

China Zhong Heng Finance Group Limited (under the Securities and Futures Commission CE. No. BHM066)

## Acknowledgement by Client

### 1. Procedures for funds deposit:-

- 1.1 To protect clients' interests, clients must follow the following procedures for funds deposit:  
Clients can select internet banking / phone banking / ATM / bank counters / cheques to deposit funds into our Company. Please issue cheques payable to "China Zhong Heng Finance Group Limited". (Please note that cheque deposits require the completion of settlement and clearing before allowing our clients to trade).
- 1.2 When clients select the method as stated in item 1.1 to deposit funds, clients must inform our Company immediately via designated electronic channels or Customer Service Hotline. Clients should not use other telephone numbers of our Company. The above procedure is very important. If clients cannot follow the above deposit procedure to inform our Company, clients should be responsible for all the consequences. We will handle within the same business day clients' fund deposits that are deposited by 4:00 p.m. While those deposits that are after 4:00 p.m. will be handled on the next business day.
- 1.3 Clients must keep the bank pay-in slip for verification. If it is lost, clients should bear the responsibility of replacement fee and bear the inconvenience and any loss arising from the loss of bank pay-in slip. Clients should not deposit cash (including cheques) to our Company through our Account Executives or any other party or clients should not place money into the accounts of Account Executives or of other people or of our Company staff. Clients should directly deposit cash into our Company's designated bank accounts through the above methods. If clients fail to receive the daily statements within 4 working days after the funds deposit, please immediately contact our customer service department to check the relevant payment. However, if clients have not followed the above funds deposit procedure, clients should be responsible for the risk and loss arising out of the failure in funds deposit themselves.
- 1.4 As the deposit handling process takes time, fund deposits by clients may not be available immediately. Clients should note that fund deposits will only be available for trading after our Company's confirmation and shown in the corresponding trading systems.

### Bank Deposits (Securities):

Bank Name	Currency	Bank A/C No.	Bank Address	SWIFT Code
Bank of China (Hong Kong) Limited	HKD	012-918-0-032131-6	1 Garden Road, Hong Kong	BKCHHKHH
Bank of China (Hong Kong) Limited	CNY	012-918-0-600912-8	1 Garden Road, Hong Kong	BKCHHKHH
Bank of China (Hong Kong) Limited	USD	012-918-0-800774-6	1 Garden Road, Hong Kong	BKCHHKHH

### 2. Procedures for funds withdrawal:-

- 2.1 Clients are required to call our Customer Service Hotline to inform the Customer Services Department of our Company not later than 12:00 p.m. on the same day to give instructions for the withdrawal of funds, otherwise such withdrawal instructions will be handled by us on the following business day.
- 2.2 After clients' instructions of withdrawing funds have been verified by us, our Company shall deposit the said funds on behalf of clients into clients' bank account as stipulated in the Account Opening Form by cheques directly,
- 2.3 Clients may come to our Company to collect cheques. Clients can collect cheques at our Company in person after 3:00 p.m. on the same business day if they give instructions not later than 12:00 p.m. Otherwise clients can collect cheques at our Company after 3:00pm on the next business day. If clients cannot collect cheques at our Company one the next business day, our Company may bank-in the relevant cheques back into the Securities Accounts of clients.
- 2.4 When clients give deposit instructions and when our Company raises doubt as to the details of previous funds deposit, our Company reserves the rights to request the clients to present relevant bank pay-in slip evidence (e.g. the deposit slip or statement issued by the bank). Our Company can execute the deposit instructions after receiving the relevant evidence. If our Company has not received the relevant evidence, the relevant funds will remain in the clients' accounts.



2.5 Clients should wait for the completion of the clearing and settlement of relevant products first before they can withdraw the money (Hong Kong Securities is settled on T+2) out of their accounts. If the sales proceeds are generated from the sale of physical stocks, clients should wait for not less than 10 days (based on the deposit date of the physical stocks as shown on the daily statement) before our Company can execute the relevant withdrawal request.

**3 In trading of “Hong Kong Securities”, clients should comply with the following terms and conditions:**

3.1 Regardless of which methods clients use to deposit funds, clients must trade only after our Company formally accepts and confirms the deposits. Otherwise our Company reserves the rights to refuse clients’ instructions for trading. If clients’ instructions for trading would induce risk or be in conflict with our Company’s risk management, our Company reserves the right to refuse the relevant instructions for trading.

3.2 When clients place orders by phone, they must use the designated order-placing telephone numbers provided by our Company, otherwise clients should be responsible for any losses and damages whatsoever caused. Other telephone numbers, like mobile phones or other telephone numbers of our Company or mobile phones of our Company staffs cannot be used as telephone numbers for placing orders. When clients use online trading facilities through any electronic channels facing emergencies (cannot trade online), they can use our Company’s support telephone for trading. However, please note that by that time our Company will only close the open positions for clients while we will not accept clients’ instructions to open new positions.

3.3 When clients invest in any investment products via our Company, they shall have sufficient funds to open positions. Regarding clients’ requirements for payment or margin, please visit the “Stock Margin Ratio” at our Company’s website. Our Company, however, reserves the rights to adjust and even suspend “Stock Margin Ratio” for the provision of loans for margin financing facing the market situation without separate notification to clients.

