

## HONG KONG CONDITIONS

### SERVICES PROVIDED FROM HONG KONG BY AMIAS BERMAN (HONG KONG) LIMITED

These Conditions shall apply to the business carried out by Amias Berman (Hong Kong) Limited (“**ABC Hong Kong**”) for all services provided by ABC Hong Kong from Hong Kong (the “**Hong Kong Business**”). The terms of these Conditions shall take precedence over the Terms of Business for providing execution broking, advisory services and research to professional investors in the debt markets of Amias Berman & Co LLP (the “**Terms**”) in relation to the Hong Kong Business as described in these Conditions to the extent that there is any inconsistency. For the purposes of these Conditions “we” and “us” shall refer to ABC Hong Kong.

**Any services to be provided to clients resident in Hong Kong shall be provided by or through ABC Hong Kong. Amias Berman & Co LLP (“ABC”) shall not provide services direct to any clients in Hong Kong, but may perform certain services through ABC Hong Kong as described below.**

#### 1. SERVICES

- 1.1 For the Hong Kong Business, ABC, or third party clearers and custody providers with whom ABC has entered into arrangements, trades as principal and will act as counterparty to any of your trades.
- 1.2 ABC Hong Kong provides the following services in relation to the Hong Kong Business:
  - (i) dealing services on a matched principal basis through arrangements with ABC and Pershing Securities Limited (“**PSL**”), a third party clearer. PSL clears and settles transactions entered into by ABC. **Such dealing services will be executed, cleared or settled subject to separate terms and conditions you will enter into with ABC and PSL (in particular please refer to Clause 5.2 of the Terms). ABC Hong Kong itself will not execute, settle or otherwise enter into securities transactions with you or on your behalf.** Please note that special provisions apply when we deal in the trading of corporate loans in the European secondary markets, the United States secondary markets and Asia-Pacific secondary loan markets (“**Loans**”), which are contained in Schedule 4 to the Terms.
  - (ii) research and investment advice in relation to any of the investments held by you if you have requested us to do so and we have agreed to such request in writing. If this is the case, Schedule 1 to the Terms shall apply to the provision by us of investment research to you; and Schedule 2 to the Terms shall apply to the provision by us of general advisory services to you (in each case, with reference to “we” and “us” being to ABC Hong Kong);
  - (iii) advising on the sourcing of private placements of debt if you have requested us to do so and we have agreed to such request in writing. If this is the case, Schedule 1 and Schedule 2 to the Terms shall apply to such advice (in each case, with reference to “we” and “us” being to ABC Hong Kong); and

- (iv) we may on request provide you with Revaluation Data. If this is the case, Schedule 3 to the Terms shall apply (with references to “we” and “us” and “ABC” being to ABC Hong Kong).
- 1.3 We shall not be obliged to accept any instruction from you nor need we give any reasons for declining to do so. We shall not be responsible for any losses, costs, damages or expenses incurred by you as a result of our refusal to effect a transaction or act upon an instruction.
  - 1.4 When we accept an instruction from you we will seek to action it as soon as reasonably practicable in the circumstances. We shall not be responsible for any losses, costs, damages or expenses incurred by you as a result of any delay or any change in market conditions before the instruction is effected.
  - 1.5 We may take or omit to take any action we think appropriate to ensure compliance with any regulatory laws, codes or guidelines (including without limitation the rules and customs of the exchange, market, multilateral trading facility and/or any clearing house through which your transactions are executed and/or cleared) and we shall not be required to do anything which would in our opinion infringe any such laws, codes or guidelines. We are not required to give prior notice to you of any such action or inaction, and each such action or inaction will be binding upon you.
  - 1.6 If you are domiciled or resident in the United States of America or are a US person additional US terms of business may apply to you.

## 2. OUR CAPACITY

- 2.1 ABC Hong Kong (CE number: ATM567), a company incorporated under the laws of Hong Kong, having its principal place of business at 1106/7 ICBC Tower, 3 Garden Road, Central, Hong Kong is licensed by the Hong Kong Securities and Futures Commission (the “SFC”) to, subject to the conditions set out below, carry on the regulated activities of dealing in securities (Type 1), advising on securities (Type 4) and advising on corporate finance (Type 6).

