

## Disclosure statement in respect of an intermediary's independent status

Under paragraph 8.3A(a)(iii) of the Code, where a licensed or registered person distributes an investment product to a client (including where it sells an investment product to or buys such product from the client), the licensed or registered person should inform the client, prior to or at the point of entering into the transaction, whether or not the licensed or registered person is independent (with reference to the requirements set out in paragraph 10.2 of the Code) and the bases for such determination.

Such disclosure should be made by the licensed or registered person to the client containing the substance set out in the following disclosure statements.

Where the licensed or registered person is independent:

"We are an independent intermediary because:

1. we do not receive fees, commissions, or any other monetary benefits, provided by any party in relation to our distribution of any investment product to you; and
2. we do not have any close links or other legal or economic relationships with product issuers, or receive any non-monetary benefits from any party, which are likely to impair our independence to favour any particular investment product, any class of investment products or any product issuer."

Where the licensed or registered person is NOT independent:

"We are NOT an independent intermediary because.

1. we receive fees, commissions, or other monetary benefits from other parties (which may include product issuers) in relation to our distribution of investment products to you. For details, you should refer to our disclosure on monetary benefits which we are required to deliver to you prior to or at the point of entering into any transaction in investment products;

and/or

2. we receive non-monetary benefits from other parties, or have close links or other legal or economic relationships with issuers of products that we may distribute to you."

Note: in addition to making the disclosure in the paragraph above, it is optional for a licensed or registered person to further provide a description of the close links or other legal or economic relationships with product issuers which are likely to impair the intermediary's independence to favour any particular investment product, any class of investment products or any product issuer. Licensed and registered persons should also note the disclosure requirements in relation to non-monetary benefits in paragraph 8.3 of the Code."

Signed by Client

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Client Name:

Account No.:

Date:

## PROFESSIONAL INVESTOR TREATMENT NOTICE

1. You are a Professional Investor by reason of your being within a category of person described in the definition of “professional investor” in Part 1 of Schedule 1 to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the “SFO”) or as described in Paragraph 15.2A or 15.2B of the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission (the “Code”). In the event that you are treated as a Professional Investor under Paragraph 15.2B of the Code, your consent to receiving such treatment is hereby given.
2. As a consequence of categorisation as a Professional Investor, we are not required to fulfill certain requirements under the Code and other Hong Kong regulations. While we may in fact do some or all of the following in providing services to you, we have no regulatory responsibility to do so:
  - 2.1 Client agreement  
We are not required to enter into a written agreement complying with the Code relating to the services that are to be provided to you.
  - 2.2 Risk disclosures  
We are not required by the Code to provide you with written risk warnings in respect of the risks involved in any transactions entered into with you, or to bring those risks to your attention.
  - 2.3 Information about CNI Securities Group Limited  
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.
  - 2.4 Prompt confirmation  
We are not required by the Code to promptly confirm the essential features of a transaction after effecting a transaction for you.
  - 2.5 Information about clients  
We are not required to establish your financial situation, investment experience or investment objectives, except where we are providing advice on corporate finance work.
  - 2.6 Nasdaq - Amex Pilot Program  
If you wish to deal through the Stock Exchange in securities admitted to trading on the Stock Exchange under the Nasdaq-Amex Pilot Program, we are not required to provide you with documentation on the Program.
  - 2.7 Suitability  
We are not required to ensure that a recommendation or solicitation is suitable for you in the light of your financial situation, investment experience and investment objectives.
3. We will not provide you with any contract notes, statements of account or receipts under the Hong Kong Securities and Futures (Contract Notes, Statements of Account and Receipts) Rules where such would otherwise be required, unless you instruct us otherwise.