

**TERMS AND CONDITIONS FOR MARGIN FINANCING**  
(Professional Investor – Institutional)

To: CITIC Securities Brokerage (HK) Limited  
26th Floor, CITIC Tower  
1 Tim Mei Avenue  
Central  
Hong Kong

Licensed Corporation under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) licensed to carry on Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities  
Participant of The Stock Exchange of Hong Kong Limited

C. E. Number: AAE879

In consideration of CITIC Securities Brokerage (HK) Limited ("CSBHK") agreeing to make available or continue to make available to me/us (the "Customer") at the request of the Customer the Margin Financing Facilities to the Customer, the Customer agrees to the following:

**1. Definitions and Interpretation**

- 1.1 These Terms and Conditions are supplemental to the Terms and Conditions for Securities Trading (Professional Investor – Institutional) of CSBHK (as amended and/or supplemented from time to time). In the event of any inconsistency between these Terms and Conditions and the Terms and Conditions for Securities Trading (Professional Investor – Institutional) of CSBHK, these Terms and Conditions shall prevail. All references to the "Agreement" in these Terms and Conditions shall be to the Agreement as defined in the Terms and Conditions for Securities Trading (Professional Investor – Institutional) as supplemented and amended by these Terms and Conditions.
- 1.2 Words and expressions defined in the Terms and Conditions for Securities Trading (Professional Investor – Institutional) of CSBHK (as amended and/or supplemented from time to time) shall, unless the context otherwise requires, have the same meanings when used here.
- 1.3 In these Terms and Conditions, the following words and expression shall have the following meaning:  
**"Eligible Securities"** means such securities from time to time determined by CSBHK as its sole discretion and notified to the Customer;  
**"Market Value"** means in respect of any particular securities at any given time, the market value which CSBHK determines in its absolute discretion, could be obtained by it on a sale of such securities at such time and in such market on which securities of the same type are normally dealt;  
**"Margin"** means the monies and Eligible Securities of the Customer which are or shall at any time hereafter be required, as determined by CSBHK, to be deposited with, transferred or caused to be transferred to or held by CSBHK or its nominee as collateral under the Securities Account;  
**"Margin Financing Facilities"** means the revolving credit facilities to be made available from time to time by CSBHK to the Customer subject to the provisions of the Agreement, and the specific terms agreed between CSBHK and the Customer from time to time and includes all amounts debited to the Securities Account in accordance with the terms of the Agreement;  
**"Margin Percentage"** means such percentage of the Market Value of the Eligible Securities up to which the Customer is permitted to borrow (or otherwise to secure other forms of financial accommodation) from CSBHK against the Margin;  
**"Outstanding Amount"** means the aggregate liability of the Customer (whether present or future, actual or contingent, joint or several) to CSBHK under the Margin Financing Facilities or otherwise at any relevant time;
- 1.4 Any reference in these Terms and Conditions to a "Clause" shall be to the clause of these Terms and Conditions.
- 1.5 Where these Terms and Conditions apply, the Customer's account shall be a margin account.

**2. Margin Financing Facilities**

- 2.1 The facility limit of the Margin Financing Facilities shall be such amount as advised by CSBHK to the Customer from time to time.
- 2.2 The purpose of the Margin Financing Facilities is to finance the acquisition or holding of such securities as may be acceptable to CSBHK by the Customer through his Securities Account from time to time.
- 2.3 CSBHK shall be entitled, at its absolute discretion at any time by notice to the Customer, to increase or decrease the facility limit of the Margin Financing Facilities, to cancel or terminate the Margin Financing Facilities, to refuse to make any advance under the Margin Financing Facilities (whether or not its facility limit has been exceeded) or to demand immediate payment of all or any moneys and sums, whether principal, interest or otherwise, then owing in respect of the Margin Financing Facilities or otherwise under the Agreement.
- 2.4 A certificate issued by CSBHK stating the amount at any particular time due and payable by the Customer to CSBHK under the Margin Financing Facilities or otherwise shall in the absence of manifest error be conclusive and binding against the Customer.
- 2.5 CSBHK is hereby authorised to draw on the Margin Financing Facilities to settle any amount due to CSBHK in respect of the Customer's purchase of securities or payment of any commission or other costs or expenses owing to CSBHK.