**Condition 1:** ABC Hong Kong shall not hold client assets. The terms “hold” and “client assets” are as defined under the SFO (as defined below).

**Condition 2:** ABC Hong Kong shall only provide services to professional investors. The term “professional investor” is as defined in the SFO (as defined below) and its subsidiary legislation.

**Condition 3:** Type 1: For Type 1 regulated activity, ABC Hong Kong shall not conduct regulated activities other than –

- (a) liaising with persons, including ABC, in connection with dealings in fixed income securities;

- (b) communicating and negotiating offers from persons to ABC, where such persons offer to enter into dealings in fixed income securities with ABC;
- (c) introducing persons to ABC, in order that they may –
  - (i) make offers to deal in fixed income securities; or
  - (ii) effect dealings in fixed income securities.

**Condition 4:** Type 6: For Type 6 regulated activity, ABC Hong Kong shall not advise on matters/transactions falling within the ambit of the Codes on Takeovers and Mergers and Share Repurchases issued by the Securities and Futures Commission.

**Condition 5:** Type 6: For Type 6 regulated activity, ABC Hong Kong shall not act as sponsor in respect of an application for the listing on a recognized stock market of any securities.

### 3. YOUR CAPACITY

- 3.1 Based on the information you have provided to ABC Hong Kong you are eligible to be classified or treated as a **Professional Investor** as defined under paragraphs (a) to (j) of the definition in Schedule 1 to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "**SFO** ") (See Appendix 1 to these Conditions). ABC Hong Kong has classified you as a Professional Investor and you agree to be so classified and treated every time you enter into a transaction with us or when we provide a service to you. You shall notify us immediately if, at any point, you cease to be a Professional Investor.
- 3.2 Only if you are eligible to be classified or treated as the category of **Professional Investor** as defined under paragraph (j) of the definition in Schedule 1 to the SFO, you acknowledge and confirm that:
- (i) ABC Hong Kong has provided a written explanation to you, in the form of these Conditions and its appendices (including but not limited to the information contained in this section headed "Your Capacity" and Appendix 1 to these Conditions), explaining to you the risks and consequences of being treated as a Professional Investor, in particular, the information that will not be provided to you;
  - (ii) when ABC Hong Kong has classified you as a Professional Investor, ABC Hong Kong has explained to you that you have a right to request that you be withdrawn from being treated as a Professional Investor whether in respect of all services provided by ABC Hong Kong or any part thereof;
  - (iii) ABC Hong Kong will carry out an annual confirmation with you to ensure you remain a Professional Investor; and

- (iv) you have read, understood and executed the Addendum attached to these Conditions and that you wish to be being treated as a Professional Investor and that you understand the consequences of being so treated.
- 3.3 ABC Hong Kong is obliged to comply with the requirements set out in the Hong Kong Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission (the "**SFC Code**") in relation to the provision of certain services to you. However, the SFC Code provides that some of these requirements may be waived in respect of a client which is classified and treated as a Professional Investor. As a result of this classification, ABC Hong Kong will not be required to (but may) comply with certain requirements under the SFC Code in connection with your account as set out in Appendix 1 to these Conditions.
- 3.4 For the avoidance of doubt, ABC Hong Kong is not required to assess the suitability of any investment or service provided or offered to you under these Conditions, unless Schedule 2 to the Terms apply to you, and you will therefore not benefit from the protection of the SFC and the FSA rules on assessing suitability.
- 3.5 As a Professional Investor under the SFO you are deemed to have the necessary knowledge and experience to understand the risks involved in any investment or service provided or offered to you under these Conditions. You acknowledge that you have been provided with the risk disclosure statements set out in Appendix 2 to these Conditions which are provided in English. The risk disclosure statements cannot disclose all the risks and other significant aspects of trading in securities and/or derivatives of such instruments and are not intended to be a substitute for actually becoming adequately informed as regards to a specific transaction contemplated. You should not deal in these products unless you understand their nature and the extent of your risk exposure. You are advised to read the risk disclosure statements carefully, ask questions and seek independent professional advice if required.
- 3.6 You may communicate your dealing instructions to us verbally or in writing (for example by letter or fax or electronically). If you give us instructions in writing, such instructions must be received by us during normal Hong Kong business hours allowing sufficient time for us to act upon them. Any instruction is transmitted at your own risk. No intended recipient shall be liable for any loss suffered on account of any instruction from you not being received, or not being received promptly by it.
- 3.7 Without limiting the generality of Clauses 3.7(iv) and 3.8 of the Terms, where you are effecting transactions involving securities or futures contracts/equity derivatives listed or traded on one of the Stock Exchange of Hong Kong Limited (the "**SEHK**") and the Hong Kong Futures Exchange Limited (the "**HKFE**"), or derivatives of such instruments ("**Hong Kong Securities**") for your account or the account of a client of yours (whether on a discretionary or non-discretionary basis and whether as agent or by entering into matching transactions as principal with your client), you shall immediately (and in any event within two days) on request inform the SFC, SEHK or HKFE (as the case may be) (the "**Hong Kong Regulators**") of the identity, address, occupation and contact details (together, the "**Details**") of:

