

**Checklist to “Professional Investor” Client**

**Please tick the first box in EITHER Section 1 OR Section 2 as appropriate.**

Section 1: Professional Investor under Part 1 Schedule 1 SFO

The client is a person described in paragraphs (a) to (i) of the definition of “*professional investor*” in Part 1 of Schedule 1 of the Securities and Futures Ordinance (e.g. such as any SFC licensed person or any regulated financial institution, etc.) and agrees to be treated as such. (If not, please continue with Section 2)

Section 2: Classification as Professional Investor

The client is a person described in paragraph (j) of the definition of “professional investor” in Part 1 of Schedule 1 of the SFO as listed below (please select ONE below) and agrees to be treated as such:

(1) A high net worth individual investor, either alone or with his/her spouse or children on a joint account, having a portfolio of cash held for such person or persons by a custodian and/or securities of not less than HK\$8 million (or its foreign currency equivalent) at the relevant date;

(2) A corporation or partnership having a portfolio of cash held for it by a custodian and/or securities of not less than HK\$8 million (or its foreign currency equivalent) or total assets of not less than HK\$40 million (or its foreign currency equivalent) at the relevant date;

(3) A trust corporation having been entrusted under the trust(s) of which it acts as trustee with total assets of not less than HK\$40 million (or its foreign currency equivalent) at the relevant date; or

(4) A corporation, whose sole business is to hold investments and which is wholly owned by Individual, Corporation Partnership or Trust/Corporation as described above.

Please attach documentary evidence sufficient to verify the client’s financial status as above.

Section 2 (cont'd)

In relation to the products and markets to which the Company will be providing us, the client confirms that he/she/it has investment experience as below: (please tick as appropriate)

- Having experience in those type of products in relation to the relevant product and markets;
- Having entered into not less than 40 investment transactions in the past year;
- Having experience dealing for at least 2 years in the relevant markets (or markets with similar characteristics);
- Having knowledge and expertise about the relevant product and markets; and
- Being aware of the risks involved in trading in the relevant products and / or markets.

Signature of Licensed Person: \_\_\_\_\_

Name: \_\_\_\_\_ Date: \_\_\_\_\_

**Letter to “Professional Investor” Client & Annual Declaration**

DATE

Dear Sirs,

**RE: Notice of Treatment as a Professional Investor**

We thank you again for your wise choose of the service of *Gransing Securities Co., Limited*. We are advised that you wish to be treated as a Professional Investor for this purpose. For the avoidance of doubt, this letter and the related documentation only deal with the position of treating you as Professional Investors in relation to the service of \*dealing in securities/advisory on securities/advisory on corporate finance/asset management (*delete the inappropriate*) with *Gransing Securities Co., Limited* and do not cover the position of your dealing with other group companies of *Gransing Securities Co., Limited* which will be subject to separate documentation.

Under the Securities and Futures Ordinance (the "SFO"), you may be categorised as a Professional Investor by reason of you being a category of person falling under paragraph (a) to (j) of the definition of "*professional investor*" in Part 1 of Schedule 1 to the SFO.

If you are so categorised as a Professional Investor, we would not in relation to you be required to fulfil certain regulatory requirements under the SFO and the *Code of Conduct for Persons Licensed by or Registered with the Securities and Future Commission*. Therefore, we would not perform the following in providing services to you, unless requested to do so in writing. Please note the consequences of being treated as a Professional Investor.

**a) Client agreement**

We have sent you a copy of our standard Client Agreement. We are not required to enter into a written agreement relating to the services that are to be provided to you. However, by entering into any transaction with us, you are deemed to have accepted the terms and conditions set out in the Client Agreement.

**b) Risk disclosure**

Should we enter into any transactions with you, we are not required to provide you with the relevant disclosure statements in respect of the risks involved, or to bring those risks to your attention.

c) **Discretionary accounts**

Should we effect transactions for you without your specific authority, we are not required to obtain from you a prior authority in a written form. Should you give us an authority, we are not required to explain to you the nature of your authority and to confirm your authority on an annual basis.

d) **Information about our Company**

We are not required to provide you with information about our business or the identity and status of employees and others acting on our behalf with whom you will have contact.

e) **Prompt confirmation**

Should we effect a transaction for you, we are not required afterwards to confirm promptly with you the essential features of a transaction.

f) **Information about clients**

We are not required to establish your financial situation, investment experience or investment objectives.

g) **Suitability**

Should we make any recommendation or solicitation to you, we are not required to ensure the suitability and reasonableness of them.

h) **Contract notes and monthly statements**

Under the *Securities and Futures (Contract Notes, Statements of Account and Receipts) Rules*, we are not required to provide you with contract notes, monthly statements of your account and receipts (as the case may be) in accordance with such rules if we have received written agreements from yourselves. ***Please indicate your preference for provision of contract notes, monthly statements and/or receipts of your account on the attached form.***

i) **NASDAQ – Amex Pilot Program**

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If you wish to deal through the Stock Exchange of Hong Kong (the “Exchange”) in securities admitted to trading on the Exchange under the NASDAQ – Amex Pilot Program, we are not required to provide you with documentation about the Program.