**3. Margin Call**

- 3.1 The Customer shall maintain the Margin and on demand from CSBHK make payments or deposits of additional Margin in such amount and in such form into a designated account and within such time limit as specified by CSBHK, as CSBHK in its absolute discretion determines necessary to provide adequate security in respect of the Margin Percentage and the Margin Financing Facilities ("**Margin Call**"). Payment of Margin Calls must be effected in cleared funds or deposit of securities and/or other assets which the Customer has good and free unencumbered titles as specified by CSBHK and unless the Margin Call is fully satisfied with the time specified, CSBHK shall be entitled, at its absolute discretion, to refuse to accept any Instruction and shall not be liable to the Customer for any loss whatever arising out of or in connection with its not accepting or acting on any Instruction.
- 3.2 Notwithstanding Clause 3.1, CSBHK has no obligation to notify the Customer of his failure to maintain the Margin. In the event that it is, in the sole opinion of CSBHK, impracticable for CSBHK to make demands for additional Margin pursuant to Clause 3.1, including but not limited to, if the impracticality is due to a change or development:  
(a) involving a prospective change in the local, national or international monetary, financial, economic or political conditions or foreign exchange controls which has resulted or is in the opinion of CSBHK likely to result in a material or adverse fluctuation in the stock market, currency market, commodities or futures market in Hong Kong or elsewhere; or  
(b) which is or may be materially adversely affect the condition or operations of the Customer,  
CSBHK shall be deemed to have made Margin Calls for such form and/or amounts as CSBHK may determine and such additional Margin shall become immediately due and payable by the Customer.
- 3.3 (a) Where the Customer fails to maintain the Margin or meet Margin Calls made by CSBHK or the Margin Financing Facilities is terminated or cancelled by CSBHK, CSBHK may, without demand, notice, legal process or other action sell, realise, redeem, liquidate or otherwise dispose of, as appropriate, such of the securities in the Securities Account or any part thereof at the relevant market or by private contract, and on such terms as CSBHK in its absolute discretion thinks fit, free from all trusts, claims, rights of redemption and equities of the Customer.  
(b) Any proceeds resulting from such sale, realisation, redemption, liquidation or disposal shall be applied in such order as CSBHK may select until the outstanding balances owing to CSBHK is satisfied or the required Margin is maintained. In normal circumstances, CSBHK will only sell, realise, redeem, liquidate or dispose of such quantity of the securities required to achieve the aforesaid requirement. Nevertheless, CSBHK shall have no responsibility, liability or obligation to the Customer if it has sold, realised, redeemed, liquidated or disposed of more quantity of securities than is necessary to satisfy such requirement. The Customer shall not have any right or claim against CSBHK in respect of any Loss arising out of any such sale, realisation, redemption, liquidation or disposal or proposed sale, realisation, redemption, liquidation or disposal, however such Loss may have been caused, and whether or not a better price could or might have been obtained by either deferring or advancing the date of such sale, realisation, redemption, liquidation, disposal or otherwise.
- 3.4 The Customer undertakes to indemnify CSBHK and its officers, employees and agents for any loss, costs, claim, liability or expense arising out of or connected with any breach by the Customer of its obligations under the Agreement including any costs reasonably and necessary incurred by CSBHK.
- 3.5 This Clause 3 shall not prejudice CSBHK's rights and powers under the Terms and Conditions of Securities Trading (Professional Investor – Institutional), including (without limitation) Clauses 10 and 16 of such Terms and Conditions.

**4. Interest**

- 4.1 The Customer shall pay to CSBHK interest on the Outstanding Amount at the interest rate advised by CSBHK to the Customer from time to time. Such interest shall accrue on a daily basis from the date of advance on, unless stated otherwise, a 365 day basis and shall be added to and form part of the Outstanding Amount from time to time and be debited to the Securities Account in arrears on a monthly basis.

