Futures Client Agreement

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賬戶號碼 A/C No.	
客戶名稱 A/C Name	
關聯賬戶 Related Account:	
經紀編號 AE code	

Futures Client Agreement

This Client Agreement is made as of the date of signature by the following parties:

(1) COFCO Futures (International) Co., Limited (hereinafter referred to as the "Company"), a company incorporated in Hong Kong with its business address at Room 1701, 17/F, COFCO Tower, 262 Gloucester Road, Causeway Bay, Hong Kong and a licensed corporation licensed under the *Securities and Futures Ordinance* (Cap. 571) and registered with Securities and Futures Commission (hereinafter referred to as the "SFC") for Type 2 regulated activities (CE No.: BNE728), and

(2) (hereinafter referred to as the "Client") as the other party, whose name, address and relevant data are listed in the Account Opening Form.

General

1. Opening And Management of the Account

1.1 Accurate Information: The Client confirms that information in this Agreement and/or other documents and information provided and signed for opening the Account is true, complete and accurate, and confirms that unless the Company confirms its receipt of the written notification of the Client for amending the relevant information, the Company shall rely on and act in accordance with such information in providing services to the Client.

1.2 Ultimate Beneficial Owner of the Account: Unless informing otherwise, the Client is conducting tradings in its own account, there is no person other than the Client who is interested in the Futures/Options Contracts, currency or assets in the Account from time to time. The Client agrees to notify the Company in writing immediately upon any change in the ownership or beneficial interest of the Account.

1.3 No Omnibus Account: Unless informing otherwise, the Client declares that the Account opened with the Company is not an Omnibus Account.

1.4 Authorised Agent: The Client agrees to irrevocably authorise the Company to become the Client's authorised agent to the largest extent permitted by law, to take any actions considered as necessary and practicable by the Company in performing this Agreement so as to perform each term and condition in this Agreement.

1.5 Password, PIN and Account Number: For protecting the security of the Account and interests of the Client, the Client shall set a password and a personal identification number (PIN) for logging in and operating its Account. The Client hereby declares and warrants that it is the sole and exclusive owner and legal user of the Password and PIN. The Client shall take full responsibility for monitoring the completeness and security of its Password, PIN and Account. If the Client discovers that its Password, PIN and/or Account Number is lost, stolen or subject to illegal usage, the Client shall notify the Company in writing immediately. If there is no such

notification, the Company shall not take responsibility for any loss suffered by the Client or any person.

1.6 Material Change: the Company and the Client agree to timely notify each other of any material change in the information provided in this Agreement. Before the Company receives the written notification in accordance with Clause 8 below, any changes in the information and details in this Agreement shall not affect the operation of the Account.

2. Any and all transactions in client accounts shall be subject to this Client Agreement, and all charters, rules, regulations, practice, procedures and administrative requirements as may be established from time to time by the relevant exchanges and/or clearing houses, and/or other similar regulatory body on which the relevant transaction is conducted and all applicable laws imposed on the Client and/or the Company as amended from time to time. In particular, the transactions conducted on the HongKong Exchanges and Clearing Limited (hereinafter referred to as the "HKEX") shall be subject to the rules, regulations, practices, procedural and administrative requirements of the HKEX and HongKong Securities Clearing Company Limited ("HKSCC") and all applicable laws imposed on the Client or the Company as amended from time to time. All futures contracts, options, foreign exchange futures and foreign exchange options (hereinafter referred to as "futures contracts" and "options") and all relevant transactions shall also be subject to terms and conditions imposed by the Company or other parties involving and dealing with such transactions. The Client agrees that he/she will not exceed the limits of open positions established by any of the above institutions, or any other exchange and/or clearing houses, and/or other similar regulatory body for the Client's account, either alone or in conjunction with others. In addition, the Client agrees to notify the Company as soon as possible upon receipt of a request to submit a report on the Client's contract(s) to the SFC or any similar body, relevant exchange, clearinghouse (as defined in the rules of the Hong Kong Futures Exchange Limited (hereinafter referred to as "HKFE") or other similar regulatory body or authority of any market in which the Client trades through the Company.

3. The Client confirms that any account in connection with any and all futures contracts, options, cash or other assets now or hereafter held or carried by the Company or any of its subsidiaries, affiliates (hereinafter referred to as "the Group"), or any other party under common control, whether directly, indirectly or by way of introduction, for the Client, and in which the Client has an interest, whether sole, joint or otherwise, shall be held by the Company as security for the payment of debt due by the Client to the Company.

4. The Company shall be entitled to do the following (and this right shall be in addition to any other rights or remedies available to the Company at law, in equity or under this Client Agreement) in the event that the Company at its discretion determines that it is necessary to safeguard its own interests, or the Client applies to the court for or the Client is subject to an application for bankruptcy or an appointment of a bankruptcy trustee or under similar

circumstances, or the Client's account with the Company is sealed up, or the Client dies or becomes mentally incapacitated or incompetent:

(a) sell, exercise, hedge or otherwise settle on behalf of the Client any or all futures contracts, options, forward contracts or physical commodities held by the Client in any Client's account with open position; and/or

(b) purchase, hedge or otherwise settle any or all of the Client's futures contracts, options, forward contracts and/or physical commodities on behalf of the Client in the event that any of the Client's account is in short position; and/or

(c) cancel any outstanding order placed by the Client and/or close any or all outstanding contracts and settle any of the Client's account; and/or

(d) sell or hedge and use any other asset which the Company may hold for the Client (whether as margin or for safekeeping or otherwise) or the credit balance of any of the Client's account; and/or

(e) buy or sell futures contracts, options, forward contracts and/or physical commodities, and perform spread trading and clearing, in respect of any futures contracts, options, forward contracts or physical commodities for which the Client has open interest or short position in any Client's account.

Regarding the above actions, no margin or additional margin is required for any of the above actions, no notice of sale or purchase needs to be given, and no circular or announcement needs to be published or announced. Such sale or purchase shall be at the discretion of the Company and shall be conducted in any exchange or market on which the same is usually traded. In such sales, the Company may act as a purchaser for its own account. The parties agree that the Company shall not be deemed to have waived its rights conferred herein to sell or purchase without prior notice or demand, even if the Company has made a prior demand to close out the position or given notice of the time and place of such sale or purchase. The Client shall settle all debts recorded in his/her account at any time upon receipt of a demand for payment from the Company. If there is a shortfall after the account has been fully or partially settled by the Company on behalf of the Client or by the Client, the Client shall be responsible for settling the shortfall.

5. The Company shall have the discretion to increase or decrease the margin for any or all futures contracts, options, forward contracts and/or physical commodities at any time as it may deem fit and upon revision of the margin requirements, all outstanding existing and new purchases and sales in the Client's account shall be subject to the new requirements.

6. Whether the Client consists of one or more natural persons, the Client hereby declares that he/she reaches age of majority and, if he/she is a director, officer or employee of any exchange, exchange commission or participant thereof, or a registrant of any regulatory body (e.g. the SFC) or a director, officer or employee of any regulatory body or registered company thereof, the Client has obtained written permission(s) from the relevant company or body to become a client of the Company, if applicable. The Client also undertakes to notify the Company as soon as possible if he/she is not currently a director, officer or employee of

the relevant company or body but becomes a director, officer or employee of the relevant company or body in the future and to obtain written permission(s) from the relevant company or body to become a client of the Company. The representations and undertakings made by the Client in this clause shall apply jointly and severally to each of the natural persons comprising the Client.

7. Any written confirmation, notice and other communication, including margin calls, issued by the Company maybe sent to the Client at the address, telephone, telex, email or facsimile number provided by the Client in the Client Data Statement or at such other address, telephone, telex, email or facsimile number in Hong Kong as the Client may subsequently specify in writing to the Company. Prior written consent of the Company is required in the case of a territory outside Hong Kong. A notice shall be deemed to have been served in the following circumstances:

(a) If delivered by courier, it shall be deemed to have been served once it reaches the address of the Client, regardless of whether it is actually received by the Client or not;

(b) If sent by post, the letter shall be deemed to have been served 2 days after it is sent by post, regardless of whether it is actually received by the Client or not;

(c) If sent by telex, email or facsimile, it shall be deemed to have been served 5 minutes after the operator of the telex, email or facsimile machine has completed the transmission, regardless whether it is actually received by the Client or not; or

(d) If given by telephone, the message shall be deemed to have been duly given after it has been left by the Company with the answering telephone or other answering apparatus or with any person answering the telephone.

The Company shall have the right to choose the method of sending a notice.

8. Any notice or other communication issued by the Client to the Company shall take effect after The Company actually receives such notice or communication.

9. As part hereof, the Client understands that the Company may first conduct an investigation on the Client's credit and account status.

