the Account and at the Client's risk.

### **Schedule B – Risk Disclosure Statement for GEM Securities for Cash Account / Margin Account**

1. GEM Securities 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 Securities may be very volatile and illiquid.
2. 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.
3. Current information on GEM Securities may only be found on the Internet website operated by the Stock Exchange. Companies listed on GEM are usually not required to issue paid announcements in gazette newspapers.
4. The Client should seek independent professional advice if it is uncertain of or has not understood any aspect of this risk disclosure statement or the nature and risks involved in trading of GEM Securities.

### **Schedule C – Risk Disclosure Statement for Margin Account**

The risk of loss in financing a transaction by deposit of Collateral is significant. The Client may sustain losses in excess of its cash and any other assets deposited as Collateral with the Company. 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 its account and interest charged on its account. The Client should therefore carefully consider whether such a financing arrangement is suitable in light of its own financial position and investment objectives.

1. There is risk if the Client provides the Company 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.
2. If the Client's securities or securities collateral are received or held by the Company 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 12 months. If the Client is a professional investor, these restrictions do not apply.
3. Additionally, the Client's authority may be deemed to be renewed (i.e. without the Client's written consent) if the Company issues the Client a reminder at least 14 days prior to the expiry of the authority, and the Client do not object to such deemed renewal before the expiry date of the Client's then existing authority.
4. The Client is not required by any law to sign these authorities. But an authority may be required by the Company, 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 Company should explain to the Client the purposes for which one of these authorities is to be used.
5. 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 over the Client's securities or securities collateral. Although the Company is responsible to the Client for 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 or securities collateral, which the Company is not in any way responsible for.
6. A cash account not involving securities borrowing and lending is available from most licensed or registered persons. If the Client does not require margin facilities or does not wish the Client's securities or securities collateral to be lent or pledged, does not sign the above authorities and ask to open this type of cash account.



**Schedule D – Risk Disclosure Statement for Client Assets Received or Held Outside Hong Kong**

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

**Schedule E – Risk Disclosure Statement for using Electronic Service**

Electronic Means are, due to unpredictable traffic congestion and other reasons, an inherently unreliable medium of communication and that such unreliability is beyond the Company's control. As a result of such unreliability, there may be delays in the transmission and receipt of Instructions and other information and that this may result in delays in the execution of Instructions and / or the execution of Instructions at prices different from those prevailing at the time the Instructions are given.

**PART V – NOTES RELATING TO THE PERSONAL DATA (PRIVACY)  
ORDINANCE OF HONG KONG**

1. The Client may have or may in future be requested to supply personal information to the Company relating to the Client, and in the carrying out of Transactions, further information shall or may be collected by the Company (all such information is referred to as “data” in this Part).
2. Request for data on the Account Form or otherwise shall oblige the Client to complete the same, and any failure so to do may result in the Company being unable to open or continue the Account, or unable to effect Instructions.
3. The Company may provide data received from the Client to the following persons:-
  - a) any nominee in whose name Securities or other asset may be registered;
  - b) any contractor, agent or service provider which provides administrative, data processing, financial, computer, telecommunications, payment or securities clearing, financial, professional or other services to any other person to whom data is passed;
  - c) any person making any payment into the Client’s account (deposit confirmation provided to the person making the payment may contain Client’s information);
  - d) any person with whom the Company enters into or proposes to enter into transaction on the Client’s behalf, or persons representing the same;
  - e) the drawer bank providing a copy of a paid cheque (which may contain information about the payee) to the drawer;
  - f) any assignee, transferee, participant, sub-participant, delegate, successor or person to whom the Account is transferred;
  - g) any business partner of the Company; and
  - h) governmental, regulatory or other bodies or institutions, whether as required by law, regulations applicable to the Company, or otherwise.
4. The purposes for which the data provided by the Client from time to time may be used are:-
  - a) providing services and credit facilities to Clients;
  - b) giving effect to the Instructions, and carrying out the Client’s other instructions;
  - c) providing services in connection with the Account, whether the services are provided by or through, the Company or any other person;
  - d) conducting credit inquiries or checks on the Client and ascertaining the Client’s identity, financial situation and investment objectives, and enabling or assisting any other person so to do;
  - e) ensuring ongoing credit worthiness of Clients;
  - f) collection of amounts due, enforcement of security, charge or other rights and interests in favour of the Company;
  - g) determining the amount of indebtedness owed to or by Clients;

- h) marketing existing and future services or products of the Company or any of its business partners.  
These services or products may be provided and/or marketed by:
    - i. third party financial institutions, securities and investment services providers;
    - ii. third party reward or privileges program providers;
    - iii. co-branding partners of the Company.
  - i) designing financial services or financial products for Client's use;
  - j) forming part of the records of the persons or the Company to whom the data may be passed;
  - k) any actual or proposed assignment or transfer of the shares of the Company;
  - l) observing any legal, regulatory or other requirements to which the Company or any other persons may be subject;
  - m) other purposes relating or incidental to any one or more of the above.
5. The Client may request a copy of such data or the correction of the data. Any such request may be addressed to the personal data officer of the Company at its business office from time to time. The Company may charge the Client a fee for any such request.
6. With the consent of the Client as indicated in the declaration contained on the Account Form, the Company may use certain personal data and contact details to distribute to the Client information about other services or products of the Company. The Client may in writing request, without charge to the Client, the Company to cease to use the data for direct marketing purpose. Written request could be directed to the Personal Data Officer by post to Unit 4103, 41/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong or by email at [info@gransing.com](mailto:info@gransing.com).