In order to treat you as a Professional Investor, we are required to obtain written confirmation that you wish to be treated as such. Please therefore complete and return the attached form at your earliest convenience. Such confirmation has to be provided by you annually. You have the right to withdraw from being treated as a Professional Investor at any time in respect of all investment products or markets or any part thereof on giving written notice to us. Please inform us immediately, if you find yourself no longer falling into the category of persons described in paragraph (a) to (j) of the definition of “professional investor” in Part I of Schedule 1 to the SFO.

Should you have any queries on this notice or require any guidance in completing these documents, please do not hesitate to contact our Customer Services Department on (852) 3162 6888.

Yours faithfully,

Gransing Securities Co., Limited  
Encl.

Annex – Definition of “Professional Investor”

The following persons could be treated as Professional Investors under paragraph (a) to (j) of the definition of “professional investor” in Part 1 of Schedule I to the SFO:

- a) any recognized exchange company, recognized clearing house, recognized exchange controller or recognized investor compensation company, or any person authorized to provide automated trading services under section 95(2) of this Ordinance;
- b) any intermediary, or any other person carrying on the business of the provision of investment services and regulated under the law of any place outside Hong Kong;
- c) any authorized financial institution, or any bank which is not an authorized financial institution but is regulated under the law of any place outside Hong Kong;
- d) any insurer authorized under the Insurance Companies Ordinance (Cap 41), or any other person carrying on insurance business and regulated under the law of any place outside Hong Kong;
- e) any scheme which-
  - (i) is a collective investment scheme authorized under section 104 of this Ordinance; or
  - (ii) is similarly constituted under the law of any place outside Hong Kong and, if it is regulated under the law of such place, is permitted to be operated under the law of such place,or any person by whom any such scheme is operated;
- f) any registered scheme as defined in section 2(1) of the Mandatory Provident Fund Schemes Ordinance (Cap 485), or its constituent fund as defined in section 2 of the Mandatory Provident Fund Schemes (General) Regulation (Cap 485 sub. leg. A), or any person who, in relation to any such registered scheme, is an approved trustee or service provider as defined in section 2(1) of that Ordinance or who is an investment manager of any such registered scheme or constituent fund;
- g) any scheme which-

- (i) is a registered scheme as defined in section 2(1) of the Occupational Retirement Schemes Ordinance (Cap 426); or
  - (ii) is an offshore scheme as defined in section 2(1) of that Ordinance and, if it is regulated under the law of the place in which it is domiciled, is permitted to be operated under the law of such place,
- or any person who, in relation to any such scheme, is an administrator as defined in section 2(1) of that Ordinance;
- h) any government (other than a municipal government authority), any institution which performs the functions of a central bank, or any multilateral agency;
  - i) except for the purposes of Schedule 5 to this Ordinance, any corporation which is-
    - (i) a wholly owned subsidiary of-
      - (A) an intermediary, or any other person carrying on the business of the provision of investment services and regulated under the law of any place outside Hong Kong; or
      - (B) an authorized financial institution, or any bank which is not an authorized financial institution but is regulated under the law of any place outside Hong Kong;
    - (ii) a holding company which holds all the issued share capital of-
      - (A) an intermediary, or any other person carrying on the business of the provision of investment services and regulated under the law of any place outside Hong Kong; or
      - (B) an authorized financial institution, or any bank which is not an authorized financial institution but is regulated under the law of any place outside Hong Kong; or
    - (iii) any other wholly owned subsidiary of a holding company referred to in subparagraph (ii); or
  - j) any person of a class which is prescribed by rules made under section 397 of this Ordinance for the purposes of this paragraph as within the meaning of this definition for the purposes of the provisions of this Ordinance, or to the extent

that it is prescribed by rules so made as within the meaning of this definition for the purposes of any provision of this Ordinance.

(Extract of the *Securities and Futures (Professional Investor) Rules* – currencies are quoted in HKD.)

### **Section 3: Persons prescribed as professional investors**

For the purposes of paragraph (j) of the definition of professional investor in section 1 of Part 1 of Schedule 1 to the Ordinance, the following persons are prescribed as within the meaning of that definition for the purposes of any provision of the Ordinance other than Schedule 5-

- (a) any trust corporation having been entrusted under the trust or trusts of which it acts as a trustee with total assets of not less than \$40 million or its equivalent in any foreign currency at the relevant date or- (L.N. 135 of 2011)
  - (i) as stated in the most recent audited financial statement prepared-
    - (A) in respect of the trust corporation; and
    - (B) within 16 months before the relevant date;
  - (ii) as ascertained by referring to one or more audited financial statements, each being the most recent audited financial statement, prepared-
    - (A) in respect of the trust or any of the trusts; and
    - (B) within 16 months before the relevant date; or
  - (iii) as ascertained by referring to one or more custodian statements issued to the trust corporation-
    - (A) in respect of the trust or any of the trusts; and
    - (B) within 12 months before the relevant date;
- (b) any individual, either alone or with any of his or her associates on a joint account, having a portfolio of not less than \$8 million or its equivalent in any foreign currency at the relevant date or- (L.N. 135 of 2011)
  - (i) as stated in a certificate issued by an auditor or a certified public accountant of the individual within 12 months before the relevant date; or (23 of 2004 s. 56)