3.4 If at any time funds in clients’ account are below the requirement of our Company, our Company can at its sole discretion close the positions without further notice and can charge interests for clients’ outstanding loans, if any. Clients must indemnify our Company for our losses arising out of closing out the positions. Moreover, our Company reserves the absolute discretion to charge to different clients and offer to them different loans rate or interest rate according to the clients’ trading situation, the market situation, the price change of the financial products and other factors.

3.5 Clients authorized our Company to completely represent clients to open accounts and handle the matters in relevant financial institutions, our Company have absolute discretion in choosing the aforesaid relevant financial institutions. Clients authorized our Company to transfer the trading instructions to other relevant financial institutions and knew and confirmed that our Company had not participated in any of clients’ trading. Clients also knew and agreed to be responsible for any breach, suspension of responsibilities of other relevant financial institutions or clients also agreed to be responsible for other financial institutions to go bankrupt and to have suspension of services which leads to the fact that clients could not complete the transaction or clients’ loss as a result thereto. In any aforesaid event, our Company would not be responsible for the losses arising out of such circumstances or indemnify for any loss.

3.6 **Applicable to Margin Account Holders Only**  
Under situations where Client does not hold any Monies in any or all segregated accounts of any name whatsoever and either individually or jointly with others, maintained by China Zhong Heng Finance Group Limited and the Client draws a margin loan against the value of the collateral in his/her accounts for the purposes of settling any margin and/or settlement requirements of any account, Client is exposed to, among other things, increased market risks, increased margin trading risks and additional interest costs.

3.7 Securities Deposit and Withdrawal instructions – clients should comply with the following terms and conditions:

<<Deposit >>

i. When clients deposit individual named physical scrip into our Company, clients can sell the said security within the same day after the physical scrip has undergone our verification with certain amount of funds (or other stocks with value equivalent to the deposited securities) within the clients’ account. Otherwise our Company reserves the right to refuse the concerned stock selling order(s) until 10 working days after the date of physical stock deposit. The proceedings from stock sale can only be withdrawn by clients after the verification of our Company and the registrar. During the verification period, the said funds can remain in the security account for trading purpose.

ii. When clients deposit physical scrip under the name of HKSCC into our Company, clients must produce that physical



scrip and the statement evidence provided by other securities firms or banks to certify that the name on which must be the same as the individual client. Clients could only deposit that physical scrip upon the verification. Otherwise, our Company reserves the right to decline the instructions of depositing the physical scrip.

- iii. Single named physical scrip must be deposited into client's individual named security account of our Company and cannot be deposited into any joint account. While jointly held physical scrip must be deposited into clients' joint account of our Company. It must not be deposited into any single named account.

<< **Withdrawal** >>

- i. If clients must withdraw physical scrip, they can call our Company's Customer Service Hotline or give instructions of withdrawing physical scrip via the electronic channels. They can also come to our Company in person to fill in the withdrawal form of physical scrip.
- ii. After our Company takes out physical scrip on behalf of clients, we will contact clients to come to our Company get the physical scrip. The relevant fee on taking out physical scrip will be charged back to clients according to the fee schedule published on our website. Our Company reserves the right to change the charges without any prior notice.
- iii. Our Company will inform clients to get back physical scrip via phone. Clients should get back the physical scrip at our head office or designated branch within 5 business days of receiving our phone call. Otherwise, our Company will deposit the physical scrip back into the securities account.

<< **SI / ISI** >>

If Clients request our Company to handle settlement instructions (SI) or investor settlement instructions (ISI), they must give written instructions to our Customer Service Department. Our Company will handle the instructions on the same business day if the instructions are received before 1:00pm. Otherwise our Company will handle the instructions on the next business day.

3.8 Global Securities – clients should comply with the following terms and conditions:

- i. Due to different trading hours and settlement days for products of Global Products, clients should be responsible for noting the trading hours and settlement days of the product. Our Company will not inform clients separately for any changes to the aforesaid information. Clients should be fully responsible for all the losses whatsoever incurred as a result of any omission or delay in notifying clients of the relevant information and our Company shall not be responsible for any liability whatsoever caused. Clients should visit our Website for any updates to the aforesaid information.
- ii. Global Market products use different currencies as trading units. If clients owe us any foreign currency in their accounts, our Company reserves the right to use any balance (in any currency) from other accounts of the clients to cover the shortfall in that particular outstanding account. The exchange rate will be calculated according to the prevailing exchange rates provided by banks and our Company shall not be required to inform clients for any fluctuations of any bank's exchange rates.
- iii. If the minimum margin uses any foreign currency other than Hong Kong dollars as a trading unit, our Company will adopt the following procedure in handling the related exchange matter:
  - (a) After trades are made by clients, the relevant margins will adopt the exchange rates as set in our trading system. The relevant exchange rates will be adjusted according to the prevailing market conditions without any notice.
  - (b) Clients' positive balances in the accounts will remain within the same accounts automatically unless clients inform our Company to carry out any exchange.
- iv. Clients are reminded to take note of the W8BEN Form for compliance with the US Foreign Account Tax Compliance Act ("FATCA"). If clients are non-US citizen/residents and non-Canadian residents, they must fill in the W-8BEN Form during the account opening stage and the clients are required to notify our Company in writing every three years and within 20 days of any changes to the circumstances stated in the W-8BEN Form and submit a new duly completed W-8BEN (or any other appropriate form) reflecting such change. If the clients fail to comply with the above notification requirements, we reserve the right to suspend their trading activities and only accept their sell orders. Any sales proceeds will be deducted or withheld for or on account of tax which may imposed under FATCA.