- (i) the client on whose account the transaction was effected and (so far as known to you) of the person with the ultimate beneficial interest in the transaction; or
- (ii) any third party who originated the transaction (if different from the client/ultimate beneficiary).

If the client is a collective investment scheme, discretionary account or discretionary trust, you shall immediately on request inform the relevant Hong Kong Regulator(s) of the Details of the scheme, account or trust. You shall inform ABC Hong Kong as soon as practicable when your discretion to invest on behalf of such scheme, account or trust has been overridden.

If you or your client is acting as an intermediary and you do not know the Details of the underlying clients for whom a transaction is effected, you shall have arrangements in place which entitle you to obtain such information from your client immediately on request, and will either provide such information to the relevant Hong Kong Regulator(s) on request or procure that the underlying client does so.

If you are, or your client is, in a jurisdiction with client secrecy laws, you (on behalf of yourself and your clients) waive the benefits of such laws in relation to the provision of the required information or the response to any enquiry by the relevant Hong Kong Regulator(s), and you confirm that such waivers are valid and binding under the laws of such jurisdiction.

- 3.8 The obligations under this Clause 3 will survive termination of the terms under these Conditions under Clause 23 (Termination) of the Terms.

#### **4. OUR CHARGES**

- 4.1 You will not be responsible for our fees in respect of our services provided to you as specified in Clause 1.2(i) above. We are entitled to receive fees, charges, commission or remuneration in respect of these services directly from ABC and/or PSL. You may request to receive further details regarding the fees, charges, commission and remuneration received by us for such services. Such requests should be addressed to ABC Hong Kong for the attention of Jeremy Amias at 1106/7 ICBC Tower, 3 Garden Road, Central, Hong Kong. A fee may be charged for processing such requests for you and we specifically reserve the right to refuse to provide such details to you.
- 4.2 Unless otherwise agreed, and subject to Clause 4.1 above, you will be responsible for our fees and charges, which will be levied in accordance with our rates in effect at the time the fees and charges are incurred or as otherwise notified to you, verbally or in writing prior to receiving any of the services. Any alteration to these fees and charges will be notified to you at or before the time of the alteration.
- 4.3 All amounts (including, without limitation, all fees and charges) payable by you shall be due on demand without set-off, counterclaim or deduction.

**5. UNDERTAKINGS**

- 5.1 ABC Hong Kong undertakes to use reasonable endeavours to notify you in the event of any material change to the information provided in the Terms and/or the terms of these Conditions.
- 5.2 ABC Hong Kong further undertakes that in respect of derivative products, including stock options, ABC Hong Kong will, upon written request, provide to you product specifications and any prospectus or other offering document concerning such products and a full explanation under which your positions may be closed without seeking your consent.

**6. MARKET MISCONDUCT**

- 6.1 You undertake to ABC Hong Kong that you and/or your client(s) will not engage or attempt to engage, and that there are proper safeguards in place to prevent you or your client(s) from engaging, in any activity which may constitute market misconduct under the SFO and you further agree to inform ABC Hong Kong immediately if you become aware of any activity by any person that may result in you being involved in market misconduct.

