

PING AN SECURITIES (HONG KONG)

**TERMS AND CONDITIONS OF
THE CLIENT AGREEMENT**

Ping An Securities (Hong Kong) Company Limited

Unit 3601, 36/F, The Center, 99 Queen's Road Central,
Hong Kong

Date: June 2025 (4th Edition)

INTRODUCTION

The Terms and Conditions of the Client Agreement (“**Agreement**”) sets out the terms and conditions which apply to your Securities Account(s) with Ping An Securities (Hong Kong) Company Limited, 平安證券(香港)有限公司 (“**PASHK**”). We are a licensed corporation in respect of Type 1 (Dealing in Securities) and Type 4 (Advising on Securities) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (CE Number BMC491).

This Agreement comprises:

- Part I – Terms and Conditions for Securities Trading
- Part II – Additional Terms and Conditions for Securities Margin Trading
- Appendix I – The Notice to Clients Relating to the Personal Data (Privacy) Ordinance (The “**Notice**”)
- Appendix II – Definitions and Interpretation
- Appendix III – Risk Disclosure Statements (General)
- Appendix IV (A) Risk Disclosure Statements (China Connect)
- Appendix IV (B) Risk Disclosure Statements (China Connect and Northbound Transactions)

Please read this Agreement (including each Appendix) carefully and retain it for future reference.

PART I - TERMS AND CONDITIONS FOR SECURITIES TRADING

Clause I

1. DEFINITIONS AND INTERPRETATION

- 1.1 Our provision and your use of the Services are subject to this Agreement.
- 1.2 Terms used in this Agreement are defined in Appendix II. The rules for interpreting the provisions of this Agreement are also set out in Appendix II.

Clause II

2. REPRESENTATIONS AND UNDERTAKINGS

- 2.1 You represent, warrant and undertake to us that:

- (A) (if an individual) you are aged 18 or older at the time of entering into this Agreement;
- (B) (if a company) you are duly incorporated and validly existing under the laws of your jurisdiction of incorporation, and you have full power, authority and legal right to own your assets and carry on your business;
- (C) you have full power, authority and legal right to enter into and perform your obligations under this Agreement and have taken or obtained all necessary corporate action (if a company) and all other necessary action to authorize the execution and performance of this Agreement;
- (D) you have read and understood:
 - (1) the general risk disclosure statements in Appendix III and the risk disclosure (China Connect and Northbound Transactions) in Appendix IV (A)&(B) (applicable if you are trading in China Connect Securities); and
 - (2) the Notice as set out in Appendix I.
- (E) this Agreement constitutes your legal, valid and binding obligations enforceable in accordance with this Agreement;
- (F) you are not resident in a country where there is any restriction on you relating to purchase of any Securities. If you become resident in any such country, you will inform us immediately and will sell or redeem any such restricted Securities if we require;
- (G) when purchasing or dealing in any Securities, you will ensure that you are not subject to any prohibition against the purchase or dealing in the relevant Securities, and you are not acting for any person who is subject to such prohibition;
- (H) neither the execution of this Agreement nor the performance by you of any of your obligations or the exercise of any of your rights under this Agreement will conflict with or result in a breach of your memorandum or articles of association or other constitutive documents (if a company) or any law, regulation, judgment, order, authorization, agreement or obligation applicable to you;
- (I) in entering into this Agreement, you confirm that you have not relied on any representations, warranties, or explanations or advice from or on behalf of the Ping An Group other than as set out or referred to in this Agreement;
- (J) all information and materials provided by you to us are true, correct, comprehensive, timely and legal, and we are entitled to rely on such information until we have received written notice from you of any changes therein;

- (K) unless otherwise notified by writing to us, you act as principal for your own Securities Account(s) and not as agent of any person in entering into this Agreement and/or effecting any transactions hereunder, and no person other than you have or will have or acquire any beneficial or other interest in any Cash or assets held by us for you.
- 2.2 You represent and warrant to us that the representations and warranties in this Clause 2.1 shall be true and accurate throughout the continuance of this Agreement with reference to the facts and circumstances subsisting from time to time.
- 2.3 You undertake to notify us in writing of any changes to any information provided to us from time to time.
- 2.4 You authorize us to obtain references from banks and to conduct credit enquiries on you in connection with your Securities Account(s) (whether through a credit agency or otherwise).

