Professional Investors

Professional Investors Under Part I of Schedule 1 of the Securities and Futures Ordinance("SFO"), "professional investor" (專業投資者) means-

(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;

Section 3 of the Securities and Futures (Professional Investor) Rules provides that:

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 HK$40 million or its equivalent in any foreign currency-

  (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,

    (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 associates on a joint account, having a portfolio of not less than HK$8 million or its equivalent in any foreign currency-

  (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 HK$8 million or its equivalent in any foreign currency; or

  (ii) total assets of not less than HK$40 million or its equivalent in any foreign currency, as ascertained by referring to-

  (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 is to hold investments and which is wholly owned by one or more individuals or corporations/partnerships where each of those individuals or corporations/partnerships would qualify as a professional investor under paragraph (b) or paragraph (c) above.

Treatment as a Professional Investor

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 ("SFO") and the terms and conditions of the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission (the "Code").

In Hong Kong certain rules and restrictions exist in connection with dealing with investors who are not Professional Investors whether under the SFO or under the Securities and Futures (Professional Investor) Rules.

As you agreeing to be classified as a Professional Investor, we will be able to offer you certain investment opportunities which are only available to Professional Investors, include but not limited to:

1. Offer you securities or investment products which are not authorized by the SFC and in relation to which the prospectus requirements under the Companies Ordinance do not apply;
2. Make unsolicited calls to you for marketing or giving advice on securities, futures contracts, or other investment products.

If we solicit the sale of or recommend any financial product to you, the "Financial Product" must be reasonably suitable for you having regard to your financial situation, investment experience and investment objectives. No other provision of this agreement or any other document we may ask you to sign and no statement we may ask you to make derogates from this clause.

"Financial Products" refers to any securities, futures contracts or leveraged foreign exchange contracts as defined under the Securities and Futures Ordinance (SFO). Regarding "leveraged foreign exchange contracts", it is only applicable to those traded by licensed persons with Licensed Corporation for type 3 regulated activity.

According to the "Code", before you agreed to be treated as a Professional Investor, we are obliged to give you a written explanation as to the risks and the consequences of being treated as such. If you agree to be treated as a Professional Investor, we will be entitled to assume that you have enough and appropriate knowledge and sufficient expertise on relevant products and markets that we will provide services to you, and thus 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 to a non-professional investor.

Pursuant to the "Code", in case of you have no objection to being treated as a Professional Investor, we will not:

(i) Provide you with the standard general risk disclosure statements prescribed in the "code"
(ii) Provide you with the information about our company or the identity and employment status of our employees and others who are acting on behalf of our company, unless you specifically request;
(iii) Confirm promptly with you the essential features of a transaction after effecting it for you;
(iv) Provide you with contract notes, monthly statements of account and receipts according the Securities and Futures (Contract Notes, Statements of Account and Receipts) Rules (if applicable);

And as you are treated as a Professional Investor:

1. You will not be required to provide us with documents proof on your financial situation, investment experience and investment objectives;
2. We will not be required to assess your knowledge on derivatives and characterize you based on such;
3. We will not be required to ensure the suitability of any recommendation and solicitation activity to you; and
4. As we are going to promote or promoting certain investment products to you, we are not required to disclose the sales related information to you including:
   (a) The capacity in which we are acting;
   (b) The affiliation of us with the issuer of the investment products;
   (c) Disclosure of any monetary and non-monetary benefits;
   (d) Terms and conditions in generic terms under which client may receive a discount of fees and charges from us

Despite statement 1 above, you will be required to provide us with sufficient documentary evidence to us to proof that you are a professional investor (within the meaning of paragraph (j) of Part 1 of Schedule 1 to the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) and, without limitation, the Securities and Futures (Professional Investor) Rules) promulgated thereunder. As a result, you need to be categorized into one of the four groups below, and provide us with the verification documents indicated correspondingly:

	Types of Professional Investors	**Supporting Documents Required**
☐	**A high net worth individual investor** - either alone or with your spouse or children on a joint account, having a portfolio of cash and/or securities of not less than HK$8 million (or its foreign currency equivalent)	☐ Certificate issued by auditors or certified public accountant within previous 12 months; OR ☐ Custodian statements issued within previous 12 months (one or more statements can be provided)
☐	**A corporation or partnership** – having a portfolio of cash 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).	☐ Most recent audited financial statement issued within previous 16 months; OR ☐ Custodian statements issued within previous 12 months (one or more statements can be provided)
☐	**A trust corporation** - having been entrusted under the trust, it acts as trustee with total assets of not less than HK$40 million (or its foreign currency equivalent)	☐ Most recent audited financial statement issued within previous 16 months (one or more statements can be provided); OR ☐ Custodian statements issued within previous 12 months (one or more statements can be provided)

☐	**A corporation which its sole business is to hold investments -** which is wholly owned by one or more individuals/ corporations/ partnerships that already being treated as Professional Investors	☐	Documentary proof to demonstrate that the individuals/ corporations/ partnerships "wholly owned" the client corporation, e.g. company annual return, share register, etc.

Remarks: Portfolio includes Cash*, Certificate of Deposit and/or Securities**

* Cash includes current/saving deposits, fixed deposits, structured deposit, etc.

** Securities includes stocks, bonds, creditor's right, bills, funds, stock warrants, options or other products defined according to Securities and Futures Ordinance.

Please be acknowledged that you have the right, at any time and for any reasons in respect of all investment products or markets or any part, to withdraw from being treated as a Professional Investor. You have to provide us of written notification if you want to change your status at any time.

At the same time, according to the Code, as if you agree to be treated as a Professional Investor, we have to ensure that you continue to fulfil the requisite requirements of Professional Investor by carrying out a declaration exercise annually to you as required.

Declaration

I/We, (____), acknowledge receiving the letter from BTL Asset Management Co. Ltd (BTL) dated (____________________), and confirm that:

1. For the products and markets that BTL will be providing us with services, I/We:
   - am/are experienced in trading relevant funds/investment products;
   - have frequently trading in relevant investments and markets (i.e. traded not less than 40 relevant investment transactions in the previous 12 months);
   - have at least 2 years dealing experience in the relevant market(s);
   - understand the risks in trading in the relevant market(s);
2. The consequences of agreeing to be treated as a Professional Investor and the right to withdraw from being treated as such have been completely explained to me/us;
3. I/we have no objection to being treated as a Professional Investor according to the description of provisions of the Code
4. I/we acknowledged our right to withdraw from being treated as Professional Investor at any time, but confirm that it is my/our wish that to be treated as Professional Investor currently.

For corporate investor		**For individual investor**
____________________________________		____________________________________
Authorized signature(s) with Company Chop		Client signature(s)
____________________________________	OR	____________________________________
Name of authorized signature(s)		Name of client(s)
____________________________________		____________________________________
Date		Date