**7. DATA PROTECTION**

- 7.1 We and you will each treat as confidential (both during and after the termination of the relationship between you and us) any information learned about the other, its investment strategy or holdings or products or services in the course of the relationship pursuant to the Terms and/or the terms of these Conditions.
- 7.2 Please refer to Appendix 3 to these Conditions for details of how ABC Hong Kong collects data from you, to whom such data may be transferred, the purposes for which such data may be transferred and your rights in respect of such data under the Personal Data Protection Ordinance (Chapter 486 of the Laws of Hong Kong).

**8. INCORPORATION OF TERMS**

- 8.1 The following clauses as set out in the Terms shall apply to you in relation to the Hong Kong Business:
- (A) Clauses 3.5, 3.6, 3.7 and 3.8 (Your Capacity);
  - (B) Clause 6 (Custody of Your Investments);
  - (C) Clause 8 (Advice, Suitability and Appropriateness);
  - (D) Clause 9 (Instructions);
  - (E) Clause 10 (Risk Warning);

- (F) Clause 12 (Reporting to You);
- (G) Clause 13 (Time of the Essence);
- (H) Clause 14 (Conflicts of Interest);
- (I) Clause 15 (Power to Sell, Buy In or Close Out);
- (J) Clause 16 (Rights of Set-off);
- (K) Clause 17 (Default Remedies);
- (L) Clause 19 (Force Majeure);
- (M) Clause 22 (Variation and Information);
- (N) Clause 23 (Termination);
- (O) Clause 24 (Assignment);
- (P) Clause 26 (Notices);
- (Q) Clause 27 (Rights and Remedies); and
- (R) Clause 28 (Illegality).

8.2 In respect of the provisions referred to in Clause 8.1 above:

- (A) references to “we”, “us”, “our” and “ABC” shall be read and construed as references to ABC Hong Kong;
- (B) references to these “Terms” shall be read and construed as references to these Conditions; and
- (C) any references (whether direct or indirect) to the FSA Rules shall be read and construed as references to Hong Kong laws and regulations (including without limitation any codes and guidelines issued by the Hong Kong Regulators).

## **9. RIGHTS OF ABC HONG KONG; LIMITATION OF LIABILITY**

9.1 ABC Hong Kong shall have the same rights against you (but shall not be responsible for obligations or liabilities other than as set out in these Conditions) as are set out in the Terms (in respect of each right, with the reference to “we”, “us”, “our” and “ABC” being to ABC Hong Kong and any references (whether direct or indirect) to the FSA Rules being read and construed as references to Hong Kong laws and regulations (including without limitation any codes and guidelines issued by the Hong Kong Regulators)).

- 9.2 ABC Hong Kong shall not be liable for any loss of opportunity whereby the value of your account may have been increased nor for any reduction in the value of your account as a result of market movements. It shall not be liable for the taxation consequences of any transaction nor shall it be liable for taxation charges arising for any reason.
- 9.3 Neither ABC Hong Kong nor any of its directors, officers, employees, agents or members shall be liable for any loss, cost, expense or damage sustained by you as a result of or in connection with the services to which these Conditions apply and the provisions contained in these Conditions except insofar as, and then only to the extent that, such loss or damage is caused by ABC Hong Kong's wilful default or fraud.
- 9.4 Neither ABC Hong Kong nor any of its directors, officers, employees, agents or members shall be liable for any loss, cost, expense or damage arising from any act or omission of any agent or third party who performs services pursuant to these Conditions except (in respect of agents or third parties other ABC and PSL and their agents or third parties) to the extent that such loss is caused by wilful default, or fraud in the selection of such agents or third parties on the part of ABC Hong Kong.
- 9.5 Neither ABC Hong Kong nor any of its directors, officers, employees, agents or members shall be liable for any loss, cost, expense or damage arising from, or accept any responsibility for, the acts or omissions of:
- (A) PSL and its agents or service providers where PSL has assumed responsibility for your transaction in accordance with Clause 5.2 of the Terms; or
  - (B) ABC or PSL, or any of each such person's agents or service providers, in connection with these Conditions.
- 9.6 Nothing in these Conditions will exclude or restrict to an extent prohibited by Hong Kong law any duty or liability ABC Hong Kong may have to you.
- 9.7 You irrevocably and unconditionally agree to indemnify ABC Hong Kong, its directors, officers, employees, agents and members on demand and keep such persons fully and effectively indemnified (whether before or after termination of these Conditions) against any claims, liabilities or expenses of any kind which may be incurred by them as a direct or indirect result of them acting under these Conditions. However, this indemnity shall not apply to any loss or liability to the extent it arises or results from ABC Hong Kong's wilful default or fraud.
- 9.8 Without prejudice to Clauses 9.2 to 9.5 above, ABC Hong Kong's total liability arising from or in connection with all transactions you enter into with us under these Conditions (and whether the liability arises because of a breach of contract, negligence, misrepresentation or for any other reason) shall be limited to the greater of:
- (A) HK\$1,000,000; and