Clause III

3. APPLICABLE RULES AND REGULATIONS

- 3.1 All transactions made pursuant to this Agreement will be subject to:
 - (A) all Applicable Regulations and Market Requirements, as amended from time to time, of Hong Kong and any other applicable jurisdictions; and/or
 - (B) our applicable terms of business and trading policies and procedures (as amended from time to time).
- 3.2 Pursuant to the Rule 14A10 of the SEHK Rules and as required by SSE:
 - (A) You agree to comply with the SSE Rules (to the extent applicable to the trading of China Connect Securities in the SSE Market, and not inconsistent with the SEHK Rules);
 - (B) You acknowledge that you have read Appendix III and Appendix IV (A)&(B), by which we have made disclosure to you with regard to the risks associated with investing in China Connect Securities through appropriate arrangements including, without limitation, the risk that your Instructions to trade in China Connect Securities may not be accepted and that you may be liable to regulatory investigations and the relevant legal consequences if you are in breach of or fail to comply with the SSE Rules and the laws and regulations referred to in this SEHK Rule 14A10;
 - (C) You acknowledge that the SEHK may require us to suspend or restrict any Services or from inputting China Connect orders under any Broker-to-Client Assigned Number ("BCAN"), if it is found that we or any of our clients (as the case may be) has or may have committed any breaches of the SSE Rules and the laws and regulations referred to in SEHK Rule 14A10(1);
 - (D) You acknowledge, that if the SSE Rules are breached, or if the disclosure and other obligations referred to in the SSE Listing Rules or the SSE Rules are breached, SSE has the power to carry out investigations, and may, through SEHK or the SEHK Subsidiary, require you to provide relevant information and materials (including Your Information) to assist in their investigation;
 - (E) You acknowledge that where there is a serious breach of the SSE Rules, SSE may request SEHK to take appropriate regulatory actions or commence disciplinary proceedings against us, or request SEHK to require us to issue warning statements (verbally or in writing) to you, and not to extend the China Connect Service to us or you;
 - (F) You acknowledge that SEHK may (for the purpose of assisting SSE in our regulatory surveillance of the SSE Market and enforcement of the SSE Rules and as part of the regulatory cooperation arrangement between SEHK, the SEHK Subsidiary and SSE), at the request of SSE, require us to provide Your Information with respect to any China

Connect orders input or China Connect Securities trades made or entered into by us on your behalf; and

- (G) For the purposes referred to in paragraphs (D) to (F) of this Clause 3.2, we may authorize SEHK (whether directly or through their SEHK Subsidiary) to disclose, transfer and provide Your Information to SSE upon request, and we will make appropriate arrangements with you. Your Information will be disclosed, transferred and provided in compliance with Applicable Regulations including the PDPO.

3.3 Pursuant to Rule 14B10 of the SEHK Rules and as required by SZSE:

- (A) You agree to comply with SZSE Rules (to the extent applicable to the trading of China Connect Securities in the SZSE Market, and not inconsistent with these SEHK Rules and any regulations, requirements or conditions prescribed or published pursuant to these SEHK Rules) and laws and regulations of Mainland China relating to the use of the China Connect Service and the trading of China Connect Securities;
- (B) You acknowledge that we have made disclosure to you via Appendix IV (A)&(B) of this Agreement of the risks associated with investing in China Connect Securities through appropriate arrangements including, without limitation, the risk that your Instructions to trade in China Connect Securities may not be accepted and that you may be liable to regulatory investigations and the relevant legal consequences if you are in breach of or fail to comply with the SZSE Rules and the laws and regulations referred to in this SEHK Rule 14B10;
- (C) You notice that SEHK has the power not to extend the China Connect Service to us, the power to require us not to accept Instructions from you and the power to suspend or restrict us from inputting China Connect orders under any BCAN, if it is found that we or any of our clients (as the case may be) has or may have committed any abnormal trading conduct set out in or fail to comply with the SZSE Rules and the laws and regulations referred to in SEHK Rule 14B10(1);
- (D) You acknowledge that if the SZSE Rules are breached, or if the disclosure and other obligations referred to in the listing rules of the SZSE (including the rules of the SZSE for stock listing on ChiNext) or the SZSE Rules are breached, SZSE has the power to carry out investigations, and may, through SEHK or the SEHK Subsidiary, require us to provide relevant information and materials (including Your Information) to assist in our investigation;
- (E) You acknowledge that where there is a serious breach of the SZSE Rules, SZSE may request SEHK to take appropriate regulatory actions or commence disciplinary proceedings against us, or request HKEX to require us to issue warning statements (verbally or in writing) to you, and not to extend the China Connect Service to us or to you;
- (F) you acknowledge that the SEHK may (for the purpose of assisting SZSE in its regulatory surveillance of the SZSE Market and enforcement of the SZSE Rules and as part of the regulatory cooperation arrangement between HKEX, the SEHK Subsidiary and SZSE), at the request of SZSE, require us to provide Your Information with respect to any China Connect orders input or China Connect Securities trades made or entered into by us on your behalf; and
- (G) for the purposes referred to in paragraphs (D) to (F) of this Clause 3.3, we shall authorize SEHK (whether directly or through the SEHK Subsidiary) to disclose, transfer and provide Your Information to SZSE upon request; and we may make appropriate arrangements with you to ensure that Your Information is disclosed, transferred and provided in compliance with Applicable Regulations including the PDPO.

3.4 In respect of the use of any China Connect Service by you, you confirm that you acknowledge, and agree to comply with all Market Requirements, including but not limited to the Rules of HKEX in respect of:

- (A) Chapter 14A China Connect Service – Shanghai (including but not limited to HKEX

Rule14A10); and

- (B) Chapter 14B China Connect Service – Shenzhen (including but not limited to HKEX Rule14B10).