10. The Client acknowledges that the Company has the right to limit the number of open positions that the Client may retain or acquire through the Company at anytime.

11. The Client agrees that the Company may keep the revenue (including but not limited to fixed deposit) held by it and derived from part of the cash in the Account, and the Client agrees that unless the parties shall agree otherwise, the Company shall not pay any interest to the Client for any amount of funds belonged to the Client and held by the Company.

12. The Client warrants that it shall pay interest for any overdue debts or amount owed to the Company. Such interest shall be at the rate notified by the Company to the Client from time to time for such period from the due day of the debt until full payment is made. The Client agrees that the interest shall be paid on the last day of each month or immediately upon request by the

Company. The Client also agrees to pay the Company any fees and expenses (including legal fees and expenses) incurred on the Company arising from its request for payment of debts and/or interest.

13. The Company may pay interest in an amount calculated at such rate or based on such formula as the Company decides at its absolute discretion and may from time to time notify the Client.

14. Instructions and Tradings

14.1 Trading for the Client: The Client confirms and agrees that unless the Company specifies in the contract of the relevant trading or by other means in writing that it acts as the principal, The Company acts only as the agent of the Client in conducting the tradings and the Client shall take full responsibility for all tradings of the Account. Unless otherwise disclosed to the Client verbally or in writing, The Company and its directors and employees shall only act in the capacity of an agent of the Client in executing Instructions and tradings but not in their own capacity. Unless there is evidence to the contrary, the Client confirms that any Futures/Options Contracts trading conducted by the Company on behalf of the Client in accordance with the Instructions of the Client or any Authorised Person, is not chosen by or conducted according to the recommendation of the Company.

14.2 Client's Instructions: All instructions shall be provided by the Client verbally, in writing or by electronic service means according to this Agreement, and are irrevocable once given. The Company has the right (but not obligation) to rely and act on any Instructions stated to be or honestly believed by The Companyto be given by the Client or the Authorised Persons, and the Client is bound by such Instructions. The Client may restrict the power and limit of certain Authorised Person by an agreement in writing with the Company. The amendments to the list of Authorised Persons will only take effect after The Company received the Client's written notification and expressed that it accepted the relevant written notification.

14.3 Reliance on Instructions: For the Company, instructions, notifications or other communications of the Client or any Authorised Person (whether issued verbally or in writing) shall be deemed as complete, sufficient, immediate authorisations. The Company may at its absolute discretion rely on or act in accordance with any instructions, notifications or other communications made or claimed to have been made through telephone or in writing, and confirmed as issued by the Client or the Authorised Person. The Company is under no responsibility to verify the identity or authorisation of the person issuing or claimed to be issuing instructions, notifications or other communications. In respect of such instructions, notifications or other communications, The Company has the right (but not obligation) to take such measures it considers appropriate and relevant to confirm any trading, relevant Futures/Options Contracts price, type and quantity or whether there is any obvious or actual discrepancies or misunderstanding of the terms and conditions of such instructions, notifications or other communications. The Client takes responsibility for all risks in the transmission of all instructions or orders, whether by

telephone, telegraph, facsimile, internet, email, post, or verbally or by other means. The Client agrees to compensate the Company and keep The Company indemnified for all losses, costs, fees (including legal fees) due to its reliance on such Instructions, notifications or other communications.

14.4 Delay: Due to limitations of the conditions of the Exchange, the price of Futures/Options Contracts changes rapidly. Although The Company will make reasonable endeavour, there may be occasional delay in reporting the price, or The Company may not complete all tradings at the specific time or at the "best price" or "market price". The Client agrees that it shall accept the consequences of any trading conducted by The Companyon its behalf under any circumstances and agrees that the Company shall not take any responsibility for any loss arising from the Company's failure to comply with any term and condition in the instruction of the Client, and shall not take any responsibility for any loss arising from conducting any transactions in accordance with this Agreement, unless such loss is caused by the deliberate breach of contract of any employee or agent of the Company. The Company will not be liable for delays or failure in the transmission of Instructions due to breakdown, collapse, malfunction or interruption of communication facilities or for any other delay or failure beyond the control of the Company.

14.5 Instruction is Effective on the Day It is Issued: Unless the Client issues and the Company accepts a specific instruction, the Client agrees that all instructions or demands in relation to its Account is only effective on the day they are issued, and any instruction or demand that is not executed on the day it is issued shall become ineffective automatically upon the closing of the relevant Exchange or other markets on the trading day. The Company will not be liable for failure in executing the Instruction on the day it is issued.

14.6 The Company may record any communication between it and the Client, or record for the purpose of marking or evidencing the verbal instructions of the Client or any Authorised Person. The Client agrees that any record of the Company shall constitute the evidence of communication between it and the Client.

14.7 Cancellation of Instructions: The Client agrees that if the Client wants to change or cancel issued instructions, the Company shall have the right not to change or cancel any executed instructions. The Client also agrees that only instructions that are not executed may be changed or cancelled. The Client shall take full responsibility for part or all trading entered into prior to the change and/or cancellation of its instructions. The Company shall not take responsibility for the loss due to the delay in changing or cancelling the instructions for any reason.

14.8 Rejection of Instructions: The Company may at its absolute discretion without providing any reason rejects acceptance or execution of any instructions, whether such instruction is in relation to the entering into of any trading or liquidating positions, or in relation to the exercise of the rights under such contracts. In such circumstances, the Company shall use its best endeavour to notify the Client of the rejection, but the Company shall not take any responsibility for any loss in profit or revenue, obligation, fees or

expenses arising from or incurred by the Client as a result of the Company accepting or rejecting the execution of its instructions or failing to notify the Client in any event.

14.9 No Guarantee of Completion: If the Company cannot place number of lots specified by the Client for the Client in accordance with the Instruction, The Company may take reasonable steps to place number of lots less than that specified in the instruction where practicable, and the Client shall be bound by the executed tradings. Without prejudice to the aforesaid principle, the Client confirms and accepts that due to the frequent and rapid change in market price of the Commodities and Futures, and other situations in the market and/or such restriction and limitation implemented by the relevant Exchange from time to time, the Company may not execute or not execute in a practicable way all Instructions of the Client, or not complete each trading at any price quoted at any specified time. The Client agrees that the Company shall not take responsibility for not executing a specified tradings in accordance the instructions.

14.10 Trading in Foreign Currency: If the Client instructs the Company to conduct any Futures/Options Contracts trading of which the price and/or settlement is quoted or settled by foreign currency, (i) any loss or profit resulting from fluctuations in the foreign exchange rate of such foreign currency shall be recorded in the Client's Account, and all risks shall be borne by the Client; (ii) all Margin shall be paid in such currency and amount determined at the absolute discretion of the Company; and (iii) the Company is authorised to determine the exchange rate based on the price recorded in the currency market, so as to exchange all or any part of the balance in currency in the Account into the aforesaid foreign currency and make records thereof.

14.11 Choice of the Exchange: If the Client's instruction can be executed in more than one Exchange, unless the Client has issued another specific instruction to the Company, the Company may decide in which the Exchange to execute the instructions.

14.12 Options Trading: The Client confirms that it understands that certain Exchange and Clearing House stipulate a deadline for submitting instructions for exercising Options, and where the instruction to exercise is not issued prior to the deadline , the Options will lose all value. The Client also understands that unless there is an instruction to the otherwise, certain Exchange and Clearing House will automatically exercise certain Options "within the price". The Client confirms that it takes full responsibility for exercising or restricting the exercise of (depending on situations) Options Contracts; unless the Company has received a specific instruction from the Client, it shall not take any actions for the Options Contracts, including but not limited to exercising valuable Options prior to the maturity date or restricting automatic exercise of Options. The Client further confirms that the Company has the right (but not obligation) to stipulate the deadline for exercising Options from time to time, such deadline may be earlier than the deadline stipulated by the Exchange and Clearing House.

15. Margin Call and Additional Margin

15.1 Any interest, dividend or other benefits arisen or arising or derived or deriving from the Margin shall not become a part of the Margin

15.2 Margin Calls: The Client agrees that any amount (including Margin) payable to the Company under this Agreement shall be paid immediately upon request, and agrees to pay the Company with the Margin or other amount requested or stipulated by the Company from time to time in such currency decided by the Company, provided that such amount and fees payment shall be in compliance with the relevant restriction imposed by the Exchange and/or Clearing House in relation to the execution of the relevant Futures/Options Contracts trading. The Client agrees to meet the Margin payment request within a reasonable time (generally within 24 hours) or in such time requested by the Company in its absolute discretion and notified to the Client.