- (B) fees, charges and commission payable by you to us under these Conditions (and including fees paid to us by ABC and/or PSL for the provision of our services to you under these Conditions) accrued over the past twelve month period ending on the date of the most recent breach of any cause of action pursued by you against us.

## **10. COMPLAINTS**

- 10.1 If you have a complaint about us you should raise it in the first instance with the ABC Hong Kong representative with whom you are dealing. We will endeavour to resolve it informally. If, however, you are not satisfied with the response of our employee (or if you prefer not to raise the matter with your ABC Hong Kong representative) you may raise the matter with Jeremy Amias.
- 10.2 If you wish to make a formal complaint this should be made in writing and addressed to Jeremy Amias. Your formal complaint will then be investigated internally by employees of ABC Hong Kong who were not involved with the subject matter of your complaint and have been trained in complaints handling.

## **11. JURISDICTION**

- 11.1 In relation to the actions of ABC Hong Kong and you, you agree that the courts of Hong Kong Special Administrative Region of the PRC are to have non-exclusive jurisdiction to settle any disputes which may arise out of or in connection with the terms of these Conditions together with all the Appendices to these Conditions (each as amended from time to time).

## **12. GOVERNING LAW**

- 12.1 In relation to the actions of ABC Hong Kong and you, the provisions of the terms of these Conditions together with all Appendices to these Conditions (as amended from time to time) shall be governed by Hong Kong law. For the avoidance of doubt, any rights of ABC Hong Kong under the Terms (which are not set out in these Conditions or the Appendices to these Conditions) shall be governed by Hong Kong law.

## APPENDIX 1

### PROVISIONS OF THE SFC'S CODE OF CONDUCT THAT MAY BE WAIVED FOR PROFESSIONAL INVESTORS

We set out below an explanation of the consequences of you being treated as a Professional Investor under paragraphs (a) to (j) of the definition in Schedule 1 to the SFO for your information.

- (A) Information about clients
  - (i) ABC Hong Kong will not be required to establish your financial situation, investment experience and investment objectives, except where we are providing advice to you on corporate finance work; and
  - (ii) ABC Hong Kong is not required to ensure that a recommendation or solicitation is suitable for you in light of your financial situation, investment experience or investment objectives;
- (B) Client agreement
  - (i) ABC Hong Kong is not required to enter into a written agreement with you in the form contemplated by the SFC Code relating to the services which are to be provided to you and ABC Hong Kong is not required to provide you with a written warning in respect of the risks involved in any transactions we enter into with you or to bring those risks to your attention;
- (c) Discretionary accounts
  - (i) ABC Hong Kong is not required, in connection with any discretionary account, to follow certain provisions set out in the SFC Code in relation to the procedures to be followed to obtain from you authority in writing prior to effecting transactions for your account; and
  - (ii) ABC Hong Kong is not required to explain such authority mentioned in (c)(i) above or reconfirm it with you on an annual basis;
- (d) Information for clients
  - (i) ABC Hong Kong is not required to provide you with information about its business or the identity and status of employees or others acting on its behalf with whom you may have contact;
  - (ii) ABC Hong Kong is not required to confirm promptly with you the essential features of a transaction after effecting a transaction for you;
  - (iii) ABC Hong Kong is not required to provide you with documentation on the NASDAQ Amex Pilot Program ("PP") if you wish to deal through the Stock

Exchange of Hong Kong ("**SEHK**") in securities admitted to trading on the SEHK under PP.