**4. Electronic Trading – clients should comply with the following terms and conditions:**

- 4.1 Clients can give instructions through our Company's online trading platform
- 4.2 Clients shall peruse our "Online Trading Manual for Clients" before using our online trading.
- 4.3 Our Company will deliver electronic trading password to new clients' registered email account. In case of the email account provided is not valid, our Company will send out the password by letter which shall be signed and acknowledged receipt by the Client.
- 4.4 Clients shall change passwords immediately before they use the electronic trading services and should also immediately destroy the letter with the initial password for security purpose. Clients shall be responsible for the safekeeping of their account numbers and passwords at all times. In case clients lose password (or have been blocked for access because of multiple input of passwords), clients can seek assistance from our Customer Service Department.
- 4.5 Online Trading – clients should comply with the following terms and conditions:
- i) Clients can visit 《Online Trading Platform》, 《Mobile Trading System》 belong to electronic channel. They all fall under the ambit of the terms and conditions of 《Client Agreement》. When the aforesaid electronic trading system transmit the message, our Company will not verify or confirm the identification of clients, clients must be held responsible for any instructions given over the electronic trading system. They must also safe keep and keep confidential their account numbers and passwords.
  - ii) Our Company has the right to decline any instructions given by clients over the electronic trading system. Our Company reserves the right to assert final decision as to accepting such instructions.
  - iii) Our Company will not guarantee whether any information on our website is updated and accurate.
  - iv) Our company can terminate, change, add or delete the content of our website without notice to clients.
  - v) Electronic trading system (Internet and mobile phones) adopts the computer system to send instructions for trading. However, there are circumstances that computer system may be halted or out of order suddenly. Our Company bears no responsibility whatsoever arising out of transmission failure or out of order. Clients could not trace us for losses due to these uncontrollable circumstances such as wrongful message, message transmitting failure or delayed information.

**5. Miscellaneous Matters:**

- 5.1 The joint clients have already authorized our Company to accept any one of the joint clients ("Such Person" severally as having the authority to give instructions to our Company (including but not limited to verbal instructions and written instructions), to handle any operation of the Securities Account and exercise all rights, powers and discretion pursuant to All Those Terms on behalf of the other joint client as if each of them alone was the holder of the Securities Account. Our Company may follow the instructions given by Such Person in relation to the Securities Account and shall not be required to give notice to, or obtain authorization from, the other joint client in respect of such instructions. Our Company shall have the absolute discretion to decide whether to accept or reject the relevant instructions and our Company shall not be liable as such for any loss whatsoever incurred as a result of accepting the aforesaid instructions or not.
- 5.2 In relation to notification of changes of stocks of listed company:
- i) Our Company does not have the responsibility of notifying clients for changes of any investment products held by individual client. To protect clients' rights, clients have the responsibility to regularly check the relevant announcements, information and changes in respect of the relevant investment products to obtain due notice of any amendment. Should there be any omission or delay of notification to clients, our Company shall not be liable for any loss or damage whatsoever caused.
  - ii) Tax or Fees related to securities or derivatives of listed companies may be in accordance with the latest requirements by government / authorities of home country, or the country of listing. To protect clients' rights, clients have the responsibility to regularly check the relevant announcements, information and changes in respect of the relevant investment products to obtain due notice of any amendment.
  - iii) For matters relating to acquiring dividends on behalf of clients, our Company will dispatch the relevant dividends disseminated by CCASS to clients' Securities Accounts on the next business day.



- 5.3 Clients have reviewed and fully understood all the terms and conditions in the 《Client Agreement》, 《Data Privacy》 and 《Risk Disclosure Statement》. Clients agree, acknowledge and confirm the contents of all such terms and conditions.
- 5.4 Clients have authorized our Company to have absolute discretion to modify, amend, delete or substitute the 《Client Agreement》, 《Acknowledgement by Client》 or any relevant terms and conditions, all the terms and conditions of the relevant chapters of the Acknowledgement and guidelines (referred to as “《All Those Terms》”). Any terms and conditions of 《All Those Terms》 (including the existing or amendment) shall be published in the website of our Company. Clients have the responsibility to browse the aforesaid website from time to time for the relevant amendments, to ensure notification of update information.

Notes:

1. Our Company reserves the right to revise and amend the above terms and provisions at any time and from time to time without prior notice.
2. The time and date in this Acknowledgement by Client refers to those in Hong Kong.

**Customer Service Hotline (852) 3618 8682      Fax : (852) 8343 0679**