15.3 The Client agrees that the Margin Call of the Company may exceed the amount required by the Exchange on the Company, and agrees that the Company may decide or change the Margin Call on the Client at any time in its discretion. If the Company decides to call for additional Margin in accordance with this Agreement, the Client agrees to deposit the requested additional Margin into such account requested by the Company, and timely satisfy all Margin Calls by means decided by the Company from time to time.

15.4 With respect to all Futures/Options Contracts tradings conducted by the Company on behalf of the Client, the Client agrees to provide the Company timely with Margin or additional Margin considered necessary by the Company and requested by the Company from time to time so as to satisfy the fund requirement arising from variation adjustments. The amount of Margin, additional Margin and such amount for satisfying the variation adjustments requested by the Company may exceed the amount of Margin or price change adjustments demand of the Exchange or the relevant market or Clearing House. The Client agrees that the Company may change the demand without prior notification and such demand shall become effective immediately. Where the Client cannot satisfy the Margin, additional Margin or variation adjustments demand, the Company may (but is not obliged to) liquidate the outstanding position of the Client

16. Delivery

16.1 The Client agrees that each trading in its Account shall be completed in accordance with the trading terms and conditions of such trading, including any delivery or acceptance and relevant payment of amounts under any Futures/Options Contracts. For any unliquidated positions in the Account on the expiry day, if according to the regulation or customs of the relevant Exchange, the obligations of the buyer and seller that have not been performed for such unliquidated position shall be settled in cash by reference to the difference in price, the Company or the Client shall not obtain the relevant Commodities under the Futures/Options Contracts on the due day, but shall only pay the difference in price to the other party on the expiry day (settlement day) for settlement or liquidation of the unliquidated position. The Client shall take all necessary actions or measures to ensure that the Company can execute any trading of the Account and make timely settlement and take other appropriate actions in accordance with the rules, ordinance and demand of the relevant Exchange and/or Clearing House.

16.2 Provided that the terms and conditions of this Agreement and the regulations, ordinance and demand of the relevant Exchange and/or Clearing House are complied with, in respect of any Futures Contract, the Client shall liquidate positions prior to the final liquidation day stipulated by the Company; in respect of Options Contracts, the Client shall (if possible) exercise the relevant contract. Any amount payable to the Company by the Client for liquidating positions or trading or exercising of Options Contract (including but not limited to the amount payable by the Company to the relevant Exchange and/or Clearing House and/or broker of the Company) shall become due immediately upon liquidation of the position or exercising of Options, and shall be paid to the Company immediately.

16.3 If the Client wants to exercise any Options Contracts in the Account, it shall issue notification for exercising Options to the Company within the time limit stipulated by the Company from time to time, and prior to the earlier of the deadline for issuing exercise instruction stipulated by the Option seller, the relevant Exchange or Clearing House or the Company, and such notice shall be in compliance with the rules and regulations of the relevant Exchange where such trading or conclusion of such Options Contract take place.

16.4 If for any reason the Company, according to the regulations and rules of the relevant Exchange and/or Clearing House and/or any applicable laws, cannot receive all or part of the amount for any trading conducted for the Client on the payment due day or delivery date of the relevant Futures/Options Contracts payable to the Client on the due day, or cannot receive all or part of the Commodities stipulated in the relevant contract that are expiry for delivery to the Client (whether the relevant payment or delivery shall be made by the relevant Exchange, Clearing House and/or any other persons), the Company's obligation to make payment or deliver Commodities to the Client shall be limited to the payment or delivery to the Client such amount of money or quantity of Commodities actually received or accepted by the Company.

16.5 Where the event stated in Clause 16.4 above occurs, namely the relevant Exchange, Clearing House and/or other person cannot pay any amount or deliver any deliverable Commodities to the Client or the Company according to the contract exercised in the Account, the Company may (but is not obliged to) decide to take any action against the aforesaid relevant Exchange, Clearing House and/or other persons. If the Company takes any action, the Client shall fully compensate or, upon request of the Company, keep the Company fully indemnified from all costs, claim, demand, loss, fee and expense incurred for or arising from taking action.

16.6 When the Client has a short position according to Options Contract and such Option is enforced (or deemed to be exercised on expiry or under other circumstances), the Client shall provide the Company with the amount payable for enforcement in cash upon receipt of demand or accept or deliver (depending on situations) the relevant Commodities or the object of such Options Contract in accordance with the terms and conditions of such Options Contract.

16.7 If The Company sells any Commodities or assets in accordance with the instructions of the Client, but the Client is not able to deliver such Commodities or assets prior to such

sale or in accordance with the requirements under the relevant Commodities contracts, or if the Company considers necessary (whether for complying with the demand of any Exchange, Clearing House or other party) to exchange any Commodities or assets delivered for the Account by the Company for similar or the same type or quantity of Commodities or assets, the Client authorises the Company to borrow or purchase any Commodities or assets for delivery at its judgement, or exchange any such Commodities or assets required for delivery, or exchange the counter-party for delivery. the Company has the right to use the Commodities or assets purchased or acquired by other means for the Account for repaying borrowed Commodities or assets after completion of the delivery. The Client undertakes to pay the Company and keep the Company fully indemnified for any cost, loss or damage (including direct loss, penalty or fine) arising from the above action or due to the fact that the Company is unable to borrow or purchase the necessary Commodities or assets.

17. Closing Position

17.1 Force Liquidation of Positions: upon the occurrence of any of the following:

(a) The Client dissolves or liquidates;

(b) The Client files or is filed petition for bankruptcy or winding up or appointment of administrator;

(c) Any third party makes application for freezing any account of the Client opened with the Company and held by the Company;

(d) The Margin and/or additional Margin is insufficient or any pledge (whatever its market price is) deposited for security for one or more accounts of the Client is considered by the Company as insufficient for security for such account;

(e) Any other situation or circumstances considered by the Company as requiring to take action to increase the security for the Account, and the Company cannot contact the Client by reasonable measures through the contact provided by the Client, including but not limited to changes in local, national or international currency, financial, economic or political conditions or foreign Exchange control, as a result of which the Company considers that there maybe actual material adverse effect on the situation of the Client resulting from material or unfavourable fluctuations in Hong Kong and/or overseas securities markets, commodities or futures markets; or

(f) the Company is bound the Exchange Regulations and other laws or regulations, if the Exchange considers that the position accumulated by the Client is or may impose damage on any one or more specified market set up and operated by the Exchange, or is adversely affecting or may adversely affect the fair and orderly operation of certain market(s) (depending on situations) set up and operated by Exchange, such rules allow the Exchange to take action, restrict the number of positions or liquidate positions for the Client;

The Company is hereby authorised (but not obliged) to take one or more or any part of the following actions at its sole discretion and decision without obtaining the Client's prior consent:

(a) Applying the funds or assets of the Client held on trust or controlled by the Company or its Affiliate(s) to repay any debt owed by the Client to the Company or its Affiliate(s) directly or by way of securities or pledge;

(b) Selling any or all Futures/Options positions held for the Client or buying any or all Futures/Options positions; or

(c) Cancelling any or all instruction, position or other commitment pending for execution and issued for the Client.

In taking any actions above, the Company does not need to call for additional Margin and does not need to issue trading notice or other notice or notification to the Client. All ownership of the Commodities relating to the positions may fully belong to the Client or jointly held by the Client and other parties. When the Company liquidates long positions or short positions of the Client, it has the right to decide to sell or buy position in the same contract month.

17.2 The Client confirms that the Company has the right to make any decision, at its own discretion and judgement, of the Exchange or market to execute such trading or by way of an auction or private sale, and the Company is not affected by the right of redemption in purchasing all or part of such. The parties agree that, under any circumstances, prior demand, notice of sale or purchase and notification of time and location shall not be deemed as a waiver by the Company of its right to conduct such trading without demand or notice under this Agreement. The Client shall pay any loan balance at anytime upon request of the Company, and where the Company or the Client fully or partly settles the Account, the Client shall pay for any shortfalls in the Account. If the sale revenue under this authorisation is insufficient to repay all debts owed by the Client to the Company, the Client shall pay the difference in any of its account upon request of the Company and all unpaid debts and the interests arising therefrom, including but not limited to legal fees and any cost arising from obtaining such debts.

18. The Client further agrees to pay the brokerage commission (which may be shared by more than one client's broker), interest and other charges (whether or not other clients may only liable to pay lower commissions or charges) which are set up by the Company in respect of his/her account and to pay any fees or expenses in connection with any transaction in respect of the Client's account, including without limitation any transfer taxes and any transaction charges levied by any exchange, clearing house or other regulatory body. In the event that the Client trades in a foreign currency, the Client acknowledges and agrees that he/she is solely responsible for any gain or loss arising from fluctuations in the exchange rate of that foreign currency.