- (ii) as ascertained by referring to one or more custodian statements issued to the individual (either alone or with the associate) within 12 months before the relevant date;
- (c) any corporation or partnership having-
  - (i) a portfolio of not less than \$8 million or its equivalent in any foreign currency; or
  - (ii) total assets of not less than \$40 million or its equivalent in any foreign currency,  
at the relevant date, or as ascertained by referring to- (L.N. 135 of 2011)
    - (iii) the most recent audited financial statement prepared-
      - (A) in respect of the corporation or partnership (as the case may be); and
      - (B) within 16 months before the relevant date; or
    - (iv) one or more custodian statements issued to the corporation or partnership (as the case may be) within 12 months before the relevant date; and
- (d) any corporation the sole business of which at the relevant date is to hold investments and which at the relevant date is wholly owned by any one or more of the following persons-
  - (i) a trust corporation that falls within the description in paragraph (a);
  - (ii) an individual who, either alone or with any of his or her associates on a joint account, falls within the description in paragraph (b);
  - (iii) a corporation that falls within the description in paragraph (c);
  - (iv) a partnership that falls within the description in paragraph (c).

To: Gransing Securities Co., Limited  
Unit 2508, 25/F, Cosco Tower,  
183 Queen's Road Central  
Hong Kong.

Dear Sirs,

**Re: Treatment as a professional investor**

I/We confirm that I/we (being a person falling under paragraph (a) to (j) of the definition of “*professional investor*” in Part I of Schedule I to the Securities and Futures Ordinance) hereby confirm that I/we wish to be treated as a professional investor.

I/We understand the consequences of being treated as a professional investor as explained in your welcome letter. I/We also understand our right to withdraw from such treatment at any time by submitting a written request to you.

Accordingly:

- Please provide contract notes
- Please provide monthly statements of my/our account
- Please provide receipts
- We do not require contract notes
- We do not require monthly statements of my/our account
- We do not require receipts

Yours faithfully,

Authorised Signature: \_\_\_\_\_

Name: \_\_\_\_\_

DATE:

Dear Sirs,

RE: Professional Investor Annual Declaration

As an entity licensed by the Hong Kong Securities and Futures Commission (the “SFC”), we are required to comply with the provisions of the Securities and Futures Ordinance (Cap.571 of the Laws of Hong Kong) (“SFO”) and the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission (the “Code”).

Accordingly, for the purposes of Sections 174, 175 and Part IV of the SFO and Schedule 17 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, we have classified you or your Company as a “Professional Investor” on the basis that you are or your Company falls into one of the following categories in the abovementioned legislation.

For the purpose of the Code, you or your Company may also be able to be “treated” as a professional investor, meaning that you or your Company has sufficient investment knowledge and expertise in relevant products and markets that we can be exempted from providing you with certain information and services that we would ordinarily be required to provide in relation to non-professional investors.

If you agree to be treated as a professional investor, we will be entitled to assume that you have appropriate knowledge, understanding and sufficient expertise in relation to the products and markets in relation to which we will be providing you with services. As a result, the level of information and explanation that will be provided to you as a professional investor is considerably less than that which would be provided were you to be treated as a non-professional investor. Furthermore, as a professional investor you will be deemed to understand the particular risks attaching to the investment strategies you adopt and the financial instruments and investments you or your Company makes.

Should you/your company find yourself no longer falling into the category of persons described in the definition of “professional investor” in Part I of Schedule 1 to the SFO or would like to withdraw from being treated as a Professional Investor, please sign the “Professional Investors Withdrawal Form” attached to this letter and return it

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to us **within 30 days**. Otherwise, you/your company are deemed to have declared that you are qualified to be treated as a Professional Investor in Part 1 of Schedule 1 of the SFO

Should you have any queries on this notice, please do not hesitate to contact our Customer Services Department on (852) 3162 6888.

Yours faithfully,

Gransing Securities Co., Limited  
Encl.

To: Gransing Securities Co., Limited  
Unit 2508, 25/F, Cosco Tower,  
183 Queen's Road Central  
Hong Kong.

Dear Sirs,

**Re: Professional Investors Withdrawal Form**

I/We write to notify you that:

I/We no longer fall into the category of persons described in the definition of “professional investor” in Part I of Schedule 1 to the SFO.

OR

I/We would like to withdraw from being treated as a Professional Investor.

Please proceed accordingly.

Yours faithfully,

Authorised Signature: \_\_\_\_\_

Name: \_\_\_\_\_