Clause IV

4. INSTRUCTIONS

- 4.1 You may give Instructions over the counter, by telephone, through the internet, or through such other facilities or in such other manner as we may agree, but in all cases in the manner as prescribed by us, especially, you further acknowledge and agree that, we may only accept Instructions given by telephone, through the internet or via such other electronic services made available to you by us in the case of an SWT Day.
- 4.2 You may appoint an Authorized Person, whom you will provide full authorization to, in order to give us directions, Instructions of whatever nature or otherwise act on your behalf in respect of all matters relating to this Agreement and the Securities Account(s). The Authorized Person shall have continuous authority to deal with us as described above, unless we have received written notice from you to revoke or vary the authority.
- 4.3 You acknowledge and agree that any Instructions given or purported to be given to us by the Authorized Person shall at all times be binding on you regardless of whether any such person giving Instructions has your actual authority to do so at the time of such Instructions. You hereby agree to ratify at any time hereafter all acts, and deeds, directions, orders or Instructions given by any Authorized Person and acknowledge that the same shall, at all times, be binding on you.
- 4.4 We may accept and act upon Instructions which we reasonably believe came from you, your agent or your Authorized Person and you acknowledge that we have the right but are under no duty to verify their identity or authority, or the genuineness of any signature contained in an Instruction. Such Instructions shall be binding on you and we shall incur no liability for accepting or acting upon such Instructions, whether or not in fact given by you, your agent or your Authorized Person, and even if those: (i) were not accurately transmitted or received; (ii) were not properly understood by us; or (iii) differ from any written confirmation subsequently received from you, save and except in the case where Clause 16.8 applies. You accept full responsibility for the settlement amount, commission, fees and cost of currency conversion(s), if applicable, in relation to executed transactions of your Instructions.
- 4.5 We may in our absolute discretion refuse to act on any of your Instructions without assigning any reason. In particular, we may refuse to act on an Instruction if, at the time of such Instruction, there are insufficient Securities or funds in your Securities Account(s) to settle the relevant transaction or if you do not have the required minimum balance in your Securities Account(s).
- 4.6 In addition to any other rights conferred on us under this Agreement, we have the right to delay acting or not to act on an Instruction without prior notice in the following circumstances (or any of them):
- (A) if the Instruction is unclear in our reasonable opinion;
 - (B) if the Instruction is not given in a form or by such means as acceptable to us;
 - (C) if we are unable to act on the Instruction due to prevailing market conditions or any other reason beyond our reasonable control;
 - (D) if, in our reasonable opinion, the Instruction is not consistent with any Applicable Regulations or Market Requirements or the provisions of this Agreement; and
 - (E) if the Instruction is not submitted by you in person, if it is in doubt as to whether such Instructions have been properly authorized, accurately transmitted or received or properly understood by it.

- 4.7 You agree that we will not be responsible for any delay or error in, or distortion or incompleteness of, transmission, receipt or execution of Instructions by whatever means due to either a breakdown or failure of transmission of communication facilities or unreliable medium of communication.
- 4.8 You may request to cancel or amend your Instructions but we are not obliged to accept any such request. Instructions may be cancelled or amended only before execution. Cancellation of market Instructions is rarely possible as those are subject to immediate execution. In the case of full or partial execution of your cancelled Instructions, you accept full responsibility for the executed transactions and we shall incur no liability in connection therewith.
- 4.9 You may give Instructions on the basis of "limit orders" or "market orders" or such other types of orders as we may agree.
- 4.10 Due to physical or technical restraints and price fluctuations, we may not be able to execute your Instructions in full or at the prices quoted at any specific time or "at best" or "at market". You agree to be bound by the outcome when you give any Instructions and we shall incur no liability for failing or being unable to comply with any of your Instructions, save and except in the case where Clause 16.8 applies.
- 4.11 All Instructions are good for the day on which those were given. Those Instructions will be automatically cancelled if not executed by the close of trading on the relevant Exchange or such other expiration date required by the relevant Exchange. Any Instruction received on a trading day after the close of trading on the relevant Exchange will be carried forward to the next trading day (or the following Business Day if that trading day is a public holiday) of that Exchange, and this Clause will apply accordingly. We may execute the Instructions at any time prior to their automatic cancellation or receipt of cancellation instructions, and you accept full responsibility for the transactions so executed.
- 4.12 Where you give a new Instruction before the execution of another Instruction previously given, we may not be able to execute the new Instruction for you. You accept full responsibility for any loss arising as a result thereof.
- 4.13 We will not be deemed to have accepted or executed your Instructions until we receive reports of the transactions from the relevant Exchange and market makers. Any acknowledgement or confirmation thereof (whether in writing, verbally or through the internet) prior to the receipt of the reports are for information only. You agree that we may deliver late status reports of transactions from the relevant Exchange and market makers and, accordingly, you will also be subject to such late reports. We are entitled to correct any acknowledgement or confirmation errors, including any errors in execution prices that come to our attention without incurring any liability in connection therewith.
- 4.14 You agree to immediately notify us if:
- (A) you are unable to place Instructions using any of the means prescribed by us when the Exchange is open for business;
 - (B) you did not receive an order number (whether in writing, verbally or through the internet) for an Instruction placed with us;
 - (C) you did not receive an acknowledgement or accurate acknowledgment (whether in writing, verbally or through the internet) of an Instruction placed with us or its execution;
 - (D) you received acknowledgment (whether in writing, verbally or through the internet) of execution of an Instruction which you did not place or any similar kinds of inaccurate or conflicting report or information; or
 - (E) you notice any discrepancies or inaccuracies in the Securities Account(s).