19. The Client authorizes the Company to engage any broker, agent, nominee or third party to carry out any transaction or provide any service in relation to the account at its sole discretion. The Client is willing to pay and indemnify the Company, its employees or agents against any losses,

liabilities, debts, costs or expenses (including but not limited to legal fees and expenses, or fines or penalties imposed by any government agency, market, exchange, clearing agency or other regulatory body) suffered or likely to be incurred by the Company, its employees or agents in connection with the Client's account or any transaction or open interests therein. Without prejudice to the foregoing, the Client agrees that if the Company incurs any expenses and costs in connection with the collection of any sums due from the Client pursuant to this Agreement or any expenses and costs incurred by the Company in successfully rejecting any claim made against it by the Client, upon receipt of a reimbursement demand by the Company, the Client shall forthwith pay all such costs. In each case, such costs include, but are not limited to, legal fees, interests and expenses.

20. Due to the specific restrictions of the exchange and the rapid price fluctuation, there may be delays in the transaction. The Client agrees to accept and be bound by all consequences arising from the making or failure to make a sale or purchase by the Company, its employees or agents, in the absence of fraud. The Client will indemnify and hold harmless the Company, its employees or agents from and against all losses, expenses, debts, liabilities, claims or demands arising out of any and all lawful acts performed pursuant to this Client Agreement.

21. Every contract entered into by the parties and all other transactions with or on behalf of the Client shall be made with the expectation that physical delivery of such contract or transaction maybe possible upon payment.

22. Nothing done or not be done or endured by the Company shall be construed as a waiver of any rights which the Company may have against the Client. Unless expressly stated otherwise, any consent given or waiver made by the Company in respect of a particular event shall be in respect of that particular event only and shall not be deemed to be a consent, waiver or release by the Company of any provision hereof nor shall it be construed as a waiver of the requirement to obtain a written consent of the Company in the future.

23. Confirmation of Trading and Daily Statement of the Account: In respect of the sale and purchase, exchange or trading of any Futures/Options Contracts conducted for the Account by the Company in executing the Client's instruction, the Company shall provide the Client with an Account daily statement of the trading conducted on the preceding trading day. The information in the daily statement and other confirmation provided by the Company to the Client is final and conclusive. If the Client does not provide any written objection within 2 Working Days after the email of the confirmation documents, such as the daily statement, is sent, information on such confirmation document shall be deemed as confirmed and accepted by the Client.

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24. The Client agrees to instruct the Company for the settlement or delivery of futures or forward contracts, or for the settlement, exercise or expiry of options. In the case of open positions in a futures or forward contract, the Client must give the Company such instructions at least two

business days prior to the first notice day or any other time limit required by the Company (which one is earlier); and in the case of a short position in a futures or forward contract, or open interest or short position in an option, the Client must give instructions and deliver to the Company sufficient funds and/or all required documents for such disposal at least two business days prior to the last trading day or any other time limit required by the Company (which one is earlier). If the Company does not receive such instructions, payments and/or documents in respect of an option transaction before the expiry of the option by the said time limit, the Company may allow such option to expire.

25. This Client Agreement and its terms are equally binding on the Client and his/her heirs, executors, administrators and assignees of assets.

26. This Client Agreement is governed by the laws of the Hong Kong Special Administrative Region of the People's Republic of China.

27. If any provision of this Client Agreement is inconsistent with any applicable laws, rules or regulations issued by any relevant authority or body having jurisdiction over matters relating hereto, such provision shall be deemed to be deleted or amended in accordance with such law, rule or regulation, and the remainder hereof shall continue in force. The Company may adjust any account, disregard any unexecuted order or revoke any executed transaction or take such other action as the Company may deem necessary to comply with such laws, rules or regulations or with any charters, by-laws, regulations, rules, statutes, conventions, practices or terms applicable to this Client Agreement or to the relevant transaction or account.

28. The Client irrevocably submits and agrees the non-exclusive jurisdiction of the courts of the Hong Kong Special Administrative Region of the People’s Republic of China. The Company shall have the right to bring proceedings against the Client in any other court having jurisdiction over the Client or any of the Client's assets, and the Client hereby submits to the non-exclusive jurisdiction of such courts.

29. Time is of paramount importance in all respects in the performance of the Client's responsibilities under or in connection with this Client Agreement.

30. This Client Agreement shall be binding on the successors and assignees of the Company whether by merger, joint venture or otherwise. The Company may transfer the Client's account to the said successor or assignee. The Client shall not assign any contract with the Company or any interest or liability thereunder to any other person without the written consent of the Company in its sole discretion.

31. This Client Agreement shall remain in force until the Company receives a notice of cancellation signed by the Client or until the Client receives a signed notice of cancellation from the Company. Such notice of cancellation does not affect any transaction conducted prior to the receipt of such notice. No employee of the Company shall be entitled to make any representation in breach of the clauses hereof. Such notice of cancellation shall not prejudice

any right, power or liability of the Company or the Client prior to the receipt of such notice, and the claims of the parties for any damages incurred thereby shall survive the termination of this Client Agreement.

32. The Client agrees that the terms of this Agreement maybe amended by the Company from time to time, at its discretion, by notice in writing from the Company to Client, in which event such terms and conditions as so amended shall apply with effect from the effective date specified in such notice, whether the specified effective date is before or after the date of such notice but subject to applicable Laws. Such amendments shall be deemed incorporated into and form part of this Agreement. The Client acknowledges and agrees that if the Client does not accept any amendments as notified by the Company the Client shall have the right to terminate this Agreement in accordance with the termination provision under this Agreement. The Client further agrees that any amendments shall be deemed to be accepted by the Client, if the Client continues to conduct tradings through the Company without expressively communicating its objections to such amendments to the Company.

33. Words used in the singular herein also include words used in the plural, viceversa. Words used in either gender, whether masculine, feminine or neuter, include the meaning of the other gender.

34. The document title, clause headings (if any) and any abbreviations herein are for reference only and shall not affect the definition, limitation or description of the scope hereof or any provisions herein.

35. The Client has been and will be asked to provide data to the Company in the past and in the future in relation to the services and products that the Company provides. The Company also collects information from the Client in the course of maintaining a relationship with the Client, for example when the Client makes payments or gives instructions. Failure to provide such data may result in the Company being unable to provide products or perform services for the Client.

36. Client shall be entitled to ask the data holder whether he/she holds any data relating to the Client and to request access to and correction of any such data, provided that a reasonable fee will be charged for each request.

37. Requests for access to or correction of data, or enquiries regarding the content of data held by the Company and the principles and practices governing its use should be directed to Room 1701, COFCO Tower, 262 Gloucester Road, Causeway Bay, Hong Kong.

38. In the event of any discrepancy between the Chinese version and the English translation of this Client Agreement, the Chinese version shall prevail.

Provisions on the Rules and Code of Conduct of the Futures Exchange

The following terms shall apply to transactions involving the HKFE. Unless an exception applies, words and expressions used herein shall have the same meanings as in the rules, regulations and procedures of the HKFE (hereinafter referred to as the "HKFE Rules") and the code of conduct applicable to persons licensed by or registered with the SFC (hereinafter referred to as the "Code of Conduct").

1. The Company provides to trade futures contracts and/or options contracts offered by the HKFE (hereinafter referred to as "exchange traded futures/ options contracts ").

2. The following provisions are made in accordance with the Code of Conduct and shall be deemed to be part of this Client Agreement:

(a) Every Exchange contract (as defined in the HKFE Rules) shall be subject to the charge of an Investor Compensation Levy and a levy pursuant to SFO. The cost of both of which shall be borne by the Client. Each sale and purchase contract shall also be subject to a brokerage commission (which may be apportioned among more than one client broker), interest (at such rate as the Company may from time-to-time revise) and such other charges as the Company may at any time determine. The amount of commission will be calculated in accordance with the provisions set out in the Contract Brief attached hereto.

(b) If the Client suffers pecuniary loss by reason of the Company's default, the liability of the Investor Compensation Fund will be restricted to valid claims as provided for in the SFO and relevant subsidiary legislation and is subject to the monetary limits set out in the *Securities and Futures (Investor Compensation - Compensation Limits) Rules*. Accordingly, there can be no assurance that any pecuniary loss sustained by reason of such a default will necessarily be recouped from the Investor Compensation Fund in full, in part or at all.

