

國元証券經紀(香港)有限公司
Guoyuan Securities Brokerage (Hong Kong) Limited

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國元國際控股有限公司全資附屬公司

A wholly owned subsidiary of Guoyuan International Holdings Limited

MARGIN CLIENT'S SECURITIES TRADING AGREEMENT

Guoyuan Securities Brokerage (Hong Kong) Limited (hereinafter called the "Company"), is registered with the SFC (as defined below) as a licensed corporation to carry on Type 1 (Dealing in Securities) and Type 4 (Advising on Securities) regulated activities (CE No.: AOA594) and an Exchange Participant of the SEHK (as defined below) (SEHK Participant ID: 01825), whose registered office is situated at 17th Floor, Three Exchange Square, 8 Connaught Place, Central, Hong Kong.

Client (whose name(s) and particulars are stated in its Securities Account Opening Form and is approved by the Company as the Company's client) (hereinafter called the "Client") requests the Company to open and maintain one or more margin securities trading account(s) on the Client's behalf and to purchase, invest in, sell, exchange, otherwise dispose of and generally deal in and with all kinds of securities on the following terms and conditions.

The Company and the Client hereby agree as follows:

1 Definitions and Interpretations

1.1 In this Agreement, unless otherwise required by the context, the following expressions shall have the following meanings:-

"Account(s)" means the Margin Account as referred to in Clause 3.1.

"Agreement" means this Margin Client's Securities Trading Agreement including its Electronic Trading Service Supplement, Stock Connect Securities Trading Services Supplement, Stock Connect Risk Disclosure and Other Information Supplement, Electronic Direct Debit Authorization Supplement, Foreign Account Tax Compliance ("FATCA") and Common Reporting Standard ("CRS") Policies of the Group Companies Supplement, Risk Disclosure Statements, Personal Information Statement Concerning Hong Kong Investor Identification Regime and Over-the-counter Securities Transactions Reporting Regime, Personal Information Collection Statement of the Group Companies (as may from time to time be amended in writing and notified to the Client) and Securities Account Opening Form.

"Authorized Person" means the person or any of the persons set out in the Securities Account Opening Form as having authority to operate and issue instruction in relation to the Account or any such person or persons as the Client may from time to time notify to the Company in writing as being authorized to operate the Account and issue such instruction.

"Business Day" means any day on which the SEHK opens for trading other than Saturdays, public holidays and any other days declared by the SEHK to be non-business days.

"Client Money Standing Authority" means the standing authority granted by the Client to the Company in the terms set out in Clause 18.2 as amended from time to time.

"Client Securities Standing Authority" means the standing authority granted by the Client to the Company in the terms set out in Clause 18.4 as amended from time to time.

"Financial Accommodation" has the meaning ascribed to financial accommodation under schedule 1 part 1 of the SFO.

"Group Companies" means the direct or indirect holding companies, and direct or indirect subsidiaries of the Company or of such holding companies, and shall include (but not limited to) Guoyuan Securities Brokerage (Hong Kong) Limited.

"HKSCC" means Hong Kong Securities Clearing Company Limited including, where the context so requires, its agents, nominees, representatives, officers and employees.

“Hong Kong” means The Hong Kong Special Administrative Region of the People’s Republic of China.

“IPO Loan” means financial assistance to finance subscriptions for IPO Shares.

“IPO Shares” means shares in companies that are being brought to the market by way of new issue.

“Listing Document” means a prospectus, an offering circular or any equivalent document issued or proposed to be issued in connection with a listing.

“Margin” means deposits, collateral and margin (including but without limitation to initial margin and additional margin) being an amount equal to the applicable percentage (as notified by the Company to the Client from time to time) of the current market value of the Client’s securities held by or purchased by the Company on the Client’s behalf, as determined by the Company at its sole discretion from time to time.

“Professional Investor” has the meaning ascribed to it under section 1 of Part 1 of Schedule 1 to the SFO.

“Securities Account Opening Form” means the application submitted by the Client to the Company in such form as required by the Company for the opening and maintaining of Account(s) under the terms of this Agreement.

“SEHK” means The Stock Exchange of Hong Kong Limited.

“SFC” means the Securities and Futures Commission of Hong Kong.

“SFO” means the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) and any subsidiary legislations made thereunder as the same may from time to time be amended or re-enacted.

“SPAC Securities” means any of Special Purpose Acquisition Company (“SPAC”) Shares or SPAC Warrants.

“Transaction(s)” means the transaction(s) in securities which the Company effects on the Clients’ instructions pursuant to the terms of this Agreement.

1.2 In this Agreement,

- (a) references to the "Client", wherever used, shall in the case where the Client(s) is/are individual(s) include the Client(s) and his/their respective executors and administrators and in the case where the Client is a sole proprietorship firm include the sole proprietor and his executors and administrators and his/their successors in the business and in the case of a partnership firm include the partners who are the partners of the firm at the time when the Client's said Account(s) is/are being maintained and their respective executors and administrators and any other person or persons who shall at any time hereafter be or have been a partner of and in the firm and his or their respective executors and administrators and the successors to such partnership business and where the Client is a company include such company and its successors;
- (b) references to clauses and sub-clauses and schedules, unless otherwise stated, are clauses and sub-clauses of and schedules to this Agreement;
- (c) reference to a statute or statutory provision includes a reference to it as amended, extended or re-enacted from time to time;
- (d) words denoting the singular include the plural and vice versa;
- (e) words denoting one gender include all other genders;
- (f) the expression “person” shall include any firm, partnership, association of persons and body corporate and any such persons acting jointly and the personal representatives or successors in title of any such person;
- (g) the headings to the clauses are for reference only and do not affect the interpretation of this Agreement; and
- (h) references to “writing” shall include mail, telex, cable, electronic mail and facsimile transmission.

2 Applicable Rules and Regulations

- 2.1 All Transaction(s) for the Account(s) shall be subject to the relevant provisions of the constitution, rules, regulations, by-laws, customs and usages, as amended from time to time, of the SEHK and HKSCC or such other stock exchanges or clearing houses in or outside Hong Kong and of the laws of Hong Kong and other place in which the Company is dealing on the Client’s behalf, as amended from time to time.
- 2.2 The rules of the SEHK and HKSCC, in particular those rules which relate to trading and settlement, shall be binding on both the Company and the Client in respect of Transaction(s) concluded on the instructions of the Client.

- 2.3 The Client acknowledges that specific attention is being drawn to the provisions of part XIII, part XIV and part XV of the SFO as amended from time to time. The Client is reminded that the Client alone is responsible for complying or ensuring compliance with any duty or obligation which arises under the SFO mentioned, in respect of anything done, or which the Client requests to be done, on the Client's behalf by the Company. The Client confirms that the Client is aware of the provisions contained in the SFO and that the Client at all times observes, or ensures that they are observed, so as to ensure that no breach or infringement of the SFO mentioned is caused as a result of anything done or proposed to be done by the Company acting on the Client's directions or instructions.
- 2.4 Where the Company is required to comply with the requirements of the Hong Kong Personal Data (Privacy) Ordinance, the Client represents and warrants to the Company that the Client has all necessary consents and authorities to provide information concerning all relevant natural persons and to give the consents, in each case as aforesaid.

3 Services and Dealing Practices

- 3.1 The Client hereby instructs and authorizes the Company to open and maintain one or more Margin Account(s) with the Company in the name of the Client for the purpose to purchase, invest in, sell, exchange, or otherwise dispose of and generally deal in and with all kinds of securities in accordance with the terms and conditions of this Agreement from time to time.
- 3.2 The Company is authorized to act upon the instructions of the Client or any Authorized Person on behalf of the Client to purchase and/or sell securities for the Account(s) and otherwise deal with securities, receivables or monies held in or for the Account(s). Notwithstanding anything contained in this Agreement, the Company shall be entitled, at its absolute discretion, to refuse to accept any such instructions and shall not be obliged to give any reasons for any such refusal.
- 3.3 The Company may record all telephone conversations with the Client or any Authorized Person in order to verify the instructions of the Client or the Authorized Person on behalf of the Client. The Client agrees to accept the contents of any such recording as final and conclusive evidence of the instructions of the Client or any Authorized Person in case of dispute.
- 3.4 The Client authorizes the Company to instruct overseas brokers and dealers to execute Transaction(s) in overseas securities, and acknowledges that the terms of business of such overseas brokers and dealers shall apply to such Transaction(s), provided that the Company shall be authorized, subject to applicable laws and rules regarding such Transaction(s), to charge the Client such service fees for arranging such Transaction(s) as the Company shall determine from time to time.
- 3.5 If any of the Client's instructions to effect Transaction(s) are accepted by the Company, the Company shall use reasonable endeavors to execute the Transaction(s) in accordance with those instructions. Due to physical or technical restraints and price fluctuations, the Company may not be able to execute the Client's instructions in full or at the prices quoted at any specific time or "at best" or "at market". The Client hereby agrees to be bound by the outcome when the Client gives any instructions to effect Transaction(s) and the Company shall incur no liability for failing or being unable to comply with any of the Client's instructions, unless due to its gross negligence or willful default.
- 3.6 Unless otherwise indicated by the Company in the contract note, statement of account or other communications for the relevant Transaction(s), the Company shall act as the agent of the Client in effecting Transaction(s) pursuant to this Agreement.
- 3.7 Unless otherwise specifically agreed between the Company and the Client, all instructions given by the Client for sale or purchase of securities under this Agreement for any of the Account(s) shall only be valid for the day for which such instructions are given and any instructions which remain unexecuted at the end of the official trading day of the relevant exchange for whatever reason shall be deemed to have been cancelled automatically.
- 3.8 None of the Company's employees or representatives shall accept appointment by the Client as agent to operate the Client's Account(s) unless a separate agreement is entered into.
- 3.9 All instructions shall be given by the Client orally either in person or by telephone, or in writing, delivered by post, by hand, by e-mail, or by facsimile transmission or through any of the electronic services by which the means acceptable by the Company from time to time in accordance with the relevant provisions provided to the Client from time to time.
- 3.10 The Company shall be entitled to rely on any instructions which the Company reasonably believes to be from a person

authorized to act on the Client's behalf and the Client shall be bound by the instructions. Except where the Company has acted fraudulently, negligently or in willful default in relying on such communication, the Client agrees to accept to indemnify the Company and hold the Company harmless from and against all losses reasonably and properly incurred by the Company.

4 Trading Recommendations

- 4.1 The Client acknowledges and agrees that the Client retains full responsibility for all trading decisions in the Account(s) and that the Client makes his/her/its own decisions and judgements in respect of instructions and Transaction(s).
- 4.2 The Company has no responsibility or obligation regarding any conduct, action, representation or statement of any introducing firm, investment advisor or other third party, where applicable, that is not acting on behalf of the Company in connection with the Account(s) or any Transaction(s).
- 4.3 Any advice or information provided by the Company, its employees or agents, whether or not solicited, shall not of itself constitute an offer to enter into Transaction(s) and the Company shall be under no liability whatsoever in respect of such advice or information.
- 4.4 The availability of investment research reports or other data from third parties does not constitute any advice, recommendation, or opinion from the Company to buy or sell any securities or investment products. Any investment decisions based on these materials will be based on the Client's own evaluation based on his/her/its own financial circumstances and investment objectives.
- 4.5 The Client requests the Company to contact him/her/it in respect of investment opportunities that may be of interest to the Client. The Client acknowledges and agrees that the Company is not obliged to provide the Client with any financial, market or investment information, suggestion or recommendation, but if it does so, the Company does not act as the Client's investment adviser. However, this Clause 4.5 does not derogate from the Company's legal or regulatory obligations nor should it be taken to derogate from Clause 4.6. The Client should obtain independent professional advice if in doubt in respect of any matter in connection with this Agreement.
- 4.6 If the Company solicits the sale of or recommends any financial products to the Client, the financial products must be reasonably suitable for the Client having regard to the Client's financial situation, investment experience and investment objectives. No other provision of this Agreement or any other document the Company may ask the Client to sign and no statement the Company may ask the Client to make derogates from this clause.

5 Settlement

- 5.1 In the event that the Company has to obtain securities, which the Company has purchased on behalf of the Client in the open market, following the failure of the selling broker to deliver on the settlement date, the Company shall not be responsible for any difference in price or any incidental expenses in connection with such open market purchase.
- 5.2 Unless otherwise agreed, the Client agrees that when the Company has executed a purchase or sale Transaction(s) on the Client's behalf, the Client will by the due settlement date make payment to the Company against delivery of or credit to the Account(s) for purchased securities, or make good delivery of sold securities to the Company against payment, as the case may be.
- 5.3 Unless otherwise agreed, the Client agrees that should the Client fail to make such payment or delivery of securities by the due settlement date as provided in Clause 5.2, the Company is hereby authorized to:
 - (a) in the case of a purchase Transaction(s), to transfer or sell any such purchased securities to satisfy the Client's obligations to the Company; or
 - (b) in the case of a sale Transaction(s), to borrow and/or purchase such sold securities to satisfy the Client's obligations to the Company.
- 5.4 The Client agrees that the Client will be responsible to the Company for any loss, costs, fees and expenses in connection with the Client's failure to meet the Client's obligations by the due settlement date as provided in Clause 5.2.
- 5.5 Due to the implementation of the Central Clearing and Settlement System, the Company is not obliged to produce and/or deliver to the Client actual certificates or documents of title for any securities purchased on the Client's behalf. Should the Client require the Company to produce and/or deliver such certificates or documents of title, the Client shall forthwith upon notice by the Company reimburse the Company of all expenses incurred in connection with the production and/or

delivery of the same.

- 5.6 The Account(s) shall be in Hong Kong Dollars or such other currencies as the Company may agree from time to time and in the event that the Client instructs the Company to effect any sale or purchase of securities in a currency other than Hong Kong Dollars, any profit or loss arising as a result of fluctuation in the exchange rate of the relevant currencies will be for the Account(s) of the Client solely. If the Client does not settle the liability with the relevant foreign currency, the Company shall have the right to convert any amount of the currency standing to the credit of the Account(s) to a foreign currency amount to settle the liability or buy in that foreign currency on behalf of the Client to settle the relevant liabilities first. In such circumstances, the Client shall pay and bear all costs and expenses that the Company has paid and has to bear. Any conversion from one currency into another required to be made for performing any action or step taken by the Company under this Agreement may be effected by the Company in such manner and at such time as it may in its absolute discretion decide. All payments to be made by the Client to the Company in a currency other than Hong Kong Dollars shall be in freely transferable and immediately available funds clear of any taxes, charges or payments of any nature when received by the Company.

6 Client Identity Rule

- 6.1 If the Client is not the ultimate person with beneficial interest in the Transaction(s) and originated the Transaction(s), the Client agrees to furnish the relevant Hong Kong and/or overseas regulators (including the SEHK and/or the SFC) within 2 Business Days upon receipt of the request by the Company with all the details of the client's identity who is the ultimate person with beneficial interest in the Transaction(s) and any third party (if different from the Client/ultimate beneficial owner) who originated the Transaction(s). The Client agrees that the Client would furnish the said details to the relevant Hong Kong and/or overseas regulators even after the termination of this Agreement.
- 6.2 If the Client effected any Transaction(s) involving securities listed or traded on the SEHK or a derivative written over such securities for a collective investment scheme, discretionary account or discretionary trust, the Client shall, immediately upon the Company's request (which request shall include the relevant contact details of the Hong Kong and/or overseas regulators), provide to the Hong Kong and/or overseas regulators the identity, address and contact details of such scheme, account or trust and, if applicable, the identity, address, occupation and contact details of the person(s) who, on behalf of such scheme, account or trust, instructed the Client to effect the Transaction(s).
- 6.3 If the Client effected any Transaction(s) involving securities listed or traded on the SEHK or a derivative written over such securities for a collective investment scheme, discretionary account or discretionary trust, the Client shall, as soon as practicable, inform the Company when the Client's discretion to invest in respect of a particular Transaction(s) or on behalf of such scheme, account or trust has been overridden. In a case where the Client's investment discretion has been overridden, the Client shall, immediately upon the Company's request (which request shall include the relevant contact details of the Hong Kong and/or overseas regulators), provide to the Hong Kong and/or overseas regulators the identity, address, occupation and contact details of the person(s) who has or have given such overriding instruction in relation to the Transaction(s) or such scheme, account or trust.
- 6.4 If the Client is aware that its client is acting as an intermediary for its underlying client(s) and the Client does not know the identity, address, occupation and contact details of such underlying client(s) for whom any Transaction(s) involving securities listed or traded on the SEHK or a derivative written over such securities was affected, the Client confirms that:
- (a) the Client has arrangements in place with its client, acting as an intermediary, which would entitle the Client to obtain all the relevant information set out in Clauses 6.1 to 6.3 from such client immediately upon the Company's request or procure that such information be so obtained; and
 - (b) the Client will, upon the Company's request (which request shall include the relevant contact details of the Hong Kong and/or Overseas regulations) in relation to a Transaction(s), immediately request all the relevant information set out in Clauses 6.1 to 6.3 from its client on whose instructions the Transaction(s) was effected, and provide that information to the Hong Kong regulators and/or overseas regulators as soon as it has received it from its client or procure that such information be so provided.
- 6.5 Whenever the Company deals with the Client, it will always be on the basis that only the Client is the Company's client, and so, if the Client acts on behalf of another person, whether or not the Client identifies him/her/it to the Company, he/she/it will not be the Company's client and the Company does not and will not have or accept in any circumstances whatsoever any responsibility towards any person on whose behalf the Client may act and the Client hereby acknowledges and agrees that the Client shall be solely responsible for settling all liabilities resulting from Transaction(s) affected pursuant to and in accordance with the terms and conditions in connection with or on behalf of any such person.

7 Commission and Expenses

- 7.1 All Transaction(s) executed on instructions of the Client in the SEHK shall be subject to a transaction levy and any other levies that the SEHK from time to time may impose. All Transaction(s) executed in markets other than those organized by the SEHK shall be subject to any levy that the relevant exchange or market may impose from time to time. The Company is authorized to collect any such levies from the Client in accordance with the rules prescribed by the SEHK or the relevant exchange or market from time to time.
- 7.2 The Client agrees that the Company may charge any stamp, documentary or other similar duties and taxes, clearing and settlement fees and other fees and charges in relation to the Account(s) and the charge or any related documents and the performance of the Company's obligation under this Agreement at such rates as the Company may specify and notify the Client from time to time.
- 7.3 The Client shall pay the Company commission, all applicable stamp duties and charges in respect of all Transaction(s) at such rate or rates as the Company may from time to time have notified the Client or otherwise prescribed by the Company as being the rate or rates applicable to the Account(s) and shall reimburse the Company on demand in respect of all fees and expenses, including but not limited to fees and expenses of any brokers, agents, custodians, and nominees engaged by the Company, in connection with Transaction(s) conducted on behalf of, and services rendered to, the Client and the performance of the Company's obligations under this Agreement. The Client authorizes the Company to deduct from time to time from the Account(s) such commission, duties, fees and applicable levies of the SEHK which the Client is required to pay. In addition, the Client agrees to reimburse the Company on demand in respect of any deficiency or shortfall after monies are so debited from the Account(s).

8 Credit Facilities

- 8.1 The Company agrees to grant credit facilities for providing Financial Accommodation to the Client from time to time to facilitate the acquisition and/or holding of securities. The credit facilities shall be secured by the collateral up to such percentage (subject to the restrictions under any applicable regulations) as may be determined by the Company of the market value of the collateral provided that the Company shall have the right to review such percentage with reference to the financial position of the Client and such other relevant factors.
- 8.2 The Client shall be granted Financial Accommodation of up to such percentage as may be agreed from time to time of the market value of the collateral maintained with the Company.
- 8.3 The Company shall have the absolute discretion to determine the value of the collateral required to be provided by the Client, and/or to determine, amend or alter the principal amount and other terms of the credit facilities from time to time and/or to refuse to make any advance under the credit facilities (whether or not the existing facility limit has been exceeded) and/or to terminate and required immediate repayment of the credit facilities (whether principal, interest or otherwise) at any time.
- 8.4 The Client confirms that the Company is authorized to draw on the credit facilities on behalf of the Client in order to settle any amounts due or to become due in respect of the purchase of any securities by the Company on the Client's behalf, the payment of any commission or other costs or expenses owing to the Company.

9 Margins Requirements

- 9.1 The Client shall on demand from the Company make payment of deposits or Margins in cash, securities or otherwise in amounts agreed with the Company from time to time or which may be required by the rules of the SEHK and HKSCC or applicable exchanges or markets. The Client agrees that a demand of Margin shall be deemed properly made after the Company tried to communicate the demand of Margin to the Client by phone, facsimile, email or other electronic means, regardless of whether or not the Client actually receive or not.
- 9.2 The Company shall be entitled to revise Margin requirements from time to time in its absolute discretion. No previous Margin requirements shall establish a precedent and revised requirements once established shall apply to existing positions as well as to the new positions in the contracts affected by such revision.
- 9.3 All monies and securities of the Client which are now or which shall at any time hereafter be deposited with, transferred or caused to be transferred to or held by the Company or its affiliated companies shall form part of the collateral as a continuing security in favour of the Company for the payment and satisfaction of all monies and liabilities absolute or contingent which are now or at any time hereafter may be due or owing by the Client to the Company under the credit facilities or otherwise.
- 9.4 The Company shall not, without the Client's prior written authorization, deposit any of the Client's securities (including any charged securities) for any loans or advances made to the Company, or lend or otherwise part with the possession of

any of them for any purpose other than any purpose specified in the Agreement.

10 Interest

Unless otherwise indicated, the Client hereby undertakes to pay interest on all overdue balances owing by him/her/it to the Company (after as well as before any judgment), at such rate(s), as may be specified or notified to the Client from time to time by the Company in whatever form (no matter written, oral, electronic or other forms, for instance, such rates may be specified in the monthly or daily statements issued by the Company to the Client or notified by the Company's staff or agent through telephone or electronic communication) or without such any such specification, at a rate equivalent to FIVE per cent (5%) per annum above the best lending rate quoted by Standard Chartered Bank (HK) Limited (or any other bank or rate as determined by the Company from time to time), and be calculated on a daily basis and payable on the last day of each calendar month or upon any demand being made by the Company.

11 Securities in the Account(s)

11.1 Any securities which are held by the Company for safekeeping may, at the Company's discretion:

- (a) (in the case of registered securities) be registered in the Client's name or in the name of the Company's nominee;
- (b) be deposited in safe custody in a segregated account which is designated as a trust account or client account and established and maintained in Hong Kong by the Company with an authorized financial institution, an approved custodian or another intermediary licensed for dealing in securities or with any other institution which provides facilities for the safe custody of documents. In the case of securities in Hong Kong, such institution shall be acceptable to the SFC as a provider of safe custody services; or
- (c) be deposited in an account in the name of the Company with an authorized financial institution, an approved custodian or another intermediary licensed for dealing in securities.

11.2 Where securities are not registered in the Client's name, any dividends or other distributions or benefits arising in respect of such securities shall, when received by the Company, be credited to the Client's Account(s), or paid or transferred to the Client, as agreed with the Company. Where the securities form part of a larger holding of identical securities held for the Company's clients, the Client shall be entitled to the proportion of the dividends or benefits equal to the proportion of the securities held on the Client's behalf out of the total number or amount of such securities.

11.3 If, in relation to any securities deposited with the Company but which are not registered in the name of the Client, any loss is suffered by the Company therefrom, the Account(s) may be debited (or payment made by the Client as may be agreed) with the proportion of such loss equal to the proportion of the total number or amount of relative securities which shall comprise securities held on behalf of the Client.

11.4 For the purpose of Clauses 11.2 and 11.3, the Client accepts that a certificate under the hand of a duly authorized officer of the Company stating the aforesaid proportion of such benefit or loss in respect of the Account(s) shall be binding and conclusive on the Client in the absence of manifest error.

11.5 The Client represents and warrants to the Company that it has good and unencumbered title (other than any encumbrance created under this Agreement) to all securities which the Client instructs the Company to sell for the Account(s) in accordance with the terms of this Agreement and if relevant, undertakes to deliver scrip for such securities in time for the Company to comply with any applicable laws.

11.6 Any obligations of the Company to deliver, to hold in safe custody or otherwise or to register in the name of the Client, securities purchased or acquired by it on behalf of the Client shall be satisfied by the delivery, the holding or registration in the name of the Client or its nominee, securities of the same class, denomination and nominal amounts, and rank *pari passu* with, those originally deposited with, transferred to or acquired by the Company on behalf of the Client (subject always to any capital reorganization which may have occurred in the meantime).

11.7 Subject to Clause 11.8, the Company shall ensure that any securities (to be held for safe custody in Hong Kong) deposited by the Client with the Company or purchased or acquired by the Company on behalf of the Client are either registered in the name of the Client or in the name of an associated entity of the Company, or deposited in safe custody in a segregated account which is designated as a trust account or client account and established and maintained in Hong Kong by the Company or an associated entity of the Company with an authorized financial institution, an approved custodian or another intermediary licensed for dealing in securities.

11.8 The Client hereby irrevocably gives to the Company the authority on the terms and conditions as set out in Clause 18.4 (Client Securities Standing Authority) for 12 months from the date of this Agreement. The Client irrevocably undertakes to, during the term of this Agreement, renew such authorization from time to time at the Company's request in accordance

with the Securities and Futures (Client Securities) Rules (the “Client Securities Rules”) by signing an authorization letter substantially in the form as set out in letter of authority or in such other form as the Company may require from time to time. If the Client seeks to withdraw or refuses to renew such authorization at any time, the Company shall have the rights to close the Account(s) and terminate this Agreement without giving notice to the Client.