If you fail to so notify us, neither we nor any of our officers, directors, employees or Agents will incur any liability for the handling, mishandling or loss of any Instruction.

- 4.15 Subject to Applicable Regulations and Market Requirements, we may reasonably determine the priority of execution of your Instructions, and you shall have no right to claim of priority to any other client of ours.
- 4.16 You understand that the Ping An Group may take an opposite position to your orders whether it is on our own account or on behalf of our other clients. We are neither obliged to inform you of any position at any one time taken by us nor to close any of your positions in your Securities Account(s), notwithstanding our rights to do so hereunder.
- 4.17 We may in our absolute discretion consolidate and/or disaggregate your Instructions with similar instructions received from other clients, provided this will not result in your Instructions being executed at a price less favourable than if they had been executed individually. If there are insufficient Securities to satisfy purchase orders so consolidated, the Securities actually purchased will be allocated to the consolidated purchase orders on a pro-rata basis.
- 4.18 You agree that we may (but are not obliged to) monitor and/or record your Instructions and telephone conversations with us. Any such recording (or a transcript thereof) will be conclusive evidence of the contents and nature of the relevant Instructions or telephone conversations.
- 4.19 You agree to indemnify, defend and hold us, and our officers, directors, employees and Agents, harmless from and against any and all direct losses, liabilities, judgments, arbitration awards, settlements, expenses, damages and costs, including attorneys' fees and disbursements, as incurred by any of them arising in any manner out of or relating to your improper use of, or inability to use, the Services or any breach or alleged breach by the Client of this Agreement.
- 4.20 By entering into this Agreement, you agree to co-operate with us, our officers, directors, employees and Agents, as fully as reasonably required in the defence of any Third Party claim subject to these indemnity provisions. We reserve the right to assume the exclusive defence and control of any matter otherwise subject to indemnification by you. You shall not in any event settle any matter without our prior written consent.

Clause V

5. SCOPE OF SERVICES

- 5.1 We may provide various Services. By signing this Agreement, you agree to the provision of the selected Services as specified in the Cash/ Margin Account Opening Form or other agreements via the following services to be carried out by us:
- (A) receiving Instructions from you pursuant to the Terms and Conditions of the Client Agreement;
 - (B) attending to settlement of any transactions effected by you;
 - (C) holding client assets for and on your behalf;
 - (D) receiving dividends and other distribution on your behalf;
 - (E) providing contract notes, statement of accounts and receipts pursuant to the laws and regulations to which we are subject; and
 - (F) other services as agreed between you and us from time to time.
- 5.2 We may offer Services with such features and on such Terms and Conditions as we may specify. We have the right to do from time to time without prior notice:
- (A) introduce new Services or features;
 - (B) vary, suspend or withdraw any existing Services or features; and

- (C) specify or vary the scope and extent of the Services or features.
- 5.3 In relation to the purchase and/or sale of any product:
- (A) we may solicit the sale of or recommend a product to you in accordance with Clause 5.4; and/or
 - (B) you may enter into the transaction without or inconsistent with any solicitation or recommendation from us.
- 5.4 If we or our Agent solicits the sale of or recommend any financial product to you, the financial product (any securities as defined under SFO) must be reasonably suitable for you, having regard to your financial situation, investment experience and investment objectives. No other provision of this Agreement or any other document we may ask you to sign and no statement we may ask you to make derogates from this Clause. This Agreement does not operate to remove, exclude or restrict any of your rights or obligations of us as a licensed person under the law.
- 5.5 No clause, provision or term in this Agreement or in any other document signed or statement made by you at our request is inconsistent with our obligations under the Code of Conduct.
- 5.6 Examples of when we may be exempt from having to comply with paragraph 6.2(i) of the Code of Conduct include circumstances where:
- (A) you are a knowledgeable and experienced corporate or individual professional investor and we have complied with the incidental procedures in the Code of Conduct;
 - (B) you are an institutional professional investor falling under the definition of paragraphs (a) to (i) of the definition of "professional investor" in section 1 of Part 1 of Schedule 1 to the SFO;
 - (C) we are entitled by Applicable Regulations to be exempt from having to comply with the requirement to add a specific suitability clause as per the requirements set out in the Code of Conduct.
- 5.7 You agree to regularly provide us with information relating to your risk tolerance, investment objective, investment experience or sophistication, financial situation and financial needs. We use and rely on this information to help you make investment decisions that meet the appropriate risk profile and to ensure, to the extent required by Applicable Regulations, that any financial products which we solicit the sale of or recommend to you are reasonably suitable for you at the point of sale. If there are circumstances or other considerations that you feel are relevant, you should inform us. Our investment recommendations will be based on the information you provide us.
- 5.8 If you enter into a transaction with us to buy and/or sell a product without or inconsistent with any of our solicitation or recommendation, we will not have any obligation or duty to assess whether or ensure that the product is suitable for you. Any limitation to duty in this clause is subject to compliance with all Applicable Regulations. Except as set out in Clause 16.8, we are not liable for any loss (including indirect or consequential loss), cost or damage of any kind incurred by you or any other person with respect to or arising out of any transactions which fall under this clause.
- 5.9 You agree to make your own judgments and decisions with respect to each Instruction independently and without relying on us. You assume full responsibility for all your investment decisions and all transactions for your Securities Account(s). Neither we nor any of our officers, directors, employees or Agents shall incur any liability in connection therewith.
- 5.10 You agree that if we do not provide you with any investment or other advice or advice regarding the suitability or profitability of any investment, you will not solicit or rely upon (if given) any such advice from us or any of our officers, directors, employees or Agents.
- 5.11 If services are to be provided to you in relation to derivative products, we shall: (i) provide to you upon request product specifications and any prospectus or other offering document covering such products; and (ii) provide a full explanation of margin procedures and the circumstances under