(c) All transactions relating to exchange traded futures/ options contracts must be subject to the HKFE Rules and the rules of the relevant markets and exchanges. Upon the request of HKFE or the SFC, the Company shall disclose the name, beneficial identity (as defined in the HKFE Rules) and such other information concerning the Client as the HKFE or the SFC may require and that the Client agrees to provide such information concerning the Client as the Company may require in order for Company to comply with this requirement and pursuant to HKFE Rules and SFO. The Chief Executive of the HKFE may require the Company to close out any or all the open position held by the Company on behalf of the Client or to impose a margin surcharge on any or all of the Client's positions held by the Company on behalf of the Client if the Company fails to comply with the requirements of Rule 606(a) or 613(a) of the HKFE Rules relating to the disclosure of data.

(d) Where the Client intends to deal in futures and/or options outside the markets operated by the HKFE, such dealings will be subject to the rules and regulations of those markets rather than the rules and regulations of the HKFE, in which case the level and type of protection available to the Client in respect of such dealings may differ significantly from that prescribed by the HKFE Rules.

(e) (1) When the Company trades on NYMEX ACCESSsm contracts for clients through NYMEX ACCESSsm:

(i) these transactions are subject to NYMEX ACCESSsm rules.

(ii) if the Client's transactions of NYMEX ACCESSsm contracts are for the benefit of another person, the Client must ensure that the provisions of subclauses (i) and (ii) herein are contained in and be effective in an agreement with that person.

(2) If the Company enters transactions relating to futures or options contracts for the Client through another exchange:

(i) such transactions shall be governed by the relevant rules of the exchange concerned.

(ii) and if the Client's transactions in futures or options through another exchange are for the benefit of another person, the Client must ensure that the provisions of subclauses (i) and (ii) herein are contained in and be effective in an agreement with that person.

(f) Subject to the provisions of the *SFO* and applicable laws, the Company may take the opposite position to the client's order in relation to any exchange traded futures/options contracts, whether on its own account or for the account of its associated companies or other clients of the Company, provided that such trade is executed competitively on or through the facilities of the HKFE in accordance with the HKFE Rules or through the facilities of any other commodity, futures or options exchange and in accordance with the rules of the relevant exchange.

(g) The Client acknowledges that the clearinghouse (as defined in the HKFE Rules) may do all things necessary to transfer any open positions held by the Company on the Client's behalf and any money and security standing to the credit of its account with the Company to another exchange participant of HKFE in the event the rights of the Company as an exchange participant of HKFE are suspended or revoked.

(h) All monies, securities and other properties received by the Company from the Client or from any other person (including a clearing house) for the account of the Client shall be held by the Company as trustee and segregated from the Company's own assets and held in the manner described in the Code of Conduct. All moneys, approved debt securities, approved securities or other properties held by the Company shall not form part of the assets of the Company for insolvency or winding up purpose but shall be returned to the Client immediately upon the appointment of a provisional liquidator, liquidator or similar officer over all or part of the business or assets of the Company.

(i) The Client hereby authorizes the Company to apply any such monies, approved debt securities or approved securities received by the Company from the Client or from any other person (including a clearinghouse) as held in the manner specified under Clause (h) herein above in accordance with the Code of Conduct. In particular, the Company shall be entitled to apply such monies, approved debt securities or approved securities in or towards meeting the Company's obligations to any party insofar as such obligations

arise in connection with or incidental to the business of dealing in exchange traded futures/ options contracts on behalf of the Client.

(j) The Client acknowledges that any account of the Company maintained with the clearing house, whether or not such account is maintained wholly or partly in respect of dealing in exchange traded futures / options contracts on behalf of the Client and whether or not money approved debt securities or approved securities paid or deposited by the Client has been paid to or deposited with the clearinghouse, as between the Company and the clearinghouse, the Company deals as principal. Accordingly, no such account is impressed with any trust or other equitable interest in favor of the Client and money, approved debt securities or approved securities paid to or deposited with the clearing house are free from the trust provisions referred to in Clause (h) hereinabove.

(k) The Client agrees to pay the margin and variation adjustment within [24 hours] or time limit as required by the Company in its direction (which on is earlier) upon receipt of a call for such payment. If the Client fails to pay the required margin and/or variation adjustment within the period specified by the Company on two consecutive occasions, the Company is entitled to report all information in relation to the open interests of the Client to the relevant regulators. The Company may require more margin, and/or variation adjustment than that specified by the HKFE and/or the clearing house. The Company may close out open positions on behalf of the Client in respect of which any margin calls and demands for variation adjustments are not met within the period specified by the Client.

(l) The Client acknowledges that the Company is bound by the HKFE Rules which permit the HKFE to take steps to limit the positions or require the closing out of contracts on behalf of the Client who in the opinion of HKFE are accumulating positions which are or may be detrimental to any particular market or markets, or which are or maybe capable of adversely affecting the fair and orderly operation of any market or markets, as the case maybe.

Nothing in the execution of this Client Agreement shall eliminate, exclude or limit the rights of the Client or the obligations of the Company under the laws of the Hong Kong Special Administrative Region of the People's Republic of China.

3. The following provisions relating to discretionary accounts are set out in accordance with the Code of Conduct and shall be deemed to be part of this Client Agreement when the Client gives the Company and signs a written request in such form as the Company may from time to time specify:

(a) The Client hereby appoints the Company and each of the trading directors and trading representatives currently and from time to time employed by the Company as joint and several agents (hereinafter referred to as "Discretionary Agents", including the substitute referred to in subclause (b) below) who may, in their sole discretion, in respect of any and all exchange traded futures / options contracts, exercise purchase and sale rights and/or controls.

(b) Any trading director of the Company shall have the absolute discretion to appoint a substitute to act in his/her stead in the exercise of any of the powers of agent conferred by subclause 3(a) hereinabove as he/she thinks fit.

(c) The Client agrees to indemnify and hold the Company harmless from all losses and liabilities (including all legal costs) arising out of all and any transactions entered into by the Discretionary Agent on behalf of the Client which are absolutely binding on the Client.

(d) The Client acknowledges and confirms any and all transactions entered into by the Discretionary Agent for or on behalf of the Client.

(e) The Company may appoint and remove any of its substitutes with the same or more limited powers for all or any of the purposes herein contained.

(f) The appointment of a Discretionary Agent is in addition to and does not limit any other rights available to the Company under other agreements entered into between the Company and the Client.

(g) The appointment of a Discretionary Agent hall remain in force until or unless the Company receives a written notice from the Client of the revocation of such appointment or the Client receives a written notice from the Company of the revocation of such appointment. However, the giving of notice of revocation by either party shall not affect the liability of the Client to the Company for any debts or losses as a result of the finalization of a sale or purchase entered into by the Company prior to the receipt of such written notice of revocation or as a result of the settlement of the Client's account.

4. The following provisions relating to the integrated account are set out in accordance the Code of Conduct and Rule 613 of the HKFE Rules and form part of this Client Agreement:

(a) The provisions of paragraph 6 of Schedule 4 of the Code of Conduct are hereby deemed to have been repeated.

(b) The Client agrees to be regulated by the Company and accepts the supervision of the Company to the same extent as the Company is supervised by the HKFE. Where necessary, the Client will provide all data and take all actions, and will procure its clients to do the same, to ensure and facilitate the Company's compliance with all requirements of the relevant authorities, the HKFE and clearing houses in connection with the operation of the integrated account.

(c) The Client agrees to provide the Company with all information required to enable the Company to comply with the HKFE Rules. If the Client fails to do so, the Company shall be entitled to settle all and any open interests held on behalf of the Client or to require the clearinghouse to execute such settlement on behalf of the Company and the Company shall be entitled to impose a margin surcharge on the Client for positions held on behalf of the Client as it may consider appropriate.

5. The following provisions relating to margin are set out in accordance with Rule 616 of the HKFE Rules and form part of this Client Agreement:

(a) The Company may demand from the Client to pay higher level of initial margin or a margin on the continuation of account as the Company deems appropriate;

(b) If the Client fails to pay the amount within the specified time limit (or, if no time limit is specified at the time the call is made, within 24 hours after the call is made) upon receipt of a margin call, the Company shall have the absolute discretion to settle some or all of the Client's open interests. The Company reserves the right to settle the Client's open interests immediately under appropriate circumstances.

6. As referred to in the "Risk Disclosure Statement":

(a) "you" refers to the Client; and

(b) "the broker" includes the Company.

7. The Client acknowledges and accepts that the following positions are subject to Large Open Positions monitoring in accordance with Rule 628 of the HKFE Rules:

(a) The Board of the HKFE may from time to time specify the number of open contracts held by the Company (whether carried or held by the Company for its own account or on behalf of the Client) in a particular futures contract month or option series in a particular market which is to be regarded as a Large Open Position for the purpose of the HKFE Rules.

(b) those exchange participant, including the Company, shall make reports to the Chief Executive of the HKFE or any designated HKFE staff of its Large Open Position in such form and with such frequency as may from time to time be prescribed by the Board of Directors of the HKFE.

