

DEFINITION OF “PROFESSIONAL INVESTORS”

Part A

Definition of Professional Investors in Schedule 1 to the Securities and Futures Ordinance

1. An exchange company, clearing house, exchange controller or investor compensation company recognised as such under the SFO, or a person authorised to provide automated trading services under Section 95(2) of the SFO.
2. An intermediary (i.e. a corporation licensed under the SFO to conduct any regulated activity), or a person carrying on the business of providing investment services which is regulated under the law of any place outside Hong Kong.
3. An authorised financial institution (i.e. a bank, restricted licence bank or deposit taking company authorised under the Banking Ordinance (Cap. 155 of Hong Kong), or a bank which is not an authorised financial institution but is regulated under the law of any place outside Hong Kong.
4. An insurer authorised under the Insurance Companies Ordinance (Cap. 41) of Hong Kong, or a person carrying on insurance business and regulated under the law of any place outside Hong Kong.
5. (i) A collective investment scheme authorised under Section 104 of the SFO; or
(ii) A scheme which is similarly constituted under the law of any place outside Hong Kong and, if it is regulated under the law of that place, is permitted to be operated under that law,

or a person who operates such scheme;
6. A registered scheme as defined in Section 2(1) of the Mandatory Provident Fund Schemes Ordinance (Cap. 485) of Hong Kong, or its constituent fund as defined in Section 2 of the Mandatory Provident Fund Schemes (General) Regulation, or a 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.
7. (i) A registered scheme as defined in Section 2(1) of the Occupational Retirement Schemes Ordinance (Cap.426) of Hong Kong; or
(ii) An offshore scheme as defined in Section 2(1) of that ordinance which, if regulated under the law of the place where it is domiciled, is permitted to be operated under the law of such place,

or an administrator as defined in that Ordinance of any such scheme.

8. A government (other than a municipal government authority), an institution which performs the functions of a central bank, or a multilateral agency.
9. **Except for the purposes of the exemptions from the licensing requirements,** a corporation which is:
 - (i) a wholly owned subsidiary of:
 - (A) an intermediary, or a person carrying on the business of providing investment services which is regulated under the law of any place outside Hong Kong; or
 - (B) an authorised financial institution, or a bank which is not an authorised 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 a person carrying on the business of providing investment services which is regulated under the law of any place outside Hong Kong; or
 - (B) an authorised financial institution, or a bank which is not an authorised 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 sub-paragraph (ii).

Part B

Professional Investors within the Meaning of the Securities and Futures (Professional Investor) Rules

1. A trust corporation holding assets on trust with a total value of not less than HK\$40 million or its foreign currency equivalent:
 - (i) as stated in the most recent audited financial statement prepared in respect of the trust corporation 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 in respect of the trust or any of the trusts and within 16 months before the relevant date; or
 - (iii) as ascertained by referring to one or more custodian statements issued to the trust corporation in respect of the trust or any of the trusts within 12 months before the relevant date.

2. An 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 foreign currency equivalent:
 - (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
 - (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.
3. A corporation or partnership having either:
 - (i) a portfolio of not less than HK\$8 million or its foreign currency equivalent; or
 - (ii) total assets of not less than HK\$40 million or its foreign currency equivalent, as ascertained by referring to:
 - (iii) the most recent audited financial statement prepared in respect of the corporation or partnership (as the case may be) 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
4. A corporation the sole business of which is to hold investments and which is wholly owned by an individual who, either alone or with associates on a joint account, falls within the description in paragraph (2).