12 Monies in the Account(s)

Subject to the applicable laws and regulations, the Company shall be entitled to deposit any monies (other than cash received by the Company in respect of Transaction(s) and which is on-paid for settlement purpose or to the Client) received under this Agreement with one or more segregated account(s) in Hong Kong each of which shall be designated as a trust account or client account, at one or more authorized financial institution(s) or any other person approved by the SFC for the purpose of section 4 of the Securities and Futures (Client Money) Rules (the “Client Money Rules”) (where applicable) and/or may transfer such monies to an overseas account at the Company’s discretion and may be held in such account for so long as the Company thinks fit without any obligation in the meantime to apply the same or any part of such monies in or toward discharge of any money or liabilities due or incurred by the Client to the Company and the Company shall be entitled to prove against the Client as if any amount standing to the credit of any such account had not been so received. Unless otherwise agreed, the Company will be entitled to retain for its own use any interest it may derive from cash for the time being in its hands under the Account(s). Notwithstanding the aforesaid, the Company may at its discretion pay interest on any Client’s money at such rate as the Company may notify the Client from time to time.

13 New Listing of Securities

- 13.1 In the event that the Client requests and authorizes the Company to apply for securities in respect of a new listing and/or issue of securities on the SEHK (or a relevant exchange, where applicable) as his/her/its agent and for his/her/its benefit or for the benefit of any other person, the Client hereby warrants to and for the Company’s benefit that the Company has authority to make such application on the Client’s behalf.
- 13.2 The Client shall familiarize himself/herself/itself and comply with all the terms and conditions governing the securities of the new listing and/or issue and the application for such new securities set out in any prospectus and/or offering document and the application form or any other relevant document in respect of such new listing and/or issue and the Client agrees to be bound by such terms and conditions in any such Transaction the Client may have with the Company.
- 13.3 The Client hereby gives to the Company all the representations, warranties and undertakings which an applicant for securities in a new listing and/or issue is required to give (whether to the issuer, sponsors, underwriters or placing agents of the relevant securities, the SEHK or any other relevant regulator or person).
- 13.4 The Client hereby further declares and warrants, and authorizes the Company to disclose and warrant to SEHK on any application form (or otherwise) and to any other person as appropriate, that any such application made by the Company as his/her/its agent is the only application made, and the only application intended to be made, by the Client or on the Client’s behalf, to benefit the Client or the person for whose benefit the Client is applying. The Client acknowledges and accepts that the aforesaid declaration and warranty will be relied upon by the Company and by the issuer, sponsors, underwriters or placing agents of the relevant securities, SEHK or any other relevant regulator or person in respect of any application made by the Company as the Client’s agent.
- 13.5 The Client acknowledges that any application made by an unlisted company which does not carry on any business other than dealing in securities and in respect of which the Client exercises statutory control shall be deemed to be an application made for the benefit of the Client.
- 13.6 The Client recognizes and understands that the legal, regulatory requirements and market practice in respect of applications for securities may vary from time to time as may the requirements of any particular new listing or issue of securities. The Client undertakes to provide to the Company such information and take such additional steps and make such additional representations, warranties and undertakings as may be required in accordance with such legal, regulatory requirements and market practice as the Company may in the Company’s absolute discretion determine from time to time.
- 13.7 In relation to a bulk application to be made by the Company or the Company’s agent on the Company’s own account and/or on behalf of the Client and/or the Company’s other clients, the Client acknowledges and agrees:
 - (a) that such bulk application may be rejected for reasons which are unrelated to the Client and the Client’s application and neither the Company nor the Company’s agent shall, in absence of fraud, negligence or wilful default, be liable to the Client or any other person in consequence of such rejection; and
 - (b) to indemnify the Company in accordance with Clause 21 if such bulk application is rejected either in circumstances where the representations and warranties have been breached or otherwise because of factors relating to the Client.

The Client acknowledges that the Client may also be liable in damages to other persons affected by such breach or other factors.

- 13.8 The Company, on receipt of a request from the Client to apply for IPO shares, may provide an IPO Loan. As continuing security for the due and punctual payment by the Client of all principal, interest and other sums owed by the Client to the Company in respect of the IPO Loan, the Client as beneficial owner hereby charges by way of first legal charge the IPO Shares to the Company until full payment made to the Company of the IPO Loan by the Client; and hereby expressly authorizes the Company to receive and apply all sums of whatever nature received by the Company (or the Company's nominees) in respect of any part of the charged shares towards payment of the IPO Loan in such manner and at such time as the Company may determine.

14 Over-the-Counter Transactions

- 14.1 In relation to any over-the-counter Transaction(s) (including but not limited to any Transaction(s) in respect of new securities prior to their listing on an exchange) which the Client has entered into or are to be entered into by the Client, the Client acknowledges and agrees that:
- (a) unless otherwise indicated by the Company, the Company acts as agent for the Client and is not responsible for and cannot guarantee the settlement of the Transaction(s);
 - (b) the Client's orders may only be partially executed or not executed at all. Transaction(s) will be cancelled or become void if the relevant securities subsequently fail to list on the relevant exchange;
 - (c) in the event that the securities fail to be delivered, the Company is entitled to purchase the relevant securities in the market (at the prevailing market price) in respect of the Transaction(s) for the Client in order to complete the settlement of the relevant Transaction(s). The Client bears all losses arising from or incurred by such Transaction;
 - (d) in the event that:
 - (i) the Client buys securities from a seller that fails to deliver the relevant securities; and
 - (ii) the purchase of the relevant securities cannot be effected or the Company exercises its absolute discretion to decide not to purchase the relevant securities under Clause 14.1(c),the Client will not be entitled to obtain the relevant securities at the matched price and is only entitled to receive the money paid for the purchase of the relevant securities;
 - (e) in the event that the Client buying any securities fails to deposit the necessary settlement amount, the Company is entitled to sell any or all securities held in the Account(s) and use the sale proceeds after deducting all costs in settlement of the Transaction(s). However, if the Client is the seller under such Transaction(s) and such Transaction(s) cannot be settled, the Client shall only be entitled to the relevant securities but not the sale proceeds of the relevant securities; and
 - (f) without prejudice to the principles above, the Client will bear their losses and is responsible to the Company for any losses resulting from counterparty's settlement failures.

15 SPAC Transactions

- 15.1 In relation to any SPAC Transaction(s) which the Client has entered into or are to be entered into by the Client, the Client represents, warrants and undertakes that:
- (a) all SPAC Securities Transactions shall be effected in accordance with all applicable laws and regulations applying to the Company, including but not limited to the listing and trading rules of SEHK. The Client agrees that all actions taken by the Company or by SEHK in accordance with the applicable laws and regulations shall be binding on the Client;
 - (b) the Client and its underlying clients (where applicable) is capable of making and will make all the representations, warranties, undertakings and declarations required to be made by a purchaser or holder of the SPAC Securities under the terms and conditions of the SPAC Securities and the Listing Documents. The Client confirms that all representations, confirmations and declarations made or to be made under the related documents by the Client and its underlying clients as a purchaser, holder or in other capacity are accurate and complete. The Client and its underlying clients have complied and will comply with all undertakings and selling restrictions under the relevant Listing Documents;
 - (c) trading of SPAC Securities is limited to a Professional Investor or other type of investors approved by SEHK and/or SFC ("Eligible SPAC Investor"). The Client confirms that it will trade SPAC Securities only when the Client is, and in the case where the Client is an intermediary (including, but not limited to, a fund manager, asset manager, broker or order placer) trading for or on behalf of an underlying client or clients, each such underlying client is, an Eligible SPAC Investor. The Client further represents and undertakes to examine, verify and ensure its underlying clients are Eligible SPAC Investors. If the Client or any underlying client or clients is not an Eligible SPAC Investor ("Non-Eligible SPAC Investors"), the Client hereby agrees and authorizes the Company, at any time, to facilitate the disposal, redemption, voting or otherwise dealing with such SPAC Securities of such Non-Eligible SPAC

Investors in the Company's absolute discretion. The Client undertakes to indemnify and keep the Company indemnified in respect of any costs, claims, demands, damages and expenses whatsoever which may be suffered or incurred by the Company directly or indirectly arising out of or in connection with such SPAC Securities transactions entered into by the Company as agent on behalf of any Non-Eligible SPAC Investors. The Client also agrees to pay promptly to the Company, on demand, all damages, costs and expenses (including legal expenses on a full indemnity basis) reasonably and properly incurred by the Company in the enforcement of this provision;

- (d) the Client fully understands and agrees with the terms and conditions of the SPAC Securities and the content of the Listing Documents before subscribing for or trading any SPAC Securities, including without limitation accepting any risks (e.g. liquidity and volatility risks) associated with SPAC Securities; and
- (e) the Client understands and accepts the contents of the Listing Documents with respect to voting, redemption and liquidation rights of SPAC Shareholders and that the exercise of such rights may be subject to timing and other restrictions.

15.2 All representations and warranties shall be deemed to be repeated by the Client immediately before effecting and executing each SPAC Securities transaction.

15.3 In the event the Company receives notice from SEHK or SFC requiring the Company to unwind any positions in relation to SPAC Securities, or where the Company determines in its sole discretion that any SPAC Securities transaction is not in compliance with applicable laws, regulations, listing rules, guidelines or other requirements of SEHK or SFC, the Company shall be entitled to serve notice ("Mandatory Unwind Notice") to request the Client to unwind any position with respect to SPAC Securities within 3 days (or within such other time as specified by the Company in the Mandatory Unwind Notice). If such request is not complied with in a timely manner, the Client authorizes the Company to dispose, vote, redeem or otherwise deal with such relevant SPAC Securities on behalf of the Client at such price and on such terms and manners as the Company may determine in its sole and absolute discretion to be necessary to comply with any such laws, regulations, listing rules, guidelines or requirements.

16 Events of Default

16.1 Any of the following events shall constitute an event of default:

- (a) the failure of the Client to pay deposits, Margins or any other sums payable to the Company under this Agreement when demanded to do so or on due date;
- (b) the default by the Client in the due performance of any provision of this Agreement or the due observance of any by-laws, rules and regulations of the SEHK, HKSCC and/or the appropriate exchange or clearing house;
- (c) the breach by the Client of any warranty or representation in this Agreement or in any document or such warranty or representation being or becoming incorrect or misleading;
- (d) the death of the Client (being an individual);
- (e) a resolution is passed for the winding-up of the Client or the filing of a petition in bankruptcy, winding up or the commencement of other analogous proceedings against the Client or a receiver is being appointed of the Client's business, property or assets, or the Client makes any arrangement or composition with, or any general assignment for the benefit of, its creditors generally, or the commencement or negotiations by the Client with any one or more of its creditors with a view to the general rescheduling of the Client's indebtedness, or the Client's inability to pay debts as they fall due, or any encumbrancer taking possession of or is being appointed over or in relation to, or any distress, execution or other process is levied or enforced upon, the whole or any part of the Client's property or assets, or the Client's dissolution;
- (f) the levy or enforcement of any attachment, execution or other process against the Client;
- (g) the occurrence of any event which in the Company's sole opinion, might jeopardize its rights under this Agreement;
- (h) there shall occur any circumstances of a national or international financial, political, military, social or economic nature or any material adverse change in the Client's business, assets or condition which, in the Company's sole opinion, may have a material adverse effect on the Client's financial condition or may imperil, delay or prevent fulfillment by the Client of any of the Client's obligations under this Agreement; or
- (i) it shall become or prove to be unlawful or impossible in any material respect for the Client duly and promptly to perform or observe any of the obligations or undertakings expressed to be binding on or undertaken by the Client in or pursuant to this Agreement or if this Agreement shall for any other reason whatsoever (other than due and complete performance in accordance with its terms) cease to be in full force and effect.

16.2 If any event of default occurs, without prejudice to any other rights or remedies that the Company may have against the Client, the Company may without notice to the Client:

- (a) forthwith close the Account(s);
- (b) forthwith terminate the whole or any part of this Agreement;
- (c) cancel all or any outstanding orders or any other commitments made on behalf of the Client;

- (d) close any or all contracts between the Company and the Client, cover any short position of the Client through the purchase of securities on the relevant exchange or liquidate any long position of the Client through the sale of securities on the relevant exchange;
- (e) sell or otherwise deal with in whatever manner all or any securities held for the Client and to apply the proceeds thereof and any cash in the Account(s) to settle all outstanding balances due to the Company; and
- (f) enforce any security created by the Client in favour of the Company.

16.3 In the event of any sale or liquidation pursuant to this Clause:

- (a) the Company shall not be responsible for any loss occasioned thereby howsoever arising if the Company has already used reasonable endeavors to sell or dispose of the securities or any part thereof at the then available market price;
- (b) the Company will exercise its own judgement in determining the time and price to sell or dispose of the securities or any part thereof and the Company shall not be responsible for any loss occasioned thereby;
- (c) the Company shall be entitled to appropriate to itself or sell or dispose of the securities or any part thereof at the current price to any of the Group Companies without being accountable for any profit made by the Company and/or any of the Group Companies;
- (d) the Client waives any objections or disputes against the Company's exercise of its rights and remedies under Clause 16.2 (including but not limited to the Company's right to dispose of any or all securities and other property held for or on behalf of the Client at any price as it thinks fit);
- (e) the Client undertakes to pay the Company any deficiency if the net proceeds of sale or net proceeds of liquidation shall be insufficient to cover all the outstanding balances owing by the Client to the Company.

17 Set-off, Lien, and Combination of Accounts

17.1 In addition and without prejudice to any general liens, rights of set-off or other similar rights to which the Company may be entitled under law or this Agreement, all securities, receivables monies (in any currency) and other property of the Client (held by the Client either individually or jointly with others) held by or in the possession of the Company at any time shall be subject to a general lien in favour of the Company as continuing security to offset and discharge all of the Client's obligations, arisen from the business of dealing in securities or otherwise, to the Company and any of the Group Companies.

17.2 In addition and without prejudice to any general liens or other similar rights which the Company may be entitled under law or this Agreement and subject to applicable rules and regulations, including without limitation, the Client Money Rules and the Client Securities Rules, the Company for itself and as agent for any of the Group Companies, at any time without notice to the Client, may combine or consolidate any or all accounts, of any nature whatsoever and either individually or jointly with others, with the Company or any of the Group Companies and the Company may set-off or transfer any monies (in any currency) securities or other property in any such accounts to satisfy obligations or liabilities of the Client to the Company or any of the Group Companies, whether such obligations and liabilities are actual or contingent, primary or collateral, secured or unsecured, or joint or several.

17.3 Without limiting or modifying the general provisions of this Agreement and subject to applicable rules and regulations, including without limitation, the Client Money Rules and the Client Securities Rules, the Company may, without notice, transfer all or any sum or properties interchangeably between any of the Accounts maintained at any time by the Client with the Company and any of the Group Companies.

17.4 In exercising its rights under this Clause 17.4 if in relation to any securities deposited with the Company but which are not registered in the name of the Client, and loss is suffered by the Company, the Account(s) may be debited (or payment made by the Client as may be agreed) with the proportion of such loss equal to the proportion of the securities held on behalf of the Client out of the total number or amount of such securities.

18 Standing Authority

18.1 The Client Money Standing Authority covers money held or received by the Company in Hong Kong (including any interest derived from the holding of the money which does not belong to the Company) in one or more segregated account(s) on the Client's behalf ("Monies"), such authority is subject to applicable rules and regulations.

18.2 The Client authorizes the Company to:

- (a) combine or consolidate any or all segregated accounts, of any nature whatsoever and either individually or jointly with others, maintained by the Company or any of the Group Companies from time to time and the Company or any of the Group Companies may transfer any sum of Monies to and between such segregated account(s) to satisfy the Client's obligations or liabilities to the Company or any of the Group Companies, whether such obligations and

liabilities are actual or contingent, primary or collateral, secured or unsecured, or joint or several;

- (b) transfer any sum of Monies interchangeably between any of the segregated accounts maintained by the Company or any of the Group Companies;
- (c) transfer any sum of Monies to the execution broker(s) and/or clearing firm(s) of the Company or any of the Group Companies located in Hong Kong or elsewhere for the purpose of dealing, clearing and/or settlement of securities, futures contract and/or other financial products (where applicable);
- (d) keep the Monies with the execution broker(s) and/or clearing firm(s) of the Company or any of the Group Companies located in Hong Kong or elsewhere after trading to facilitate future dealing, clearing and/or settlement of securities, futures contract and/or other financial products (where applicable); and
- (e) convert the Monies into any other currency(ies), for any of the abovementioned purposes (where applicable).

18.3 By entering into this Agreement, the Client hereby agrees to provide the Client Securities Standing Authority set out under Clause 18.4 in respect of the Client's securities and securities collateral, subject to the Client's right to revoke such Client Securities Standing Authority at any time in accordance with Clause 18.9. The Client understands and acknowledges the risks to the Client associated with giving the Client Securities Standing Authority, including the risks set out under paragraph 8 of the Risk Disclosure Statements. If the Client does not agree to provide such Client Securities Standing Authority at the time of entering into this Agreement, the Client shall submit a written notice addressed to the Company together with the Client's completed Securities Account Opening Form which indicates clearly that the Client does not agree to give such Client Securities Standing Authority to the Company.

18.4 The Client hereby authorizes the Company to:

- (a) deposit any of the Client's securities with an authorized institution (as defined by the Banking Ordinance) as collateral for loans or advances made to the Company;
- (b) borrow or lend any of the Client's securities to fulfill settlement obligations between Stock Exchange members. Any borrowing or lending must be in accordance with Stock Exchange regulations; and
- (c) deposit any of the Client's securities with Hong Kong Securities Clearing Company Limited as collateral for the discharge and satisfaction of the Company's obligations and liabilities under the General Rules of the Central Clearing and Settlement System. The Client understands that Hong Kong Securities Clearing Company Limited will have a first fixed charge over the Client's securities to the extent of the Company's obligations and liabilities.

18.5 The Client acknowledges and agrees that the Company may do any of the things set out in Clauses 18.2 and 18.4 without giving the Client further notice.

18.6 The Client also acknowledges that:

- (a) the Company may engage in repledging practice from time to time and the Client has provided the Company with a standing authority to repledge the Client's securities or securities collateral.
- (b) the Client Money Standing Authority is given without prejudice to other authorities or rights which the Company or any of the Group Companies may have in relation to dealing in Monies in the segregated accounts; and
- (c) the Client Securities Standing Authority shall not affect the Company's right to dispose or initiate a disposal by the Company's associated entity of the Client's securities or securities collateral in settlement of any liability owed by or on behalf of the Client to the Company, the associated entity or a third person.

18.7 The Client understands that a third party may have rights to the Client's securities, which the Company must satisfy before the Client's securities can be returned to the Client.

18.8 Each of the Client Money Standing Authority and the Client Securities Standing Authority is valid for a period of 12 months from the date of this Agreement, subject to renewal by the Client or deemed renewal under the Client Money Rules or Client Securities Rules (as the case may be) referred to in Clause 18.10.

18.9 Each of the Client Money Standing Authority and the Client Securities Standing Authority may be revoked by giving the Company written notice addressed to the Company with the address specified in the Securities Account Opening Form or such other address which the Company may notify the Client in writing for this purpose. Such notice shall take effect upon the expiry of 14 days from the date of the Company's actual receipt of such notice.

18.10 The Client understand that each of the Client Money Standing Authority and the Client Securities Standing Authority shall be deemed to be renewed on a continuing basis without the Client's written consent if the Company issues the Client a written reminder at least 14 days prior to the expiry date of the relevant authority, and the Client does not object to such deemed renewal before such expiry date.

19 Representations and Warranties

- 19.1 The Client represents and warrants to the Company that the information contained in the Securities Account Opening Form or otherwise supplied by or on behalf of the Client to the Company in connection with the opening the Account(s) is complete, true and correct. The Company is entitled to rely on such information until written notice from the Client of any changes therein has been received.
- 19.2 This Agreement and performance of the obligations of the Client contained herein do not and will not:
- (a) contravene any existing applicable law, rule, regulation or any judgment, decree or permit or any constitutive documents to which the Client is subject; or
 - (b) conflict with or result in any breach of the terms of or constitute any default under any agreement or other instrument to which the Client is a party or is subject or by which any of his/her/its property is bound.
- 19.3 The Client agrees and acknowledges that the Client shall, independently and without reliance on any information and/or advice as provided by the Company, make the Client's own judgments and decisions with respect to each Transaction(s) dealing with securities.
- 19.4 The Client represents and warrants to the Company that the Client is not a connected person (as defined in the Rules Governing the Listing of Securities on the SEHK or the Rules Governing the Listing of Securities on the GEM of the SEHK, as the case may be) of the company(ies) the securities of which the Client shall place instructions with the Company for the purchase or disposal of or otherwise deal in such securities unless the Client specifically notify the Company to the contrary prior to the placing of such instructions.
- 19.5 The Client is trading as principal on its own Account(s) unless otherwise expressly made known to the Company in respect of particular Transaction(s), and that it has not, and shall not, assign, charge or otherwise create and encumbrance or security interest over the whole or any part of the money, securities or other property comprised in the Account(s) other than pursuant to this Agreement.
- 19.6 All necessary consents or authorization which may be required for the execution, delivery and performance by the Client of this Agreement have been obtained and are in full force and effect and have not been revoked as at the date of this Agreement.
- 19.7 The Client has the authority and power and legal capacity to enter into and perform the obligations under this Agreement, and in the case of the Client being an individual, he/she has attained the age of 18 years and is of sound mind and legal competence and is not bankrupt, and this Agreement constitute valid and legally binding obligations of the Client.
- 19.8 The Client has not relied upon any representation, warranty, statement or other information made or supplied by the Company at any time or in any manner whatsoever in deciding to enter into this Agreement or in connection with any matters stated in this Agreement or the performance of this Agreement.

20 Undertakings

- 20.1 The Client undertakes to notify the Company when a sale order relates to securities which the Client does not own i.e. involves short selling (including where the Client has borrowed securities for the purpose of the sale). The Client shall be required to provide the Company with such confirmation, documentary evidence and assurance as the Company in its opinion considers necessary and effective to show that the Client has a presently exercisable and unconditional right to vest such securities in the purchaser. The Company shall be entitled in its absolute discretion to refuse to transact or execute any short selling order on the Client's behalf at any time (without any liability at all to the Client) if the Client fails to provide the Company with the necessary confirmation, documentary evidence or assurance. The Client undertakes to indemnify the Company against any loss, damage, claim, liability, cost and expenses arising out of or in connection with the Client's short selling.
- 20.2 The Client undertakes not to pledge or charge any securities or monies forming part of the Account(s) without the prior written consent of the Company, or to sell, grant an option over or otherwise deal in any such securities or monies.
- 20.3 The Company and the Client undertake to inform each other of any material change to the information provided in this Agreement or the Securities Account Opening Form. In particular, the Company and the Client agree that:
- (a) the Company will notify the Client of any material change to its business which may affect the services provided by the Company to the Client; and
 - (b) the Client will notify the Company of any change of name or address and provide supporting documents as required by the Company.

- 20.4 The Client undertakes to perform such acts and execute all such agreements or documents whatsoever as may be required by the Company for the performance and implementation of this Agreement or any part thereof.
- 20.5 In the event that the Client is acting as agent for or on behalf of another, the Client undertakes that if in relation to any Transaction(s) carried out pursuant to this Agreement:
- (a) the Client has and will have full power and capacity to enter into, and perform the Client's obligations pursuant to, this Agreement and any other agreement entered into with the Company;
 - (b) in so doing, the Client has been expressly authorized by the Client's principal to instruct the Company in relation to such Transaction(s) in accordance with these terms;
 - (c) the Client will be liable, as if it were the principal, to the Company in respect of all obligations and liabilities to be performed or discharged by the Client pursuant to and in respect of any such Transaction(s) entered into under or pursuant to this Agreement; and
 - (d) for all purposes under all relevant laws and regulations, only the Client and not the Client's principal will be the customer of the Company.

21 Liabilities and Indemnities

- 21.1 To the extent permitted by law, neither the Company nor any of its directors, employees or agents shall have any liability whatsoever for any loss suffered by the Client as a result of:
- (a) the Company acting or relying on any instruction given by the Client;
 - (b) any condition or circumstances which are beyond the reasonable control or anticipation of the Company, its directors, employees and agents, including but not limited to any delays in transmission of orders due to disruption, breakdown, failure or malfunction of transmission of communication facilities, failure of electronic or mechanical equipment, telephone or other interconnection problems, unauthorized use of access code (including the login name and password), prevailing fast market conditions, governmental agency or exchange actions, theft, war (whether declared or not), severe weather, earthquakes and strikes;
 - (c) the Company exercising any or all of its rights conferred by the terms of this Agreement; or
 - (d) any conversion of one currency to another pursuant to in relation to or arising from this Agreement,

unless such loss is caused by the fraud, wilful default or gross negligence of the Company.