(c) The Chief Executive of the HKFE or any HKFE staff may require the Company to supply such information in respect of a Large Open Position report as he deems appropriate.

8. Without prejudice to Rules 629 and 632B of the HKFE Rules, no person shall hold or control more than 10,000 long or short Delta positions, i.e. to hedge the risk of price changes in the specified asset in all contract months in the Hang Seng Index (HSI) futures and Hang Seng Index options markets. The Client hereby confirms that the Company has informed the Client of the above position limits.

9. The Client accepts the contract limits and reportable positions set by the SFC in accordance with the *Securities and Futures (Contracts Limits and Reportable Positions) Rules* (as stipulated in the *Securities and Futures (Contracts Limits and Reportable Positions) Rules*). The Board of Directors of the HKFE may take appropriate steps to assist exchange participants, including the Company and its clients (including the Client), to comply with the contract limits and reportable positions set by the SFC under section 35(1) of the *Securities and Futures Ordinance*, including accepting steps for the Client to submit reports on its positions to the HKFE, and the Company hereby informs the Client that such steps and the relevant reporting

forms are available to the Client upon request and that the relevant reporting forms will be made available to the Client upon request.

Personal Data Collection Statement

This statement is provided to the individual client of the Company in accordance with the requirements of the *Personal Data (Privacy) Ordinance of HongKong (HongKong Legislation Cap 486)* (hereinafter referred to as the " *Personal Data (Privacy)* Ordinance"). Terms referred to herein shall have the same meaning as in the *Client Agreement*.

1. Disclosure Obligations

Unless otherwise stated, the Client must provide his/her personal data to the Company as required on the Account Opening Form. If the Client does not provide such data, the Company will not have sufficient data to open and manage the account for the Client.

2. Use of Personal Data

2.1 Users

All personal data relating to the Client (whether provided by the Client or by other persons and whether such data is provided before or after the Client receives the *Client Agreement)* will be available for use by any of the following companies or persons (each as a "user"):

(i) the Company and/or any of its holding companies, subsidiaries, affiliates;

(ii) any directors, senior officers, employers or agents of the Group;

(iii) the counterparty to any transaction to which the Client is a party;

(iv) any debt collection or credit reference agency providing services to the Company or an agency providing similar services;

(v) any person or company to whom the Company assigns or proposes to assign its interests and/or liabilities in relation to the Client, or any products or services provided to the Client;

(vi) any nominee holder, trustee, co-trustee, securities custodian or transfer agent, custodian, lawyer or other person involved in the provision of services or products by the Company to the Client;

(vii) any contractor, adviser, agent or third party service provider which provides administrative, data processing, financial, computer, telecommunication, payment or clearing, trading, execution, professional or other services to the Company in connection with the operation of its business or provision of financial services or products to the Client;

(viii) any foreign or local exchanges of futures and/or other financial products where the Client's orders to buy or sell such futures and/or other financial products are placed or transacted; or their associated clearing houses or operators;

(ix) any foreign or local government agent, regulatory body or other organizations or institutions, regardless of whether required by laws or regulations applicable to any member of the Group; or

(x) any person or body with whom the Client deals or proposes to deal, such as the Client's correspondent bank, solicitor or accountant.

2.2 Purpose

All personal data of the Client maybe used by any user for the following purposes:

(i) to perform verifications and credit checking procedures on new or existing clients, and assist other financial institutions in such work;

(ii) to carry out ongoing accounts management, including the collection of arrears and the enforcement of security, charges or other rights and interests;

(iii) to design new products and services to be offered to clients, or to promote the Group's products to clients;

(iv) to transfer such data to anyplace outside Hong Kong;

(v) to compare personal data of the Client (irrespective of the purpose and source of collection of such data and irrespective of whether such data is collected from the user or from any other person) for the following purposes: (A) credit checks; (B) data verification; and/or (C) production or verification of data for the purpose of taking such action (including action which may relate to the rights, obligations or interests of the Client or any other person) as the user or any other person considers appropriate;

(vi) for the purposes set out in the terms of any other agreements and services relating to the Client;

(vii) for the Company or its affiliates to comply with any law, regulation, court judgment or decision of any other regulatory body;

(viii) to investigate suspicious transactions; and

(ix) for any purpose relating to the execution of the Client’s instructions or in connection with the Group's business or transactions.

2.3 Use of data for direct marketing

The Company may use and/or transfer the Client’s data to the affiliated person for direct marketing purposes and the Company shall obtain the Client's consent (which includes an indication that the Client does not object) for this purpose. Accordingly, please note the following two points:

(i) The Client's name, contact details, portfolio data, transaction patterns and financial background may be used to directly promote the Group's businesses and related financial products and services; and

(ii) If the Client does not wish the Company to use and/or transfer his/her personal data for direct marketing purposes, the Client may exercise his/her right to refuse such arrangement.

3. Right of access and correction

In accordance with the provisions of The Personal Data (Privacy) Ordinance, the Client has the right to access and correct his/her personal data. In general (subject to certain exemptions), the Client has the following rights:

(i) to enquire whether the Company holds personal data in respect of the Client;

(ii) to access his/her personal data within a reasonable time; the Company will respond to the Client in a reasonable manner and in a clear and understandable format, subject to a reasonable fee.

(iii) to request the correction of his/her personal data; and

(iv) to request reasons for the denial and to object to any such denial if access to or correction of personal data is denied.

4. If the Client defaults on a payment, the Client agrees to the credit reference agency retaining the repayment data on his/her account until at least [ ] years after the expiry of the period, unless the defaulted amount is repaid in full or settled by a specific deadline [please confirm].

5. Contact person

If the Client requests access to and/or correction of personal data and/or does not agree to receive direct marketing information, he/she can contact the customer service officer of the Company at 28330560 or by e-mail to contacthk@cofco.com.

6. In accordance with the provisions of the *Personal Data (Privacy) Ordinance*, the Company has the right to charge a reasonable fee for the processing of any data access request.

Risk Disclosure Statement

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

The risk of loss in trading futures contracts or options is substantial. In some circumstances, you may sustain losses in excess of your initial margin funds. Placing contingent orders, such as "stop-loss" or "stop-limit" orders, will not necessarily avoid loss. Market conditions may make it impossible to execute such orders. You maybe called upon at short notice to deposit additional margin funds. If the required funds are not provided within the prescribed time, your position maybe liquidated. You will remain liable for any resulting deficit in your account. You should therefore study and understand futures contracts and options before you trade and carefully consider whether such trading is suitable in the light of your own financial position and investment objectives. If you trade options, you should inform yourself of exercise and expiration procedures and your rights and obligations upon exercise or expiry

Futures

1. Effect of "Leverage" or "Gearing"

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

2. Risk-reducing orders or strategies

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

Options

3. Variable degree of risk

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

The purchaser of options may offset or exercise the options or allow the options to expire. The exercise of an option results either in a cash settlement or in the purchaser acquiring or delivering the underlying interest. If the option is on a futures contract, the purchaser will acquire a futures position with associated liabilities for margin (see the section on Futures above). If the purchased options expire worthless, you will suffer a total loss of your investment which will consist of the option premium plus transaction costs. If you are contemplating purchasing deep-out-of-the-money options, you should be aware that the chance of such options becoming profitable ordinarily is remote.

Selling ("writing" or "granting") an option generally entails considerably greater risk than purchasing options. Although the premium received by the seller is fixed, the seller may

sustain a loss well in excess of that amount. The seller will be liable for additional margin to maintain the position if the market moves unfavourably. The seller will also be exposed to the risk of the purchaser exercising the option and the seller will be obligated to either settle the option in cash or to acquire or deliver the underlying interest. If the option is on a futures contract, the seller will acquire a position in a futures contract with associated liabilities for margin (see the section on Futures above). If the option is "covered" by the seller holding a corresponding position in the underlying interest or a futures contract or another option, the risk maybe reduced. If the option is not covered, the risk of loss can be unlimited.

Certain exchanges in some jurisdictions permit deferred payment of the option premium, exposing the purchaser to liability for margin payments not exceeding the amount of the premium. The purchaser is still subject to the risk of losing the premium and transaction costs. When the option is exercised or expires, the purchaser is responsible for any unpaid premium outstanding at that time.

Additional risks common to futures and options

4. Terms and conditions of contracts

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

5. Suspension or restriction of trading and pricing relationships

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

Further, normal pricing relationships between the underlying interest and the futures, and the underlying interest and the option may not exist. This can occur when, for example, the futures contract underlying the option is subject to price limits 60 while the option is not. The absence of an underlying reference price may make it difficult to judge "fair value".