- (e) Contract notes, statements of accounts or receipts
  - (i) ABC Hong Kong is not required to provide you (unless you object to this arrangement in writing) with any contract notes, statements of accounts or receipts pursuant to the Securities and Futures (Contract Notes, Statement of Account and Receipts) Rules (Chapter 571, section 152 of the Laws of Hong Kong).

## APPENDIX 2

### RISK DISCLOSURE STATEMENTS

#### 1. Risks of Security Trading

Stock markets and the prices of securities can and do fluctuate, sometimes drastically. The price of a security and the income from it can go down as well as up (and may under some circumstances even become valueless); and you hereby acknowledge and accept that there is an inherent risk of incurring losses rather than making a profit when dealing in investments and confirm that you are prepared to accept such risk.

#### 2. Risks of Trading Growth Enterprise Market Stocks

- (A) The Growth Enterprise Market (the “**Growth Enterprise Market**”) of The Stock Exchange of Hong Kong Limited (the “**Exchange**”) 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 of countries in which the companies operate.
- (B) There are potential risks of investing in such companies and you 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.
- (C) 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 of the Exchange and no assurance is given that there will be a liquid market in the securities traded on the Growth Enterprise Market.
- (D) The principal means of information dissemination on the Growth Enterprise Market is publication on the Internet web site operated by the Exchange. Companies listed on the Growth Enterprise Market are not generally required to issue paid announcements in gazetted newspapers. Accordingly, you need to have access to up-to-date information on the Growth Enterprise Market-listed companies as published on the Growth Enterprise Market web site.
- (E) This risk disclosure statement does not purport to disclose all the risks and other significant aspects of the Growth Enterprise Market. You should undertake your own research and study on the trading of securities on the Growth Enterprise Market before commencing any trading activities.

- (F) You should seek independent professional advice if you are uncertain of or have 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. Risks of Client Assets received or held Outside Hong Kong

Your assets received or held by PSL or any other third party clearer or custody provider will be received and held outside Hong Kong. These assets are subject to the applicable laws and regulations of the relevant overseas jurisdiction which may be different from the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and the rules made thereunder. Consequently, such assets may not enjoy the same protection as that conferred on client assets received or held in Hong Kong.

### 4. Risks of Trading Nasdaq - Annex Securities at the Exchange

The securities under the Nasdaq-Amex Pilot Program ("**PP**") are aimed at sophisticated investors. You should consult us and become familiarised with the PP before trading in the PP securities. You 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 Exchange.

### 5. Risk of Trading Options

- (A) The risk of loss in trading 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 may be called upon at short notice to deposit additional margin funds. If the required funds are not provided within the prescribed time, your position may be liquidated. You will remain liable for any resulting deficit in your account. You should therefore study and understand options before you trade and carefully consider whether such trading is suitable in the light of your own financial position and investment objectives. You should inform yourself of exercise and expiration procedures and your rights and obligations upon exercise or expiry.
- (B) This brief statement does not disclose all of the risks and other significant aspects of trading in 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 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.
- (C) 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 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 "covered" by the seller holding a corresponding position in the underlying interest or another option, the risk may be 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.

(D) Terms and conditions of contracts

You should ask us about the terms and conditions of the specific options which you are trading and associated obligations (e.g. 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.

(E) Suspension or restriction of trading 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 option may not exist. The absence of an underlying reference price may make it difficult to judge "fair value".

(F) 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.

**6. 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.

**7. 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.

**8. 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 us for details in this respect.

**9. 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.

**10. Off-exchange transactions**

In some jurisdictions, and only then in restricted circumstances, firms are permitted to effect off-exchange transactions. It may be 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.