- 21.2 Without limiting the generality of Clause 21.1 above, neither the Company nor any of its directors, employees or agents shall have any liability whatsoever for any loss suffered by the Client arising out of or alleged to arise out of or in connection with any inconvenience, delay or loss of use of the electronic trading services or any delay or alleged delay in acting or any failure to act on any instruction given by the Client to the Company, even if the Company has been advised of the possibility of such loss, unless such loss is caused by the fraud, wilful default or gross negligence of the Company.
- 21.3 The Client undertakes to indemnify and keep indemnified the Company in respect of any losses whatsoever which may be reasonably and properly suffered or incurred by the Company directly or indirectly arising out of or in connection with any Transaction entered into by the Company as agent on behalf of the Client or otherwise whatsoever or howsoever arising out of anything done or omitted to be done by the Company in accordance with the terms of this Agreement or pursuant to any Client's instruction, unless such loss is caused by the fraud, wilful default or gross negligence of the Company.
- 21.4 The Client agrees to pay promptly to the Company on demand, all losses reasonably and properly incurred by the Company in the enforcement of any of the provisions of this Agreement.
- 21.5 The Client undertakes to indemnify and keep indemnified the Company and its officers, employees and agents for any loss arising out of or connected with any breach by the Client of his/her/its obligations hereunder, including any costs reasonably and necessarily incurred by the Company in collecting any debts due to the Company or in connection with the closure of the Account(s) unless such loss is caused by the fraud, wilful default or gross negligence of the Company.
- 21.6 The above terms shall continue to take effect notwithstanding the termination of this Agreement.

22 Notices, Confirmations and Statements

- 22.1 The Client must give the Company in writing his/her/its address, telephone, facsimile number, email address and/or mobile phone number for receipt of notices and other communications in connection with this Agreement. If these details change the Client must give the Company reasonable advance notice in writing before the change has taken place.

- 22.2 Unless otherwise provided in this Agreement, notices and communications must be sent to the address, telephone number, facsimile number, email address or mobile phone number last notified. The Client authorize the Company to send notices and communications to the Client in connection with this Agreement electronically and in any other manner including by facsimile, email, SMS or via other electronic means.
- 22.3 Unless otherwise provided in this Agreement, the Company's notice and communications to the Client are effective when sent or transmitted, whether actually received by the Client or not.
- 22.4 The Client's notices and communications are effective when the Company actually receive them in legible form.
- 22.5 Instructions and communications digitally signed and supported by a digital certificate have the same validity, admissibility and enforceability as if signed in writing.
- 22.6 Any notice or communication that is digitally signed must comply with any applicable law.
- 22.7 The Client is satisfied that electronically executed contracts are enforceable despite the legal risks associated with them.
- 22.8 If an Account is held jointly, notices and communications (including notices of any variation to this Agreement and any statements) sent to the address the Client has notified the Company as the address for receipt of notices and other communications in connection with this Agreement are taken to be given to each holder.
- 22.9 The Client must not dispute the contents of any notice or communication.
- 22.10 Notices and other communications in connection with this Agreement must be in writing. They must be sent to the address or email address last notified to the party.
- 22.11 The Company's written confirmation of the execution of the Client's orders and statements of the Client's Account(s) shall be conclusive and deemed to be accepted by the Client if not objected to in writing by the Client within 7 Business Days after transmission to the Client, by mail or otherwise. If the Client does dispute the content of an order or statement, the Client must contact the Company in writing to the Company's address as set out in the Securities Account Opening Form or such other address notified to the Client from time to time.

23 Amendment and Waiver

- 23.1 The Company may at its discretion amend, delete or substitute any of the terms in this Agreement or add new terms to this Agreement by sending to the Client a notice in writing setting out such amendment, deletion, substitution or addition. Such variation of this Agreement shall be deemed to have been accepted by the Client unless written notice of objection is received by the Company within 14 days after despatch of such notification by the Company.
- 23.2 The Company may exercise a right or remedy, give or refuse its consent or approval in connection with this Agreement in any way it considers appropriate, including by imposing conditions. The Company need not give the Client reasons for any decision it makes.
- 23.3 If the Company does not exercise a right or remedy fully or at a given time, it can still exercise it later.
- 23.4 The Company is not liable for any loss caused by the exercise or attempted exercise of, failure to exercise, or delay in exercising, a right or remedy, whether or not caused by the Company's negligence.
- 23.5 Save as expressly provided in this Agreement, no failure to exercise, or delay in exercising, on the part of any party hereto any right, power or privilege under this Agreement shall operate as a waiver, nor shall any single or partial exercise of any right, power or privilege preclude any other or further exercise thereof, or the exercise of any other right, power or privilege. No waiver by the Company shall be effective unless it is in writing. The rights and remedies of the Company are cumulative and not exclusive of any rights or remedies provided by applicable laws.

24 Joint Clients

- 24.1 Where the Client consists of more than one person:
- (a) the liabilities and obligations of each of them shall be joint and several and references to the Client shall be construed, as the context requires, to any or each of them;

- (b) the Company shall be entitled to, but shall not be obliged to, act on instructions or requests from any of them;
- (c) each of them shall be bound though any other Client or any other person intended to be bound is not, for whatever reason, so bound; and
- (d) the Company shall be entitled to deal separately with any of the Client on any matter including the discharge of any liability to any extent without affecting the liability of any others.

24.2 Where the Client consists of more than one person, on the death of any of such persons (being survived by any other such persons), this Agreement shall not be terminated and the interest in the Account(s) of the deceased will thereupon vest in and enure for the benefit of the survivor(s) provided that any liabilities incurred by the deceased Client shall be enforceable by the Company against such deceased Client's estate. The surviving Client(s) shall give the Company written notice immediately upon any of them becoming aware of any such death.

25 Conflict of Interest

- 25.1 The Company and its directors, officers or employees may trade on its/their own account or on the account of any of the Group Companies subject to any applicable regulatory requirements.
- 25.2 The Company may buy, sell, hold or deal in any securities or take the opposite position to the Client's order whether it is on the Company's own account or on behalf of its other clients.
- 25.3 The Company may match the Client's orders with those of other clients.
- 25.4 The Company may effect transactions in securities where the Company or any of the Group Companies has a position in the securities or is involved with those securities as underwriter, sponsor or otherwise.
- 25.5 In any of the abovementioned events the Company shall not be obliged to account for any profits or benefits obtained.

26 Anti-Money Laundering and Sanctions

- 26.1 Notwithstanding any other provision of this Agreement to the contrary, the Company is not obliged to do or omit to do anything if it would, or might in the Company's reasonable opinion, constitute a breach of any laws in respect of anti-money laundering and counter terrorism applicable to the Company.
- 26.2 The Client must provide to the Company upon request all information and documents that are within the Client's possession, custody or control and requested by the Company at its discretion to enable the Company to comply with applicable laws and relevant internal policies and procedures. The Client undertakes to notify the Company of such matter as may be prescribed or accepted by the Company of any change of contact details (including but not limited to address, telephone number, email address and facsimile number) or any change or addition of material information (including but not limited to directors, partners, beneficial owners, shareholders, controllers, legal status and constitutional documents).
- 26.3 Where the Client or any other person in connection with the Client and/or this Agreement fails to provide promptly information or documents reasonably requested by the Company, the Company may be unable to provide new, or continue to provide all or part of the services to the Client and the Company reserves the right to terminate the business relationship with the Client; and block or close the Client's Account(s) at its sole discretion to enable the Company to comply with applicable laws and relevant internal policies and procedures.
- 26.4 The Company, any Group Companies and its affiliates are required to act in accordance with applicable laws and request of government authorities in various jurisdictions. These relate, amongst others, to the prevention of money laundering, terrorist financing and the provision of financial or other services to any persons or entities which may be subject to sanctions imposed by the relevant government and/or international bodies. The Client agrees that the Company may take any action, in its sole and absolute discretion it considers appropriate including but not limited to disclosing any information concerning the Client, persons connected with the Client and/or this Agreement to any law enforcement entity, regulatory agency or court (in any jurisdiction) where required by such requests or any law.
- 26.5 Such action may include, but is not limited to, the interception and investigation of any payment messages and other information or communications sent to or by the Client or on the Client's behalf and making further inquiries as to whether a name which might refer to a person or entity subject to relevant sanctions and whether that name actually refers to that person or entity.

- 26.6 The Client agrees that the Company may take a sufficient time to consider, investigate, verify or to intercept a Transaction,

if the Client or any other person in connection with the Client and/or this Agreement becomes a person subject to the relevant sanctions, or upon the occurrence of a match on the Company's sanction or other anti-money laundering and counter terrorism financing related filters. In certain circumstances, those aforesaid actions taken by the Company may prevent or cause a delay in the process of certain information, instructions and/or Transactions.

- 26.7 The Company nor any Group Company will be liable for any loss (whether direct or consequential and including, without limitation, loss of profit or interest) or damage suffered by any party arising in connection with this Clause 26. In addition, the Client acknowledges that neither the Company nor any Group Company is required to provide reasons for any decisions it makes, including (without limitation) actions taken or not taken, or unless expressly required by applicable law.
- 26.8 The Client agrees to exercise his/her/its rights and perform his/her/its obligations under this Agreement in accordance with all applicable anti-money laundering and counter terrorism financing and other laws.
- 26.9 The Client declares that he/she/it is acting on his/her/its own behalf and not in a trustee or agency capacity, unless otherwise disclosed to the Company with details of the ultimate beneficiary for whom the Client is trading, and agrees to provide evidence of due authority and specimen signatures for each Authorized Person.

27 Termination

- 27.1 Without prejudice to the Company's rights under Clause 16, this Agreement may be terminated at any time by prior written notice of not less than 14 days by either party to the other.
- 27.2 Any termination pursuant to this Clause 27:
- (a) is without prejudice to any other provisions of this Agreement;
 - (b) shall not affect the accrued rights and liabilities of any of the parties to this Agreement;
 - (c) shall not affect any warranties, undertakings and indemnities given by the Client; and
 - (d) shall not affect any of the rights of the Company over any of the Client's property in the possession or control of the Company whether the same be held for safe custody, Margin or otherwise and whether pursuant to this Agreement or otherwise so long as there is any outstanding liability of the Client to the Company.
- 27.3 The Company may, at its absolute discretion and without giving reasons, suspend or terminate the Account(s) and at any time cease to act on the Client's behalf. Upon termination or suspension of the Account(s), all monies owing from the Client to the Company shall immediately become due and payable and the Client shall immediately repay such monies to the Company.
- 27.4 Termination of this Agreement shall not affect any action by the Company, or any of its agents or any third party permitted under this Agreement initiated prior to the date of termination or any indemnity or warranty given by the Client under this Agreement.

28 Compliance with Law

Nothing in this Agreement requires the Company to do or not do anything if it would or might in the Company's reasonable option constitute a breach of the Company's policy or any applicable law, including any relevant foreign law requirement or requirement of any applicable government authority.

29 Severability

- 29.1 To the extent permitted by law, the Client waives all rights conferred by law which are inconsistent with this Agreement.
- 29.2 If and to the extent that an applicable law is inconsistent with this Agreement in a way that would otherwise have the effect of making:
- (a) a provision of this Agreement illegal, void or unenforceable; or
 - (b) a provision of this Agreement contravene a requirement of that law or impose an obligation or liability which is prohibited by that law,

then the law overrides this Agreement to the extent of the inconsistency, and this Agreement is to be read as if that provision was varied to the extent necessary to comply with that law and avoid that effect (or, if necessary, omitted).

29.3 If any term of this Agreement is invalid, unenforceable or illegal in a jurisdiction, that term is read as varied or severed (as the case requires) only for that jurisdiction. All other terms continue to have effect in that jurisdiction.

30 Assignability

30.1 The provisions of this Agreement shall be binding on and enure to the benefit of the successors, assigns and personal representatives (where applicable) of each party hereto provided that the Client may not assign, transfer, charge or otherwise dispose of any of the Client's rights or obligations hereunder without the prior written consent of the Company.

30.2 The Company may assign all or a part only of its rights and obligations under this Agreement to any person without the prior consent or approval of the Client.

31 Third Party Rights

31.1 Subject to Clause 30, a person who is not a party to this Agreement has no right under the Contract (Rights of Third Parties) Ordinance of the laws of Hong Kong to enforce or to enjoy the benefit of any term of this Agreement.

31.2 The Agreement does not create or confer any rights or benefits enforceable by any person not a party to it except:

- (a) a Group Company may enforce any rights or benefits in this Agreement;
- (b) a Group Company may enforce the rights or benefits of any indemnity, limitation or exclusion of liability in this Agreement; and
- (c) a person who is a permitted successor or assignee of the rights or benefits of this Agreement may enforce those rights or benefits.

31.3 No consent from the persons referred to in this Clause is required for the parties to vary or rescind this Agreement (whether or not in a way that varies or extinguishes rights or benefits in favour of those third parties).

32 General

32.1 The Client hereby authorizes the Company to conduct a personal credit enquiry or check on the Client for the purpose of ascertaining the financial situation and investment objectives of the Client.

32.2 Nothing in this Agreement shall oblige the Company to disclose to the Client any fact or information which comes to its notice in the course of acting in any capacity for any other person or in its own capacity.

32.3 Whilst the Client expects the Company to keep confidential all matters relating to the Account(s), the Client hereby expressly agrees that the Company may, without further notification to or approval of the Client, if requested by the SEHK, HKSCC or any other regulatory authority or agency, to provide them with any information of the Client, the Account(s) or the Transaction(s) in order to assist in any investigation or enquiry they are undertaking.

32.4 Time shall in all respects be of the essence in the performance of the Client's obligations under this Agreement.

32.5 The Company's records shall, in the absence of manifest error, be conclusive, and binding on the Client as to the amount standing to the debit or credit of any of the Client's Account(s).

32.6 The failure of the Company to insist at any time on strict compliance with any of the terms or conditions of this Agreement or any continued course of such conduct on the part of the Company shall in no event constitute or be considered as a waiver by the Company of its powers, rights, remedies or privileges.

32.7 This Agreement and the documents referred herein constitute the entire agreement and supersede any previous agreement between the Client and the Company in relation to the subject matter of this Agreement.

32.8 The Client declares that he/she/it has read and agreed to the terms and conditions of this Agreement, which have been explained to him/her/it in a language that he/she/it understands. In the event of any difference in interpretation or meaning between the Chinese and English versions of this Agreement, the English version shall prevail.

32.9 If the Company fails to meet the Company's obligation to the Client pursuant to this Agreement and the Client thereby suffers a pecuniary loss, the Client shall have a right to claim under the Investor Compensation Fund which was set up under the investor compensation regime of the Securities and Futures Ordinance to make compensation to investors who suffer losses due to an intermediary default.

33 Third Party Authorization

If the Client gives written authorization to authorize third party to give instructions on the Client's behalf in relation to the Client's Account, the scope of authorization includes (a) buy/sell decision; (b) initial public offering subscription; and (c) payment to the designated bank account of the Client in the Company's record. The Client confirms that the Client is the ultimate beneficial owner of the Account. The Client confirms that the Client will not give any commission, rebate or other remuneration to the third party as a return of the Transaction(s) effected by the third party. The Client understands and is fully aware of the potential risk and the potential gain or loss arising from the third party's authorization. The Client agree to pay the Company any purchase price or other payment arising from any trading instructions given by the authorized person when due. The Client also undertakes that the Client agrees and undertakes to be responsible for all Transaction(s) effected via the Client's Account and the payments made to the designated bank account of the Client. The Client undertakes to inform the Company immediately with documentary evidence in case of any cancellation of this authorization or any change of the Client's Account in future and acknowledges that the Client will be responsible for any costs and losses therefrom incurred by the Client.

34 Governing Law

This Agreement and all rights, obligations and liabilities arising out of and in connection with it shall be governed by and construed in accordance with the laws of Hong Kong.

35 Jurisdiction

The method (1) described below be selected as the dispute resolution

- (1) The courts of Hong Kong have non-exclusive jurisdiction to resolve any dispute arising out of or in connection with this Agreement (including a dispute regarding the existence, validity or termination of this Agreement).
- (2) At the sole option of the Company and in its sole discretion, any dispute, controversy or claim arising out of or relating to this Agreement, or the breach, termination or invalidity thereof, shall be settled by arbitration in accordance with the China International Economic and Trade Arbitration Commission (CIETAC) Southwest Sub-Commission for arbitration which shall be conducted in accordance with the CIETAC's rules in effect at the time of applying for arbitration. The arbitral award is final and binding upon both parties.

ELECTRONIC TRADING SERVICE SUPPLEMENT

1 Definition

1.1 In this Supplement, unless otherwise required by the context, the following expressions shall have the following meanings:

“Access Codes” means together the Password and the Login Name (or any of them).

“Electronic Trading Service” means any facility provided by the Company which enables the Client to give electronic instruction(s) to purchase, sell and otherwise deal with securities and/or for effecting information services.

“Login Name” means the Client’s personal identification used in conjunction with the Password to gain access to the Electronic Trading Service and any other services offered by the Company.

“Password” means the Client’s personal password(s) used in conjunction with the Login Name to gain access to the Electronic Trading Service and any other services offered by the Company.

2 Application

This Supplement is supplemented to, and without prejudice to, the Margin Client’s Securities Trading Agreement and any applicable terms agreed between the Client and the Company. This Supplement applies at any time that the Client trade through the Electronic Trading Service.

3 Electronic Trading Service

3.1 The Company may provide the Client with Electronic Trading Service, and the Client hereby requests the provision of such service, upon the terms and conditions as embodied in the Agreement and this Supplement, as modified, amended or expanded by any notice, letter, publication or such other document as may be issued from time to time by the Company.

3.2 The Client may from time to time instruct the Company, acting as the Client’s agent, to deposit, purchase and/or sell securities for the Account(s) or otherwise deal with securities, receivables or monies on behalf of the Client through the Electronic Trading Service.

3.3 The Client agrees that the Client shall be the only authorized user of the Electronic Trading Service under the Agreement and this Supplement. The Client shall be wholly and solely responsible for the confidentiality security and use of the Access Code issued to the Client by the Company.

3.4 The Client acknowledges and agrees that the Client shall be wholly and solely responsible for all instruction(s) entered through the Electronic Trading Service.

3.5 The Client acknowledges that the Electronic Trading Service, the Company’s website, and the software comprised in them, are proprietary to the Company. The Client undertakes and warrants that the Client shall not, and shall not attempt to, tamper with, modify, decompile, reverse engineer, damage, destroy or otherwise alter in any way, and shall not attempt to gain unauthorized access to, any part of the Electronic Trading Service, the Company’s website, and any of the software comprised in them.

3.6 The Client agrees that the Company shall be entitled to close any or all of the Account(s) immediately without notice to the Client, and the Client acknowledges that the Company may take legal action against the Client, if the Client at any time breaches this Supplement or if the Company at any time reasonably suspects that the Client has breached the same. The Client undertakes to notify the Company immediately if the Client becomes aware that any of the actions described in this Supplement is being perpetrated by any other person.

3.7 As and when the Company allows the Client to open an Account electronically with the Company in addition to

completing and returning the Securities Account Opening Form, the Agreement and this Supplement through electronic means, the Client agrees, upon request of the Company, to return to the Company the hard copy of the Agreement and this Supplement (including the Securities Account Opening Form, applicable Risk Disclosure Statement and any authority given by the Client to the Company with respect to the Account(s)) duly completed and executed.

- 3.8 Unless otherwise agreed between the Company and the Client, the Company will not execute any trading orders of the Client until there are sufficient cleared funds, securities or other assets acceptable to the Company in the Client's Account(s) to settle the Client's Transactions and upon receipt of the documents as stated in Clause 3.7 above.
- 3.9 The Company will not be deemed to have received the Client's instruction(s) or have executed the Client's orders unless and until the Client is in receipt of the Company's message acknowledging receipt or confirming execution of the Client's orders, either electronically or by hard copy.
- 3.10 The Client acknowledges and agrees that, as a condition of using the Electronic Trading Service to give instruction(s), the Client shall immediately notify the Company if:
- (a) an instruction has been placed through the Electronic Trading Service and the Client has not received an instruction number or has not received an accurate acknowledgement of the instruction(s) or of its execution (whether by hard copy, electronic or verbal means);
 - (b) the Client has received acknowledgement (whether by hard copy, electronic or verbal means) of a Transaction which the Client did not instruct or any similar conflict;
 - (c) the Client becomes aware of any of the acts stated in Clause 3.6 being done or attempted by any person;
 - (d) the Client becomes aware of any unauthorized use of the Client's Access Codes; or
 - (e) the Client has difficulties with regard to the use of the Electronic Trading Service.
- 3.11 The Client agrees to review every order before entering it as it may not be possible to cancel the Client's instruction(s) once given;
- 3.12 The Client agrees that the Company shall not be liable for any loss or damage the Client or any other person may suffer as a result of using or attempting to use the Electronic Trading Service unless such loss or damage are caused by fraud, wilful default or gross negligence on the part of the Company. The Client further undertakes to indemnify the Company, on a full indemnity basis, on demand, for any loss the Company may suffer as a result of the use of the Electronic Trading Service, except to the extent that such loss is outside the Client's control.
- 3.13 The Client acknowledges and agrees that if the mode of communication used by the Client in the course of the Electronic Trading Service becomes temporarily unavailable, the Client can during such period continue to operate the relevant Account(s) subject to the right of the Company to obtain such information regarding the verification of the Client's identity as it may from time to time think fit.
- 3.14 The Client acknowledges that relevant exchanges and certain associations may assert proprietary interests and rights over all market data they furnish to parties who disseminate such data and agrees not to do any act which would constitute any infringement or encroachment of such rights or interests. The Client also understands that the Company does not guarantee the timeliness, sequence, accuracy or completeness of market data or any market information (including any information provided to the Client through the Electronic Trading Service). The Company shall not be liable in any way for any loss arising from or caused by (a) any inaccuracy, error in or omission from any such data, information or message; (b) any delay in the transmission or delivery thereof; (c) any suspension or congestion in communication; (d) any unavailability or interruption of any such data, message or information whether due to any act of the Company; or (e) by any forces beyond the control of the Company.

STOCK CONNECT SECURITIES TRADING SERVICES SUPPLEMENT

1 Definition and Interpretation

1.1 Unless otherwise defined below, terms defined in the Margin Client's Securities Trading Agreement shall have the same meaning in the Supplement.

1.2 In this Supplement, unless the context otherwise requires, the following expressions shall have the following meanings:

"Applicable Requirements" means the relevant laws, rules, regulations, policies, interpretations, guidelines, requirements and other regulatory documents promulgated by relevant governmental or regulatory bodies of Hong Kong and Mainland China from time to time including the Stock Connect Rules and any other relevant requirements and/or restrictions of any governmental or regulatory body, exchange or clearing house as may be published and/or amended from time to time.

"A Shares" means the shares of Mainland China-incorporated companies which are accepted for listing and admitting to trading on the stock exchange of Mainland China from time to time.

"BCAN" means the Broker-to-Client Assigned Number which is a unique and confidential number assigned by the Company to a Client in respect of Northbound Trading.

"BCAN-CID Submission Deadline" means the deadline for the Company to submit the BCAN and Client Identification Data mapping files to the SEHK as notified by the SEHK or other Stock Connect Authorities from time to time.

"Cash" means all cash or cash equivalents in Offshore RMB received and held by the Company based on the terms of this Supplement.

"CCASS" means the Central Clearing and Settlement System operated by HKSCC for the clearing of securities listed or traded on SEHK and/or any system established for the purpose of Stock Connect.

"CCASS Rules" means the general rules of CCASS as amended, supplemented, modified and/or varied from time to time.

"ChinaClear" means China Securities Depository and Clearing Corporation Limited.

"China Connect Market" means SSE or SZSE as applicable.

"China Connect Market Operator" means SSE or SZSE as applicable.

"China Connect Securities" means any securities listed on a China Connect Market which are from time to time accepted as eligible stocks for trading by Hong Kong and overseas investors under Stock Connect. Unless the context requires otherwise, "China Connect Securities" includes "Special China Connect Securities".

"ChiNext Shares" means any securities accepted for listing and admitted to trading on the SZSE ChiNext from time to time.

"Circuit Breaker" means any measures that may be imposed or activated by a China Connect Market Operator on the relevant China Connect Market in accordance with the Circuit Breaker Provisions.

"Circuit Breaker Provisions" means the relevant provisions in the Operator Rules under which Circuit Breaker may be imposed for the purpose of, among others, minimizing or averting substantial upward or downward price movements of securities traded on the relevant China Connect Market including all related provisions on the application and lifting of the Circuit Breaker.

"Client Identification Data" ("CID") includes the following information:

- (a) with respect to an individual Client, name (the Client's full name on the identity document ("ID")), ID issuing country (the issuing country or jurisdiction of the individual's identity document), ID type (i.e. ID Card, passport or any other official identity document), ID number (the unique number on the identity document) and such other information as requested by SEHK and other Stock Connect Authorities from time to time; and
- (b) with respect to an institutional or corporate Client, name (the entity's name as shown on the certificate of incorporation or Legal Entity Identifier ("LEI")), place of incorporation, ID type (certificate of incorporation or LEI), ID number (certificate number or LEI), and such other information as requested by SEHK and other Stock

Connect Authorities from time to time.

“Costs” includes costs, charges and expenses, including those in connection with the provision of legal advice.

“CSRC” means the China Securities Regulatory Commission of Mainland China.

“HKEx” means the Hong Kong Exchanges and Clearing Limited.

“Institutional Professional Investor” means a “professional investor” with the meaning of paragraph (a), (b), (c), (d), (e), (f), (g), (h) or (i) of the definition of “professional investor” in section 1 of Part 1 of Schedule 1 to the SFO.

“Investor ID Model Effective Date” means the date that the Northbound Trading investor identification (“Investor ID”) model launches as notified by the SEHK or other Stock Connect Authorities on the HKEx website or the SFC website.

“Loss” includes any loss, damage, demand, claims, liabilities and Costs of any kind.

“Mainland China” means, for the purpose of this Supplement, the People’s Republic of China other than Hong Kong, Macau and Taiwan.

“Northbound Trading” means the trading of China Connect Securities by Hong Kong and overseas investors through Stock Connect.

“Offshore RMB” means RMB available for general exchange market transactions outside Mainland China.