which a client's position may be closed without your consent.

Clause VI

6. INTERNET SERVICE

- 6.1 You agree that the internet, app(s), software (including but not limited to downloadable version of software), electronic kind of communication, and electronic services may be used as the medium for giving Instructions or other communication for the purposes of this Agreement, provided that such Instructions or communication are made in the manner prescribed by us.
- 6.2 You shall be responsible for the confidentiality, security and use of your access codes and undertake:
- (A) not to disclose any access codes to any Third Party;
 - (B) not to record any access codes in a way that could facilitate unauthorized disclosure, misuse or fraud; and
 - (C) to immediately report any loss, unauthorized disclosure or misuse of the access codes to us in writing or by telephone.
- 6.3 You are solely responsible for all Instructions entered through the internet using the access codes (whether authorized by you or not). Neither we nor any of our officers, directors, employees or Agents shall incur any liability for the handling, mishandling or loss of any Instruction. You shall be liable to us for all losses or damages incurred or suffered by us in connection with or resulting from any breach of this Clause.
- 6.4 If you experience difficulties in reaching us through the internet or another medium, you should attempt to use alternative ways as we may make available to communicate with us and/or inform us of such difficulties. However, you must note that if you have given the same Instruction through more than one medium, we will treat the duplicate Instruction as a separate Instruction unless we are actually informed by you that the Instruction was a duplicate before the Instruction is executed.
- 6.5 You acknowledge that if you incorrectly enter the access code for five consecutive times, as part of the security measure, we have the right to temporarily suspend your right to give Instructions through the internet. The number of continuous incorrect entries as recorded in our computer shall be conclusive. If your right to give Instructions through the internet has been temporarily suspended, you should contact us through such means as prescribed by us to reactivate the right to give Instructions through the internet.
- 6.6 You agree that any software used to access our website must be: (a) a software provided by us or downloaded from a website(s) designated by us or (b) a software or app designated by us which may be downloaded from app store, Google Play or any other kind platform(s) designated by us. You are solely responsible for all losses incurred should you use software obtained or downloaded from other sources.
- 6.7 You agree that our website and the software comprised therein are proprietary to us and/or third-party service providers. You agree not to tamper with, modify, decompile, reverse engineer or otherwise alter in any way, or gain unauthorized access to, any part of our website or the software comprised therein; and you shall not attempt to do any of the above. We may suspend or terminate your access codes and/or close any of your Securities Account(s) immediately without giving you prior notice if you breach this Clause or if we reasonably suspect that you have breached this Clause. You undertake to notify us immediately if you become aware that any other person is doing any of the above.
- 6.8 We may provide, for information purpose only, data or information about Securities and other investments published or disseminated by Third Parties. You understand that the Third Parties may assert a proprietary interest in all of the data they furnish. You acknowledge that neither we nor any Third Parties guarantee the timeliness, sequence, accuracy or completeness of such data or information. You further acknowledge that owing to market volatility and possible delay in the

data-transmission process, data available through the internet may not be real-time market quotes for the relevant Securities and investment. You agree to hold us harmless and such Third Parties, for:

- (A) any inaccuracy, error, or delay in, or distortion or omission of (i) any such data, information, or message or (ii) the transmission or delivery of any such data, information, or message; or
- (B) any loss or damage arising from or occasioned by (i) any such inaccuracy, error, delay, distortion or omission, (ii) non-performance, or (iii) interruption of any such data, information, or message, due either to any negligent act or omission by you or any Third Parties or to any force majeure.

6.9 Without any prejudice to any other provisions of this Agreement, you agree that certain information accessible on the Website(s) is provided or compiled by the SEHK or Stock Exchange Information Services Ltd. or other information providers pursuant to agreements between us and such information providers. The information providers may issue directions to us from time to time, and you shall provide such assistance as we may reasonably require to enable us to comply with such directions. You also agree that, without the prior approval of the information providers, you shall not, with respect to any information provided by such information providers:

- (A) disseminate any such information to any other Third Party;
- (B) use or permit the use of any such information for any illegal purpose;
- (C) use any such information other than in the ordinary course of your business (which shall not include dissemination of any such information to Third Parties); and
- (D) use any such information to establish, maintain or provide or to assist in establishing, maintaining or providing any trading floor or dealing service for transactions outside the SEHK.