**11. Transactions in other Jurisdictions**

Transactions on markets in other jurisdictions, including markets formally linked to a domestic market, may expose investors to additional risk. Such markets may be subject to regulation which may offer different or diminished investor protection. Before trading, investors should enquire about any rules relevant to the particular transactions. An investor's local regulatory authority will be unable to compel the enforcement of the rules of regulatory authorities or markets in other jurisdictions where transactions have been effected. Investors should ask for details about the type of redress available in both their home jurisdiction and other relevant jurisdictions before starting to trade.

**THESE STATEMENTS DO NOT NECESSARILY DISCLOSE ALL THE RISKS AND SIGNIFICANT ASPECTS OF THE TRANSACTIONS. YOU ARE ADVISED TO CAREFULLY STUDY THE TERMS AND SEEK INDEPENDENT FINANCIAL, TAX, LEGAL OR OTHER ADVICE, AS APPROPRIATE, BEFORE ENTERING INTO ANY TRANSACTION.**

## APPENDIX 3

### PERSONAL DATA (PRIVACY) ORDINANCE NOTICE

ABC Hong Kong has collected and, from time to time, will collect and retain data relating to you (such as your name, your address and other personal and financial details). This data is necessary in connection with handling your account, providing you with services (such as investment advice, research and investment dealing services as requested by you). Failure to provide us with this data may result in our being unable to open or to continue to operate your account, or to provide you with services. The data we hold may be used to comply with any disclosure and/or notifications that we are required to make by governmental and regulatory authorities and can be used by us in connection with the provision of services to you.

Data you have provided to us may be transferred to governmental and regulatory authorities if required by applicable law or regulations; to ABC, to PSL or other service providers which provide financial, securities clearing, administrative or other services to ABC Hong Kong or ABC in the course of their business; and among any "**ABC Associate**", being Amias Berman Holdings PTE Limited, each of its subsidiaries from time to time, each holding company of ABC Hong Kong or ABC from time to time and each subsidiary from time to time of such holding company in order that ABC Hong Kong and the other ABC Associates can operate and maintain your account and carry out their services.

Under the terms of the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong) (the "**PDPO**"), you have the right to ask whether ABC Hong Kong holds data relating to you, to request a copy of the data we hold and to request that any inaccuracies in the data be corrected. Any requests for access to your data, for the correction of any inaccuracies in the data, for further details about our policies and practices in relation to your data, or for further details about the types of data which we hold should be addressed to ABC Hong Kong for the attention of, Data Protection Officer, at 1106/7 ICBC Tower, 3 Garden Road, Central, Hong Kong.

#### NOTES ON PROVIDING PERSONAL DATA

These notes are prepared to assist you in understanding your rights and obligations in relation to the supply of personal data as such term is defined in the PDPO, by you to ABC Hong Kong (which data may relate to yourself or your authorised signatories or other persons) and the manner in which ABC Hong Kong may use or deal with such data in connection with your account with ABC Hong Kong and related matters. You are strongly advised to read this note carefully and consult your own independent legal advisor.

#### 1. Who Can Use Personal Data

- 1.1 All personal data concerning you (whether provided by you or any other person, and whether provided before or after the date you receive this document) may be used by (a) ABC, any other ABC Associate, PSL and other service providers; or (b) any director, officer or employee of an entity referred to in (a) only when carrying out the business of that entity; or (c) any person (such as lawyers, advisers etc.) authorised by such an entity only when carrying out the relevant business of that entity.

## **2. Purposes of Collection**

2.1 The personal data provided by you to ABC Hong Kong, and in any documentation which comes into existence as a result of your opening an account with ABC Hong Kong, will be used by ABC Hong Kong for the following purposes:

- (A) activities relating to operating your account (whether by ABC Hong Kong, ABC, any other ABC Associate, PSL or any other service provider) such as purchasing, acquiring, disposing of and generally dealing in and with all kinds of securities or its related derivative instruments, on your behalf and carrying out transactions at your instructions, ongoing account administration, sending out other materials to you (including marketing other products to you);
- (B) activities relating to the processing of your application to open an account with one or more of ABC Hong Kong, ABC, any other ABC Associate, PSL or any other service provider, and the maintaining of your account, including but not limited to new or existing client verification procedures and conducting credit reporting through credit report agencies both in Hong Kong and overseas;
- (C) maintenance and verification of particulars and data;
- (D) any purpose relating to or in connection with compliance with any law, regulation, court order or request of a regulatory body;
- (E) any other purpose relating to or in connection with the business or dealings of ABC Hong Kong, ABC, any other ABC Associate, PSL or any other service provider.