“Operator China Connect Rules” means the SSE China Connect Rules or the SZSE China Connect Rules as applicable.

“Operator Listing Rules” means the SSE Listing Rules or the SZSE Listing Rules as applicable.

“Operator Rules” means the SSE Rules or the SZSE Rules as applicable.

“RMB” means Renminbi, the lawful currency of the People’s Republic of China.

“SAFE” means the State Administration of Foreign Exchange of Mainland China.

“SEHK” means The Stock Exchange of Hong Kong Limited.

“SFC” means the Securities and Futures Commission.

“Shanghai-Hong Kong Stock Connect” means the securities trading and clearing links programme developed by the SEHK, SSE, HKSCC and ChinaClear for the establishment of mutual market access between the SEHK and the SSE.

“Shenzhen-Hong Kong Stock Connect” means the securities trading and clearing links programme developed by the SEHK, SZSE, HKSCC and ChinaClear for the establishment of mutual market access between the SEHK and SZSE.

“Short Selling”, means the sale of China Connect Securities, which are from time to time included in the list of eligible China Connect Market securities for short selling published by the SEHK from time to time, in respect of which the Client has a presently exercisable and unconditional right to vest such securities in the purchaser by virtue of having borrowed such securities under a Stock Borrowing and Lending Arrangement.

“Special China Connect Securities” means any securities listed on a stock market in Mainland China acceptable to SEHK which are from time to time accepted as eligible stocks for sale only but not for purchase by Hong Kong and overseas investors under Stock Connect.

“Special Segregated Account” has the meaning set out in CCASS Rules.

“SPSA Order” means Stock Connect sale order for the sale of China Connect Securities held in a Special Segregated Account.

“SSE” means the Shanghai Stock Exchange.

“SSE China Connect Rules” means the SSE Regulations on the Shanghai-Hong Kong Stock Connect which have been published by SSE for the purposes of implementing Shanghai-Hong Kong Stock Connect, as amended, supplemented,

modified and/or varied from time to time.

“SSE Listing Rules” means the Rules Governing the Listing of Stocks on Shanghai Stock Exchange as amended, supplemented, modified and/or varied from time to time.

“SSE Rules” means the SSE China Connect Rules and the business and trading rules and regulations of SSE as amended, supplemented, modified and/or varied from time to time.

“STAR Shares” means A Shares accepted for listing and admitted to trading on the Sci-Tech Innovation Board of the Shanghai Stock Exchange from time to time.

“Stock Borrowing and Lending Agreement” has the meaning as set out in the Stock Connect Rules.

“Stock Connect” means Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect, or such other securities trading and clearing links programme developed or to be developed between SEHK and a trading platform in Mainland China as applicable.

“Stock Connect Authorities” means the exchanges, clearing systems, and regulators which provide services and/or regulate Stock Connect and activities relating to Stock Connect, including the Hong Kong Monetary Authority, SFC, SEHK (and its relevant subsidiary), HKSCC, the People’s Bank of China, CSRC, SAFE, China Connect Market Operators, ChinaClear and any other regulator, agency or authority with jurisdiction or responsibility in respect of Stock Connect.

“Stock Connect Rules” means, in the context of Stock Connect, any laws, rules, regulations, policies, interpretations, guidelines, requirements or other regulatory documents promulgated, published or applied by any Stock Connect Authority in relation to the relevant market from time to time in respect of Stock Connect or any activities arising from Stock Connect.

“Supplement” means this Stock Connect Securities Trading Services Supplement to the Margin Client’s Securities Trading Agreement.

“SZSE” means the Shenzhen Stock Exchange.

“SZSE China Connect Rules” means the rules and regulations on Shenzhen-Hong Kong Stock Connect which have been published by SZSE for the purposes of implementing Shenzhen-Hong Kong Stock Connect, as amended, supplemented, modified and/or varied from time to time.

“SZSE Listing Rules” means the Rules Governing the Listing of Stocks on Shenzhen Stock Exchange as amended, supplemented, modified and/or varied from time to time.

“SZSE Rules” means the SSE China Connect Rules and the business and trading rules and regulations of SZSE as amended, supplemented, modified and/or varied from time to time.

“Taxes” means any present or future taxes, levies, imports, duties, fees, assessments or other charges of whatever nature, imposed by any government department, taxing authority, regulatory body, agency and/or other political subdivision in Hong Kong and/or any place in the world, and all interest, penalties, fines, expenses or similar liabilities with respect thereto.

“Trading Day” means a day on which trading is concluded through the system for receiving and routing Northbound Trading orders on SEHK.

“Uptick Long Sale” means:

- (a) the Client places a sell order with the Company for China Connect Securities which is not Short Selling order;
- (b) the Client has borrowed other shares of that China Connect Security pursuant to a Stock Borrowing and Lending Arrangement and such shares are not subject to the sell order referred to in (a);
- (c) the Client has not returned all of the shares that the Client has borrowed under the Stock Borrowing and Lending Arrangement; and
- (d) the price requirements set out in the Stock Connect Rules relating to Short Selling apply to the sell order.

This Supplement is supplemental to, and without prejudice to, the Margin Client's Securities Trading Agreement and any applicable terms agreed between the Client and the Company. This Supplement applies at any time that the Client trades China Connect Securities under Stock Connect through the Company. In the event of any inconsistency between this Supplement and the Margin Client's Securities Trading Agreement, this Supplement prevails in relation to the trading of China Connect Securities through China Connect.

3 Eligible Investors

The Client acknowledges that Northbound Trading is available only to Hong Kong and overseas investors and represents and undertakes on a continuing basis that:

- (a) the Client is not a legal entity incorporated or registered in Mainland China;
- (b) the Client will use assets located outside of Mainland China only for its investments through Northbound Trading;
- (c) unless the Client is an Institutional Professional Investor and such status has been confirmed by the Company, the Client will not place any order or give any instruction to buy or sell ChiNext Shares and/or STAR Shares under Stock Connect on behalf of such client (other than Special China Connect Securities which are eligible for sell orders only); and
- (d) in the case where the Client is acting as agent on behalf of his/her/its client, the Client will not place any order or give any instruction to buy or sell ChiNext Shares and/or STAR Shares under Stock Connect on behalf of such client (other than Special China Connect Securities which are eligible for sell orders only), unless the Client is reasonably satisfied that such client is an Institutional Professional Investor.

4 Compliance with Applicable Requirements

4.1 Trading in any China Connect Securities is subject to the Applicable Requirements.

4.2 The Company is not obliged to act until it has received all necessary instruction(s), funds, property and documents, but the Company may do so. If the Company does so, it has the right to apply any procedures or requirements in respect of any trading of China Connect Securities through Stock Connect which it determines in its discretion to be necessary or desirable for the purpose of complying with any Applicable Requirements, its policies and/or market practice. The Company's rights will not be affected if the Company does not do so or as a consequence of anything done or omitted to be done by it acting in good faith.

4.3 The Company may, in its discretion, refuse to execute any instruction(s) provided by the Client, if such instruction(s) is not, or the Company reasonably believes it may not be, in compliance with any Applicable Requirements or its policies. The Company is not liable for any Loss incurred by the Client which may result directly or indirectly from such refusal.

5 Placing Orders

5.1 The Company only accepts orders for Northbound Trading that comply with the Applicable Requirements. The Company is not liable for any Loss that the Client may suffer as a result of any attempt by the Client to place an order for Northbound Trading that does not comply with any Applicable Requirements.

5.2 The Company will not accept any Northbound buy order for ChiNext Shares and/or STAR Shares unless it determines in its absolute discretion that the Client is an Institutional Professional Investor.

6 Enhanced Pre-Trade Checking

6.1 To the extent that the Client instructs the Company to execute an SPSA Order on behalf of the Client, the provisions set out in this Clause 6 apply.

6.2 Prior to instructing the Company to execute any SPSA Order, the Client will provide to the Company all information or document in the manner as may be required by the Company from time to time in order for the Company to place an SPSA Order on behalf of the Client.

6.3 The Client authorizes, and the Client has appropriate arrangements in place to authorize, the reproduction, replication and transmission of the stock holding records of the Special Segregated Account at any time for the purpose of enabling SEHK and its subsidiaries to carry out their pre-trade checking procedures.

6.4 In the event that:

- (a) the Client instructs the Company to execute an SPSA Order on behalf of the Client and an investor identification number other than the Client's investor identification number is used to execute such order, the Client acknowledges

and confirms that the Company may settle such SPSA Order using China Connect Securities from the Special Segregated Account pursuant to the Client's original instructions; or

- (b) the Client's investor identification number is used by the Company to execute an SPSA order on behalf of another client of the Company, the Client acknowledges and confirms that the Company may settle such SPSA Order using China Connect Securities from the Special Segregated Account of such client pursuant to that client's original instruction(s).

6.5 The Client represents and undertakes on a continuing basis, including at each time that the Client places an SPSA Order, or otherwise give an instruction, in respect of the China Connect Securities held in a Special Segregated Account, that in respect of any SPSA Order which the Client instructs the Company to execute, at all relevant times:

- (a) the Client has been designated such Special Segregated Account and CCASS has assigned the investor identification number to such Special Segregated Account that the Client has provided to the Company in respect to any such SPSA Order, in such case in accordance with the CCASS Rules and any applicable Stock Connect Rules;
- (b) the Client unconditionally authorizes the Company to execute the sale of the relevant China Connect Securities in the specified Special Segregated Account on behalf of the Client;
- (c) (i) there are, and will be, sufficient China Connect Securities in the Special Segregated Account for the Client to settle the delivery obligations in respect of such SPSA Order on the settlement day as required under the Stock Connect Rules; and
(ii) the Client will ensure that the China Connect Securities that are the subject of the SPSA Order will be delivered to the Company or to the account specified by the Company no later than the cut-off time for delivery as may be specified by the Company from time to time or, if earlier, as may be specified by any relevant Stock Connect Authority, on the settlement day specified by the Company and in compliance with any other requirements for settlement which may be specified by the Company to the Client or the Client's agent for settlement from time to time;
- (d) the total number of China Connect Securities subject to SPSA Orders, in respect of China Connect Securities in that Special Segregated Account on any relevant Trading Day will not exceed the total stock holding position in respect of the same China Connect Security as shown against the investor identification number for the relevant Special Segregated Account (i) immediately before the commencement of operation of Stock Connect on that Trading Day or (ii) as at such other time as may be specified by the Company or any relevant Stock Connect Authority from time to time;
- (e) to the extent that (i) the Client is a fund manager and (ii) the Client aggregates SPSA Orders across more than one Special Segregated Account (whether they are maintained with one or more custodian participant registered pursuant to the CCASS Rules), (i) the Client has authority from all relevant parties (including the relevant funds or sub-funds) so to aggregate such SPSA Orders and allocate China Connect Securities across such Special Segregated Accounts at the Client's discretion; and (ii) any such actions taken or to be taken comply with all Applicable Requirements and do not involve any misappropriation of client assets;
- (f) the relevant number of China Connect Securities recorded in the relevant Special Segregated Account will be used by the Client for stock settlement of such SPSA Order in accordance with the CCASS Rules and any other relevant Stock Connect Rules; and
- (g) to the extent that at SPSA order is a Short Selling order, the borrowed Short Selling Securities are held in the relevant Special Segregated Account and the order is in compliance with (i) the China Connect Rules applicable to any SPSA order and (ii) the obligations set out herein.

6.6 The Client must immediately inform the Company if any of the representations set out above in this Clause 6 are no longer correct or have become misleading or the Client has not complied, or will not comply, with any of the obligations under this Supplement or under the Stock Connect Rules in a way which may affect the ability of the Company to execute an SPSA Order in compliance with the Stock Connect Rules.

6.7 In the event that there is a breach of any of the terms of this Clause 6 which results in a failure by the Company to deliver any China Connect Securities held in the relevant Special Segregated Account to CCASS in respect of any SPSA Order as required by the Stock Connect Rules:

- (a) the Client acknowledges that the Company is entitled to inform HKSCC that the failure to deliver was the result of the failure to deliver from a Special Segregated Account and, as a consequence, any overdue short stock position quantities will be deducted from the sellable balances of the relevant Special Segregated Account; and
- (b) the Client agrees to provide any information or any other assistance as may be required by the Company to ensure that SEHK and/or HKSCC is satisfied that the overdue short stock position was a result of a failure to deliver the China Connect Securities from a Special Segregated Account.

7 Settlement, Currency Conversion and Instructions

7.1 Northbound Trading is traded and settled in RMB. If the Client does not have sufficient Offshore RMB in the Account(s)

for any purchase order of China Connect Securities through Northbound Trading or other payment obligation in connection with Stock Connect, the Client authorizes the Company to convert any funds in another currency in any Account(s) into Offshore RMB for the purposes of settlement in connection with Stock Connect. However, if there are no such funds (or all or any part of such funds cannot be converted into sufficient Offshore RMB) before any such settlement, settlement may be delayed and/or fail and the Client may not be able to purchase or transfer the relevant China Connect Securities.

- 7.2 Notwithstanding any other provision in the Margin Client's Securities Trading Agreement, where it is necessary to convert one currency to another pursuant to, in relation to or arising from this Supplement, such currency conversion may be carried out automatically by the Company in good faith at a rate the Company reasonably considers appropriate without prior notice to the Client. The Client indemnifies the Company for any shortfall arising from any such conversion.
- 7.3 The Client waives any of his/her/its right in any jurisdiction to pay any amount other than in the currency in which it is due. If the Company receives an amount in a currency other than that in which it is due:
- (a) the Company may convert the amount into the due currency on the date and at rates the Company reasonably considers appropriate without prior notice to the Client. The Company may deduct its costs incurred in the conversion; and
 - (b) the Client satisfies his/her/its obligations to pay in the due currency only to the extent of the amount of the due currency obtained from the conversion after deducting the costs of the conversion.
- 7.4 The Client must comply with all applicable exchange control laws and requirements in connection with this Supplement and Northbound Trading.
- 7.5 The Company may in its discretion reject the Client's sell order if the Company considers that the Client does not have sufficient available China Connect Securities in the Account(s) by the applicable cut-off time (as notified to the Client by the Company from time to time) or if for any other reason the Company considers that there is or may be non-compliance with any Applicable Requirement. The Client has to indemnify the Company for any Loss incurred in connection with any non-compliance or potential non-compliance with pre-trade checking and/or any Applicable Requirement.
- 7.6 The Company may reject the Client's purchase order or sell order upon a request from SEHK, a China Connect Market Operator, or other Stock Connect Authorities. The Company is not liable for any Loss incurred by the Client in connection with any such request from SEHK, the China Connect Market Operator, or other Stock Connect Authorities.
- 7.7 If the Company is unable to effect an order cancellation request received from the Client due to the occurrence of a contingency (such as a breakdown or failure of all communication links between SEHK and a China Connect Market Operator), the Client shall remain liable for his/her/its settlement obligations if the relevant order has already been matched and executed.
- 7.8 The Company is not liable for any Loss incurred by the Client in connection with any trading based on the Client's instructions. The Company is not able to unwind any trade, and the Client should also take note of the settlement arrangements in respect of China Connect Securities under Stock Connect, the pre-trade checking requirement and the restriction on day (turnaround) trading which may affect the Client's ability to mitigate the consequences of his/her/its own error trades.

8 Authority to Sell

- 8.1 The Client authorizes the Company to sell or arrange for the sale of any quantity of China Connect Securities held on the Client's behalf at such price and on such terms as the Company may determine in its absolute discretion if:
- (a) the Company receives an instruction directly or indirectly from a China Connect Market Operator or other Stock Connect Authority requiring the Client to sell and liquidate any specified China Connect Securities;
 - (b) the Company is of the view that the Client is in breach or may be in breach of any Applicable Requirements; or
 - (c) the Company has held on the Client's behalf such China Connect Securities for a period longer than the Company's prescribed period as notified to the Client from time to time.

9 Limitation of Liability and Indemnity

- 9.1 Unless an Applicable Requirement prohibits the Company from excluding or limiting its liability or where the Loss is directly caused by the Company's gross negligence, fraud or wilful misconduct, the Company is not liable for any Loss incurred in connection with this Supplement or any Northbound Trading (including in connection with the provision, unavailability or improper functioning of any Stock Connect related services, delay or error in the transmission of any

electronic payment transfer, failure or delay in the execution of any instruction, breakdown or failure of any communications system, delay in providing funds to the Client, or any other thing the Company does or does not do). This applies where the Loss arises for any reason and even if the Loss was reasonably foreseeable or the Company had been advised of the possibility of the Loss.

- 9.2 To the maximum extent permitted by the Applicable Requirements, the Client indemnifies the Company against, and must pay the Company on demand for, any Loss the Company reasonably incurs in connection with all proceedings and/or Taxes howsoever arising, directly or indirectly, out of or resulting from the Client's trading of China Connect Securities pursuant to Stock Connect.
- 9.3 For the avoidance of doubt, this Clause 9 is in addition to Clause 21 (Liabilities and Indemnities) of the Margin Client's Securities Trading Agreement and any other exclusions or limitations of the Company's liabilities and indemnities set out in this Supplement, the Margin Client's Securities Trading Agreement, or otherwise.

10 Miscellaneous

- 10.1 The Client agrees to execute any further documents and provide any materials and/or information as the Company may reasonably request to enable the Company to perform its duties and obligations under this Supplement which may become necessary as and when the Stock Connect Rules are updated, amended and/or replaced from time to time. The Client's failure to comply with this provision may result in a suspension of Stock Connect services to the Client.
- 10.2 Without prejudice to the Margin Client's Securities Trading Agreement, the Client acknowledges that the Company may use any such materials and/or information received from the Client for compliance with the Applicable Requirements and may retain any such materials and/or information received from the Client for such period as it deems appropriate pursuant to the Applicable Requirements.
- 10.3 The Company reserves the right to vary any of the terms of this Supplement by written notice to the Client in accordance with Clause 23 (Amendment and Waiver) of the Margin Client's Securities Trading Agreement.
- 10.4 Save for Clause 9 above, this Supplement automatically terminates upon the termination of the Margin Client's Securities Trading Agreement.
- 10.5 This Supplement and all Transactions in relation to Stock Connect with the Client are, unless otherwise agreed, governed by the laws of Hong Kong. The Client agrees to submit to the non-exclusive jurisdiction of the Hong Kong courts.

11 Risk Disclosures and Acknowledgement

- 11.1 The Client acknowledges that he/she/it has read and understands the risk disclosures and other information set out in the Stock Connect Risk Disclosure and Other Information Supplement and that the Client understands his/her/its obligations set out in this Supplement and the Stock Connect Risk Disclosure and Other Information Supplement.
- 11.2 The Client acknowledges that he/she/it understands and has assessed the risks relating to Stock Connect (including but not limited to those as set out in the Stock Connect Risk Disclosure and Other Information Supplement) and the Client is willing to undertake those risks.
- 11.3 The Client acknowledges that the Company is not liable for any Loss the Client may suffer as a result of the materialization of any of the risks described in the Stock Connect Risk Disclosure and Other Information Supplement or other risks relating to trading under Stock Connect.
- 11.4 The Client acknowledges that he/she/it must comply with all Applicable Requirements applicable to his/her/its trading of China Connect Securities through Stock Connect. In particular, the Client acknowledges that among other things, the following in respect of Northbound Trading:
- (a) no day trading is allowed (i.e. China Connect Securities purchased on a Trading Day shall not be sold on the same day);
 - (b) unless an SPSA Order arrangement is in place, pre-trade checking is in place so that the Client must have his/her/its China Connect Securities transferred to the Company's corresponding CCASS account before trading commences on a Trading Day if he/she/it intends to sell those China Connect Securities during that Trading Day;
 - (c) all trading must be conducted on a China Connect Market, i.e. no over-the-counter or manual trades are allowed;
 - (d) naked short selling is not allowed;
 - (e) foreign trade ownership limits (including the individual shareholding limit and the aggregate shareholding limit which are applicable to foreign investors and the forced-sale arrangement are in place, and the Company shall have

- the right to sell the Client's shares upon receiving any forced-sale notification from HKEx. The Client shall not in any event claim against the Company for any losses or damages incurred by the Client arising from or in connection with such foreign ownership limit;
- (f) the Client should understand fully the Applicable Requirements in relation to "short swing profits" and his/her/its disclosure obligations (including, but not limited to, the shareholding disclosure requirement (currently at 5%) applicable to persons who invest in A Shares under the applicable laws of Mainland China), and he/she/it should follow such rules and regulations accordingly;
 - (g) the Company shall have the right to cancel the Client's orders in case of contingency, such as when a Typhoon Signal No.8 or above is hoisted in Hong Kong. The Client shall not in any event claim against the Company for any losses or damages incurred by him/her/it arising from or in connection with such cancellation;
 - (h) the Company may not be able to send in a Client's request to cancel an order in case of contingency, such as when HKEx loses all its communication lines with a China Connect Market Operator, and the Client should still be liable for the settlement obligations if the orders are matched and executed;
 - (i) the Client must comply with the Operator Rules and other applicable laws of Mainland China relating to Northbound Trading;
 - (j) the Company is entitled to provide information regarding the Client's identity or such other information (including the Client's personal data and trading activities) to SEHK or its subsidiary which may disclose, transfer and provide such information to a Stock Connect Authority for the purposes of assisting in any surveillance and investigation by a Stock Connect Authority;
 - (k) if the Operator Rules are breached, or the disclosure and other obligations referred to in the Operator Listing Rules or Operator Rules are breached, the relevant China Connect Market Operator may have the power to carry out an investigation, and the relevant China Connect Market Operator may, through HKEx or its subsidiaries, require the Company to provide relevant information and materials and to assist in its investigation. The Client shall authorize and fully cooperate with the Company to provide such information and materials;
 - (l) HKEx or its subsidiary may upon a China Connect Market Operator's request, require the Company to reject orders from the Client and the Client shall not in any event claim against the Company for any losses or damages incurred by the Client arising from or in connection with such rejection;
 - (m) the Client needs to accept all the risks relating to Northbound Trading, including, but not limited to, the risks disclosed in the Stock Connect Risk Disclosure and Other Information Supplement of these Terms;
 - (n) a China Connect Market Operator may request HKEx or its subsidiaries to require the Company to issue warning statements (verbally or in writing) to the Client, and not to extend Northbound Trading services to the Client. The Client shall not in any event claim against the Company for any losses or damages incurred by the Client arising from or in connection with such non-extension;
 - (o) HKEx and its subsidiaries, the China Connect Market Operators and their subsidiaries, and any Stock Connect Authorities and their respective directors, employees and agents shall not be responsible or held liable for any losses or damages directly or indirectly incurred by the Client or any third parties arising from or in connection with Northbound Trading, or arising from or in connection with the China Connect Market Operator making, amending or enforcing the relevant Operator Rules, or any action taken by it in the discharge of its supervisory functions or regulatory obligations; and
 - (p) the imposition of a Circuit Breaker by a China Connect Market Operator on any trading day of the relevant China Connect Market will result in suspension of trade execution on the relevant China Connect Market.

11.5 The Client acknowledges and accepts that:

- (a) this Supplement does not purport to disclose all the risks or other material considerations in connection with Northbound Trading or securities Transactions in general;
- (b) this Supplement does not modify any Applicable Requirements (except to the extent set out in this Supplement and permitted under the Applicable Requirements);
- (c) SEHK has the power not to extend any service relating to trading China Connect Securities through Stock Connect to the Client and the power to require the Company not to accept instruction(s) from the Client if it is found that the Client, the Company and/or any of the Company's clients has or may have committed any abnormal trading conduct set out in the Stock Connect Rules or failed to comply with any Stock Connect Rules;
- (d) the relevant China Connect Market Operator has the power to carry out investigations, and may, through SEHK (or any other governmental or regulatory body), require the Company and/or any of the Group Company to provide relevant information and materials relating to the Client including, without limitation, in relation to the identity, personal data, and trading activity of the Client; and assist in a Stock Connect Authority's investigation in relation to the Client and/or the Client's trading activity;
- (e) where a Stock Connect Authority considers that there is a serious breach of the Applicable Requirements, the Company and/or any of the Group Company may be required by a Stock Connect Authority to (i) issue warning statements (verbally or in writing) to the Client; and (ii) cease providing the Client with any service relating to trading China Connect Securities through Stock Connect;
- (f) this Supplement does not constitute any business, legal, tax or accounting advice and that the Client should seek

- independent professional advice and undertake his/her/its own research and assessment before entering into any Transaction through Stock Connect; and
- (g) the Client should refrain from entering into any Transaction through Stock Connect unless he/she/it has fully understood the terms and risks of the relevant Transaction, including the extent of his/her/its potential risk of loss.

12 Investor ID Model for Northbound Trading

- 12.1 This Clause 12 applies at any time that the Client trades China Connect Securities under Stock Connect through the Company from the Investor ID Model Effective Date.
- 12.2 The Client agrees to provide the updated Client Identification Data to the Company. If there are any changes to the CID after its provision, the Client shall inform the Company as soon as possible.
- 12.3 The Client acknowledges that a BCAN will be assigned to the Client to map his/her/its CID by the Company. If the Client holds any joint account with any other Client of the Company, the Client acknowledges that the Company will assign a separate BCAN to such joint account, and the CID of both the Client and the joint holder(s) should be provided under the BCAN for such joint account.
- 12.4 The Client represents and undertakes on a continuing basis, including at each time that the Client places an order, or otherwise gives an instruction, in respect of the China Connect Securities, that the CID provided to the Company is accurate and up-to-date.
- 12.5 The Client authorizes and consents, and the Client has appropriate arrangements in place to authorize and consent,
- (a) the Company to collect, store, use, disclose, and transfer his/her/its CID and/or BCAN(s) to SEHK or other Stock Connect Authorities, and to tag his/her/its BCAN(s) in the Northbound Trading orders submitted or routed to SEHK or other Stock Connect Authorities;
 - (b) the SEHK to collect, store, use, disclose and transfer such Client Identification Data and/or BCAN to China Connect Market Operators (directly or through ChinaClear) or other Stock Connect Authorities for Northbound Trading, and to disclose to the relevant regulators and law enforcement agencies in Hong Kong; and
 - (c) the ChinaClear and the China Connect Market Operators to collect, store, use, disclose and transfer such Client Identification Data and/or BCAN to other Stock Connect Authorities, and to disclose to the relevant regulators and law enforcement agencies in Mainland China.
- 12.6 The Client acknowledges that:
- (a) Notwithstanding that the Client has submitted its updated CID, a trade order of the Client may still be rejected if the CID provided by the Client and BCAN have not yet been submitted to and/or approved by SEHK, the China Connect Market Operator or other Stock Connect Authorities at the time of such trade order, and the Company shall not be liable to the Client for any failure or delay in submitting such CID and BCAN to SEHK, the China Connect Market Operator or other Stock Connect Authorities;
 - (b) If the CID and BCAN mapping information fails to pass the relevant validation check by SEHK, the China Connect Market Operator or other Stock Connect Authorities, all the trade orders of the Client will be rejected;
 - (c) If the Client is an individual, and does not provide the necessary consents and authorizations (both written and prescribed) in relation to the collection, storage, use, disclosure and transfer of his/her CID and/or BCAN or the Client's BCAN or BCAN-CID mapping are otherwise invalid or deficient, the Company may, in its own discretion, place Northbound Trading sell orders on behalf of the Client in relation to such BCAN, but no Northbound Trading buy order is allowed in relation to such BCAN, and the Company may,
 - (i) request the Client to confirm that he/she has not otherwise provided such consent to other brokers for Northbound Trading;
 - (ii) conduct appropriate due diligence on the Client to ensure that he/she is not abusing the Northbound Trading sell order exception mentioned in this paragraph, and the Client agrees to cooperate with any due diligence; or
 - (iii) refuse to place any further Northbound Trading orders for the Client until the Client provides the necessary consents or authorizations; and
 - (d) If abnormal trading activities are identified in respect of the Client by the China Connect Market Operators (via CID and BCAN), the China Connect Market Operators may in its discretion suspend trading by the Client or take such other actions as permitted by Stock Connect Rules, any applicable regulations and laws against the Client.
 - (e) The Company is not liable for any Loss incurred by the Client in connection with any trading based on the Client's instructions. The Company is not able to unwind any trade, and the Client should also take note of the settlement arrangements in respect of China Connect Securities under Stock Connect, the pre-trade checking requirement and the restriction on day (turnaround) trading which may affect the Client's ability to mitigate the consequences of his

own error trades.

12.7 In connection with Clauses 12.5 and 12.6 above, the Client agrees and acknowledges that:

- (a) If the CID and BCAN mapping information fails to pass the relevant validation check by SEHK, the China Connect Market Operator or other Stock Connect Authorities, or SEHK, the China Connect Market Operator or other Stock Connect Authorities rejects the Client's Northbound Trading orders due to such failure or any other reason:
 - (i) the Company has no obligation, liability or whatsoever, to provide any explanation or reason for such failure or rejection to the Client;
 - (ii) subject to the Applicable Requirements or notification from the SEHK, the China Connect Market Operator or other Stock Connect Authorities, the Company may deliver the failure or rejection message to the Client or follow up with the Client in relation to such failure or rejection in such manner and at such time as it deems appropriate;
- (b) The Company is not liable for any Loss incurred by the Client in connection with any such action taken by SEHK, the Stock Connect Market Operator, or other Stock Connect Authorities;
- (c) The Company is not liable for any Loss incurred in connection with this Supplement or any Northbound Trading with respect to any force majeure, the provision, unavailability, technical error or improper functioning of any Stock Connect related services, delay or error in the transmission of any information (including the BCAN and/or CID), failure or delay in the execution of any instruction(s), breakdown or failure of any communications system or payment system; and
- (d) The Client indemnifies the Company for any Loss incurred in connection with any non-compliance or potential non-compliance with any Applicable Requirements.

12.8 If the Client is an exchange participant of the SEHK conducting the Northbound Trading through the Company, the Client agrees and acknowledges that:

- (a) The Client shall follow the rules and requirements and implement adequate policies and procedures in connection with the BCAN and CID, including but not limited to, assigning a BCAN to its clients within the BCAN range designated by the Company ("Designated Range");
- (b) With respect to any Northbound Trading orders from the Client, (i) in the case where the Client is placing Northbound Trading orders for its clients, the Client shall provide the Company with the BCAN assigned by the Client to its clients (which should be within the Designated Range) (the "Indirect Client BCAN"), and the Company will tag such Northbound Trading order with the Indirect Client BCAN, or (ii) in the case where the Client is placing Northbound Trading orders for itself, the Company will tag such Northbound Trading orders with the Client's BCAN assigned by the Company; and
- (c) The Client shall include related or similar acknowledgements and statements contained herein into its Stock Connect business terms with its clients, in particular, in regard of paragraph (b) above, the Client shall obtain the relevant authorizations and consents from its clients, including but not limited to, the authorizations and consents set out in Clause 12.5 and 12.6 above.

STOCK CONNECT RISK DISCLOSURE AND OTHER INFORMATION SUPPLEMENT

This Supplement describes some of the key risk factors concerning Stock Connect based on the Company's current understanding of the Applicable Requirements and the Mainland China stock market. The Company has not verified the accuracy of the Mainland China stock market requirements of rules. This Supplement is not exhaustive and does not disclose all the risks and other significant aspects of Northbound Trading. The Client should ensure that he/she/it understands the nature of Stock Connect and he/she/it should consider carefully (and consult his/her/its own advisers where necessary) whether trading in China Connect Securities is suitable for the Client in light of his/her/its circumstances. It is the Client's decision to trade in China Connect Securities, but the Client should not trade in China Connect Securities unless he/she/it fully understands and is willing to assume the risks associated with Stock Connect.

The Company does not represent that the information set out in this Supplement is up-to-date or complete, nor does the Company undertake to update it from time to time. For further information, please refer to the materials published on the HKEx website, the SFC website, the SSE website and/or the SZSE website applicable to Stock Connect from time to time and other relevant sources. If in doubt, the Client should seek professional advice.

1. Pre-Trade Checking and Enhanced Pre-Trade Checking

Under the Mainland China law, a China Connect Market Operator may reject a sell order if an investor does not have sufficient available China Connect Securities in its account. In respect of a sell order of China Connect Securities that is not an SPSA order, SEHK will apply similar checking on all sell orders of Northbound Trading at the exchange participant level to ensure there is no overselling by any individual exchange participant ("Pre-Trade Checking"). Enhanced pre-trade checking applies in respect of an SPSA order ("Enhanced Pre-Trade Checking").

Accordingly, the Client may be unable to execute Northbound sell orders due to Pre-Trade Checking (in respect of sell order that is not an SPSA order) or Enhanced Pre-Trade Checking (in respect of sell order that is an SPSA order) related requirements.

The Client may be unable to execute a sell order of China Connect Securities if:

- (a) (in respect of a sell order that is not an SPSA order) there has been a delay or failure for whatever reason in the transfer of the relevant China Connect Securities to the Company's designated clearing account(s); or
- (b) (in respect of sell order that is an SPSA order) the Company considers that the Client does not (by the commencement of trading on the Trading Day on which the Client wishes to execute a sell order or any other cut-off time specified by the Company from time to time) hold sufficient available China Connect Securities in a relevant Special Segregated Account to cover a proposed SPSA order; and/or the required number of China Connect Securities will not be delivered from the Special Segregated Account as required by the Company on a settlement day to fulfil an SPSA order; or
- (c) if for any other reason the Company considers that there is or may be non-compliance with any Applicable Requirements.

Any risk, loss or cost resulting from non-compliance or potential non-compliance with Pre-Trade Checking (in respect of sell order that is not an SPSA order) or Enhanced Pre-Trade Checking (in respect of sell order that is an SPSA order), and/or the relevant Applicable Requirements shall be borne by the Client.

2. SPSA Orders – Delivery Versus Payment

Notwithstanding that a delivery versus payment mechanism may be offered by SEHK or CCASS for SPSA orders, unless the Company agrees to pre-fund, freely transferable funds may only be credited by the relevant clearing bank to the Client's Account with the custodian or settlement agent, as applicable, in accordance with the CCASS operations and procedures after the settlement day upon which the delivery obligations in respect of such SPSA orders are required to be settled. Any risk, liability, loss, cost or expense resulting from this delay shall be borne by the Client.

3. Settlement Arrangement

Northbound Trading follows the settlement cycle of A Shares listed on the relevant China Connect Market. For settlement of China Connect Securities trades, ChinaClear will debit or credit the securities accounts of its participants (including HKSCC as clearing participant) on the Trading Day on which the order is made ("T day") free of payment. The Company may have settlement arrangements in place that are different from the ChinaClear settlement arrangements. Unless the Company agrees to prefund, settlement of funds relating to such trading will be effected on the Trading Day following T day ("T+1 day").

4. Quota on Northbound Trading

Relevant governmental or regulatory bodies may impose quotas on the trading of China Connect Securities from time to time depending on market conditions and readiness, the level of cross-boundary fund flows, stability of the markets and other factors and considerations. The Client should read the relevant details on such quota restrictions, including the quota limit, level of quota utilization, balance of available quota and the applicable restrictions and arrangements published on the SEHK website

from time to time to ensure he/she/it has the most updated information.

Purchase of China Connect Securities through Stock Connect are currently subject to certain quota controls as detailed below. SEHK has absolute discretion to take all such actions, steps or measures as it considers necessary or appropriate to ensure or facilitate compliance with the relevant quota requirements or restrictions including, without limitation, the following:

- (a) restricting or rejecting buy orders for Northbound Trading;
- (b) suspending or restricting the access to or the use of all or any part of the trading services for Northbound Trading; and
- (c) amending the operational hours and related arrangements of Northbound Trading.

As a result, there is no assurance that a buy order for Northbound Trading can be successfully placed through Stock Connect. The daily quota caps the net buy value of cross-boundary trades under Stock Connect on each Trading Day (“Daily Quota”). The Daily Quota may change from time to time without prior notice and the Client should refer to the HKEx website and other information published by HKEx for up-to-date information.

Under the Stock Connect Rules, investors may sell their China Connect Securities regardless of whether there is a breach of the Daily Quota. If there is a suspension of buying China Connect Securities through Northbound Trading as a result of a breach of Daily Quota, the Company will be unable to carry out any buy orders and any instruction(s) to buy submitted but not yet executed will be rejected. Please note that buy orders already accepted will not be affected by the Daily Quota being used up and will remain on the order book of the relevant China Connect Market Operator unless otherwise cancelled by the relevant exchange participants.

5. Restriction on Day Trading

Unless the SEHK otherwise determines, day (turnaround) trading is not permitted on the A Share market in Mainland China. If the Client buys China Connect Securities on T day, he/she/it may only be able to sell such shares on or after T+1 day and as a result, the Client will be exposed to the market risk of holding such shares from T day to T+1 day. Due to the Pre-Trade Checking requirements, if the Client sends to the Company instruction(s) to sell the China Connect Securities the Client bought on T day, the Company can only accept such instruction(s) on or after the applicable cut-off time (as notified to the Client by the Company from time to time) on T+1 day.

6. Trading Methods and Insider Trading Implications

Information about the Client’s trade may be accessed and utilized by persons privy to the information to trade for their own benefit. Further, the trading arrangements may not be supported by technological checks and balances, resulting in a risk of human error and/or malfeasance.

7. Client Errors

Neither the Company nor any of the Group Company shall not be liable for any loss, damage or expense or consequential loss, damage or expense suffered by the Client as a result of any trading based on the Client’s instruction(s). The Company will not be able to unwind any trade, and the Client should take note of the settlement arrangements in respect of China Connect Securities under Stock Connect, including but not limited to quota restrictions which may affect the ability to mitigate the consequences of any error trades.

There is a general prohibition on off-exchange trading or transfers under the Stock Connect Rules, subject to certain exceptions (such as transfers effected to rectify error trades between an exchange participant and its clients in limited circumstances). Currently, there are no detailed rules or guidelines on permissible off-exchange transfers. In addition, SEHK may also suspend the right of a particular exchange participant to conduct non-trade transfers for error trade rectification if SEHK has reasonable cause to suspect or to believe that the exchange participant may abuse or may have abused such rectification arrangements or may have used such rectification arrangements to circumvent the prohibition against off-exchange transfer. The Company is not obliged to effect any off-exchange transfer for rectification of error trades but has absolute discretion to determine whether to conduct such off-exchange transfer. Neither the Company nor any of the Group Company is liable for any losses which may result directly or indirectly from any error trade or any refusal to conduct a transfer to rectify an error trade.

8. Disclosure of Interests

Under Mainland Chinese requirements, if the Client holds or controls shares in a Mainland Chinese company which is listed on a Mainland Chinese stock exchange (a “Mainland Chinese Listco”) up to a certain threshold as may be specified from time to time by a relevant Stock Connect Authority, the Client must disclose such interest within the period specified by the relevant Stock Connect Authority, and the Client must not buy or sell any such shares within the period specified by the relevant Stock Connect Authority. The Client must also disclose any substantial change in his/her/its holding as required by the relevant Stock Connect Authority. It is the Client’s responsibility to comply with any disclosure of interest rules from time to time imposed by the

relevant Stock Connect Authorities and arrange for any relevant filings.

9. Short Swing Profit Rule

Under Mainland Chinese requirements, the “short swing profit rules” requires a person to give up or return any profits made from purchases and sales in respect of China Connect Securities of a Mainland Chinese Listco if: (a) such person’s shareholding in the Mainland Chinese Listco exceeds the threshold prescribed by the relevant Stock Connect Authority from time to time; and (b) the corresponding sale Transaction occurs within the 6 months after a purchase Transaction, or vice versa. The Client (and the Client alone) is responsible for complying with the Mainland Chinese’s rules applicable to the “short swing profit rule”.

10. Source of Funding

Northbound Trading is designated for Hong Kong and overseas investors, investors who are citizens of Mainland China are not able to enter into Northbound Trading via their offshore accounts.

11. Foreign Ownership Limits

Under Mainland Chinese requirements, there is a limit as to how many shares a single foreign investor is permitted to hold in a single Mainland Chinese Listco, and also a limit as to the maximum combined holdings of all foreign investors in a single Mainland Chinese Listco. Such foreign ownership limits may be applied on an aggregate basis (i.e. across both domestically and overseas issued shares of the same listed company, whether the relevant holdings are through Northbound Trading, qualified foreign institutional investor/RMB qualified foreign institutional investor regime or other investment channels). Where the aggregated foreign ownership of a single Mainland Chinese Listco reaches a designated percentage, HKEx (or its relevant subsidiary) will suspend accepting any purchase order of the relevant China Connect Securities through Stock Connect until the percentage of foreign ownership of such Listco is reduced to a certain level.

It is the Client’s responsibility to comply with all foreign ownership limits from time to time imposed by Applicable Requirements. The Client may also be required to report to the relevant authorities when a designated percentage of ownership is reached. If the Company becomes aware that the Client has breached (or reasonably believe that the Client may breach upon execution of further buy orders) any foreign ownership limits, or if the Company is so required by any Stock Connect Authority (including without limitation to, as a result of a forced-sale notice issued by a Chinese Connect Market Operator), the Client authorizes the Company to sell any China Connect Securities in order to ensure compliance with all Applicable Requirements. However, the Company is not obliged to do so and the Client should not rely on such action by the Company to ensure the Client’s compliance with any Applicable Requirements.

12. China Connect Securities Eligible for Northbound Trading

SEHK will include and exclude securities as China Connect Securities based on the prescribed criteria under the Stock Connect Rules. The Client will only be allowed to sell a China Connect Security and be restricted from further buying, if (a) the China Connect Security subsequently ceases to be a constituent stock of the relevant indices, (b) the China Connect Securities subsequently moves to the risk alert board, (c) the corresponding H share of the Chinese Connect Security subsequently ceases to be traded on SEHK, and/or (d) other criteria prescribed in SSE China Connect Rules and SZSE China Connect Rules.

According to the Operator Listing Rules, if any China Connect Market-listed company is in the delisting process, or its operation is unstable due to financial or other reasons such that there is a risk of being delisted or exposing investors’ interest to undue damage, the China Connect Market-listed company will be earmarked and traded on the risk alert board. Any change to the risk alert board may occur without prior notice. For details concerning the risk alert board, please refer to the Operator Listing Rules and the provisional trading arrangement on the risk alert board of China Connect Market Operator.

13. No Off-Exchange Transfers

The Company and any of its Group Company may not provide any off-exchange services relating to the transfer in any China Connect Securities otherwise than through the Stock Connect, unless otherwise provided by a Stock Connect Authority (such as post-trade allocation of shares by a fund manager across the funds and/or sub-funds it manages, stock borrowing and lending of China Connect Securities which are eligible for covered short selling and with a tenor of no more than one month and any other situations specified by the China Connect Market Operator and ChinaClear).

14. Offshore RMB Exchange Rate Risk

Similar to other foreign currencies, the exchange rate of Offshore RMB may rise or fall. There is no guarantee that RMB will not depreciate. The exchange rate of Offshore RMB will be affected by, amongst other things, foreign exchange control imposed by the Mainland Chinese central government from time to time (for example, there are currently restrictions on the conversion of

RMB into other currencies). The exchange rate of Offshore RMB may fluctuate as a result of market conditions and economic factors.

In addition, RMB is currently subject to foreign exchange control and restrictions by the Mainland China central government. There is currently a limited pool of RMB outside Mainland China. Should the Mainland China central government tighten its foreign exchange control over the cross-border movements between onshore RMB and offshore RMB, the liquidity in RMB is likely to be adversely affected.

If RMB is not the Client's home currency, the Client may have to convert his/her/its home currency into RMB when investing in China Connect Securities and vice versa for any payments in RMB from Transactions under the China Connect Securities. The Client will be incurring currency conversion costs (being the spread between buying and selling of Offshore RMB) and subject to exchange rate fluctuation risks in any such currency conversion, which may adversely affect the market value of China Connect Securities.

15. Placing Orders

The Company only accepts orders for Northbound Trading that comply with the Applicable Requirements. Currently, only limit orders with a specified price are allowed for China Connect Securities pursuant to the Applicable Requirements, whereby buy orders may be executed at or lower than the specified price and sell orders may be executed at or higher than the specified price. Market orders will not be accepted.

16. Price Limits for China Connect Securities

China Connect Securities are subject to a general price limit of $\pm 10\%$ for stocks traded on SSE/SZSE Main Board and SZSE SME Board under normal circumstances ($\pm 20\%$ for stocks traded on SZSE ChiNext Market and SSE STAR Market); $\pm 5\%$ price limit for ST and *ST stocks traded on SSE/SZSE Main Board and SZSE SME Board. The price limit may be changed from time to time. All orders in respect of China Connect Securities must be within the price limit. Any orders with a price beyond the price limit are rejected by the relevant China Connect Market Operator.

17. Dynamic Price Check

To prevent mischievous behaviour towards the use of the Daily Quota, SEHK has put in place a dynamic price checking for buy orders. Buy orders with input prices lower than the current best bid (or the last traded price in the absence of current best bid, or the previous closing price in the absence of both current best bid and last traded price) beyond a prescribed percentage will be rejected.

During the opening call auction session, the current bid (or the previous closing price in the absence of the current bid) will be used for checking. During the closing call auction of SZSE, the current bid (or the last traded price in the absence of the current bid) will be used for checking. Dynamic price checking will be applied throughout each Trading Day, from the 5-minute input period before the start of an opening call auction session until market close of the China Connect Market. SEHK has set the dynamic price checking at 3% during the initial phase of Stock Connect. Such price checking percentage may be adjusted from time to time subject to market conditions.

18. Restrictions on Selling China Connect Securities

Investors are prohibited from using China Connect Securities purchased through Stock Connect to settle any sell orders placed through channels other than Stock Connect. Accordingly, there may be a limited market and/or lower liquidity for China Connect Securities purchased through Stock Connect (as compared to the same shares purchased through other channels).

In addition, there are restrictions on any entitlement security received by the Client in respect of China Connect Securities. If such entitlement securities are in the form of Special China Connect Securities, they are only eligible for sale through Stock Connect (i.e. they cannot be purchased by other parties through Stock Connect). If such entitlement securities are not in the form of Special China Connect Securities, they are not eligible for trading through Stock Connect (i.e. they are only available for trading in the relevant stock market in Mainland China). Accordingly, there is a risk of low (or no) liquidity for such shares received by way of entitlement.

If China Connect Securities involve odd lots, they cannot be purchased through Stock Connect. A sale of China Connect Securities involving odd lots is allowed if the sale order of such China Connect securities relates to the sale of all, but not part, of the odd lots held in respect of such China Connect Securities. It is common that a board lot buy order may be matched with different odd lot sell orders resulting in odd lot trades. Accordingly, there may be a limited market and/or lower liquidity for China Securities involving odd lots purchased through Stock Connect.

19. Taxation

China Connect Securities traded under Stock Connect currently enjoy a temporary exemption from Mainland Chinese capital gain tax and Mainland Chinese business tax. It is uncertain when such exemptions will expire and whether other Mainland Chinese Taxes will be applicable to trading of China Connect Securities under Stock Connect. Dividends derived from China Connect Securities are subject to Mainland Chinese withholding tax. Mainland Chinese stamp duty is also payable for Transactions in China Connect Securities under Stock Connect. The Client is fully responsible for any Taxes in respect of China Connect Securities, and agrees to indemnify the Company on demand from and against all Taxes which the Company may incur or be subject to in connection with any China Connect Securities which the Client holds, trades or otherwise deals in. Neither the Company nor any of its Group Company assumes any responsibility for advising on or handling any tax issues, liabilities and/or obligations in connection with Stock Connect, and neither the Company nor any of its Group Company will provide any service or assistance in this regards. Prior to investing in China Connect Securities, the Client is strongly urged to consult his/her/its own tax advisors with respect to the possible tax consequences to him/her/it of such investment since such tax consequences may differ in respect of different investors.

20. Hong Kong Client Securities Rules

As a general rule, investors participating in Northbound Trading do not enjoy the full protection afforded under the SFO and its related subsidiary legislation. In particular, as the China Connect Securities traded through Stock Connect are not listed or traded on SEHK, the Client will not have protection under the Client Securities Rules, unless otherwise specified by the SFC or any other relevant Stock Connect Authority.

21. Investor Compensation Fund

Trading in China Connect Securities does not enjoy the protections afforded by the Investor Compensation Fund established under the SFO. Accordingly, unlike the trading of SEHK-listed securities, the Client will not be covered by the Investor Compensation Fund in respect of any loss he/she/it may sustain by reason of a default by any SFC licensed or registered person.

22. Ownership of China Connect Securities

China Connect Securities are uncertificated and are held by HKSCC for its account holders. Physical deposit and withdrawal of China Connect Securities are not available under the Northbound Trading.

Under current Mainland China regulations, China Connect Securities will be recorded in a nominee account opened by HKSCC with ChinaClear and the Client's title or interests in, and entitlements to, China Connect Securities (whether legal, equitable or otherwise) will be subject to Applicable Requirements, including laws relating to any disclosure of interest requirement or foreign shareholding restriction. This is a complicated area of law and the Client should seek independent professional advice.

23. Disclosure of Information and Publication of Trade Information

The SEHK may require the Company to provide information on the Client's profile, and the type and value of his/her/its orders in relation to Northbound Trading of China Connect Securities and the trade which the Company executed for him/her/it, at such intervals and in such form as SEHK may specify from time to time for purposes of the publication, dissemination or public distribution of aggregate information in respect of China Connect Securities trades under Stock Connect, trading volume investor profiles and other related data.

24. No Manual Trade or Block Trade

There is no manual trade facility or block trade facility for Northbound Trading.

25. Amendment of Orders and Loss of Priority

Consistent with the current practice in Mainland China, if an investor engaged in Northbound Trading wishes to amend an order, the investor must first cancel the original order and then input a new one. Accordingly, order priority will be lost and, subject to the restrictions on the balance of the Daily Quota, any subsequent order may not be filled on the same Trading Day.

26. Difference in Trading Day

Stock Connect is open for trading only when (a) each of HKEx and the relevant China Connect Market is open for trading; and (b) banking services are available in both Hong Kong and Mainland China on the corresponding money settlement days. If any of the exchanges is not open or if the banks in either Hong Kong or Mainland China are not open for money settlement business, the Client will not be able to conduct any Northbound Trading. The Client should take note of the day on which the Stock

Connect operates and decide according to his/her/its own risk tolerance capability whether or not to take on the risk of price fluctuations in China Connect Securities during the time when the Stock Connect is not available for Northbound Trading.

27. Operational Hours

SEHK has absolute discretion to determine from time to time the operational hours of the Stock Connect, and will have absolute discretion to change the operational hours and arrangements of the Stock Connect at any time and without advance notice whether on a temporary basis or otherwise. Neither the Company nor any of the Group Company shall be under any obligation to inform the Client of any such determinations by SEHK as to the operational hours of the Stock Connect. The Client should be aware of the risk of price fluctuations in China Connect Securities during the time when the Stock Connect is not available for Northbound Trading.

28. Risk of ChinaClear Default

ChinaClear has established a risk management framework and measures that are approved and supervised by the CSRC. Pursuant to the General Rules of CCASS, if ChinaClear (as the host central counterparty) defaults, HKSCC may, in good faith, seek recovery of the outstanding China Connect Securities and monies from ChinaClear through available legal channels and through ChinaClear's liquidation process, if applicable. HKSCC will in turn distribute the China Connect Securities and/or monies recovered to clearing participants on a pro-rata basis as prescribed by the relevant Stock Connect Authorities. The Company in turn will be distributing China Connect Securities and/or monies only to the extent recovered directly or indirectly from HKSCC. Although the likelihood of a default by ChinaClear is considered to be remote, the Client should be aware of this arrangement and of this potential exposure before engaging in Northbound Trading.

29. Risk of HKSCC Default

The Company's ability to provide the services under this Supplement is subject to the due performance by HKSCC of its obligations. Any action or inaction of the HKSCC or a failure or delay by the HKSCC in the performance of its obligations may result in a failure of settlement, or the loss, of China Connect Securities and/or monies in connection with them and the Client may suffer losses as a result. Neither the Company nor any of the Group Company is not responsible or liable for any such losses.

30. Company Announcements on Corporate Actions

Any corporate action in respect of China Connect Securities is announced by the relevant issuer through the relevant China Connect Market Operator's website and certain officially appointed newspapers. HKSCC also records all corporate actions relating to China Connect Securities in CCASS and informs its clearing participants of the details via the CCASS terminals as soon as practicable on the announcement date. Investors engaged in Northbound Trading may refer to the relevant China Connect Market Operator's website and the relevant newspapers for the latest listed company announcements or, alternatively, the HKEx website's China Stock Markets Web (or such other replacement or successor web-page from time to time) for corporate actions in respect of China Connect Securities issued on the previous Trading Day. The Client should note that SSE-listed issuers or SZSE-listed issuers publish corporate documents in Chinese only, without any official English translation.

In addition, pursuant to the General Rules of CCASS, HKSCC endeavours to collect and distribute cash dividends relating to China Connect Securities to clearing participants in a timely manner. Upon receipt of the dividend amount, HKSCC will arrange to distribute it to the relevant clearing participants on the same day, to the extent practicable.

Following existing market practice in Mainland China, investors engaged in Northbound Trading are not entitled to attend shareholder meetings by proxy or in person, unlike the current practice in Hong Kong in respect of SEHK-listed shares.

The Company does not verify or warrant the accuracy, reliability or timeliness of any company announcements of corporate actions, and neither the Company nor the Group Company accept any liability (whether in tort or contract or otherwise) for any Loss arising from any errors, inaccuracies, delays or omissions or any actions taken in reliance thereon. The Company expressly disclaims all warranties, expressed or implied, as to the accuracy of any company announcement or as to the fitness of the information for any purpose.

31. Rights Issuance

Where the Client receives shares or other types of securities from an issuer of a China Connect Security as entitlements, the Client should note that the Client may not be able to buy or sell such entitlement security through the Stock Connect in certain circumstances (for example, if such entitlement security is listed on a China Connect Market but it is not traded in RMB or if such entitlement security is not listed on a China Connect Market).

32. General Market Risks Associated with Investing in China Connect Securities

Investing in China Connect Securities involves special considerations and risks, including without limitation greater price volatility, different regulatory and legal framework, economic, and social and political instability of the stock market in Mainland China. The Client should also note that the China Connect Market Operator's trading rules, listing rules, and other applicable laws and regulations may be published in Chinese only, without any official English translation.

33. Risk Associated with Trading of ChiNext Shares and STAR Shares

The trading of ChiNext Shares is subject to the risks associated with SZSE ChiNext market, including but not limited to such risks arising from following: (a) less stringent regulatory requirements compared to the main board markets in SZSE main board and SME board on listing, trading, disclosure and other matters, for instance, listing requirements on profitability and share capital of the ChiNext market; (b) greater exposure to the risks of being delisted for ChiNext companies and such process may be speeded up; (c) ChiNext companies are usually smaller in scale, have less stable operations, and are less resilient against market risks and industry risks; (d) volatility and overvaluation of the share prices with conventional valuation methods may not be entirely applicable to companies listed on the ChiNext market due to the high-risk nature of the relevant industries; and (e) given the technological focus of the companies listed on the ChiNext market, such companies are more susceptible to technical failures in their respective business areas. Investors should also refer to the standard Risk Disclosure Statement available in the HKEx website in relation to the ChiNext Market and in SZSE website in the Investor Eligibility Implementing Measure of ChiNext Market which Mainland investors are required to acknowledge before trading in SZSE ChiNext Market.

The trading of STAR Shares is subject to the risks associated with SSE STAR Market, including but not limited to such risks arising from following: (a) less stringent regulatory requirements compared to the main board markets in SSE main board on listing, trading, disclosure and other matters, for instance, listing requirements on profitability and share capital of the STAR market; (b) greater exposure to the risks of being delisted for STAR companies and such process may be speeded up; (c) STAR companies are usually smaller in scale, have less stable operations, and are less resilient against market risks and industry risks; (d) volatility and overvaluation of the share prices; and (e) given a higher degree of technological development and replacement, products of STAR companies may be obsolete and may not survive in the market. Investors should also refer to the standard Risk Disclosure Statement available in the HKEx website in relation to the STAR Market and in SSE website in the Investor Eligibility Implementing Measure of STAR Market which Mainland investors are required to acknowledge before trading in SSE STAR market.

Only Institutional Professional Investors are allowed to place orders with the Company to buy or sell ChiNext Shares and/or STAR Shares which are accepted as China Connect Securities (other than Special China Connect Securities which are eligible for sell orders only) through the use of Stock Connect.

34. Warning Statements and Termination of Service

The Company may be required by SEHK and/or a China Connect Market Operator to issue to the Client, either verbally or in writing, a warning statement and terminate the provision of Northbound Trading services to the Client for a period which SEHK and/or the China Connect Market Operator may prescribe.

35. Novelty of Stock Connect

Stock Connect is an unprecedented scheme launched jointly between the China Connect Market Operators and HKEx to facilitate cross-border trading of China Connect Securities through HKEx. Trading in China Connect Securities under Northbound Trading is subject to all Applicable Requirements. Any change in the Applicable Requirements may have an adverse impact on the trading of China Connect Securities. Such impact may adversely affect the Client's investment in China Connect Securities. In the worst case scenario, the Client may lose a substantial part of his/her/its investments in China Connect Securities under Stock Connect.

The Company provides trading services based on the Stock Connect market system which is operated by the relevant China Connect Market Operator. The Company is not responsible for any delay or failure caused by the Stock Connect market system and investors accept all risks arising from trading China Connect Securities through the Stock Connect market system. Neither the Company nor any of the Group Company shall be responsible or held liable for any loss or damage directly or indirectly suffered by the Client arising from or in connection with the Stock Connect or the China stock connect system receiving and routing Stock Connect orders to a Stock Connect market system for automatic matching and execution, through Northbound Trading.

36. Margin Trading

Subject to certain conditions prescribed by the Stock Connect Authorities, Hong Kong and overseas investors may conduct

margin trading in China Connect Securities determined by the relevant Stock Connect Authorities to be eligible for margin trading ("Eligible Margin Trading Securities"). HKEx will from time to time publish a list of Eligible Margin Trading Securities. Each of the China Connect Market Operators may suspend margin trading activities in any specific A Share if the volume of margin trading activities in such A Share exceeds a threshold determined by such China Connect Market Operator and resume margin trading activities when the volume of margin trading activities drops below a prescribed threshold. Where SEHK is notified by a China Connect Market Operator that a suspension or resumption involves a security on the list of Eligible Margin Trading Securities, HKEx will disclose such information on its website. In such circumstances, any margin trading in the relevant China Connect Security shall be suspended and/or resumed accordingly. Each of the China Connect Market Operators has reserved the right to require margin trading orders to be flagged as margin trading orders when routed to Stock Connect. Neither the Company nor any of its Group Company shall have any obligation to update the Client in respect of the list of Eligible Margin Trading Securities or any restrictions or suspensions in respect of margin trading from time to time.

37. Limits on Short Selling

Hong Kong and overseas investors are currently prohibited from naked Short Selling China Connect Securities.

Covered Short Selling of China Connect Securities is permitted subject to certain requirements in the Stock Connect Rules. The Client shall be fully responsible for understanding and complying with the Short Selling requirements in effect from time to time and for any consequences of non-compliance.

38. Stock Borrowing and Lending

Stock borrowing and lending are permitted for the eligible China Connect Securities as specified by the China Connect Market Operators for the purposes of covered short selling, satisfying the Pre-Trade Checking requirement and in any other circumstances as SEHK or the China Connect Market Operators may specify from time to time. The China Connect Market Operators will determine a list of eligible China Connect Securities for stock borrowing and lending. Stock borrowing and lending of eligible China Connect Securities will be subject to restrictions set by SEHK and the China Connect Market Operators, including but not limited to the following:

- (a) stock borrowing and lending agreements for the purpose of covered short selling shall have a duration of not more than one month;
- (b) stock borrowing and lending agreements for the purpose of satisfying the Pre-Trade Checking requirement shall have a duration of not more than one day (and roll-over is not permitted);
- (c) stock lending will be restricted to certain types of persons to be determined by the China Connect Market Operators; and
- (d) stock borrowing and lending activities will be required to be reported to SEHK.

Only certain persons are eligible to lend China Connect Securities in stock borrowing and lending arrangements concerning China Connect Securities.

The Company will be required to file a monthly report to SEHK providing details of its stock borrowing and lending activities with respect to China Connect Securities. This may include (amongst others) details of the borrower, lender, amount of shares borrowed/lent, amount of shares outstanding and date of borrowing/returning.

The Client should refer to the relevant provisions from time to time governing stock borrowing and lending of China Connect Securities under the Applicable Requirements. Neither the Company nor any of its Group Company shall have any obligation to update the Client in respect of any change to the relevant Applicable Requirements.

39. Risk Associated with the Circuit Breaker Mechanism

The execution of trades in China Connect Securities is subject to the Stock Connect Rules including the Circuit Breaker Provisions. Imposition of a Circuit Breaker on any China Connect Market Trading Day will result in the suspension of the execution of trades through the China Connect Market system for such period or periods as set out in the Circuit Breaker Provisions. Further, the lifting of a Circuit Breaker during a continuous auction session of any China Connect Market Trading Day may result in trades being executed through call auction.

Unless otherwise determined by the SEHK, where the Circuit Breaker Provisions allow orders in respect of China Connect Securities to be cancelled during the period when a Circuit Breaker is in effect, the Company may input order cancellation requests through the Stock Connect during such period as usual.

Notwithstanding this, no Stock Connect order is regarded as cancelled unless and until cancellation confirmation has been issued by the relevant China Connect Market system, and neither the SEHK nor its subsidiaries shall have any liability in the event that a Stock Connect order which the Company has required to be cancelled is not cancelled for any reason whatsoever.

40. Provision of Client Identification Data

For Northbound Trading, from the Investor ID Model Effective Date, the Client is required to provide Client Identification Data and keep such information updated for the Stock Connect Authorities to collect the Northbound Trading investors identification information and to track their trade orders on a real-time basis. It is the Client's obligation to keep the Client Identification Data accurate and up-to-date.

The Client cannot place a trade order until the Client receives notification of the completion of account opening and/or successful update of his/her/its CID from the Company. Notwithstanding that the Client has submitted his/her/its CID, a trade order of the Client may still be rejected if the CID provided by the Client and BCAN have not yet been submitted to and/or approved by SEHK, the China Connect Market Operator or other Stock Connect Authorities at the time of such trade order, and the Company shall not be liable to the Client for any failure or delay in submitting such CID and BCAN to SEHK, the China Connect Market Operator or other Stock Connect Authorities. If the Client is an individual client, and does not provide the necessary consents and authorizations (both written and prescribed) in relation to the collection, storage, use, disclosure and transfer of his/her/its CID and/or BCAN, or the Client's BCAN or BCAN-CID mapping are otherwise invalid or deficient, the Company may, in its own discretion, place Northbound Trading sell orders in relation to such BCAN, but no Northbound Trading buy order is allowed in relation to such BCAN. If abnormal trading activities are identified in respect of the Client by the China Connect Market Operators, the China Connect Market Operators may in its discretion suspend trading with the Client or take such other actions as permitted by Stock Connect Rules, any applicable regulations and laws against the Client. The Client is liable for any Loss incurred in connection with any such actions taken by SEHK, the China Connect Market Operator, or other Stock Connect Authorities.

ELECTRONIC DIRECT DEBIT AUTHORIZATION SUPPLEMENT

1 Definition

In this Supplement, the following expressions, unless the context requires otherwise, shall have the following meanings:

“Bank” means a bank, a restricted licence bank or a deposit-taking company authorized under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong) in which a Designated Account is opened and maintained with;

“Designated Account” means an account in the Client’s name maintained with a Bank from which Transfers are made in accordance with an Instruction;

“eDDA” means the electronic direct debit authorization initiated by the Client using the HKICL FPS authorizing the Company to instruct a Bank to make a Transfer from the corresponding Designated Account to the Account in accordance with an Instruction, as further described in Clause 3.1 (Application) of this Supplement;

“eDDA Service” means a service provided by HKICL as part of HKICL FPS to facilitate clients of Participants to set up and utilise the eDDA;

“Guoyuan eDDA Services” means the services provided by the Company to the Client from time to time to facilitate payments and fund transfers using the HKICL FPS, the eDDA Service and any other services and facilities provided by HKICL in connection with the HKICL FPS from time to time;

“HKICL” means Hong Kong Interbank Clearing Limited and its successors and assigns;

“HKICL FPS” or “Faster Payment System” means the Faster Payment System and related facilities and services provided, managed and operated by HKICL from time to time for: (a) processing direct debits and credits, funds transfers and other payment transactions; and (b) exchanging and processing instructions relating to the eDDA Service;

“Instruction” means an instruction given or authorized by the Client to Bank instructing it to make a Transfer;

“Participant” means a participant of HKICL FPS which may be a bank or other financial institution, a retail payment system operator, a licensed stored value facility, or any other person accepted by HKICL as a participant of HKICL FPS from time to time; and

“Transfer” means a fund transfer to be made from a Designated Account to the Account from time to time pursuant to an Instruction or Instructions under an eDDA.

2 Application

This Supplement is supplemental to, and without prejudice to, the Margin Client’s Securities Trading Agreement and any applicable terms agreed between the Client and the Company. This Supplement governs the Company’s provision of eDDA services to the Client, which will enable the Client to make Transfers.

3 Electronic Direct Debit Authorization

3.1 Application: The Client may, through the Company, apply to a Bank (selected by the Company) for the eDDA Services. The Company will assist in transmitting the eDDA setup application instructions, materials and information to such Bank. After such application is approved by the Bank, the Client may directly give Instructions to the Company to carry out the Transfers. The Client may have one or more Designated Accounts to effect Transfers. If an eDDA setup application is declined by such Bank, the Company will notify the Client of the result, but will not assume any liability for such result.

3.2 Information: The Client shall provide such information, and complete such procedures, in the form and by the methods prescribed by the Company from time to time, in order for the Company to assist the Client in processing an eDDA setup application with a Bank. Each Designated Account which is the subject of an eDDA setup application must be under the same name as the Account.

3.3 Cancellation: Where the Client has set up the eDDA but no Transfers have been made pursuant to that authorization for a certain period of time (as determined by the Company), the Company has the right to cancel the eDDA at any time without prior notice to the Client even if that authorization has not expired or is not subject to an expiry or termination date. The relevant Bank may also cancel the eDDA at any time at its discretion. If the Client has any enquiries or disputes in relation to any actions taken by that Bank concerning the eDDA, any Instruction or any Transfer, the Client must resolve such

enquiries or disputes directly with such Bank.

- 3.4 Default settings of an Instruction: When setting up an eDDA, the default settings of any Instruction are as follows: the “Payment Periodicity” field will be set to “Per Payment”, the “Transfer Limit” field will be set to “Unlimited” and the “Expiry Date” field will be set to “Until further notice”. If the Client does not accept these default settings, the Client must not proceed with the eDDA setup application through the Company.
- 3.5 Amending the default settings of an Instruction: The Client can, from time to time, directly instruct the relevant Bank to amend the default settings of an Instruction set out in Clause 3.4 (Default settings of an Instruction), subject to the procedures and requirements prescribed by the Bank from time to time.
- 3.6 Effective Period: An Instruction will remain in effect until it (a) is amended or cancelled by the Client; or (b) expires on the date specified in the Instruction (if any), whichever occurs first. The Client may cancel the Instruction in accordance with the procedures and requirements prescribed by the relevant Bank from time to time.

4 Instruction are Irrevocable

For any Transfer, once the Client confirms and submits an Instruction, such Instruction and the resulting Transfer is irrevocable and binding on the Client.

5 Acknowledgment

- 5.1 The Client agrees that the amount of each Transfer as specified in an Instruction will be credited to the Account within the time period as the relevant Bank may specify from time to time.
- 5.2 If the Client wishes to change any Instructions, the Client must notify the Bank immediately to effect such change.
- 5.3 The Client’s use of the eDDA Service is subject to any fees and charges that the Company or the relevant Bank may levy on the Client from time to time (if any).
- 5.4 The Client understands that the eDDA Service may also be subject to the terms and conditions of the relevant Bank and/or Participants, which the Client should read and agree to before using the eDDA Service. The Company does not accept any liability resulting from the terms and conditions of such Bank and/or Participant.
- 5.5 The Company will make reasonable efforts to ensure that the Guoyuan eDDA Services and/or the eDDA Service is available, but it makes no representations, endorsements or warranties as to the operation, functionality and reliability of any kind whatsoever of the Guoyuan eDDA Services or the eDDA Service. Further, the Company does not guarantee that the relevant Bank and/or Participant will be able to effect an Instruction or Transfer under an eDDA as this depends on the functionality and reliability of such Bank’s and/or Participant’s system, operation and other conditions or circumstances which are beyond the Company’s control.
- 5.6 The Company is not liable for loss, damage, cost or expense of any kind which the Client or any other person may incur or suffer (whether directly or indirectly) in connection with any use of the Guoyuan eDDA Services or the eDDA Service, or the carrying out of any Instruction or Transfer by the Company.
- 5.7 The Company reserves the right to cancel or terminate or suspend the whole or any part of the Guoyuan eDDA Services without reason. The Client agrees that the Company will not be liable for any loss, damage, cost or expense of any kind which the Client or any other person may incur or suffer in connection with the Company’s exercise of the abovementioned right.
- 5.8 The Client should ensure that the Account, each Designated Account and each eDDA remains valid throughout its use of the Guoyuan eDDA Service and the eDDA Service.

6 Collection and Use of Client Information

- 6.1 Provision of Information: For the purposes of using the Guoyuan eDDA Services, the Client may be required to provide the Company with its Authorized Persons’ personal data and other information (the “Client Information”).
- 6.2 Use of Client Information: The Client agrees that the Company may collect, use, process, retain or transfer any of the Client Information for the purposes of the Guoyuan eDDA Services. These purposes include, without limitation:
 - (a) providing the Guoyuan eDDA Services to the Client, maintaining and operating the Guoyuan eDDA Services;

- (b) processing and executing the Instructions and requests in relation to the Guoyuan eDDA Services from time to time;
- (c) disclosing or transferring the Client Information to any Bank, HKICL and other Participants for their use for the purpose of the operation of the Guoyuan eDDA Services;
- (d) meeting the requirements to make disclosure under any applicable laws, rules, and regulations; and
- (e) purposes incidental or relating to any of the above.

6.3 Further Dissemination: The Client understands and agrees that the Client Information may be further disclosed or transferred by HKICL, the Company, any Bank or any other Participants to their clients and any other third parties who are users of HKICL FPS for the purposes of providing and operating the eDDA Service.

6.4 Consent: If the Client Information includes personal data or other information of any person other than the Client (such as any Authorized Persons), the Client confirms that it will obtain and has obtained the consent from such person regarding the use (including disclosure and transfer) of its personal data and other information by HKICL, the Company, the relevant Bank and the other Participants as specified in this Supplement.

7 Restriction of Liability

7.1 General Limitations: The Company is not liable for any loss, damage or expense of any kind which the Client or any other person may incur or suffer arising from or in connection with the use of the Guoyuan eDDA Services or the processing or execution of Instructions or requests given by the Client in relation to the Guoyuan eDDA Services, except to the extent that any loss, damage or expense incurred or suffered is direct and reasonably foreseeable arising directly and solely from the Company's gross negligence or wilful default or that of its officers, employees or agents. In no event will the Company, the Group Companies, their licensors, and their respective officers, employees and agents be liable to the Client or any other person for any loss of profit or any special, indirect, incidental, consequential or punitive loss or damages (whether or not they were foreseeable or likely to occur).

7.2 Specific Limitations: In respect of the Guoyuan eDDA Services or the eDDA Service, the Company is not liable for loss, damage or expense of any kind which the Client or any other person may incur or suffer arising from or in connection with any of the following:

- (a) any delay, unavailability, disruption, failure, error of or caused by HKICL FPS, any Bank and/or Participants, or arising from any circumstances beyond the Company's reasonable control; and
- (b) the Client's inability to act as a result of any Instructions being unclear or incomplete, and/or as a result of any error in or failure of the Guoyuan eDDA Services or the eDDA Service.

FOREIGN ACCOUNT TAX COMPLIANCE ACT (“FATCA”) AND COMMON REPORTING STANDARD (“CRS”) POLICIES OF THE GROUP COMPANIES SUPPLEMENT

Under FATCA of the United States of America, financial institutions in Hong Kong are required to report certain information of their clients to tax and/or other governmental authorities and withhold on the client’s U.S. source fixed, determinable, annual or periodical income in certain circumstances.

Hong Kong has also agreed to implement the CRS under which financial institutions must report information about their clients to the Inland Revenue Department and/or other relevant authority of the Hong Kong Government.

For compliance of the regulatory requirements in relation to FATCA, the CRS and other related regulations, the Company and/or the Group Companies implemented the terms and conditions of this Supplement to govern the relevant rights and obligations between the Client and the Group Companies.

1 Privacy Waiver

- 1.1 The Client hereby irrevocably authorizes the Company and/or the Group Companies to disclose and submit such information provided by the Client, including without limitation to the personal information, to the competent regulatory or governmental authority in the relevant jurisdiction (including without limitation to U.S. Internal Revenue Service, U.S. Department of the Treasury and the Hong Kong Inland Revenue Department) for the purpose of compliance of the requirements under FATCA, the CRS and other related laws, regulations, codes and rules.
- 1.2 The Client further acknowledges that the Company and/or the Group Companies may not notify the Client such disclosure or submission as required by the applicable laws or regulations, and agrees that he/she/it will not require the Company and/or the Group Companies to make such notification to the Client before or after the disclosure or submission of the information to the relevant authorities.

2 Further Assurance for Provision of Information

- 2.1 The Client undertakes that he/she/it will promptly provide the Company and/or the Group Companies such information, including without limitation to the personal/institutional information in the Securities Account Opening Form and the relevant account opening documents designated by the Company and/or the Group Companies from time to time and the relevant tax forms completed by the Client, for the purpose of compliance of the requirements under FATCA, the CRS and other related laws, regulations, codes and rules.
- 2.2 The Client shall ensure that the information provided to the Company and/or the Group Companies under Clause 2.1 above shall always be true, complete and accurate without misleading in all material aspects.
- 2.3 The Client further undertakes that he/she/it will promptly notify the Company and/or the Group Companies whenever any information provided to the Company and/or the Group Companies under Clause 2.1 above is changed or becomes untrue, incomplete, inaccurate or misleading and provide the Company and/or the Group Companies the necessary updated information.
- 2.4 Upon the Company’s and/or the Group Companies’ request, the Client shall promptly provide the Company and/or the Group Companies such additional or substitute certificates and forms and other documentary evidences, including without limitation to the substitute tax form of expired tax forms (if any), the Client’s written nationality statement, certificate of loss of U.S. nationality and privacy waivers.
- 2.5 The Client acknowledges and agrees that failing to provide the Company and/or the Group Companies information as required under this Clause 2 will entitle the Company and/or the Group Companies to change the FATCA or CRS status of the Client’s Account(s), suspend the trading activities under the Client’s Account(s), withhold the assets in the Client’s Account(s), close the Client’s Account(s), or sell the assets in the Account(s) to produce withholdable payments at the Company’s and/or the Group Companies’ sole and absolute discretion.
- 2.6 The Company and/or the Group Companies will keep and use the Client’s personal data in compliance with the Personal Data (Privacy) Ordinance and other applicable data privacy policy.

3 Withholding Authorization

- 3.1 The Client hereby authorizes the Company and/or the Group Companies to withhold any part of or all assets in the Client’s Account(s) (in cash or other form) or sell the assets in the Account(s) to produce withholdable payments if, at the Company’s and/or the Group Companies’ sole and absolute discretion:
 - (a) the Client do not provide the Company and/or the Group Companies with the information or documents requested in a timely manner or if any information or documents provided are not up-to-date, accurate or complete such that the Company and/or the Group Companies are unable to ensure its ongoing compliance or adherence with the requires under FATCA;

- (b) the FATCA status of the Client is identified as recalcitrant or non-participating foreign financial institutions;
- (c) there is no reliable evidence to treat the Client as exempted from withholding requirement under FATCA or other relevant regulations;
- (d) the withholding is required by competent regulatory or governmental authorities in the relevant jurisdiction; or
- (e) the withholding is otherwise necessary or appropriate for the compliance of the requirement under FATCA and other related laws, regulations, codes and rules.

4 Indemnification

4.1 The Client hereby agrees to hold the Company and/or the Group Companies and the directors, officers, employees and agents of the Company and/or the Group Companies (the “Indemnified Persons”) indemnified against all losses, liabilities, costs, claims, actions, demands or expenses (including but not limited to, all reasonable costs, charges and expenses incurred in disputing or defending any of the foregoing) which the Indemnified Persons may incur or which may be made against the Indemnified Persons arising out of, or in relation to or in connection with:

- (a) any breach or alleged breach of the terms and conditions hereunder, whether by act or omission, of the Client; and
- (b) any non-compliance of FATCA, the CRS or any other applicable laws, regulations, codes, and orders in relation to the Client and/or the Client’s Account(s),

except where such loss or damages arise from wilful default, fraud or gross negligence of the Indemnified Persons.

4.2 The Client undertakes to assist the Company and/or the Group Companies in any proceeding or investigation arising in any matter out of or in connection with the compliance with the requirements under FATCA, the CRS and other applicable laws, regulations, codes, and orders. In such case, the Company and/or the Group Companies will notify the Client when the Company and/or the Group Companies become aware of such proceedings, unless prohibited by applicable laws and regulations.

4.3 If any payment to be made by the Client to the Indemnified Persons under the clauses hereunder is subject to deduction or withholding tax, the sum payable by the Client in respect of which such deduction or withholding is required to be made shall be increased to the extent necessary to ensure that, after the making of the required deduction or withholding, the Indemnified Persons receive on the due date and retain (free from any liability in respect of such deduction, withholding or payment) a net sum equal to what the Indemnified Persons would have received if no such deduction, withholding or payment been made or required to be made.

4.4 The Client shall continue to be bound by the provisions of this Clause 4 despite the Client ceasing to be a holder of the Account(s) or the termination of any Account(s).

5 Incorporation with the Agreement

5.1 This Supplement shall be deemed to be incorporated as a part of the Margin Client’s Securities Trading Agreement in relation to the Client’s Account(s) and subject to amendments made by the Group Companies from time to time at the Group Companies’ sole and absolute discretion. In case of conflict or inconsistency between the Margin Client’s Securities Trading Agreement and this Supplement, the terms of this Supplement shall prevail.

5.2 Unless otherwise defined, capitalized terms in this Supplement shall have the same meaning as defined under the Agreement.

RISK DISCLOSURE STATEMENTS

1 Risk of Securities Trading

The prices of securities fluctuate, sometimes dramatically. The price of a security may move up or down, and may become valueless. It is as likely that losses will be incurred rather than profit made as a result of buying and selling securities.

2 Risk of Margin Trading

The risk of loss in financing a Transaction by deposit of collateral is significant. The Client may sustain losses in excess of the Client's cash and any other assets deposited as collateral with the Company. Market conditions may make it impossible to execute contingent orders, such as "stop-loss" or "stop-limit" orders. The Client may be called upon at short notice to make additional Margin deposits or interest payments. If the required Margin deposits or interest payments are not made within the prescribed time, the Client's collateral may be liquidated without the Client's consent. Moreover, the Client will remain liable for any resulting deficit in the Client's Account and interest charged thereon. The Client should therefore carefully consider whether such a financing arrangement is suitable in light of the Client's own financial position and investment objectives.

3 Risk of Electronic Trading

Trading on an electronic system may differ from trading on other electronic trading systems. If the Client undertakes Transactions on an electronic trading system, the Client will be exposed to risks associated with the system including the failure of hardware and software, and the result of any system failure may be that the Client's order is either not executed according to the Client's instructions or is not executed at all.

4 Risk of Electronic Transmission of Data

Due to unpredictable traffic congestion and other reasons, electronic transmission may not be a reliable medium of communications. Information transmitted or Transactions conducted via electronic means are subject to delays in transmission and receipt of the Client's instructions or other information, delays in execution or execution of the Client's instructions at prices different from those prevailing at the time the Client's instructions were given, transmission interruption or blackout. There are risks of misunderstanding or errors in communication. It is also usually not possible to cancel an instruction after it has been given.

5 Risk of Securities in Custody

There are risks in leaving securities in the custody of the Company, its associated entities or its agents. For example, if the Company is holding the Client's securities and becomes insolvent, the Client may experience significant delay in recovering securities. These are risks that the Client is prepared to accept.

6 Risk of Client Assets Received or Held outside Hong Kong

Client assets received or held by the Company outside Hong Kong are subject to the applicable laws and regulations of the relevant overseas jurisdiction which may be different from the SFO and the rules made thereunder. Consequently, such Client assets may not enjoy the same protection as that conferred on Client assets received or held in Hong Kong.

7 Risk of Securities Borrowing and Lending

7.1 The risk of loss in stock borrowing and short selling is substantial, also may be involved in lender requiring delivery of securities lent within specific time. In some circumstances, the Client may sustain losses in excess of his/her/its initial Margin funds. Even if the Client has set an alternative instruction, such as "stop-loss" or "stop-limit" orders, the Client may still not be able to avoid loss since market conditions may make such directions cannot be performed. The Client may be called upon at short notice to deposit additional Margin funds. If the required funds are not provided within the prescribed time, part of or all securities the Client short sold may have to be bought back without his/her/its prior consent. The Client should closely monitor his/her/its positions, as in extreme conditions the Company may not be able to contact the Client or provide the Client with sufficient time to make the required deposits, and forced bought back may be necessary. The Client will remain liable for any resulting deficit in his/her/its Account. The Client should therefore carefully consider whether stock borrowing and short selling is suitable for him/her/it in the light of his/her/its own financial position and investment objectives before he/she/it trades.

7.2 The borrower may default on its obligation and fails to return the securities lent in a timely manner or at all.

7.3 Any delay in the return of securities lent may restrict the ability of the lender to meet delivery or payment obligations

arising from its counterparty's redemption request and may trigger claims.

- 7.4 If the borrower defaults, there is a risk that the collateral held by the lender may be realised at a lower value than the value of the securities lent. This may be due to adverse market movements in the value of the collateral, intra-day increase in the value of the securities lent, a deterioration in the credit rating of the collateral issuer, default or insolvency of the collateral issuer or the illiquidity of the market in which the collateral is traded.
- 7.5 Securities lending activities entail operational risks such as settlement failure or delays in the settlement of instructions. There can be no assurance that the objective sought to be obtained from use of stock lending (such as to increase return for the lender and/or to reduce its tracking error) will be achieved.

8 Risk of Providing an Authority to Repledge the Client's Securities Collateral etc.

- 8.1 There is risk if the Client provides the Company with an authority that allows the Company to apply the Client's securities or securities collateral pursuant to a securities borrowing and lending agreement, repledge the Client's securities collateral for financial accommodation or deposit the Client's securities collateral as collateral for the discharge and satisfaction of its settlement obligations and liabilities.
- 8.2 If the Client's securities or securities collateral are received or held by the Company in Hong Kong, the above arrangement is allowed only if the Client consents in writing. Moreover, unless the Client is a Professional Investor, the Client's authority must specify the period for which it is current and be limited to not more than 12 months. If the Client is a Professional Investor, these restrictions do not apply.
- 8.3 Additionally, the Client's authority may be deemed to be renewed (i.e. without the Client's written consent) if the Company issues the Client a reminder at least 14 days prior to the expiry of the authority, and the Client does not object to such deemed renewal before the expiry date of the Client's then existing authority.
- 8.4 The Client is not required by any law to sign these authorities. But an authority may be required by the Company, for example, to facilitate Margin lending to the Client or to allow the Client's securities or securities collateral to be lent to or deposited as collateral with third parties. The Company should explain to the Client the purposes for which one of these authorities is to be used.
- 8.5 If the Client signs one of these authorities and the Client's securities or securities collateral are lent to or deposited with third parties, those third parties will have a lien or charge on the Client's securities or securities collateral. Although the Company is responsible to the Client for securities or securities collateral lent or deposited under the Client's authority, a default by it could result in the loss of the Client's securities or securities collateral.
- 8.6 A cash account not involving securities borrowing and lending is available from the Company. If the Client does not require Margin facilities or does not wish the Client's securities or securities collateral to be lent or pledged, do not sign the above authorities and asks to open a cash account.

9 Risk of Providing an Authority to Hold Mail or Direct Mail to Third Parties

If the Client provides the Company with an authority to hold mail or to direct mail to third parties, it is important for the Client to promptly collect in person all contract notes and statements of the Client's Account and review them in detail to ensure that any anomalies or mistakes can be detected in a timely fashion.

10 Risk of Providing Authorization to Third Parties

If the Client provides third parties with an authority to operate the Client's Account maintained with the Company, it is important for the Client to understand that the Company shall be entitled to assume that any of the third parties has full and unrestricted powers and authority to perform trading on behalf of the Client and shall not be under any duty to verify the authenticity of the instructions or identity of such person(s). The Client shall be bound by instructions given on behalf of the Client by third parties.

11 Risk of Trading on Other Exchanges

In the event that the Client wishes to have Transactions pursuant to this Agreement executed on exchanges other than the SEHK, since such Transactions will be subject to the rules and regulations of those exchanges, and applicable local laws, and not those of the SEHK, the Client may have a markedly different level and type of protection in relation to those Transactions compared to the level and type of protection afforded by the rules and regulations of the SEHK and Hong Kong law and such Transactions executed on exchanges other than the SEHK will not be subject to a right to claim under the compensation fund established

under the SFO where the Client suffers a pecuniary loss.

12 Risk of Trading NASDAQ – Amex Securities at the SEHK

The securities under the Nasdaq – Amex Pilot Program (“APP”) are aimed at sophisticated investors. The Client should consult the Company and become familiarized with the APP before trading in the APP securities. The Client should be aware that the APP securities are not regulated as a primary or secondary listing on the Main Board or the Growth Enterprise Market (“GEM”) of the SEHK.

13 Risk of Trading GEM Stocks

- 13.1 The price of securities traded on GEM can and does fluctuate, and any individual security may experience upwards or downwards movements, and may even become valueless. There is an inherent risk that losses may be incurred rather than profit made as a result of buying and selling securities traded on GEM. There may be risks in leaving securities in the Company’s safekeeping. For example, if the Company is holding the Client’s securities and the Company becomes insolvent, the Client may experience significant delay in recovering the securities.
- 13.2 GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. GEM stocks may be very volatile and illiquid.
- 13.3 The Client should be aware of the potential risks of investing in such companies and make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.
- 13.4 Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be susceptible to higher market volatility compared to securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.
- 13.5 The principal means of information dissemination on GEM is publication on the internet website operated by the SEHK. Companies listed on GEM are not generally required to issue paid announcements in gazetted newspapers.
- 13.6 The Client should seek independent professional advice if the Client is uncertain of or has not understood any aspect of this Risk Disclosure Statements or the nature and risks involved in trading of GEM stocks.

14 Risk of Trading Bonds

- 14.1 Any bond with a credit rating of ‘BBB/Baa’ or above by S&P/Fitch/Moody’s belongs to investment grade, which means the bond issuer has at least adequate protection parameters to meet its financial commitment on the obligation. The higher the rating, the stronger the issuers’ capacity to meet their obligation.
- 14.2 Bond is an investment product, not bank deposits. It is not protected under the Hong Kong Deposit Protection Scheme. The Client will not invest in the bond unless the Client fully understands and is willing to assume the risks associated with it. For bonds not listed on the SEHK, any dealings in them are off-exchange Transactions, and the Client will not be covered by any investor compensation fund established to provide compensation in respect of listed securities in the event of intermediary default.
- 14.3 Bond is subject to both the actual and perceived measures of credit worthiness of the issuer. There is no assurance of protection against a default by the issuer in respect of the repayment obligations. In the worst case (e.g. upon insolvency of issuer), the Client might not be able to recover the principal and any coupon if the issuer defaults on the bond.
- 14.4 Bond is mainly for medium to long-term investment, not for short-term speculation. The Client should be prepared to invest Client’s funds in bonds for the full investment tenor and the Client could lose part or all of Client’s investment if the Client chooses to sell bonds prior to its maturity.
- 14.5 It is the issuer to pay interest and repay principal of bonds. If the issuer defaults, the holder of bonds may not be able to receive back the interest and principal. The holder of bonds bears the credit risk of the issuer and has no recourse to the Company unless the Company is the issuer itself.

- 14.6 The Company does not guarantee the existence of a secondary market for bonds, therefore the circumstances in which the holder of bonds may be able to realize their investment may be limited, the Client may not be able to sell the bond if the liquidity of the secondary bond market is low.
- 14.7 If the Client holds a callable bond, when the interest rate goes down, the issuer may redeem the bond before maturity. If this happens and the Client has to re-invest the proceeds, the yields on other bonds in the market will generally be less favorable.
- 14.8 Indicative bond prices are available and bond prices do fluctuate when market changes. The rise and fall of a rating influences the corresponding bond price significantly, factors affecting market price of bonds include, and are not limited to, fluctuations in interest rates, credit spreads, and liquidity premiums. The fluctuation in yield generally has a greater effect on prices of longer tenor bonds. There is an inherent risk that losses may be incurred rather than profit made as a result of buying and selling bonds.
- 14.9 Trading bonds may have counterparty risk. Counterparty risk means the risk to each party of a contract that the counterparty will not live up to its contractual obligations. Counterparty risk should be considered when evaluating the contract.
- 14.10 If the bond is denominated in a foreign currency, there may be exchange rate risks if the Client chooses to convert payments made on the bonds to his/her/its home currency.
- 14.11 The return on bonds will lose purchasing power if commodity prices go up. Inflation is therefore a serious concern for those who need to rely on the regular income from bonds.
- 14.12 If the bond is "convertible" or "exchangeable", the holder of bonds also face equity risk associated with the stock. A fall in the stock price will usually cause the bond price fall.
- 14.13 A corporate event such as a merger or takeover may lower the credit rating of the bond issuer. In case the corporate restructurings are financed by the issuance of a large amount of new debt-burden, the issuer's ability to pay off existing bonds will be weakened.
- 14.14 The Client should carefully consider whether any investment products or services mentioned herein are appropriate for the Client in view of the Client's investment experience, objectives, financial resources, risk profile and other relevant circumstances.
- 15 Risk of Trading Derivatives and Structured Products
- 15.1 General Risk of Trading Derivatives and Structured Products:
- (a) Derivative Products are complex and leveraged investment products. It may be not capital guaranteed and its return will be dependent on its underlying asset(s) which are affected by a wide range of factors and may rise or fall rapidly. It is very important that the Client should read all the relevant offering documents to fully understand the features and risks of derivatives products and the legal terms and conditions of the documentation for such derivative product before deciding to invest.
 - (b) In the event that a structured product issuer becomes insolvent and defaults on their listed securities, the Client will be considered as unsecured creditors and will have no preferential claims to any assets held by the issuer. Clients should therefore pay close attention to the financial strength and credit worthiness of structured product issuers.
 - (c) Uncollateralized structured products are not asset backed. In the event of issuer bankruptcy, the Client can lose their entire investment. The Client should read the listing documents to determine if a product is uncollateralized.
 - (d) Structured products such as derivative warrants and callable bull/bear contracts are leveraged and can change in value rapidly according to the gearing ratio relative to the underlying assets. The Client should be aware that the value of a structured product may fall to zero resulting in a total loss of the initial investment.
 - (e) Structured products have an expiry date after which the issue may become worthless. The Client should be aware of the expiry time horizon and choose a product with an appropriate lifespan for their trading strategy.
 - (f) The price of a structured product may not match its theoretical price due to outside influences such as market supply and demand factors. As a result, actual traded prices can be higher or lower than the theoretical price.

- (g) Clients trading structured products with underlying assets not denominated in Hong Kong dollars are also exposed to exchange rate risk. Currency rate fluctuations can adversely affect the underlying asset value, also affecting the structured product price.
- (h) The SEHK requires all structured product issuers to appoint a liquidity provider for each individual issue. The role of liquidity providers is to provide two way quotes to facilitate trading of their products. In the event that a liquidity provider defaults or ceases to fulfill its role, the Clients may not be able to buy or sell the product until a new liquidity provider has been assigned.

15.2 Risk of Trading Derivative Warrants (“DW”):

- (a) All things being equal, the value of a derivative warrant will decay over time as it approaches its expiry date. Derivative warrants should therefore not be viewed as long term investments.
- (b) Prices of derivative warrants can increase or decrease in line with the implied volatility of underlying asset price. Clients should be aware of its underlying asset volatility.

15.3 Risk of Trading Callable Bull/Bear Contracts (“CBBC”):

- (a) Clients trading CBBCs should be aware of their intraday “knockout” or mandatory call feature. A CBBC will cease trading when the underlying asset value equals the mandatory call price/level as stated in the listing documents. Clients will only be entitled to the residual value of the terminated CBBC as calculated by the product issuer in accordance with the listing documents. Clients should also note that the residual value can be zero.
- (b) The issue price of a CBBC includes funding costs. Funding costs are gradually reduced over time as the CBBC moves towards expiry. The longer the duration of the CBBC, the higher the total funding costs. In the event that a CBBC is called, the Clients will lose the funding costs for the entire lifespan of the CBBC. The formula for calculating the funding costs are stated in the listing documents.

15.4 Risk of Trading Exchange Traded Funds (“ETF”):

- (a) ETFs are typically designed to track the performance of certain indices, market sectors, or groups of assets such as stocks, bonds, or commodities. ETF managers may use different strategies to achieve this goal, but in general they do not have the discretion to take defensive positions in declining markets. Clients must be prepared to bear the risk of loss and volatility associated with the underlying index/assets.
- (b) Tracking errors refer to the disparity in performance between an ETF and its underlying index/assets. Tracking errors can arise due to factors such as the impact of transaction fees and expenses incurred to the ETF, changes in composition of the underlying index/assets, and the ETF manager’s replication strategy. The common replication strategies include full replication/representative sampling and synthetic replication which are discussed in more detail below.
- (c) An ETF may be traded at a discount or premium to its net asset value. This price discrepancy is caused by supply and demand factors, and may be particularly likely to emerge during periods of high market volatility and uncertainty. This phenomenon may also be observed for ETFs tracking specific markets or sectors that are subject to direct investment restrictions.
- (d) Clients trading ETFs with underlying assets not denominated in Hong Kong dollars are also exposed to exchange rate risk. Currency rate fluctuations can adversely affect the underlying asset value, also affecting the ETF price.
- (e) Securities Market Makers (“SMMs”) are Exchange Participants that provide liquidity to facilitate trading in ETFs. Although most ETFs are supported by one or more SMMs, there is no assurance that active trading will be maintained. In the event that the SMMs default or cease to fulfill their role, Clients may not be able to buy or sell the product.
- (f) Counterparty risk involved in ETFs with different replication strategies:
 - (i) Full replication and representative sampling strategies - An ETF using a full replication strategy generally aims to invest in all constituent stocks/assets in the same weightings as its benchmark. ETFs adopting a representative sampling strategy will invest in some, but not all of the relevant constituent stocks/assets. For ETFs that invest directly in the underlying assets rather than through synthetic instruments issued by third parties, counterparty risk tends to be less of concern.
 - (ii) Synthetic replication strategies - ETFs utilizing a synthetic replication strategy use swaps or other derivative instruments to gain exposure to a benchmark. Currently, synthetic replication ETFs can be further categorized into two forms, Swap-based ETFs and Derivative embedded ETFs. For Swap-based ETFs, total return swaps allow ETF managers to replicate the benchmark performance of ETFs without purchasing the underlying assets. Swap-based ETFs are exposed to counterparty risk of the swap dealers and may suffer losses if such dealers default or fail to honour their contractual commitments. While for Derivative embedded ETFs, ETF managers may also use other derivative instruments to synthetically replicate the economic benefit of the relevant benchmark. The derivative instruments may be issued by one or multiple issuers. Derivative embedded ETFs are subject to counterparty risk of the derivative instruments’ issuers and

may suffer losses if such issuers default or fail to honour their contractual commitments. Even where collateral is obtained by an ETF, it is subject to the collateral provider fulfilling its obligations. There is a further risk that when the right against the collateral is exercised, the market value of the collateral could be substantially less than the amount secured resulting in significant loss to the ETF. It is important that Clients shall understand and critically assess the implications arising due to different ETF structures and characteristics.

15.5 Risk of Trading Equities Linked Instruments (“ELI”):

- (a) ELIs are structured products involving derivatives and the return component is based on the performance of the underlying asset. When the Client purchases an ELI, he/she/it is indirectly writing an option on the underlying shares.
- (b) Clients who trade in ELIs are exposed to price movements in the underlying security and the stock market, the impact of dividends and corporate actions and counterparty risks.
- (c) Clients may lose part or all of their investment if the price of the underlying security moves against their investment view.
- (d) Any dividend payment on the underlying security may affect its price and the payback of the ELI at expiry due to ex-dividend pricing. Issuers may also make adjustments to the ELI due to corporate actions on the underlying security.
- (e) While most ELIs offer a yield that is potentially higher than the interest on fixed deposits and traditional bonds, the return on investment is limited to the potential yield of the ELI.
- (f) Clients should take note of the relevant fees and charges related to the purchase and sale of ELI and payment / delivery at expiry. The potential yields disseminated by the SEHK have not taken fees and charges into consideration.

15.6 Risk of Trading Leveraged and Inverse Products (“L&I Products”)

- (a) Trading L&I Products involves investment risk and are not intended for all investors. There is no guarantee of repaying the principal amount.
- (b) Prices of L&I Products may be more volatile than conventional ETFs because of using leverage and rebalancing activities.
- (c) L&I Products are different from conventional ETFs. They do not share the same characteristics and risks as conventional ETFs.
- (d) L&I Products are not intended for holding longer than the rebalancing interval, typically one day. Daily rebalancing and the compounding effect will make the L&I product’s performance over a longer period than one day deviate in amount and possibly direction from the leveraged/inverse performance of the underlying index over the same period. The deviation becomes more pronounced in a volatile market.
As a result of daily rebalancing, the underlying index’s volatility and the effects of compounding of each day’s return over time, it is possible that the leveraged product will lose money over time while the underlying index increases or is flat. Likewise, it is possible that the inverse product will lose money over time while the underlying index decreases or is flat.
- (e) There is no assurance that the L&I Products can rebalance their portfolio on a daily basis to achieve their investment objectives. Market disruption, regulatory restrictions or extreme market volatility may adversely affect the rebalancing activities.
- (f) Rebalancing typically takes place near the end of a trading day (shortly before the close of the underlying market) to minimize tracking difference. The short interval of rebalancing may expose the L&I Products more to market volatility and higher liquidity risk.
- (g) Leverage factor of L&I Products may change during a trading day when the market moves but it will not be rebalanced until day end. The L&I Product’s return during a trading day may be greater or less than the leveraged/opposite return of the underlying index.
- (h) Daily rebalancing causes a higher level of portfolio transaction when compared to conventional ETFs, and thus increases brokerage and other transaction costs.
- (i) Fees, expenses, transaction costs as well as costs of using financial derivatives may reduce the correlation between the performance of the L&I Product and the leveraged/inverse performance of the underlying index on a daily basis.
- (j) L&I Products must be terminated when all the market makers resign. Termination of the L&I Product should take place at about the same time when the resignation of the last market maker becomes effective.
- (k) The use of leverage will magnify both gains and losses of leveraged products.
- (l) Inverse products aim to deliver the opposite of the daily return of the underlying index. If the value of the underlying index increases for extended periods, inverse products can lose most or all of their value.
- (m) Investing in inverse products is different from taking a short position. Because of rebalancing, the performance of inverse products may deviate from a short position in particular in a volatile market with frequent directional swings.

16 Risk of Trading Over-the-Counter Product(s)

- 16.1 The Company may effect over-the-counter Transaction as a principal with the Client. The Company does not guarantee any capital return of investment, minimum gain and the accuracy of the terms of the over-the-counter products as provided by third parties.
- 16.2 It may be difficult or impossible to liquidate an existing over-the-counter position, to assess the value, to determine a fair price or to assess the exposure to risk. Over-the-counter Transactions may be less regulated or subject to a separate regulatory regime. Before undertaking such Transactions, the Client should familiarize himself/herself/itself with applicable rules and attendant risks.
- 16.3 Uncollateralized over-the-counter products are not asset backed. In the event of issuer bankruptcy, the Client can lose his/her/its entire investment. The Client should read the relevant documents to determine if a product is uncollateralized. In the event that an issuer becomes insolvent and defaults on their securities, the Client will be considered as unsecured creditors and will have no preferential claims to any assets held by the issuer. The Client should therefore pay close attention to the financial strength and credit worthiness of the issuers and/or the guarantors of the products.
- 16.4 Over-the-counter product and its issuer may not be assessed by any credit-rating agencies, the Client shall pay attention and make own assessment on the real investment value of the over-the-counter product and the ability of the issuer to settle debts. Upon the occurrence of major event by the issuer and/or guarantor of the over-the-counter product, the rating of the over-the-counter product may be downgraded.
- 16.5 When the country of the issuer or exchange or clearing house where the underlying securities of the over-the-counter Transaction is conducted experiences any event of emergency, market contingency or is subject to holiday, causing changes to the settlement rules, these will result in suspension or delay of settlement for the over-the-counter product.

17 Risk of Trading Special Purpose Acquisition Company (“SPAC”) Securities

17.1 Risks Relating to SPACs and Initial Public Offering (“IPO”)

- (a) A SPAC is a recently formed company with a limited operating history and no revenues, and Client will have no basis on which to evaluate its ability to achieve its business objective.
- (b) The SPAC sponsor or promoter may be unqualified, and Client may have no basis by which to judge the sponsor’s or promoter’s past performance.
- (c) The valuation of the securities offered to investors by the SPAC is uncertain, and investors are provided with limited information on which to evaluate the securities.