**5. Power**

- 5.1 Without prejudice to the other authorities conferred upon CSBHK hereunder and in each case as a transaction independent of any other transaction entered into between CSBHK and the Customer or by CSBHK on the Customer's behalf, CSBHK is authorised on the Customer's behalf to part with possession and/or control of all or any securities held by CSBHK or its nominees for or on account of the Customer and in connection therewith to lend, sell, deposit, charge and re-charge all or any such securities in each case in accordance with applicable law, rules and regulations and any authorization given by the Customer to CSBHK from time to time. The Customer hereby authorises CSBHK to:-  
(a) deposit any of the Customer's securities and securities collateral with an authorised institution (as defined by the Banking Ordinance) as collateral for financial accommodation provided to CSBHK;  
(b) apply any of the Customer's securities and securities collateral pursuant to a securities borrowing and lending agreement in accordance with the Securities and Futures (Client Securities) Rules;  
(c) deposit the Customer's securities and securities collateral with (1) a recognised clearing house or (2) another intermediary licensed or registered for dealing in securities as collateral for the discharge and satisfaction of CSBHK's settlement obligations and liabilities.

- 5.2 The Customer acknowledges that, with the authorities given by or referred to in Clause 5.1 above and any other authorities which the Customer may give, CSBHK shall be at liberty to deal with the Customer's securities in accordance with such authorities or in any manner permitted by applicable law or rules.

- 5.3 The term of the Customer's authority contained in Clause 5.1 above shall continue to be valid until revoked by the Customer serving a written notice at least fourteen (14) days prior to the actual date of revocation.

- 5.4 Without prejudice to any of CSBHK's accrued rights and claims under these Terms and Conditions, where CSBHK has cancelled or terminated the Margin Financing Facilities, CSBHK may in its absolute discretion close the related securities account of the Customer as a margin account and continue such account as a cash account, and thereafter, the Terms and Conditions for Securities Trading of CSBHK (Professional Investor – Institutional) (as amended and/or supplemented from time to time) shall alone (and not in conjunction with these Terms and Conditions) apply to all securities trading and related services of such account.

**6. Risk Disclosure Statement**

The financial markets present many different risks of which the Customer should be aware prior to investing. This risk disclosure statement is not exhaustive and may be amended or supplemented by additional risk disclosures from time to time.

**Risk of Margin Trading**

The risk of loss in financing a transaction by deposit of collateral is significant. The Customer may sustain losses in excess of his cash and any other assets deposited as collateral with CSBHK. Market conditions may make it impossible to execute contingent orders, such as "stop-loss" or "stop limit" orders. The Customer 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 Customer's collateral may be liquidated without his consent. Moreover, the Customer will remain liable for any resulting deficit in his account and interest charged on his account. The Customer should therefore carefully consider whether such a financing arrangement is suitable in light of his own financial position and investment objectives.

**Risk of Providing an Authority to Repledge Securities Collateral**

There is risk if the Customer provides CSBHK with an authority that allows it to apply the Customer's securities or securities collateral pursuant to any securities borrowing and lending agreement, repledge the Customer's securities collateral for financial accommodation or deposit the Customer's securities collateral as collateral for the discharge and satisfaction of its settlement obligations and liabilities.

If the Customer's securities or securities collateral are received or held by CSBHK in Hong Kong, the above arrangement is allowed only if the Customer consents in writing.

The Customer is not required by any law to sign these authorities. But an authority may be required by CSBHK, for example, to facilitate margin lending to the Customer or to allow the Customer's securities or securities collateral to be loaned to or deposited as collateral with third parties. CSBHK should explain to the Customer the purposes for which one of these authorities is to be used.

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

A cash account not involving securities borrowing and lending is available from most dealers including CSBHK. If the Customer does not require margin facilities or does not wish his securities to be lent or pledged, the Customer should not provide the above authorities and should ask to open this type of cash account.