## **3. The Obligation to Provide Accurate Personal Data**

3.1 It is obligatory for you to supply the personal data as required by ABC Hong Kong. If you fail to supply the required personal data, ABC Hong Kong and the other relevant entities may refuse to open an account for you. When providing any personal data to ABC Hong Kong, please ensure that the data is accurate having regard to your obligations under the PDPO.

## **4. Classes of Transferees**

4.1 Personal data held by ABC Hong Kong will be kept confidential but may be transferred to other persons and to any place outside Hong Kong under certain circumstances:

- (A) ABC Hong Kong may as it deems necessary transfer data to ABC, any other ABC Associate, PSL or any other service provider such information as ABC Hong Kong deems necessary for such other entities to carry out the services under the Terms, or carry out the activities described in paragraph 2 above.

- (B) ABC Hong Kong may, as it deems necessary, disclose to its agents or nominees, individuals or corporations when carrying out the business of each ABC Associate and their legal advisers and auditors such information as it requires relating to the activities described in paragraph 2 above;
- (C) in compliance with any statute and subsidiary legislation which are enacted and effective in Hong Kong;
- (D) to any financial regulator as defined in the PDPO, government bodies, other regulatory authorities, individuals or corporations who have the right to such data and information as prescribed by law; and where transactions are executed outside of Hong Kong, the relevant stock exchange, clearing house or regulatory body;
- (E) to service providers that offer services to ABC Associates in connection with the operation of their businesses; and
- (F) to any person who owes a duty of confidentiality to ABC Hong Kong or any other ABC Associate.

## **5. Access to Personal Data**

- 5.1 Under the PDPO you have the right to enquire whether we hold personal data in relation to you, request access to and correction of any inaccuracies in your personal data. Reasons will be given if a request for access or correction is refused, and you have the right to object to any such refusal.

## **6. Enquiries**

- 6.1 Enquiries concerning the personal data provided by you to ABC Hong Kong, including the request for access and corrections, should be addressed to ABC Hong Kong for the attention of, Data Protection Officer, at 1106/7 ICBC Tower, 3 Garden Road, Central, Hong Kong. In accordance with the terms of the PDPO, a reasonable fee may be charged for processing any data access request.

**ADDENDUM TO HONG KONG CONDITIONS**

**DECLARATION FROM PROFESSIONAL INVESTOR UNDER  
PARAGRAPH (J) OF THE DEFINITION IN SCHEDULE 1 TO THE SFO**

To: Amias Berman (Hong Kong) Limited (“ABC Hong Kong”)  
1106/7 ICBC Tower,  
3 Garden Road,  
Central  
Hong Kong

Attention: Mr. Jeremy Amias

Dear Sirs

**Declaration and Consent to being treated as “Professional Investor”  
under paragraph (j) of the definition thereof in Schedule 1 to  
the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (“SFO”)**

I hereby acknowledge and confirm that I consent to be treated as a “Professional Investor” as defined under paragraph (j) of the definitions thereof in Schedule 1 to the SFO. In making this declaration, I acknowledge and confirm that:

- (i) ABC Hong Kong has provided a written explanation to me, in the form of the Hong Kong Conditions and appendices to which this Addendum is attached (including but not limited to the information contained in the section headed “Your Capacity” and Appendix 1 to the Hong Kong Conditions), explaining to me the risks and consequences of consenting to being treated as a “Professional Investor” under the SFO, in particular, explaining to me the information that will not be provided to me;
- (ii) ABC Hong Kong has explained to me that I have a right to request that I be withdrawn from being treated as a Professional Investor whether in respect of all services provided by ABC Hong Kong or any part thereof; and
- (iii) ABC Hong Kong will also carry out an annual confirmation with me to ensure I remain as a Professional Investor.

I confirm that I have read and understood all information described above provided to me by ABC Hong Kong.

Yours faithfully

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Name:

Date: