



**LEI SHING HONG SECURITIES LTD.**

8/F New World Tower 1,  
18 Queen's Road Central, Hong Kong

**CE NO.: ACS909**

(registered with the Securities and Futures Commission ("SFC") as a securities dealer licensed for Type 1 (dealing in securities) regulated activity and an Exchange Participant of The Stock Exchange of Hong Kong Limited (the "Exchange").

Date: November 2023

## **TERMS AND CONDITIONS FOR SECURITIES TRADING**

### **1 Definitions**

"Account" means the securities trading account maintained with LSHSL by the Client for the purpose of holding securities.

"Account Opening Information Form" means the account opening form executed by the Client for the purpose of opening the Account.

"Authorised Agent" means a person authorized by the Client in accordance with the letter(s) of authorisation signed by the Client for the opening of the Account, or as amended from time to time.

"Clearing House" means the Hong Kong Securities Clearing Company Limited.

"Client" means the person(s) (and/or where there is more than one, all and each of them) who has / have opened the Account.

"Exchange" means The Stock Exchange of Hong Kong Limited.

"Facility" means the share margin financing facility offered to the Client pursuant to the facility letters executed and/or amended by LSHSL and the Client from time to time.

"Instruction" means any instruction given for the buying or selling of or otherwise dealing in any securities in the Account.

"LSHSL" means Lei Shing Hong Securities Limited, including its successors and assigns, of 8/F New World Tower 1, 18 Queen's Road Central, Hong Kong, which is registered with the SFC as a securities dealer licensed for Type 1 (dealing in securities) regulated activity and an Exchange Participant of the Exchange.

"Lei Shing Hong Group" means LSHSL and its holding companies, subsidiaries and associated companies.

"SFC" means the Securities and Futures Commission.

"Terms and Conditions" means these terms and conditions as amended from time to time.

"Transaction" means a transaction in securities which LSHSL effects on the Client's instructions.

## 2 The Account

- 2.1 The Client confirms that the information provided in the Account Opening Information Form is true, complete and accurate. The Client will inform LSHSL of any changes to that information. LSHSL is authorised to conduct credit enquiries on the Client to verify the information provided.
- 2.2 LSHSL will keep information relating to the Account confidential, but may provide any such information to the Exchange and the SFC to comply with their requirements or requests for information.

## 3 Laws and rules

- 3.1 All Transactions shall be effected in accordance with and subject to all applicable laws, rules and regulatory directions. This includes the rules of the Exchange and of the Clearing House and the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong). All actions taken by LSHSL in accordance with such laws, rules and directions shall be binding on the Client.

## 4 Transactions

- 4.1 LSHSL will act as the agent of the Client in effecting Transactions unless LSHSL indicates (in the contract note for the relevant Transaction or otherwise) that LSHSL is acting as principal.
- 4.2 The Client will notify LSHSL immediately when a sale order relates to securities which the Client does not own, that is, involves short selling.
- 4.3 On all Transactions, the Client will pay LSHSL's commissions and charges, as notified to the Client, as well as applicable levies imposed by the Exchange, and all applicable stamp duties. LSHSL may deduct such commissions, charges, levies and duties from the Account.
- 4.4 Unless otherwise agreed, in respect of each Transaction, unless LSHSL is already holding cash or securities on the Client's behalf to settle the Transaction, the Client will
- pay LSHSL cleared funds or deliver to LSHSL securities in deliverable form or
  - otherwise ensure that LSHSL has received such funds or securities

by such time as LSHSL has notified the Client in relation to that Transaction. If the Client fails to do so, LSHSL may

- in the case of a purchase Transaction, sell the purchased securities and
  - in the case of a sale Transaction, borrow and/or purchase securities in order to settle the Transaction.
- 4.5 The Client will be responsible to LSHSL for any losses and expenses resulting from the settlement failures of the Client.
- 4.6 The Client agrees to pay interest on all overdue balances owing by the Client to LSHSL (including interest arising after or before a judgment debt is obtained against the Client) at such rates, not exceeding the prime rate of lending quoted by the Hongkong and Shanghai Banking Corporation Limited + 6% as demanded by LSHSL and be calculated and payable on the last day of each calendar month or upon any demand being made by LSHSL.

- 4.7 In the case of a purchase Transaction, if the selling broker fails to deliver on the settlement date and LSHSL has to purchase securities to settle the Transaction, the Client shall not be responsible to LSHSL for the costs of such purchase.
- 5 Safekeeping of securities
- 5.1 Any securities which are held by LSHSL for safekeeping may, at LSHSL's discretion:
- (in the case of registrable securities) be registered in the Client's name or in the name of LSHSL's nominee; or
  - be deposited in safe custody in a designated account with LSHSL's bankers or with any other institution which provides facilities for the safe custody of documents. In the case of securities in Hong Kong, such institution shall be acceptable to the SFC as a provider of safe custody services.
- 5.2 Where securities are not registered in the Client's name, any dividends or other benefits arising in respect of such securities shall, when received by LSHSL, be credited to LSHSL's Account or paid or transferred to the Client, as agreed with LSHSL. Where the securities form part of a larger holding of identical securities held for LSHSL's clients, the Client shall be entitled to the same share of the benefits arising on the holding as the Client's share of the total holding.
- 6 Cash held for the Client
- 6.1 Any cash held for the Client, other than cash received by LSHSL in respect of Transactions and which is on-paid for settlement purposes or to the Client, shall be credited to a client trust account maintained with a licensed bank as required by applicable laws from time to time.
- 7 Lien
- 7.1 All securities held for the Client's Account shall be subject to a general lien in LSHSL's favor, for the performance of the Client's obligations to LSHSL arising in respect of dealing in securities for LSHSL.
- 8 Online Stock Trading Service
- 8.1 "Online Stock Trading Service" ("SERVICE") means the online trading service and facility provided by LSHSL under these Terms and Conditions which enables the Client to trade securities through LSHSL and give electronic instructions to purchase, sell and otherwise deal with securities through the Account.
- 8.2 In order to access the SERVICE, the Client shall login by using the Client's login name and password. Access to and use of the SERVICE will be granted to the Client in accordance with these Terms and Conditions.
- 8.3 LSHSL reserves the rights to change, discontinue or suspend temporarily or permanently, the SERVICE (or any part thereof) at any time with or without notice.
- 8.4 The Client acknowledges that the Client's login password is confidential and shall not be disclosed or caused it to be disclosed to any person under any circumstances. The Client shall take all necessary precautions to maintain the confidentiality of the Client's password. The Client hereby agrees and acknowledges that the use of the SERVICE by any person (whether

authorised by the Client or not) with the Client's password shall constitute and be deemed the access to and the use of the SERVICE by the Client. The Client shall notify LSHSL immediately of any actual or possible unauthorised use of the Client's password and the SERVICE and shall confirm the same in writing without delay to LSHSL.

- 8.5 The Client must not restrict or inhibit any other users from using the SERVICE.
- 8.6 The Client acknowledges that LSHSL offers the Client two ways of communication with LSHSL either through the SERVICE or by telephone. The Client agrees that should he/it experiences any problems in reaching LSHSL through the SERVICE he/it will use the alternative method to communicate with LSHSL and inform LSHSL of the difficulty he/it is experiencing.
- 8.7 There is presently no subscription fee/charge (either monthly or annually) for using the SERVICE. However, LSHSL reserves the right to impose subscription fees/charges in the future.
- 8.8 The Client agrees that LSHSL may accept from any other third party engaged in any transaction or providing any services in respect of the SERVICE any rebate or allowance of any fee, brokerage or commission or the likes payable in respect thereof and LSHSL shall be entitled to retain any profit or other benefit arising by way of fees, brokerage, commissions, rebate, perquisites, or otherwise obtained or received by them in connection with or arising whether directly or indirectly from the SERVICE.
- 8.9 The Client shall submit Instructions to LSHSL through the SERVICE provided by LSHSL and LSHSL shall so far as it considers reasonably practicable sell and/or purchase securities in accordance with those Instructions as received, provided always that LSHSL shall have an absolute discretion to accept or reject any Instructions. The Client understands and acknowledges that LSHSL's records on Instructions actually received and responses actually sent shall be binding, final and conclusive unless and until the contrary is judicially established. The Client understands and acknowledges that it is the Client's responsibility to take initiative to contact LSHSL through the Client's respective account executive or the Online Stock Trading hotline or any other means to check the status of any Instructions given through the SERVICE.
- 8.10 LSHSL endeavours to ensure the accuracy and reliability of the information provided but does not guarantee its accuracy or reliability and accepts no liability (whether in tort or contract or otherwise) for any loss or damage arising from any inaccuracies, omission or delays in providing the SERVICE. LSHSL endeavours to ensure the timely delivery of the Instructions transmitted through the SERVICE, but does not guarantee timeliness of the SERVICE. The Client acknowledges that internet is, due to unpredictable traffic congestion and other reasons, an inherently unreliable medium of communication and that such unreliability is beyond LSHSL's control. The Client acknowledges that, as a result of such unreliability, there may be delays in the transmission and receipt of the Instructions resulting in delays in the execution of the Instructions and/or the execution of the Instructions at prices different from those prevailing at the time the Instructions were given. The Client further acknowledges and agrees that there are risks of misunderstanding or errors in any communication, and that such risks shall be absolutely borne by the Client.
- 8.11 LSHSL assumes no responsibility for any market data transmitted through the SERVICE, makes no representation as to their accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or as a result of any reliance upon any of the market data transmitted through the SERVICE. The Client acknowledges that any reliance upon any part of the SERVICE shall be at the Client's sole risk. The Client further acknowledges that use of the SERVICE is provided "AS IS, AS AVAILABLE" without any warranty of any kind

including, without limitation, any warranty with respect to the timeliness, quality, performance or functionality of the SERVICE or with respect to the quality or accuracy of any information obtained from or available through use of the SERVICE or that the SERVICE will be uninterrupted due to whatever causes or reasons. Under no circumstances whatsoever shall LSHSL be liable (whether in tort or contract or otherwise) for any loss (whether direct or indirect) whatsoever arising from the use of the SERVICE.

- 8.12 LSHSL assumes no responsibility for the Transactions made through the SERVICE. By logging in the SERVICE using the Client's password, the Client is fully responsible for the Transactions executed pursuant to the Client's requests or orders, their modification or cancellation, whether in respect of securities, tender instructions or Electronic Initial Public Offering ("EIPO") share subscription arrangements. LSHSL is not liable for any loss or damage caused by mishandling, negligent or unauthorised use of the Client's password in accessing the SERVICE.
- 8.13 The Client hereby acknowledges that all the contents of the web pages for the SERVICE and the information are proprietary to LSHSL and the copyright in them belongs to LSHSL. They are for the Client's own use, and the information may not be copied, manipulated, republished, redistributed, disseminated or offered for sale to third parties in any form by any means without LSHSL's prior written consent. The Client shall forthwith notify LSHSL in writing of any action that would infringe LSHSL's intellectual property rights. No part of any of the web pages for the SERVICE may be copied, photocopied, or duplicated in any form, by any means, or redistributed without LSHSL's prior written consent.
- 8.14 The Client acknowledges that the web pages for the SERVICE and the related software are proprietary to LSHSL. The Client must not tamper with, modify, decompile, reverse engineer or otherwise alter the web pages for the SERVICE and The Client must not try to gain unauthorised access to any part of the web pages for the SERVICE or any of the related software. LSHSL is entitled to deny the Client's access to the SERVICE if the Client performs any of the above acts, or if LSHSL at any time reasonably suspects that the Client has performed or attempted to perform any of them.
- 8.15 The Client understands that the links to other websites provided in the web pages for the SERVICE are for convenience only. There is no expressed or implied endorsement on the part of LSHSL of any third parties service/information in relation to these links. LSHSL will not be liable for the accuracy and quality of the contents delivered through these links.
- 8.16 The Client's information including personal data, if any, given by the Client through the use of the SERVICE and held by LSHSL will be kept confidential. However by logging in the SERVICE, the Client is deemed to have authorised LSHSL to provide such information to the persons with whom LSHSL deals in the course of providing the SERVICE. The information may be transferred to and used by LSHSL's holding company, subsidiaries, associates and affiliates for the purpose of providing the SERVICE to the Client. LSHSL may also provide the information to any regulatory body including the SFC.
- 8.17 The Client agrees to defend, indemnify and hold LSHSL, its holding company and subsidiaries, their employees, agents, officers, directors, contractors, suppliers and other representatives harmless from and against all liabilities, damages, claims, actions, costs and expenses (including legal fees), in connection with or arising out of the Client's breach of the Terms and Conditions and/or the Client's improper use of the SERVICE. LSHSL may, if necessary, participate in the defense of any claim or action and any negotiations for settlement. No settlement that may adversely affect LSHSL's rights or obligations shall be made without LSHSL's prior written approval. LSHSL reserves the right, at its own expense and on written notice to the Client, to assume exclusive defence and control of any claim or action to which the Client is a party.

- 8.18 The Client agrees that LSHSL and its directors, officers, employees and agents shall not be liable for any delay or failure to perform any of LSHSL's obligations hereunder or for any losses caused directly or indirectly by any condition or circumstances over which LSHSL, its directors, officers, employees or agents do not have absolute control, including but not limited to government restrictions, exchange or market rulings, suspension of trading, failure of electronic or mechanical equipment or communication lines, telephone or other interconnect problems, power supply problems, unauthorised access, theft, war (whether declared or not), severe weather, earthquakes and strikes.
- 8.19 The Client agrees that LSHSL may, in its sole discretion, terminate or suspend the Client's access to all or part of the SERVICE for any reason, including, without limitation, breach of these Terms and Conditions or any other conditions as prescribed by LSHSL from time to time. LSHSL will not be liable to the Client or any third party for any claims related to the termination of the SERVICE.

## 9 Instructions and Statements of Account

- 9.1 LSHSL is entitled to accept and execute Instructions of any nature believed by LSHSL to be genuine and purporting to be signed, given or issued by the Client or by an Authorised Agent. If, in the opinion of LSHSL, there is any ambiguity or conflict in any Instructions given by the Client or an Authorised Agent, LSHSL may (but is not obliged to) choose not to act on such Instructions until the ambiguity or conflict has been resolved to LSHSL's satisfaction.
- 9.2 Where the Client requests LSHSL to accept Instructions given by fax or verbally, the following conditions shall apply:-
- (a) LSHSL is entitled (but not bound) to accept as genuine and act upon any Instruction given verbally believed by LSHSL in good faith to have been given by the Client or Authorised Agent and upon any signature which in LSHSL's absolute discretion appears to be the signature of the Client or Authorised Agent on any Instruction given by fax. LSHSL is not under any obligation to enquire into the genuineness of any Instruction given by fax or verbally nor into the good faith of the person giving any Instruction given by fax or verbally and such Instruction given by fax or verbally shall be binding on the Client;
  - (b) LSHSL will not be obliged to act upon an Instruction given verbally to remit or transfer any securities of the Client to a third party and shall be entitled to require receipt by it of Instructions in writing from the Client or an Authorised Agent prior to effecting such remittance or transfer;
  - (c) The Client acknowledges that the Client has considered fully the risks inherent in the giving of an Instruction given by fax and in particular that non-original signatures on the facsimile may be forged and Instructions given by fax may be transmitted to wrong numbers, may never reach LSHSL and may thereby become known to third parties thereby losing their confidential nature; and
  - (d) The Client is fully responsible for all loss or damage involved in or caused by the operation of the Account by means of Instructions given by fax or verbally in lieu or the receipt by LSHSL of original signed documents. LSHSL shall, however, be at liberty to require receipt by it of an original written confirmation of an Instruction given by fax or verbally from the Client or Authorised Agent prior to executing any instructions contained in such Instruction given by fax or verbally.

- 9.3 The Client may request LSHSL (but LSHSL is not obliged) to accept the instructions of Authorised Agents and in such case the Client shall complete and execute such form of authorisation as required by LSHSL. LSHSL is not obliged to ascertain or to enquire into the purpose for which any of the powers granted to the Authorised Agent is exercised. LSHSL may, but is not obliged to, accept the Client's request to accept the instructions of an Authorised Agent whose authority to operate the Account is limited.
- 9.4 The Client agrees to examine each statement of account or contract note received from LSHSL to see if there are any errors, discrepancies, unauthorised debits or other transactions or entries arising from whatever cause, including, but without limitation, forgery, forged signature, fraud, lack of authority or negligence of the Client or any other person (the "Errors"). The Client also agrees that the statement of account shall, as between LSHSL and the Client, be conclusive evidence as to the balance shown therein and that the statement of account shall be binding upon the Client, who shall be deemed to have agreed to waive any rights to raise objections or pursue any remedies against LSHSL in respect thereof unless the Client notifies LSHSL in writing of any such Errors within 90 days (or such other period as specified in the statement of account or contract note) of deemed receipt of such statement.
- 10 Counterparties, Brokers and Agents
- 10.1 LSHSL may effect trades or Transactions or provide any services hereunder for the Client with counterparties or through brokers or agents (including but not limited to custodians, sub-custodians, depositary agents, clearing houses) of its own choice upon such terms and conditions as it may deem fit and the Client shall be bound by the same. LSHSL shall not be responsible for any act or omission of any of such counterparties, brokers or agents, save for any negligence or wilful default of LSHSL in the selection and appointment of such counterparties, brokers or agents. In particular but without limitation, the Client shall bear the risk of the bankruptcy or insolvency of any counterparty, broker or agent with whom a Transaction on the Account is effected or through whom any service is provided.
- 10.2 LSHSL may pay to, or receive and retain from, any counterparty, broker or agent charges, commissions, fees, rebates or other payments (as the case may be) in any form in respect of any trades or Transactions effected for or with the Client. LSHSL shall make such disclosure of any such fees, commissions or rebates received as are required by applicable laws.
- 11 No Investment Advice
- 11.1 The Account is provided as a transaction execution service only and no investment advice is offered to the Client.
- 11.2 Whilst LSHSL may from time to time communicate recommendations or may discuss investment opportunities with the Client, the Client is solely responsible for assessing and satisfying himself/itself that any investment or other dealing to be entered into is in his/its best interest and none of LSHSL, its employees or agents shall be liable for any loss howsoever occasioned as a result of any such investment or dealing failing to prove satisfactory in any respect.
- 12 Margin Financing
- 12.1 The provisions in this Clause 12 shall apply to any Facility offered to the Client.

- 12.2 Interest for the loan under the Facility shall accrue on a basis of actual days elapsed and a year of 365 days, and shall be paid to LSHSL in arrears on the last business day of each calendar month (the “Interest Payment Date”).
- 12.3 If any interest shall be unpaid on the Interest Payment Date, the interest so in arrears shall immediately after the Interest Payment Date be capitalized and added for all purposes to the principal and the amount then outstanding under the Facility and shall henceforth bear interest to be computed from that Interest Payment Date to the date of payment at the same rate of interest as provided in the Facility.
- 12.4 LSHSL shall maintain a margin account (the “Margin Account”) to record the Transactions effected in connection with the Facility including any securities purchased or held by LSHSL through the Account. The securities from time to time so held, the proceeds arising from their sale and any moneys paid to LSHSL for the Client’s investment in the securities, deposits, or margins in any form agreed with LSHSL shall be credited to the Margin Account as collateral. All charges, costs and expenses incurred in connection with the realization of any of the securities and the Client’s losses or damages incurred in connection with the Facility shall be debited to the Margin Account.
- 12.5 The Client agrees that the collateral required by LSHSL from the Client to open and/or to maintain the Margin Account shall be such amount as LSHSL may determine from time to time at LSHSL’s sole discretion.
- 12.6 The Client shall on demand from LSHSL make additional payments of deposits or margins in cash, securities or otherwise in such amounts as LSHSL determines at its sole discretion. The margin required by LSHSL may exceed any margin requirements prescribed by any exchange or clearing house
- 12.7 Margin calls must be met immediately or within such time limit as may be specified by LSHSL from time to time. If the Client shall fail to comply with any margin call by the end of a business day on which such demand is due, LSHSL may effect any transaction at the Client’s expense without notice or reference to the Client for the purpose of protecting LSHSL’s position (including closing out any short sold position of the Client) and may take such other action as LSHSL in its absolute discretion may determine. Any sums due to LSHSL as a result of closing out any short sold position of the Client will be payable by the Client to LSHSL on demand.
- 12.8 Except as provided herein, LSHSL shall not, without the Client’s written authority under sections 6 to 8A of the Securities and Futures (Client Securities) Rules, deposit, transfer, lend, pledge, re-pledge or otherwise deal with any of the Client’s securities for any purpose.
- 12.9 LSHSL is authorised by the Client, pursuant to sections 6 to 8A of the Securities and Futures (Client Securities) Rules, without notice to the Client, to sell or otherwise dispose of all or any of the Securities in such manner and at such extra price spread and whether on tender of cash or credit without being responsible for loss, as LSHSL may deem expedient (and LSHSL shall have absolute discretion to determine which securities are to be disposed of) for the purpose of settling the Client’s obligation to maintain the Margin Account or settling any of the Client’s liability to repay or discharge the Facility provided by LSHSL where the Client is in default and fail to rectify such default when requested to do so. In particular, LSHSL may sell or dispose of any of the securities at the current market price to any of LSHSL’s subsidiary or affiliate company without being in any way liable for any loss occasioned thereby howsoever arising and without being accountable for any subsequent profit made by LSHSL’s subsidiary or affiliate company. In the event that the net proceeds of sale shall be insufficient to cover the whole of the



Client's indebtedness and liabilities to LSHSL, the Client undertakes to pay to LSHSL on demand any balance which may then be due.

- 12.10 If the Client commits a default in payment on demand of any deposits, margins or any other sums payable to LSHSL, on the due date therefore, or otherwise fails to comply with these terms contained herein, LSHSL, without prejudice to any other rights it may have, shall have the right to close the Margin Account without notice to the Client and to apply any cash deposits to pay to LSHSL all outstanding balances owing thereto. Any moneys remaining after such application shall be refunded to the Client.
- 12.11 LSHSL is authorised by the Client, pursuant to sections 6 to 8A of the Securities and Futures (Client Securities) Rules, to dispose of the Client's securities (and LSHSL shall have absolute discretion to determine which securities are to be disposed of) for the purpose of settling any liability or meeting any margin call owed by the Client to LSHSL for dealing in securities which remains after LSHSL has disposed of all other assets designated as collateral for securing the settlement of that liability and/or for meeting that margin call.

### 13 Data Policy

- 13.1 The Client agrees that the applicable data policies, notices and other communications to customers concerning their data from time to time issued by LSHSL shall apply. A copy is available on request from LSHSL. The Client agrees that all information that is obtained from the Client's relationship with LSHSL or any other company within the Lei Shing Hong Group ("Data") will be subject to such policies or other communications (as may be varied from time to time).
- 13.2 The Client agrees in particular that:-
- (a) LSHSL may verify, provide and collect information about the Client from other organisations, institutions or other persons;
  - (b) LSHSL may transfer the Data outside the Hong Kong Special Administrative Region; and
  - (c) LSHSL may compare any data obtained with the Data, and use the results for taking of any actions including actions that may adverse to interests of the Client (including declining any application).

### 14 Dormant Account

- 14.1 If LSHSL determines that there have been no Transactions conducted by the Client in connection with the Account and/or LSHSL is unable to contact the Client for an extended period, the duration of such period to be determined by LSHSL from time to time in LSHSL's reasonable discretion, LSHSL may designate such Account as a "Dormant Account". Upon designation of such Account as a Dormant Account, the Client acknowledges and accepts that LSHSL shall:-
- (a) not be obliged to send any further statement of accounts to the Client, unless otherwise required by the applicable laws;
  - (b) be entitled to impose fees and other charges for the continued maintenance of the Dormant Account; and/or

- (c) at its reasonable discretion and with prior notice sent to the last known address of the Client, be entitled to close such Dormant Account and transfer any remaining balance to a suspense account.

## 15 Indemnity

15.1 The Client shall indemnify and keep fully indemnified LSHSL from and against:-

- (a) all liabilities costs and expenses (including but not limited to taxes, duties, imposts, levies and charges) reasonably incurred by LSHSL in relation to the Account;
- (b) all actions, proceedings, claims, costs, demands, expenses and liabilities of whatsoever nature made threatened or brought against LSHSL or its agents or incurred or sustained by LSHSL or its agents or arising in connection with the Client, including indemnifying LSHSL for and against all costs, charges, fees, liabilities, out-of-pocket expenses, including legal fees and any stamp, stamp duty reserve, registration or documentary tax, incurred or suffered by LSHSL resulting or arising from LSHSL acting hereunder or by reason of the operation or termination of the Account provided that all costs, charges, fees and out-of-pocket expenses relating to debt recovery are reasonably incurred and of reasonable amount;
- (c) any losses or costs arising in connection with any action taken by LSHSL as a result of any default by the Client, including any loss of bargain, cost of funding or loss or cost incurred as a result of terminating, liquidating, obtaining or re-establishing any hedge or related trading position; and
- (d) all actions, claims, liabilities, costs, expenses, demands, damages and losses of any nature (including legal costs) brought or threatened against LSHSL or incurred or sustained by it, arising out of any action or omission taken or made by LSHSL in reliance upon or in connection with any instructions given by the Client (or such authorized persons as appointed by the Client from time to time) by any of the methods stated above.

and hereby authorises LSHSL to debit such sums from the Account at any time without prior notice to the Client.

## 16 Set-off

- 16.1 LSHSL shall be entitled but not obliged at any time without notice to the Client to combine or consolidate any or all of the Client's accounts of any nature and either individually or jointly with others, with LSHSL and/or any liabilities owing by the Client to LSHSL; and
- 16.2 LSHSL shall be entitled to set off any amount payable by LSHSL to the Client against any amounts owing by the Client to LSHSL (the 'Debts') whether pursuant to these Terms and Conditions or on any other account whatsoever (whether or not the Debts are due, payable, actual, contingent, primary, collateral, secured, unsecured, joint or several and irrespective of the currency in which they are denominated) and LSHSL shall also be entitled to use any money held in the Account and the Margin Account in the discharge of the Debts; for these purposes, LSHSL is authorised to purchase with the moneys standing to the credit of any account such other currencies as may be necessary to effect such set-off.

## 17 Client Identity

- 17.1 If the Client is utilising the Facility as an agent for other person(s), the Client shall immediately upon LSHSL's request (which request shall include the relevant contact details of the SFC or the Exchange (together the "Regulators"), provide to the Regulators the identity, address, occupation and contact details of the principal(s) for whose the Facility was utilised and (so far as known to the Client) of the person(s) with the ultimate beneficial interest in the Facility. The Client is also required to provide to the Regulators the identity, address, occupation and contact details of any third party (if different from the principal(s) and/or the ultimate beneficiary(ies)) who originated the utilisation of the Facility.
- 17.2 If the Client is utilising the Facility for a collective investment scheme, discretionary account or discretionary trust, the Client shall immediately upon LSHSL's request (which request shall include the relevant contact details of the Regulators), provide to the Regulators the identity, address and contact details of such scheme, account or trust and, if applicable, the identity, address, occupation and contact details of the person(s) who, on behalf of such scheme, account or trust, instructed the Client to utilise the Facility.
- 17.3 If the Client is utilising the Facility for a collective investment scheme, discretionary account or discretionary trust, the Client shall as soon as practicable, inform LSHSL when the Client's discretion to use the Facility on behalf of such scheme, account or trust has been overridden. In a case where the Client's discretion has been overridden, the Client shall immediately upon LSHSL's request (which request shall include the relevant contact details of the Regulators), provide to the Regulators the identity, address, occupation and contact details of the person(s) who has or have given such overriding instruction in relation to the utilisation of the Facility.
- 17.4 If the Client is aware that the principal(s) is/are acting as an intermediary for its underlying principal(s) and the Client does not know the identity, address, occupation and contact details of such underlying principal(s) for whom any Facility was utilised, the Client confirms that:
- (a) the Client has arrangements in place with the Client's principal(s), acting as an intermediary, which would entitle the Client to obtain all the relevant information set out in Clauses 17.1 to 17.3 above from such principal(s) immediately upon LSHSL's request or procure that such information be so obtained; and
  - (b) the Client shall, upon LSHSL's request in relation to a Facility made to available to the Client, immediately request all the relevant information set out in Clauses 17.1 to 17.3 above from the Client's principal(s) on whose instructions the Facility was utilised, and provide that information to the Regulators as soon as the Client has received it from the Client's principal(s) or procure that such information be so provided.

## 18 Assignment

- 18.1 Every contract between the Client and LSHSL shall be personal to the Client and LSHSL and is not assignable by the Client (whether by way of charge or otherwise) without LSHSL's express written consent which LSHSL shall have an absolute direction to give or withhold. LSHSL may assign or transfer all or any part of these Terms and Conditions to any company of the Lei Shing Hong Group or pursuant to a consolidation or amalgamation with, or merger with or into, or transfer of all or substantially all of its assets obligations and/or liabilities to another entity.

## 19 Complaints

- 19.1 LSHSL maintains procedures for the effective consideration and handling of customer complaints. Complaints will be considered by a member of management of LSHSL who is not

the subject of the complaint. Any complaints by the Client may be sent to LSHSL for the attention of the Compliance Officer.

20 Suitability

- 20.1 If LSHSL solicits the sale of or recommends any financial product to the Client, the financial product must be reasonably suitable for the Client having regard to the Client's financial situation, investment experience and investment objectives. No other provision of this agreement or any other document the Company may ask the Client to sign and no statement the Company may ask the Client to make derogates from this clause.

21 General

- 21.1 LSHSL shall notify the Client of material changes in respect of LSHSL's business which may affect the services LSHSL provides to the Client.
- 21.2 These Terms and Conditions are governed by the laws of the Special Administrative Region of Hong Kong and the Client irrevocably submits to the non-exclusion jurisdiction of the Hong Kong courts and waive any objections to proceedings in any such court on the grounds of venue or on the grounds that the proceedings have been brought in an inconvenient forum.
- 21.3 Nothing under these Terms and Conditions shall operate to remove, exclude or restrict any rights or obligations under law.
- 21.4 These Terms and Conditions are subject to change from time to time at LSHSL's sole discretion and such change shall take effect from the effective date of the change stated in the notice to be given to the Client or the Client's use of the Account (whichever is earlier).
- 21.5 If these Terms and Conditions are available in other languages, these Terms and Conditions in the English language shall prevail in the case of inconsistency between those versions.

## **RISK DISCLOSURE STATEMENT**

### **1. RISK OF SECURITIES TRADING**

The price of securities can and does fluctuate, and any individual security may experience upwards or downwards movements, and may even become valueless. There is an inherent risk that losses may be incurred rather than profit made as a result of buying and selling securities.

### **2. RISK OF TRADING OF GROWTH ENTERPRISE MARKET STOCKS**

The Growth Enterprise Market has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on the Growth Enterprise Market with neither a track record of profitability nor any obligation to forecast future profitability. There may be risks arising out of the emerging nature of companies listed on the Growth Enterprise Market and the business sectors or countries in which the companies operate.

There are potential risks of investing in such companies and the Client should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of the Growth Enterprise Market mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on the Growth Enterprise Market, there is a risk that securities traded on the Growth Enterprise Market may be susceptible to higher market volatility compared to securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on the Growth Enterprise Market.

The principal means of information dissemination on the Growth Enterprise Market is publication on the internet website operated by the Exchange. Companies listed on the Growth Enterprise Market are not generally required to issue paid announcements in gazetted newspapers. Accordingly, the Client needs to have access to up-to-date information on the Growth Enterprise Market-listed companies as published on the Growth Enterprise Market website.

This risk disclosure statement does not purport to disclose all the risks and other significant aspects of the Growth Enterprise Market. The Client should undertake his/her own research and study on the trading of securities on the Growth Enterprise Market before commencing any trading activities.

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

### **3. RISK OF TRADING SECURITIES DENOMINATED IN RENMINBI (RMB)**

RMB securities are subject to exchange rate fluctuations that may provide both opportunities and risks. The fluctuation in the exchange rate of RMB may result in losses in the event that you convert RMB into Hong Kong dollars ("HKD") or other foreign currencies. RMB is not fully and freely convertible and conversion of RMB through banks is subject to a daily limit and other limitations as applicable from time to time. You should take note of the limitations and changes thereof as applicable from time to time and allow sufficient time for exchange of RMB from/to another currency if the RMB amount exceeds the daily limit. Any RMB conversion in relation to a RMB securities transaction will be based on an exchange rate determined by the Company as a principal according to the prevailing exchange rate.

#### **4. RISK OF TRADING NASDAQ-AMEX SECURITIES AT THE STOCK EXCHANGE OF HONG KONG LIMITED**

The securities under the Nasdaq-Amex Pilot Program (PP) are aimed at sophisticated investors. The Client should consult the Client's dealer and become familiarized with the PP before trading in the PP securities. The Client should be aware that the PP securities are not regulated as a primary or secondary listing on the Main Board or the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited.

#### **5. RISK OF TRADING OVERSEAS ISSUERS' SECURITIES**

Overseas issuer is subject to a different set of governing laws. The tax consequences derived from trading in overseas issuers' securities which are listed in Hong Kong might vary from that of Hong Kong issuers' securities owing to the differences in the tax regime (e.g. transactions tax, dividends tax, capital gains tax, etc.). You should consult your own tax advisors as to the applicable tax consequences of purchasing, holding, disposing of or dealing in overseas issuers' securities based on your particular circumstances in order to comply with applicable laws and regulations.

#### **6. RISK OF TRADING OF FOREIGN SECURITIES, INCLUDING B SHARES LISTED IN THE PEOPLE'S REPUBLIC OF CHINA**

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

#### **7. RISK OF EXERCISING AND TRADING RIGHTS ISSUE**

For exercising and trading of the rights issue, investors have to pay attention to the deadline and other timelines. Rights issues that are not exercised will have no value upon expiry. If investors decide not to exercise the rights and sell the rights in the market, the rights must be sold during the specified trading period within the subscription period, after which they will become worthless. If investors pass up the rights, the shareholding in the expanded capital of the company will be diluted.

#### **8. RISK OF TRADING STRUCTURED PRODUCTS**

Compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the listing rules) and the propose of giving information with regard to us and derivative warrants(warrants), callable contracts(contracts) and other structured products (the warrants, contracts and such other structured products are collectively structured products) to be listed on the stock exchange.

The issuer of the structured products may sometimes be the only person quoting prices on the relevant exchange. The prices of the structured products may fall in value as rapidly as they may rise and investors may sustain a total loss of your investment. Structured products are subject to a number of risks which may include but not limited to the following:

#### 1. Issuer default risk

In the event that a structured product issuer becomes insolvent and defaults on their listed securities, investors will be considered as unsecured creditors and will have no preferential claims to any assets held by the issuer. Investors should therefore pay close attention to the financial strength and creditworthiness of structured product issuers.

#### 2. Uncollateralised product risk

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

#### 3. Gearing risk

Structured products such as derivative warrants and callable bull/bear contracts (CBBCs) are leveraged and can change in value rapidly according to the gearing ratio relative to the underlying assets. Investors should be aware that the value of a structured product may fall to zero resulting in a total loss of the initial investment.

#### 4. Expiry considerations

Structured products have an expiry date after which the issue may become worthless. Investors should be aware of the expiry time horizon and choose a product with an appropriate lifespan for their trading strategy. At expiry, if the cash settlement amount is zero or negative, investors will lose the value of your investment.

#### 5. Extraordinary price movements

The price of a structured product may not match its theoretical price due to outside influences such as market supply and demand factors. As a result, actual traded prices can be higher or lower than the theoretical price.

#### 6. Foreign exchange risk

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

#### 7. Liquidity risk

The Exchange requires all structured product issuers to appoint a liquidity provider for each individual issue. The role of liquidity providers is to provide two-way quotes to facilitate trading of their products. In the event that a liquidity provider defaults or ceases to fulfil its role, investors may not be able to buy or sell the product until a new liquidity provider has been assigned. Investors should therefore ensure that they understand the nature of the structured products and carefully study the risk factors set out in this base listing document and the relevant supplemental listing document in respect of any issue of structured products before they invest in any structured products and, where necessary, seek professional advice, before they invest in the structured products. Investors need to understand better how products will operate in extreme market conditions or in the face of bankruptcy, structured products constitutes general unsecured contractual obligations.

### **9. RISKS OF TRADING CALLABLE BULL/BEAR CONTRACTS (CBBCs)**

#### 1. Mandatory call risk

Investors trading CBBCs should be aware of their intraday “knockout” or mandatory call feature. A CBBC will cease trading when the underlying asset value equals the mandatory call price/level as stated in the listing documents. Investors will only be entitled to the residual value of the terminated CBBC as

calculated by the product issuer in accordance with the listing documents. Investors should also note that the residual value can be zero.

## 2. Funding costs

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

## 10. RISKS OF TRADING DERIVATIVE WARRANTS

### 1. Time decay risk

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

### 2. Volatility risk

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

## 11. RISK OF TRADING EXCHANGE TRADED FUNDS (ETFs)

### 1. Market risk

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

### 2. Tracking errors

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

### 3. Trading at discount or premium

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

### 4. Foreign exchange risk

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

### 5. Liquidity risk

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



## 6. Counterparty risk involved in ETFs with different replication strategies

### (a) Full replication and representative sampling strategies

An ETF using a full replication strategy generally aims to invest in all constituent stocks/assets in the same weightings as its benchmark. ETFs adopting a representative sampling strategy will invest in some, but not all of the relevant constituent stocks/assets. For ETFs that invest directly in the underlying assets rather than through synthetic instruments issued by third parties, counterparty risk tends to be less of concern.

### (b) Synthetic replication strategies

ETFs utilising a synthetic replication strategy use swaps or other derivative instruments to gain exposure to a benchmark. Currently, synthetic replication ETFs can be further categorized into two forms:

#### i. Swap-based ETFs

Total return swaps allow ETF managers to replicate the benchmark performance of ETFs without purchasing the underlying assets. Swap-based ETFs are exposed to counterparty risk of the swap dealer and may suffer losses if such dealers default or fail to honour their contractual commitments.

#### ii. Derivative embedded ETFs

ETF managers may also use other derivative instruments to synthetically replicate the economic benefit of the relevant benchmark. The derivative instruments may be issued by one or multiple issuers. Derivative embedded ETFs are subject to counterparty risk of the derivative instruments' issuers and may suffer losses if such issuers default or fail to honour their contractual commitments. Even where collateral is obtained by an ETF, it is subject to the collateral provider fulfilling its obligations. There is a further risk that when the right against the collateral is exercised, the market value of the collateral could be substantially less than the amount secured resulting in significant loss to the ETF.

## 12. RISK OF OVER-THE-COUNTER TRANSACTION

1. You should only undertake Over-The-Counter ("OTC") trading if you understand the nature of such trading and such trading facilities and the extent of your exposure to risks. If in doubt, you should seek independent professional advice.
2. OTC transactions are subject to risk, including counterparty risk, risk that the particular securities fails to subsequently be listed on the Exchange, lower liquidity and higher volatility. Settlement of the relevant transactions is not guaranteed and you will be responsible for any losses or expenses resulting from your and/or your counterparty's settlement failures.
3. The prices of Securities traded on OTC market may differ significantly from their opening or traded prices transacted during the regular market hours upon the listing of the Securities on the Exchange. The prices displayed on the OTC market may not reflect the prices in other concurrently operating automated trading systems dealing in the same Securities.
4. In particular, the OTC market is not regulated by the Exchange and the relevant transaction will not be covered by the Investor Compensation Fund until it is properly recorded on the trading system of the Exchange upon the listing of the Securities on the Exchange.

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

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

Note:

The dealer should confirm with the Client at least on an annual basis whether the Client wishes to revoke the authority. For the avoidance of doubt, it will be acceptable for the dealer to send a notification to the Client before the expiry date of the authority and inform the Client that it is automatically renewed unless the Client specifically revokes it in writing before the expiry date.

#### **14. RISKS OF CLIENT ASSETS RECEIVED OR HELD OUTSIDE HONG KONG**

Client assets received or held by the dealer outside Hong Kong are subject to the applicable laws and regulations of the relevant overseas jurisdiction which may be different from the Securities and Futures Ordinance and the rules made thereunder.

Consequently, such Client assets may not enjoy the same protection as that conferred on Client assets received or held in Hong Kong.

#### **15. Risk of using the Electronic Services under the On-line Trading Agreement**

If the Customer undertakes Transactions via Electronic Services, the Customer will be exposed to risks associated with the Electronic Services system including the failure of hardware and software, and the result of any system failure may be that the Customer's order is either not executed according to the Customer's Instructions or is not executed at all.

Due to unpredictable traffic congestion and other reasons, Electronic Services may not be reliable and Transactions conducted via Electronic Services may be subject to delays in transmission and receipt of the Customer's Instructions or other Information, delays in execution or execution of the Customer's Instructions at prices different from those prevailing at the time your Instructions were given, transmission interruption or blackout.

There are risks of misunderstanding or errors in communication, and it is also usually not possible to cancel an Instruction after it has been given. The Company accepts no responsibility for any loss which may be incurred by the Customer as a result of such interruptions or delays or access by third parties. The Customer should not place any Instruction with us via Electronic Services if the Customer is not prepared to accept the risk of such interruptions or delays.

Market data and other information made available to the Customer through our Electronic Service may be obtained by the Company from third parties. While the Company believes such market data or information to be reliable, neither the Company nor such third parties guarantees the accuracy, completeness, or timeliness of any such market data or information.

#### **16. RISKS OF RECEIVING ELECTRONIC MAIL CONTRACT NOTE AND STATEMENT**

The dealer shall not be responsible for any delay or failure in the transmission, in receipt of information due to either a breakdown or failure of transmission of communication facilities, or to any unreliable medium of communication or to any uncontrollable or unanticipated causes.

## **17. RISK OF MARGIN TRADING**

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

## **18. RISK OF PROVIDING AN AUTHORITY TO RE-PLEDGE THE CLIENT'S SECURITIES COLLATERAL**

There is risk if the Client provides LSHSL with an authority that allows it to apply the Client's securities or securities collateral pursuant to a security borrowing and lending agreement, re-pledge the Client's securities collateral for financial accommodation or deposit the Client's securities collateral as collateral for the discharge and satisfaction of its settlement obligations and liabilities.

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

Additionally, the Client's authority may be deemed to be renewed (i.e. without the Client's written consent) if the company issues the Client a reminder at least 14 days prior to the expiry of the authority, and the Client does not object to such deemed renewal before the expiry date of the Client's then existing authority. The Client is not required by any law to sign these authorities. But an authority may be required by LSHSL, to facilitate margin lending to the Client or to allow the Client's securities or securities collateral to be lent to or deposited as collateral with third parties. LSHSL should explain to the Client the purposes for which one of these authorities is to be used.

If the Client signs one of these authorities and the Client's securities or securities collateral are lent to or deposited with third parties, those third parties will have a lien or charge on the Client's securities or securities collateral. Although the company is responsible to the Client for securities or securities collateral lent or deposited under the Client's authority, a default by it could result in the loss of the Client's securities or securities collateral.

## PERSONAL INFORMATION COLLECTION STATEMENT

### General

1. This Personal Information Collection Statement (“PICS”) is made in accordance with the guidelines issued by the Office of the Privacy Commissioner for Personal Data.

The PICS sets out the policies and practices of LEI SHING HONG SECURITIES LIMITED (“LSHSL” which is a securities dealer licensed for Type 1 (dealing in securities) regulated activity and an Exchange Participant of The Stock Exchange of Hong Kong Limited (the “Exchange”)) with respect to your Personal Data.

For the purpose of the PICS, ‘Personal Data’ and “Matching Procedure” respectively mean “personal data” and “matching” procedure as defined in the Personal Data (Privacy) Ordinance, (Cap. 486 of the Laws of Hong Kong)(“PDPO”).

Nothing in the PICS shall limit the rights of customers under the PDPO.

### Purpose of Collection

2. LSHSL will use the Personal Data provided by you for one or more of the following purpose:
  - (i) the daily operation of the services and credit facilities provided to you;
  - (ii) conducting credit checks at the time of application for credit and at the time of regular or special reviews which normally will take place one or more times each year;
  - (iii) ensuring your ongoing credit worthiness;
  - (iv) designing financial services or related products for your use;
  - (v) marketing services, products and other subjects (please see further details in paragraph (7) below);
  - (vi) verifying the data/information provided by any other customer or third party;
  - (vii) determining amounts owed to or by you;
  - (viii) collection of amounts outstanding from customers and those providing security for your obligations;
  - (ix) complying with the obligations, requirements or arrangements for disclosing and using data that apply to LSHSL or that it is expected to comply according to:
    - (a) any law binding or applying to it within or outside Hong Kong existing currently and in the future;
    - (b) any guidelines or guidance given or issued by any legal, regulatory, governmental, tax, law enforcement or other authorities, or self-regulatory or industry bodies or associations of financial services providers within or outside Hong Kong existing currently and in the future;
    - (c) any present or future contractual or other commitment with local or foreign legal, regulatory, governmental, tax, law enforcement or other authorities, or self-regulatory or industry bodies or associations of financial services providers that is assumed by or imposed on LSHSL by reason of its financial, commercial, business or other interests or activities in or related to the jurisdiction of the relevant local or foreign legal, regulatory, governmental, tax, law enforcement or other authority, or self-regulatory or industry bodies or associations;
  - (x) complying with any obligations, requirements, policies, procedures, measures or arrangements for sharing data and information within the group of Lei Shing Hong Limited and/or any other use of data and information in accordance with any group-wide programmes for compliance with sanctions or prevention or detection of money laundering, terrorist financing or other unlawful activities;

- (xi) enabling an actual or proposed assignee of LSHSL, or participant or sub-participant of LSHSL' rights in respect of you to evaluate the transaction intended to be the subject of the assignment, participation or sub-participation; and
  - (xii) purposes relating thereto.
3. Personal Data held by LSHSL relating to a customer will be kept confidential but LSHSL may provide such information to the following parties for the purposes set out in paragraph (2) above:-
- (i) any agent, contractor or third party service provider who provides administrative, telecommunications, computer, payment or securities clearing or other services to LSHSL in connection with the operation of its business;
  - (ii) any other person under a duty of confidentiality to LSHSL including a group company of Lei Shing Hong Limited which has undertaken to keep such information confidential;
  - (iii) any person to whom LSHSL is under an obligation or otherwise required to make disclosure under the requirements of any law binding on or applying to LSHSL, or any disclosure under and for the purposes of any guidelines or guidance given or issued by any legal, regulatory, government, tax, law enforcement or other authorities, or self-regulatory or industry bodies or associations of financial services providers with which LSHSL is expected to comply, or any disclosure pursuant to any contractual or other commitment of LSHSL with local or foreign legal, regulatory, governmental, tax, law enforcement or other authorities, or self-regulatory or industry bodies or associations of financial services providers, all of which may be within or outside Hong Kong and may be existing currently and in the future;
  - (iv) any actual or proposed assignee of LSHSL or participant or sub-participant or transferee of LSHSL' rights in respect of you; and
  - (v)
    - (1) LSHSL and its group companies;
    - (2) third party securities and investment services providers;
    - (3) third party reward, loyalty, co-branding and privileges programme providers;
    - (4) co-branding partners of LSHSL;
    - (5) external service providers that LSHSL engages for the purposes set out in paragraph (2)(v).

Such information may be transferred to a place outside Hong Kong.

4. Failure to provide the requested Personal Data may result in LSHSL being unable to comply with its regulatory and statutory duties, obligations, functions and requirements and the requests, requirements, directions and orders from the financial regulators.

#### **Transfer/Matching of Personal Data**

5. Personal Data may be disclosed by LSHSL to financial regulators in Hong Kong (including the Securities and Futures Commission, the Exchange, the Hong Kong Exchanges and Clearing Limited and the Hong Kong Monetary Authority), government bodies (including the Hong Kong Police and the Independent Commission Against Corruption) and overseas regulatory bodies as required under the law or pursuant to any regulatory/investigatory assistance arrangements between the Exchange and other regulators (local/overseas).
6. Personal Data may be used by LSHSL and/or disclosed by LSHSL to the above entities for the purposes of matching and verifying those data.

## **Use of Personal Data in Direct Marketing**

7. LSHSL may use your Personal Data in direct marketing and LSHSL requires your consent (which includes an indication of no objection) for that purpose. In this connection, please note that:
- (i) the name, contact details, products and services portfolio information, transaction pattern and behaviour, financial background and demographic data of your held by LSHSL from time to time may be used by LSHSL in direct marketing;
  - (ii) the following classes of services, products and subjects may be marketed:
    - (a) financial and related services and products;
    - (b) reward, loyalty or privileges programmes and related services and products;
    - (c) services and products offered by LSHSL' co-branding partners; an
  - (iii) the above services, products and subjects may be provided or solicited by LSHSL and/or:
    - (a) Lei Shing Hong Limited and its group companies;
    - (b) third party securities and investment services providers;
    - (c) third party reward, loyalty, co-branding or privileges programme providers;
    - (d) co-branding partners of LSHSL; and
    - (e) charitable or non-profit making organisations;
  - (iv) in addition to marketing the above services, products and subjects itself, LSHSL also intends to provide the data described in paragraph (7)(i) above to all or any of the persons described in paragraph (7)(iii) above for use by them in marketing those services, products and subjects, and LSHSL requires your written consent (which includes an indication of no objection) for that purpose;
  - (v) LSHSL may receive money or other property in return for providing the data to the other persons in paragraph (7)(iv) above and, when requesting your consent or no objection as described in paragraph (7)(iv) above, LSHSL will inform you if it will receive any money or other property in return for providing your Personal Data to the other persons.

If you do not wish LSHSL to use or provide to other persons your Personal Data for use in direct marketing as described above, you may exercise his opt-out right by notifying the Data Privacy Officer of LSHSL (Please see contact details in paragraph (10) below).

You may provide his consent for LSHSL to use or provide to other persons your Personal Data for use in direct marketing as described above by notifying the Data Privacy Officer of LSHSL (Please see contact details in paragraph (10) below).

You may, at any time, request LSHSL cease using your personal data for direct marketing purposes by writing to the Data Privacy Officer at the address in paragraph (10).

## **Access to Personal Data**

8. You have the right to request access to and correction of your Personal Data in accordance with the provisions of the PDPO. Your right of access includes the right to request a copy of your Personal Data provided to LSHSL. LSHSL has the right to charge a reasonable fee for processing any data access request.

## **Retention of Personal Data**

9. After closure of account/termination of service, LSHSL shall continue to hold data relating to you for a period of 7 years or such other period as prescribed by applicable laws and regulations.

## **Enquiries**

10. Any enquiries regarding the Personal Data provided or requests for access to Personal Data or correction of Personal Data, should be addressed in writing to:

The Data Privacy Officer  
Lei Shing Hong Securities Ltd.  
8/F New World Tower 1  
18 Queen's Road Central  
Hong Kong