You shall comply with such reasonable directions issued by the information providers from time to time concerning the permitted use of information provided by such information providers.

6.10 You agree that we may provide to the information providers:

- (A) information regarding the media by which you received information, the number of persons or devices (and its type) permitted by you to access information within and outside Hong Kong; and
- (B) your name and address in the event that we or the information providers suspect that you have breached the provisions in this Agreement.

You further agree to permit the information providers and us to inspect your premises and records in order to ascertain whether the license fees in your respect are properly accounted for, or whether you have been using information contrary to the provisions of this Agreement.

6.11 You must not:

- (A) allow any Third Party to use the internet services provided by us;
- (B) conduct any securities brokerage or agency business via the internet services provided by us.

6.12 Should you act in breach of any of the provisions in this Clause 6, we may at our sole discretion suspend your right to give Instruction via the internet and take such action as we may consider appropriate.

6.13 You agree that neither we nor any of our officers, directors, employees or Agents will incur any

liability for any consequential, incidental, special or indirect damage (including lost profits and trading losses) that may result from inconvenience, delay, loss or suspension of the use of the services.

Clause VII

7. NEW LISTING OF SECURITIES

- 7.1 If you request us to apply for Securities in a new issue on your behalf, you will familiarize itself with all the terms and conditions governing such new issue and agree to be bound by and comply with all such terms and conditions.
- 7.2 You agree to provide such information, make such representations, warranties and undertakings and take such steps as may be required in connection with any such application. By requesting us to apply for Securities in a new issue on your behalf, you are deemed to have made such representations, warranties and undertakings as may be required in respect of the relevant application, and to have authorized us to make those on your behalf to the issuer or sponsors of the new issue or other relevant person.
- 7.3 You declare and warrant that any application for Securities in any new issue by us at your request will be the only application made, and the only application intended to be made, by you or on your behalf for your benefit or the person for whose benefit you are making the application. You authorize us to represent and warrant to SEHK and any other relevant person to that effect and acknowledge that such representation and warranty will be relied upon.
- 7.4 You acknowledge that any application made by an unlisted company, the principal business of which is dealing in securities, and in respect of which you exercise statutory control, shall be deemed to be an application made for its benefit.
- 7.5 You acknowledge and understand that the legal and regulatory requirements and market practice in respect of applications for Securities may vary from time to time, and the requirements of any particular new listing or issue of Securities may also change from time to time. You undertake to provide us with such information and take such additional steps and make such additional representations, warranties and undertakings as may be required in accordance with such legal and regulatory requirements and market practice as we may in our absolute discretion determine from time to time.
- 7.6 If we or our Agent makes a series of aggregated orders (i.e. bulk application) for your own account, on your behalf and/or on behalf of our other clients, you agree:
- (A) that such bulk application may be rejected for reasons unrelated to your application, and neither we nor our Agent will (save in the case where Clause 16.8 applies) incur any liability arising from such rejection; and
 - (B) to fully indemnify us against all loss and liability which we may suffer if such bulk application is rejected due to breach of your representations, warranties or undertakings or other factors relating to you. You acknowledge that you may also be liable to other persons affected by such breach or other factors.

Clause VIII

8. TRANSACTIONS AND SETTLEMENT

- 8.1 All Instructions will be executed on the basis that an actual purchase or sale is intended. You must have sufficient securities to cover all sales and sufficient Available Funds to pay in full for all purchases in accordance with this Agreement. You shall fully indemnify us against all loss and liability which we may incur as a result of your failure to have sufficient securities or Available Funds.
- 8.2 Before we execute Instructions to purchase Securities, you must have Available Funds at least equal to the total purchase price (including all transaction costs and charges) of the Securities. If you do not have such sufficient Available Funds, we may nevertheless in our sole discretion and

without notification to you proceed to execute your Instructions; in such event, while we will use our reasonable efforts to execute your Instructions, it shall not be obliged to do so. If we (whether in our discretion or inadvertently) accept or execute any Instructions without you having sufficient Available Funds, we may in our absolute discretion complete, cancel or liquidate the transaction. You agree that you are responsible for all of your Instructions, including Instructions given in the foregoing circumstances. You accept full responsibility for the settlement amount, commission and fees, and cost of currency conversion(s), if applicable, in relation to executed transactions of your Instructions. If you do not have particular currency for settlement purpose, we may effect such currency conversion(s) for any other currency(ies) in your Securities Account as are necessary for the purposes of settlement of executed transactions at such rate of exchange as determined by us in our absolute discretion prevailing in the relevant foreign exchange market (as determined by us in our absolute discretion) on the relevant date. All foreign exchange risks shall be borne by you. You agree that we reserve the right to charge a handling fee for such currency conversions.

- 8.3 If we cancel or liquidate the transaction, you shall fully indemnify us against all loss and liability incurred in connection therewith. If we complete the transaction, you shall pay us the total purchase price in cleared funds on or prior to the settlement date. If we do not receive payment by the settlement date, we may, subject to Applicable Regulations and Market Requirements, and without giving your prior notice, sell or otherwise dispose of the Securities. You shall fully indemnify us against all loss and liability incurred in connection therewith.
- 8.4 You agree to bear all the risks regarding delivery of any Securities (purchased on your Instructions) by the other party to the transaction. We will deliver such Securities to you only if it receives the same from the other party.
- 8.5 You will notify us, at the time of placing a sale order, if it relates to Securities which you (where you are acting as agent), your principal does not own i.e. involves short selling. You acknowledge that we may be prohibited by Applicable Regulations and/or Market Requirements from executing such orders on behalf.
- 8.6 Before we execute Instructions to sell Securities, you must have the relevant Securities available for delivery in your Securities Account(s). If we inadvertently accept or execute any Instructions without the relevant Securities being available, we may in our discretion cancel the transaction or obtain the Securities from the market or otherwise for delivery. In either case, you shall fully indemnify us against all loss and liability incurred in connection therewith.
- 8.7 We may perform our duties under this Agreement through Third Parties, including any of our subsidiaries or Affiliates or other Third Parties who may be acting as Agent or as principal. Neither we nor such Third Party is obliged to account to you for any commissions, fees, spreads (including mark ups or mark downs) or other benefits obtained in connection therewith. In particular, we may execute your Instructions through such brokers or dealers as we may (in our sole discretion) decide.
- 8.8 You agree that we are acting as your agent unless we otherwise notify you in the contract note for the relevant transaction or by other means. Where we act as principal in a transaction, we will only do so where the transaction is on commercial terms and those terms are not less favourable to you than you could have obtained through us if we had not so acted as principal.

Clause IX

9. COMMISSIONS AND FEES

- 9.1 You agree to pay either directly or from your Securities Account(s):
 - (A) all commissions, charges and other fees of ours as they exist from time to time and apply to your Securities Account(s), your transactions and the services You receive at the rates prevailing for the time being. Details of the commissions, charges and fees are available on our website and/or set out in the PASHK Fees and Charges Schedule (as amended from time to time); and
 - (B) all applicable stamp duties, transfer fees, telegraphic transfer charges, custodian fees, settlement charges, currency exchange costs, foreign exchange losses, taxes, levies

(including all transaction and other levies imposed by SEHK and any other Exchanges), late settlement costs, penalties and all other costs or expenses incurred in connection with this Agreement and/or your Securities Account(s).

You also agree that the services fees of ours as they exist from time to time and apply to the services you receive at the rates prevailing for the time being may be paid to PASHK directly or through PASHK's Agent.

- 9.2 In addition to and without limiting or reducing any of our rights in law or under this Agreement, if you fail to pay any fees or expenses when they are due and payable (including your failure to pay any fees and expenses incurred by us where you do not fulfil your settlement obligations relating to any transaction and we take action at our discretion to fulfil the obligations on your behalf):
- (A) we are entitled without prior notice to debit the outstanding amount from your Securities Account(s) or any other account maintained by you with us; and
 - (B) we have a lien with power of sale over any Securities standing to the credit of the Securities Account(s) or any other account managed by us. Such Securities shall stand as continuing security for the outstanding amount. We have power to sell any or all of such Securities by public or private sale on such terms we consider appropriate. We are not liable to you for any loss which may arise from such sale. We may apply the proceeds of sale in or towards settlement of the outstanding amount after deducting the costs and expenses of reasonable amounts and reasonably incurred by us in relation to the sale.
- 9.3 Subject to Applicable Regulations and Market Requirements, we may in our absolute discretion solicit, accept and retain any commission rebates, goods, services or other benefits (including any soft dollars) in connection with any transaction effected for you pursuant to this Agreement. We may in our absolute discretion also offer any such benefits to Third Parties in connection with any transaction effected for you pursuant to this Agreement.
- 9.4 We may effect such currency conversions as are necessary for the purposes of any provisions of this Agreement in each case at the such rate of exchange as determined by us in our absolute discretion prevailing in the relevant foreign exchange market (as determined by us in our absolute discretion) on the relevant date. All foreign exchange risks shall be borne by you. PASHK reserves the right to charge a handling fee for such currency conversions.

Clause X

10. RESPONSIBILITY REGARDING CERTAIN SECURITIES

- 10.1 You are responsible for knowing the rights and terms of all Securities in your Securities Account(s) and for taking appropriate action in connection therewith. We are not obliged to notify you of any upcoming expiration or redemption dates or any corporate action, or to take any action on your behalf.
- 10.2 You are responsible for knowing about voluntary and mandatory reorganizations related to Securities that you hold, including mergers, name changes, stock splits and reverse stock splits. We are not obligated to notify you of any such reorganization before those occur. If, due to a reorganization related to your Securities (including stock splits and reverse stock splits), you sells more Securities than you owns or becomes otherwise exposed to risk requiring us to take market action in your Securities Account(s), we will not be responsible for any losses which you incur.
- 10.3 Unless specifically requested, we are under no obligation to forward to you any proxy and other materials received by us from time to time in respect of your Securities or to hold such materials on your behalf.