17.2 Risks Relating to the SPAC’s Target Search

- (a) The SPAC may not be able to complete the business combination prior to the required period (usually 18 to 36 months post-IPO) and would have to cease all operations except for the purpose of winding up. In this situation, the SPAC would redeem its public shares and liquidate, in which case Client may only receive approximately the IPO price per share, or less in certain circumstances, and the SPAC warrants will expire worthless.
- (b) As the number of SPACs evaluating targets increases, attractive targets may become scarcer, and there may be more competition for attractive targets. This could increase the cost of the business combination and could even result in the SPAC being unable to find a target or to consummate a business combination.
- (c) If the funds available to the SPAC outside the trust or escrow are insufficient, it may need additional funds to facilitate its search for a target and complete a business combination, and the SPAC will depend on loans, a private placement of shares (often referred to as a “PIPE” transaction) or other financing from its initial shareholders, the management team or other third parties to fund its search, to pay its taxes and to complete its business combination.
- (d) The valuation of the target may depend on projections, which projections, though believed by the target to be reasonable, may not prove to be accurate because of factors beyond the control of the SPAC and the target.
- (e) In jurisdictions where permitted by the listing rules and related regulatory framework, the SPAC may attempt to simultaneously complete a business combination with multiple targets, which may hinder its ability to complete a business combination at all and give rise to increased costs.
- (f) Resources could be wasted researching acquisitions that are not completed, which could materially adversely affect subsequent attempts to locate and acquire or merge with another target.
- (g) The target will be subject to business, industry, regulatory, competition and other risks, which should be evaluated carefully.

17.3 Risks Relating to the Shareholder Vote in Relation to A Potential Business Combination

- (a) Client may not be afforded an opportunity to vote on a proposed business combination as shareholder voting requirements in certain jurisdictions may not require it, which means a SPAC may complete its business combination even though a majority of its public shareholders do not support the business combination.
- (b) If a SPAC does not seek shareholder approval of the business combination, Client's only opportunity to affect the investment decision regarding a potential business combination will be limited to the exercise of the Client's right to redeem his/her/its shares of the SPAC for cash
- (c) If a SPAC seeks shareholder approval of the business combination, a vote in favour of the business combination is likely. In certain jurisdictions that permit the sponsor or promoter to vote their shares in connection with the approval of the business combination and such voting right has not been waived, the sponsor or promoter may make up approximately 20% of the shares and will, in connection with the business combination, have agreed to vote its shares in favour of the business combination.
- (d) If a public shareholder fails to receive notice of the SPAC's offer to redeem its shares for cash in connection with the business combination or fail to comply with the procedures for tendering Client's shares, such shares may not be redeemed.
- (e) Client's warrants may expire worthless if Client miss the notice of redemption and fail to exercise his/her/its right to redeem within the period specified by prospectus.

17.4 Risks Relating to Business Combination Closing and Subsequent Combined Company Operations

- (a) If too many public shareholders exercise their redemption rights, it may affect the SPAC's financial condition and capital structure, making it unattractive to potential targets, which, consequently, may make it difficult for the SPAC to enter into a business combination with a target or complete the business combination with the optimized transaction structure.
- (b) The projections on which Client may have based an investment decision may be affected adversely if there are high levels of redemptions and the target waives the requirements for the SPAC to have a specified minimum amount of cash at closing of the business combination.
- (c) The SPAC may not have enough money in the trust or escrow at business combination closing and may be unable to pay the SPAC underwriters their deferred underwriting commission, pay Client upon exercising his/her/its redemption rights, fund the target or complete the business combination.
- (d) The SPAC may attempt to simultaneously complete a business combination with multiple targets, which may hinder its ability to complete a business combination closing and give rise to increased costs and risks that could negatively impact the SPAC's operations and profitability.
- (e) The target may usually waive the requirements for the SPAC to have specified minimum amount of cash at closing of the business combination, but the target may not necessarily have adequate capital to fund its business.
- (f) In connection with the business combination, the SPAC and the target may amend the terms of the business combination agreement, and the sponsor or promoter may agree to forfeit some of their own equity securities or other economic interests to entice parties to vote in favour of the business combination.
- (g) The SPAC may have limited ability to assess the management of a prospective target and the target management team may not have the skills, qualifications or abilities to manage a public company.
- (h) In newly developed SPAC markets, the availability of directors' and officer's liability insurance may be limited and/or costly and the SPAC may not be able to obtain such insurance on acceptable terms or at all.
- (i) Completion of a business combination may be materially and adversely affected by the natural disasters, acts of war, occurrence of epidemics, and other disasters and the resulting impact to the debt and equity markets.
- (j) Subsequent to the business combination closing, the combined company may be required to take write-downs or write-offs, restructuring and impairment, or other charges that could have a significant negative effect on its financial condition, results of operations and its share price, which could cause Client to lose some or all of his/her/its investment.

17.5 Risk Relating to Potential Conflicts of Interest

- (a) The sponsor or promoter and the board of the SPAC that, directly or indirectly, own founder shares and/or private placement securities following the IPO may have interests that differ from those of the shareholders of the SPAC.
- (b) A SPAC may engage either one or some of the IPO underwriters to provide additional services to the SPAC, including identifying potential targets, providing financial advisory services, acting as a placement agent in a private offering and arranging debt financing. In addition, the IPO underwriters typically have agreed to waive a substantial part of their underwriting commissions until the business combination closing and would forfeit those if such does not materialize. This can lead the underwriters to be incentivized to close the deal to Client's detriment.
- (c) The sponsor or promoter expects to obtain a substantial profit from the completion of the business combination, even if the combined company after the business combination closing fails.
- (d) If a SPAC seeks shareholder approval of the business combination, its initial shareholders, officers and directors would usually have previously agreed to vote in favour of the business combination, regardless of how Client vote.
- (e) The sponsor or promoter will likely owe fiduciary duties to other organizations that may compete with the SPAC.

The sponsor or promoter may prioritize the needs of those organizations to the detriment of the SPAC.

17.6 Risk Relating to the Funds in Escrow or Trust

- (a) If Client purchase shares of a SPAC, as a public shareholder, on a winding up Client are entitled to his/her/its pro rata share of the trust or escrow, not the price at which the Client bought the SPAC shares on the market.
- (b) If third parties bring claims against the SPAC or its directors and officers, the proceeds held in the trust or escrow account could be reduced and the per-share redemption amount received by shareholders may be less than the original IPO price per share.
- (c) Client will not have any rights or interests in funds from the trust or escrow, except under certain limited circumstances. To liquidate the investment, the Client may be forced to sell his/her/its SPAC shares or warrants, potentially at a loss.

17.7 Risks Relating to SPAC Securities

- (a) The SPAC may issue a separate class of shares to the target, which may cause the Client's ownership to be diluted.
- (b) The SPAC may issue other securities and the issuance of those securities, which may include convertible notes or convertible preferred securities, may be dilutive.
- (c) In certain instances, the SPAC may redeem Client's unexpired warrants prior to their exercise at a time that may be disadvantageous to the Client.
- (d) Warrants may be illiquid. There is no guarantee that Client will be able to liquidate his/her/its position whenever he/she/it wishes.
- (e) The SPAC may not complete the proposed business combination within the prescribed time frame, in which case the SPAC would cease all operations except for the purpose of winding up and would redeem its public shares and liquidate, in which case the warrants will expire worthless.
- (f) In order to effectuate the proposed business combination, in jurisdictions where permitted by the listing rules and related regulatory framework, the SPAC may amend various provisions of their charters and other governing instruments, including the warrants agreement. The SPAC may amend the terms of the warrants in a manner that may be adverse to holders of warrants with the approval by the holders of at least a majority of the then outstanding warrants. As a result, the exercise price of the Client's warrants could be increased, the exercise period could be shortened and the number of shares purchasable upon exercise of a warrant could be decreased, all without Client's approval.
- (g) There may be volatility in the securities of the SPAC, which may result in a loss of Client's investment.
- (h) Warrants are instruments which give holders to purchase certain share of the issuer's shares at a fixed price of in excess of the IPO share price subject to adjustments. Warrants constitute general unsecured contractual obligations of the issuer and of no other person.
- (i) Purchasing warrants, or warrants comprising the units issued in a SPAC, is not the same as buying the underlying shares. Client will not be entitled to have voting rights, rights to receive dividends or distributions or any other rights under the underlying shares until he/she/it exercises the warrants and purchases the underlying shares.
- (j) Holders of warrants will not have any right to the proceeds held in the trust or escrow with respect to the warrants. Accordingly, to liquidate the investment, Client may be forced to sell his/her/its warrants. The prices of warrants may fall in value as rapidly as they may rise and holders may sustain a total loss of their investment.
- (k) If the issuance of the shares upon exercise of warrants is not registered, qualified or exempt from registration or qualification, the holder of such warrant will not be entitled to exercise such warrant and such warrant may have no value and expire worthless.
- (l) SPAC units and their components (i.e., SPAC shares and SPAC warrants) may be subject to stock exchange delisting, which could limit the Client's ability to effect secondary transactions in the SPAC's securities and subject the SPAC to additional trading restrictions.
- (m) After the separate trading of warrants and shares in a SPAC, Clients trading listed warrants or shares not denominated in the currency of his/her/its home jurisdiction are exposed to exchange rate risk. Currency rate fluctuations can adversely affect the return of the Client's investment.

18 Risk of Trading Virtual Asset Related Products ("VA")

18.1 Risks Relating to Liquidity, Volatility and Valuation

- (a) Virtual assets are generally not backed by any physical assets or guaranteed by the government. They have no intrinsic value. Some of the virtual assets may not circulate freely or widely, and may not be listed on any secondary markets. There may be lack of secondary markets for Clients to trade virtual assets or VA. There may not have any generally accepted valuation principles governing certain types of virtual assets.
- (b) The value of the virtual assets or VA may fluctuate significantly over a short period of time. This means there is a high risk that the price of virtual assets or VA may move up or down, and may become valueless. Client will lose

some or all of his/her/its money. Any virtual asset may decrease in value or lose all of its value due to various factors including discovery of wrongful conduct, market manipulation, change to the nature or properties of the virtual asset, governmental or regulatory activity, legislative amendment, suspension or cessation of support for a virtual assets/VA or other exchanges or service providers, public opinions, or other factors outside of our control.

- (c) Prices on the secondary market are driven by supply and demand and are short-term and volatile by nature. The volatility faced by Clients may be further magnified where liquidity pools for virtual assets are small and fragmented.

18.2 Risks Relating to Cybersecurity and Safe Custody of Assets

- (a) Trading platform operators and portfolio managers may store Clients' assets in hot wallets (ie, online environments which provide an interface with the internet). These can be prone to hacking. Cyber-attacks resulting in the hacking of virtual asset trading platforms and thefts of virtual assets are common. Victims may have difficulty recovering losses from hackers or trading platforms, which can run to hundreds of millions of Hong Kong dollars. Virtual asset funds face a unique challenge due to the limited availability of qualified custodian. Available solutions may not be totally effective.
- (b) Transactions involving virtual assets are irrevocable. Lost or stolen virtual assets may be irretrievable. Once a transaction has been verified and recorded on a block chain, loss or stolen virtual assets generally will not be reversible.

18.3 Risks Relating to Market Integrity

Unlike regulated stock exchanges, the market for virtual assets is nascent and may not operate under a set of recognized and transparent rules. Outages are not uncommon, as are market manipulative and abusive activities, and these all result in Client losses.

18.4 Risks Relating to Conflicts of Interest

Virtual asset trading platform operators may act as agents for clients as well as principals. Virtual asset trading platforms may facilitate the initial distribution of virtual assets (e.g., initial coin offerings), facilitate secondary market trading, or both, as in a traditional exchange, alternative trading system or securities broker. If these operators are not under the purview of any regulator, it would be difficult to detect, monitor and manage conflicts of interest and has a risk of price manipulation on trading, lending or other dealing platforms.

18.5 Risks Relating to Inadequate and Inconsistent Regulation

- (a) Virtual assets/VA may not be subject to regulations associated with a regulated financial product, including, but not limit to, licensing requirement, audit, trade reporting requirements, anti-money laundering rules, market manipulation rules, market integrity principle. The markets for virtual assets/VA are therefore especially susceptible to manipulation and fraud which can have a negative impact on the price of virtual assets/VA.
- (b) Among the accounting profession body, there may not be an agreed standards and practices for auditor to perform assurance and valuation procedures to obtain sufficient audit evidence for the existence and ownership of virtual assets, and ascertain the reasonableness of the valuations.

18.6 Risks Relating to Fraud

- (a) Virtual assets may be used as a means to defraud Clients.
- (b) Virtual asset trading platform operators or portfolio managers may not have conducted sufficient product due diligence before allowing virtual assets to be traded on their platforms or investing in a virtual asset for their portfolios. As a result, Clients may become victims of fraud and lose their investments.

18.7 Risks Relating to Absence of Robust Regulations and Protection on Virtual Assets/VA

- (a) Not only virtual assets itself, trading, lending, dealing platforms and custodians of virtual assets may be unregulated in some countries. There may not have any guarantees and safeguards provided by Government or regulatory bodies. New unforeseen risks may arise from investing in new types of virtual assets or investing in new market participants' complex transaction strategies products.
- (b) Moreover, there may be an absence of a robust regulatory system for virtual assets/VA. Global regulatory bodies may face difficulties on developing a robust regulatory system for virtual assets/VA due to the continuing evolution and development of virtual assets/VA.

18.8 Risks Relating to Default and/or Counterparty Risks

- (a) Default risk could come from the issuer's failure to make payments as agreed. At time of market downturn, an issuer may default due to their inability to fulfil their commitments.
- (b) Counterparty risk refers to the failure of the trading party in fulfilling their financial contractual obligations.

PERSONAL INFORMATION STATEMENT CONCERNING HONG KONG INVESTOR IDENTIFICATION REGIME AND OVER-THE-COUNTER SECURITIES TRANSACTIONS REPORTING REGIME

With the launch of investor identification regime at trading level for the securities market in Hong Kong and the introduction of over-the-counter securities transactions reporting regime for shares listed on the SEHK, client consent for the collection and handling of personal data and updated client identification data are required to collect from Client to fulfil the requirements.

1. Definition

In this statement, the following expressions, unless the context requires otherwise, shall have the following meanings:

“BCAN” means a “Broker-to-Client Assigned Number”, being a unique identification code in the format prescribed by SEHK, generated by the Company in accordance with SEHK’s requirements.

“CID” means the client identification data as described in paragraph 5.6(n) of the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission.

2. Client Consent

2.1 Client acknowledges and agrees that the Company may collect, store, process, use, disclose and transfer personal data relating to the Client (including the Client’s CID and BCAN(s)) as required for the Company to provide services to the Client in relation to securities listed or traded on SEHK and for complying with the rules and requirements of SEHK and the SFC in effect from time to time. Without limiting the foregoing, this includes:

- (a) disclosing and transferring the Client’s personal data (including CID and BCAN(s)) to SEHK and/or the SFC in accordance with the rules and requirements of SEHK and the SFC in effect from time to time;
- (b) allowing SEHK to: (i) collect, store, process and use the Client’s personal data (including CID and BCAN(s)) for market surveillance and monitoring purposes and enforcement of the Rules of the SEHK; and (ii) disclose and transfer such information to the relevant regulators and law enforcement agencies in Hong Kong (including, but not limited to, the SFC) so as to facilitate the performance of their statutory functions with respect to the Hong Kong financial markets; and (iii) use such information for conducting analysis for the purposes of market oversight;
- (c) allowing the SFC to: (i) collect, store, process and use the Client’s personal data (including CID and BCAN(s)) for the performance of its statutory functions including monitoring, surveillance and enforcement functions with respect to the Hong Kong financial markets; and (ii) disclose and transfer such information to relevant regulators and law enforcement agencies in Hong Kong in accordance with applicable laws or regulatory requirements; and
- (d) providing BCAN(s) to HKSCC allowing HKSCC to : (i) retrieve from SEHK (which is allowed to disclose and transfer to HKSCC), process and store the Client’s CID and transfer the CID to the issuer’s share registrar to enable HKSCC and/ or the issuer’s share registrar to verify that the Client has not made any duplicate applications for the relevant share subscription and to facilitate IPO balloting and IPO settlement; and (ii) process and store the Client’s CID and transfer the CID to the issuer, the issuer’s share registrar, the SFC, SEHK and any other party involved in the IPO for the purposes of processing the Client’s application for the relevant share subscription or any other purpose set out in the IPO issuer’s prospectus.

2.2 Client understands that failure to provide the Company with the Client’s personal data or consent as described above may mean that the Company will not, or will no longer be able to carry out the Client’s trading instructions or provide the Client with securities related services (other than, where applicable under the relevant laws, rules and regulations, to sell, transfer out or withdraw the Client’s existing holdings of securities, if any).

2.3 Client also agrees that despite any subsequent purported withdrawal of consent by the Client, the Client’s personal data may continue to be stored, processed, used, disclosed, or transferred for the above purposes after such purported withdrawal of consent.

3 Updated Personal/Identification Information

Priority of type of identity documents for different category of Clients are set out as below :

- (a) individual Clients: (i) HKID card; (ii) national identification document; (iii) passport
- (b) corporate Clients: (i) Legal Entity Identifier (“LEI”) registration document; (ii) certificate of incorporation; (iii) business registration certificate; (iv) other relevant documents
- (c) trust account Clients: for individual trustee: (i) HKID card; (ii) national identification document; (iii) passport
for corporate trustee: (i) LEI registration document; (ii) certificate of incorporation; (iii) business registration certificate; (iv) other relevant documents

(d) joint account Clients: for each individual: (i) HKID card; (ii) national identification document; (iii) passport

Identification information must be provided in accordance with the above mentioned specified priority. Client must promptly notify the Company of any changes or updates of the identity documents and provide the Company with a certified true copy of the updated identity documents according to the relevant waterfall requirement.

4 Acknowledgement and Consent

The Client acknowledges that he/she/it has read and understood the above content and hereby signify his/her/its consent to the Company on the terms of and for the purposes set out in this statement; and the Client hereby further undertakes to promptly notify the Company of any changes or updates of the Client's identity documents according to the waterfall and provides with a certified true copy of the updated identity documents.

PERSONAL INFORMATION COLLECTION STATEMENT OF THE GROUP COMPANIES

All references to “Guoyuan International Group” or “Group Companies” in this statement refer to the direct or indirect holding companies, and direct or indirect subsidiaries of the Company or of such holding companies, and shall include Guoyuan International Holdings Limited, Guoyuan Securities Brokerage (Hong Kong) Limited, Guoyuan Futures (Hong Kong) Limited, Guoyuan Asset Management (Hong Kong) Limited and Guoyuan Capital (Hong Kong) Limited. This statement is made by the Group Companies in accordance with the Personal Data (Privacy) Ordinance (Cap. 486) of the Hong Kong Special Administrative Region (the “Ordinance”) and is intended to notify the Clients of why personal data is collected, how it will be used and to whom data access requests are to be addressed.

1. From time to time, it is necessary for the Clients to supply the Group Companies with data in connection with the opening or continuation of Accounts and the establishment or continuation of trading or credit facilities or provision of financial, securities, commodities, derivatives, investment, financing, wealth management, investor education and related services, products and facilities.
2. Failure to supply such data may result in the Group Companies being unable to open or continue Accounts or establish or continue trading or credit facilities or provide the services, products or facilities mentioned in Clause 1 above.
3. It is also the case that data are collected from the Clients in the ordinary course of the continuation of the business relationship between the Clients and the Group Companies.
4. The purposes for which data relating to the Client may be collected, used and/or disclosed by the Group Companies, whether within or outside Hong Kong and whether before or after the termination of the Client’s relationship with the Group Companies, are as follows:
 - (a) the daily operation of the services and facilities provided to the Clients;
 - (b) conducting credit checks;
 - (c) assisting other financial institutions to conduct credit checks;
 - (d) ensuring ongoing credit worthiness of the Clients;
 - (e) designing the services, products or facilities mentioned in Clause 1 above for the Clients' use;
 - (f) marketing the services, products and facilities mentioned in Clause 1 above (details of the use or provision of personal data by the Group Companies for direct marketing purposes are set out in Clause 6 below);
 - (g) determining the amount of indebtedness owed to or by the Clients;
 - (h) collection of amounts outstanding from the Clients and those providing guarantee or security for the Clients' obligations;
 - (i) meeting the requirements to make disclosure under the requirements of any legal and/or regulatory requirements or court orders binding on the Group Companies (whether within or outside Hong Kong);
 - (j) enabling the Group Companies to comply with any applicable industry practices;
 - (k) enabling the Group Companies to comply with any applicable laws, rules, regulations, industry practices, legal obligations, or any requirements, requests, codes, guidance or guidelines of any exchanges or any regulatory, tax, law enforcement or government bodies in any jurisdiction to which the Group Companies are subject (such as guidelines issued by the Hong Kong Inland Revenue Department for the implementation of automatic exchange of financial account information (AEOI) and the U.S. Foreign Account Tax Compliance Act (FATCA));
 - (l) complying with any obligations, requirements, policies, procedures, guidelines, measures or arrangements for sharing data and information within the Group Companies and/or any other use of data and information in accordance with any programmes for sanctions, prevention or detection of money laundering, terrorist financing, tax evasion or other unlawful activities; and
 - (m) any purposes directly or indirectly relating or incidental to any of the above.

The Group Companies may from time to time transfer the Clients' data outside of Hong Kong for any of the above purposes.

5. Data held by the Group Companies relating to Client(s) will be kept confidential but the Group Companies may provide such data to the following parties (whether within or outside Hong Kong):
 - (a) any agent, contractor or third party service provider who provides administrative, telecommunications, computer, financial, trade execution, cash, securities and/or contracts clearing or settlement or other services to the Group Companies in connection with the operation of its business;
 - (b) any other person under a duty of confidentiality to the Group Companies including but not limited to any member of the Group Companies which has undertaken to keep such information confidential;
 - (c) any financial institution or dealer with which the Client has or proposes to have dealings;
 - (d) any credit reference agency and in the event of default, any debt collection agency;

- (e) any actual or proposed assignee of the Group Companies or participant or sub-participant or transferee of the Group Companies rights in respect of the Clients;
- (f) any person providing or proposing to provide guarantee or security for the Clients' obligations; and
- (g) any exchange, entity, agency, regulatory or government body in any jurisdiction if required by law or pursuant to any court orders, rules or regulations to which the Group Companies are subject. In such cases, the Group Companies are usually under a duty of secrecy and will not be able to notify the Client or seek his/her consent in relation to such release of information

6. Use of Data in Direct Marketing

The Group Companies may use the Client's personal data in direct marketing with the Client's consent (which includes an indication of no objection) for that purpose. In this connection, please note that:

- (a) the Client's personal data such as the Client's name, telephone number, email address, correspondence address, account number, products and services portfolio information, transaction pattern and behaviour, risk profile, financial background and investment objectives and experience may be used by the Group Companies in direct marketing;
- (b) the following classes of services, products, facilities and marketing subjects may be marketed:
 - (i) financial, securities, commodities, derivatives, investment, financing, wealth management, investor education and related services, products and facilities; and
 - (ii) reward, loyalty or privileges programmes and related services, products and facilities;
- (c) the above services, products, facilities and marketing subjects may be provided or (in the case of donations and contributions) solicited by the Group Companies and/or any member company of the Group Companies; and
- (d) the Group Companies may, with the Client's written consent (which includes an indication of no objection), also provide the personal data described in Clause 6(a) above to any of the persons referred to in Clause 6(c) above for use by any of them in direct marketing of the services, products, facilities and marketing subjects referred to in Clause 6(b) above. The Group Companies may so provide the personal data to such persons for direct marketing purposes for gain.

If the Client wishes the Group Companies to cease to use and provide his/her personal data to other persons for use in direct marketing, the Client may notify the Legal and Compliance Department of the Group Companies in writing by mailing or faxing the written notification to the postal address or facsimile number provided in Clause 10 below. The Group Companies shall then cease to use and provide his/her personal data for direct marketing purposes without any charge.

- 7. There may be instances where the Clients elect to provide personal information to the Group Companies through electronic means (such as Internet or voice recording system). Whilst the Group Companies generally uses best endeavors to maintain the security and integrity of its systems, due to many unpredictable traffic or other reasons, electronic communication may not be a reliable medium of communication. The Client should take heed of such weaknesses and communicate personal information through electronic devices with caution.
- 8. Under and in accordance with the terms of the Ordinance, the Client has the right to:
 - (a) check whether the Group Companies hold data about him/her and the right of access to such data;
 - (b) require the Group to correct any data relating to him/her which is inaccurate; and
 - (c) ascertain the Group Companies' policies and practices in relation to data and to be informed of the kind of personal data held by the Group Companies.
- 9. In accordance with the terms of the Ordinance, the Group Companies have the right to charge a reasonable fee for the processing of any data access request.
- 10. The person to whom requests for ceasing to use of personal data in direct marketing, access to data, correction of data or information regarding policies and practices and kinds of data held are to be addressed as follows:

Legal and Compliance Department
 Guoyuan International Holdings Limited
 17/F, Three Exchange Square
 8 Connaught Place
 Central, Hong Kong

Phone: (852) 3769-6820
 Facsimile: (852) 3769-6999
 Email: compliance@gvzq.com.hk

- 11. This Statement may be revised, amended or supplemented from time to time by the Group Companies. The most up-to-date statement can be found in the Group Companies' website at www.gvzq.com.hk/ www.gygj.com.hk.