6. Deposited cash and property

You should familiarise yourself with the protections given to money or other property you deposit for domestic and foreign transactions, particularly in the event of a firm insolvency or bankruptcy. The extent to which you may recover your money or property may be governed by specific legislation or local rules. In some jurisdictions, property which had been

specifically identifiable as your own will be pro-rated in the same manner as cash for purposes of distribution in the event of a shortfall.

7. Commission and other charges

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

8. Transactions in other jurisdictions

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

9. Currency risks

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

10. Trading facilities

Electronic trading facilities are supported by computer-based component systems for the order- routing, execution, matching, registration or clearing of trades. As with all facilities and systems, they are vulnerable to temporary disruption or failure. Your ability to recover certain losses may be subject to limits on liability imposed by the system provider, the market, the clearing house and/or participant firms. Such limits may vary: you should ask the firm with which you deal for details in this respect.

11. Electronic trading

Trading on an electronic trading system may differ from trading on other electronic trading systems. If you undertake transactions on an electronic trading system, you will be exposed to risks associated with the system including the failure of hardware and software. The result of any system failure may be that your order is either not executed according to your instructions or is not executed at all.

12. Off-exchange transactions

In some jurisdictions, and only then in restricted circumstances, firms are permitted to effect off- exchange transactions. The firm with which you deal maybe acting as your counterparty to the transaction. It maybe difficult or impossible to liquidate an existing position, to assess the

value, to determine a fair price or to assess the exposure to risk. For these reasons, these transactions may involve increased risks. Off-exchange transactions may be less regulated or subject to a separate regulatory regime. Before you undertake such transactions, you should familiarise yourself with applicable rules and attendant risks.

Securities and Futures (Contracts Limits and Reportable Positions) Rule

(made by the Securities and Futures Commission under section 35(1) of the Securities and Futures Ordinance (Cap. 571) and under section 35(1)(e) of the same Ordinance after consultation with the Financial Secretary)

1. Limits on the number of contracts held or controlled

No person other than a person referred to in Rules 4(2) and (4) of the *Securities and Futures (Contracts Limits and Reportable Positions) Rules* shall hold or control futures contracts or stock options contracts in excess of the prescribed limit.

2. Specified limits

For the purposes of section 4(1) of the *Securities and Futures (Contracts Limits and Reportable Positions) Rules*, the maximum number of contracts that maybe held or controlled in relation to a futures contract specified in column 2 of Schedule 1 is the limits specified in column 3 of that Schedule.

3. Compliance by exchange participants

For exchange participants, the prescribed limits and reportable positions for the futures contracts specified in Schedule 1 shall apply separately to:

(a) futures contracts held or controlled by the exchange participant for its own account; and

(b) futures contracts held or controlled by the exchange participant for each of its clients.

Margin deposit/margin p**rocedures**

The procedures described below are set out in accordance with the Code of Conduct:

1. The purchase and sale of stock market index futures contracts and options are forward settled. A margin is paid at the time of purchase or sale as a collateral to guarantee subsequent performance of the delivery obligation. The amount of margin is usually determined by the value of each contract of the client.

2. The exchange may from time to time establish minimum initial and maintenance margins for commodities traded through its facilities. The Company is also required to collect sufficient collateral from the client to cover the client's expected trading obligations and to receive a minimum amount of margin and variation adjustment before it can conduct futures/options transactions for the client.

3. Both the buyer and the seller are required to pay margin at the time of opening a position. To buy an option, the client must pay the full value of the option contract on the day the option is purchased. Any client wishing to sell/short sell options must comply with strict minimum margin requirements as determined by the Company from time to time in order to conduct transactions.

4. Any client who sells a put option (i.e. sells an option that he/she does not previously own) may receive an option premium but will pay an amount equal to the intrinsic value of the option if it is exercised on the expiry date. The exchange uses a margin system that calculates the potential liability of short sellers and measures the risk of each position.

5. Where the client's exposure to investing in options may be offset by the purchase or sale of futures contracts or options contracts, the client may not be required to pay the full option premium. Under this offsetting system, a short seller may not receive the full amount of the relevant option premium on the trade date, but only the gain or loss due to the daily price movement under the account.

6. Clients with margin accounts must note that margin accounts are subject to daily value accounting, meaning that clients may be required to make daily replenishments for margin and price movement adjustments. This system is in place because if the balance deposit falls below the initial margin level, clients are required by exchange rules to replenish their accounts to the initial level. The Company may require a higher level of margin and variation adjustment from the Client if it thinks appropriate.

7. Margin must be paid in cash or other method acceptable by the Company. Where payment is made by cheque, such cheque shall be accepted as cash if the Company has acted in utmost sincerity at the time of the delivery by the Client and the Company does not suspect that the cheque can’t be dishonored.

8. Under no circumstances shall the Company increase the credit limit for the Client or provide a rebate of any kind to the Client in an attempt to avoid or waive liability for the payment of margin and/or variation adjustment.

9. When the price of an open futures position is moving in an unfavorable trend, the Company may require the Client to make additional payments. The Company will also keep in view the adequacy of the Client's ability to meet any margin and/or variation adjustment top-up requests.

10. If the Client fails to pay the required amount within the specified time limit (or 24 hours after the notice of call is sent if no time limit is specified) after receiving a margin call or variation adjustment notice, the Company shall have the absolute discretion to closeout some or all of the Client's open interests. The Company also reserves the right to close out the Client's open interests immediately if the circumstances so warrant.

11. The Company shall have the right to choose the method of sending any margin call or variation adjustment notice. If any client fails to make payment in full after two consecutive margin calls or variation adjustment calls, the Company is entitled tonotify the exchange and submit to the exchange the client's account number, the contract number (if any) and the market on which the contract is traded. Further information, such as the name and beneficial identity of the Client, will also be submitted to the exchange immediately upon request.

12. In the event of the circumstances set out in Clauses 10 and/or 11 above, the Company shall be entitled to take the following actions:

(a) to sell any and/or all securities and other properties in the Client's account, whether held by the Client alone or jointly with others;

(b) to purchase any or all of the securities and other properties in the Client's account in the event of a short sale of such securities and/or properties;

(c) to cancel any outstanding order of the Client and close any or all outstanding contracts of the Client and settle the Client's account; and

(d) to sell or set off against any other assets held by the Company on behalf of the Client.

Options Data Statement

The Client notice and understands the following terms and the responsibilities of the registered option market maker (member's representative):

1. Contract information:
   Exercise price, expiry date, underlying commodity, option class, buy or sell order, opening and closing trading, latest quote, type of placing order.
2. Underlying commodity:
   The form of delivery or settlement of a commodity, contract value, and the method of calculation of the settlement price.
3. Exercise mode:
   American or European.
4. Option premium:
   Calculation of contract values and settlement of option premiums.
5. Margin:
   Approximate amount of margin, variation adjustment demands, additional deposit that may be required, payment details.
6. Transaction costs:
   Minimum commissions, exchange and clearinghouse fees, exercise fees, and related levies.
7. (Member's representative) registered option market maker's liability:
   (Member's representative) A registered option market maker is not obliged to provide abid/offer price for long-term Hang Seng Index options.

Disclaimer

Hang Seng Index and Hang Seng Index Series Futures Disclaimer

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HKFE Disclaimer

Stock indices and other proprietary products upon which contracts are traded on HKFE may, from time to time be developed by the HKFE. The HKFE Taiwan Index is the first of such stock indices developed by the HKFE. The HKFE Taiwan Index and such other indices or proprietary products as may from time to time be developed by the HKFE ("Exchange Indices") are the property of HKFE. The process of compilation and computation of the Exchange Indices is and will be the exclusive property of and proprietary to the HKFE. The process and basis of the compilation and computation of the Exchange Indices may at any time be changed or altered by the HKFE without notice and the HKFE may at any time require that trading in and settlement of such futures or options contracts based on any of the Exchange Indices as the HKFE may designate be conducted by reference to an alternative index to be calculated. The HKFE does not warrant or represent or guarantee to any member of the HKFE or any third party the accuracy or completeness of any of the Exchange Indices

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Electronic Trading System

1. Electronic Trading Service: The Company has the right to reject the Client's application for using Electronic Trading Service without giving any reason. Upon acceptance of the application, the Client admits and agrees to take full responsibility for all trading instructions issued through the Electronic Trading Service by the Client and/or the Authorised Person. The Client understands that the Electronic Trading Service is a semi-automatic system that allows the Client and/or the Authorised Person to issue electronic instruction and receive information service through such system. The Client agrees to use the Electronic Trading Service in accordance with the provisions under this Agreement and the terms and provisions amended, modified or expanded by the Company in the notice, letter, publication or other documents issued by the Company from time to time. When the Client uses the additional service through the Electronic Trading Service, it shall also comply with the provisions under this Agreement and the Confirmation for Using the Electronic Trading Service System and the terms and provisions amended, modified or expanded by the Company in the notice, letter, publication or other documents issued by the Company from time to time.

2. Authorisation to Use: The Client is the only authorised user of the Electronic Trading Service of its Account. The Client shall take responsibility for the confidentiality and security of the Password. The Client confirms and agrees to take full responsibility for all trading Instructions issued through the Electronic Trading Service and such Instructions shall be deemed to be issued by the Client, whether such Instruction is issued by a third

party authorised or unauthorised by the Client. the Company shall not be obliged to execute any Instruction, and has the right to reject execution of any Instruction without providing any reason. the Company and any of its directors, officers or employees shall not take responsibility for loss of the Client or any third party, to whom the Client acts as an agent, arising from the handling of the above instruction, mis-handling or loss of any Instruction.

3. The Client accepts that the price reported prior to the execution of the trading may change at any time, and not all instructions will be executed in the order of the instructions. All instructions issued by the Client and/or the Authorised Person shall be deemed as issued or made at the time when the Company receives the instruction, and in the same format received by the Company (the Electronic Trading Service is not required to make inquiry about the Instruction and/or the authorisation or the genuineness of the identity of the person issuing the instruction), and the Company may execute the relevant instruction without further verifying the relevant Instruction with the Client. Any confirmation or notice issued by the Company through the Electronic Trading Service shall be deemed as received by the Client and binding on the Client, despite that the Client has not actually received the confirmation or notice for any reason. If any Instruction received by the Company is unclear or considered by the Company in good faith as unclear, inconsistent or contradictory, the Company may ignore (all or part of) the instruction or execute (all or part of) such Instruction according to the interpretation of the Company in good faith without making further checking or inquiry with the Client.

4. The Client confirms that the instruction of sale and purchase (including on market price order) issued through the Electronic Trading Service are not necessarily accepted or executed. the Company does not warrant that the instruction to cancel or amend the instruction of sale and purchase requested by the Client and/or the Authorised Person will be confirmed. The relevant instruction to cancel or amend the instruction of sale and purchase will only be confirmed when the demand to cancel or amend the instruction of sale and purchase given by the Client and/or the Authorised Person has been duly received by the Company and the Instruction of sale and purchase has been successfully cancelled or amended prior to the execution.

5. If the Company considers that any malfunction, interruption, mistake, improperness, damage or destruction of the Electronic Trading Service belongs to or may be caused by any facility or software of the Client and/or the Authorised Person, the Company may: (a) check and investigate the facility and software of the Client , the Authorised Person and/or operational behaviours; and (b) demand that the Client and/or the Authorised Person cut, stop using, upgrade and/or amend each of the above at its own cost.

6. The Client acknowledges that the use of the Electronic Trading Service may involve and may be deemed as electronic transmission of personal financial information, including but not limited to the identity, completion number and the relevant net price. The Client hereby agrees to transmit the relevant information electronically through the Electronic

Trading Service. The relevant consent is effective at any time when the Client and/or the Authorised Person receives and/or uses the Electronic Trading Service.

7. Replaceable Trading Method: The Client agrees that if the Client and/or the Authorised Person comes across any difficulties in using the Electronic Trading Service, it will use its best endeavour to use other means or facilities provided by the Company to issue Instructions and inform the Company of the above difficulties. The Client confirms that the Company does not give any express or implied warranty in relation to trading or related service (including but not limited to warranty in relation to the commercial value, function and suitability for use of the Electronic Trading Service).

8. Market Information Provided by A Third Party: The Client understands that the Electronic Trading Service system shall, for the sole purpose of information service, provide price and information published by third parties, which shall not constitute the professional advice of the Company and shall not be relied on by the Client. In respect of any investment decision or trading suggestion, the Client shall at any time rely on the Client's own assessment and judgement. The Client agrees that it shall not take any actions that may constitute a violation of the benefits and rights of the third parties relating to the price and information published. The Client agrees that it will not copy, transfer, sell, distribute, publish, publicise, advertise or commercially use such price and information without obtaining the prior written consent of the Company. The Client agrees to fully indemnify the Company for all loss, damage, fees and expenses arising from or in relation to the breach of each of the above. The Client hereby agrees to comply with any request of The the Company and third party information supplier, so as to protect the copyright, other intellectual property right or mental right (whether legal or of other nature) of each of them for the relevant content. Due to market fluctuations and delays in the information transmission process, the information may not be immediate. The Client understands that although the Company believes in the reliability of such information, it cannot independently verify or object to its accuracy or completeness. The Client understands that the information provided does not imply a recommendation or recognition of the Company.

9. No warranty of accuracy or timeliness of the information: The Client confirms that the price quoting service in the Electronic Trading Service is provided by the third party chosen by the Company from time to time. The Client understands that the information in the Electronic Trading Service system is provided in the status as it is originally provided by the third party, and the Company does not warrant the timeliness, sequence, accuracy, sufficiency and completeness of such information. The information of the Client's equity shown on the daily/monthly statement shall be the accurate one.

10. The Client confirms that due to unpredictable congestion of electronic communication and other reasons, the Electronic Trading Service may not be a reliable means of communication, and such unreliability is not under the control of the Company. This may result in the following situations, including but not limited to: (a) delay in transmitting or

receiving Instruction or other information of the Client and/or the Authorised Person, (b) delay in execution of order or the relevant order maybe executed at a price different from the time of placing order by the Client and/or the Authorised Person, (c) misunderstanding and mistakes in the communication between the Client and/or the Authorised Person and the Company, etc. Although the Company shall take all possible steps to protect the Electronic Trading Service system, Client information, Account and assets held on trust for the Client, the Client agrees to accept all risks involved in conducting financial and other tradings through the Electronic Trading Service.

11. the Company may terminate at its absolute discretion the provision of Electronic Trading Service to the Client without providing any reason and without giving prior notice to the Client and without attracting or resulting in any responsibility. Without prejudice to the aforesaid principle, the Company has the right (but not obligation) to terminate the provision of the Electronic Trading Service on any basis or for any reason for terminating or closing any accounts of the Client opened with the Company. For the avoidance of doubt, the Client has the obligation to pay for all fee, expenses, charge, disbursement and amount accrued up to (including) the termination day. The aforesaid obligation will continue to be effective after the termination of this Agreement or any termination of the Electronic Trading Service.

12. The Client agrees to pay to the Company such service fee determined by the Company and notified to the Client from time to time and other fees, charge, disbursement and interest for the use of the Electronic Trading Service. the Company further reserves the right to demand any additional, special, prepaid fees incurred in acting for the Client according to any Instruction. Other agreements between the Client and the Company in relation to payment, fee, charge, expense and interest shall continue to be effective and are in addition to this Clause in relation the provision of payment, fee, charge, expense and interest for using the Electronic Trading Service, and are not affected by this Clause.

CLIENT DECLARATION	
I/We have carefully read and understood the contents of this Agreement. I/We expressively agree and consent, as evidence by my/our signature(s) below, to each and all the terms and provisions contained in this Agreement. I/We also acknowledge that I/We have been invited to ask questions about the relevant laws and regulations, commission and fees schedules as well as the Risk Disclosure Statements of this Agreement. I/We have satisfied with the explanations and clarifications provided to me/us. I/We hereby declare that I/we am/are willing and capable of fulfilling the duties and obligations as specified in this Agreement.	
Client Signature	
Signed By： (if you are a corporate account, please signed with company chop)	Signed By： (if you are a corporate account, please signed with company chop)
Name（Block Letter）：	Name（Block Letter）：
Date：	Date：
Certification	
If this document is not executed by the Client(s) in front of COFCO's or COFCOF's staff member, it is required to be certified by a person licensed or registered with Hong Kong SFC or his affiliate, an affiliate of COFCO, professional person (such as a branch manager of a bank, certified public accountant, lawyer, notary public or chartered secretary).	
I, named below, certify that I have met and identified each of the person(s) who executed this Form before me, and reviewed the original of his/their ID card(s) or passport(s) and other related documents required for account opening.	
Signed By：	Name（Block Letter）：
Profession：	Date：
Declaration By Licensed Representative	
I/We, COFCO's or COFCOF's licensed representative(s), hereby declare and confirm that I / we have provided the Risk Disclosure Statements (as contained in the Agreement) in a language of the Client's choice (Chinese or English) and invited the Client to read the same, ask questions and take independent advice if the Client wishes.	
Signed By：	Name（Block Letter）：
CE Number：	Date：
Approval of Account Opening	
We acknowledged and accepted.	
Duly authorized for and behalf of COFCO Futures (International) Co..Limited	Name（Block Letter）： Date：