Clause XI

11. CUSTODY AND DISPOSAL OF SECURITIES

- 11.1 Subject to Applicable Regulations and Market Requirements, all Securities in your Securities

Account(s) will be registered in our name, our nominee or a nominee designated by HKSCC or deposited for safe custody at your own costs in a designated account with an authorized institution or other institution approved by the SFC. We will credit all dividends, distributions and other benefits in respect of Securities not registered in your name which we receive into your Securities Account(s).

- 11.2 Subject to your indebtedness, liability or other obligation to us, you may withdraw fully paid Securities from your Securities Account(s) upon written notice to us in the prescribed form and payment of any applicable fees. We are not bound to deliver to you Securities identical to those originally delivered or deposited by you or purchased on your behalf but will deliver to you Securities of the same class, denomination, nominal amount and ranking.
- 11.3 You authorise us to dispose of the Securities held under your Securities Account(s) in settlement of any liability owed by you or on your behalf to us, our nominee, the Associated Entity or any Third Party.

Clause XII

12. MONEYS IN THE ACCOUNTS

- 12.1 Any moneys held for you, other than Cash to be on-paid in settlement of transactions for your Securities Account(s) or to you, will be credited to the Bank Account, which is a client trust account maintained with a licensed bank as required by Applicable Regulations from time to time. We may at our option retain all interest accrued on such amounts held by us for or on your account or pay to you (either by way of accrual in the Securities Account(s) or otherwise determined by us) interest on such amounts at such rate as we may in our discretion determine and notify to you (whether in writing, verbally or through the internet).
- 12.2 Without prejudice to any other provisions of this Agreement, you agree to pay interest on the debit balances in your Securities Account(s), before and after any judgment, at such rate as we may in our discretion reasonably determine and notify to you from time to time (whether in writing, verbally or through the internet). Such interest will accrue on a daily basis and be payable on the last Business Day of each calendar month or upon demand by us. Overdue interest shall be compounded monthly and will itself bear interest. For the avoidance of doubt, a variation of the interest rate or any fees or charges pursuant to the provisions of this Agreement shall not constitute an amendment of this Agreement for the purpose of Clause 25.3 or otherwise.

Clause XIII

13. FINANCIAL CRIME RISK MANAGEMENT ACTIVITY

- 13.1 Financial Crime Risk Management Activity may include:
- (A) screening, intercepting and investigating any instruction, communication, drawdown request, application for Services, or any payment sent to or by you, or on your behalf;
 - (B) investigating the source of or intended recipient of funds;
 - (C) combining Your Information with other related information in the possession of the Ping An Group;
 - (D) making further enquiries as to the status of a person or entity, whether they are subject to a sanctions regime, or confirming your identity and status or that of a Connected Person;
 - (E) We and Ping An Group's Financial Crime Risk Management Activity may lead to the delay, blocking or refusing the making or clearing of any payment, the processing of your Instructions or application for Services or the provision of all or part of the Services; and
 - (F) To the extent permitted by Applicable Regulations, neither we nor any member of the Ping An Group shall be liable to you or any Third Party in respect of any loss (howsoever it

arose) that was suffered or incurred by you or a Third Party, caused in whole or in part in connection with the undertaking of Financial Crime Risk Management Activity.

Clause XIV

14. TAX COMPLIANCE

- 14.1 Ping An Group entities are required under the CRS and/or the U.S. FATCA, to collect appropriate documentation from account holders. You may be requested to complete the relevant forms to provide your Tax Information. Where such information is collected from you, it may impact your banking experience with us depending on the type of account you hold, the countries where you or your business has a relationship with us, and whether you are a U.S. person. We may also be required to report details of your financial activities, income received and Tax Information to the U.S. Internal Revenue Service and/or other relevant Tax Authorities.
- 14.2 You acknowledge that you are solely responsible for understanding and complying with your tax obligations (including tax payment or filing of returns or other required documentation relating to the payment of all relevant taxes) in all jurisdictions in which those obligations arise and relating to the opening and use of your Accounts(s) or Services provided by us or members of the Ping An Group.
- 14.3 You undertake to ensure that each Connected Person acting in this capacity (and not in a personal capacity) also makes the same acknowledgment in his own regard. Certain countries may have tax legislation with an extra-territorial effect regardless of a Connected Person's or your place of domicile, residence, citizenship or incorporation. Neither we nor any member of the Ping An Group provides tax advice. You are advised to seek independent legal and tax advice.
- 14.4 Neither we nor any member of the Ping An Group have responsibility in respect of your tax obligations in any jurisdiction which may arise including any that may relate specifically to the opening and use of account(s) and Services provided by us or members of the Ping An Group.
- 14.5 You confirm that every Connected Person whose information (including Personal Data or Tax Information) has been (or will be) provided to us or a member of the Ping An Group has (or will at the relevant time have) been notified of and agreed to the processing, disclosure and transfer of their information as set out in this Clause 14 and Appendix I. You shall advise any such Connected Persons that they right rights of access to, and correction, of their Personal Data.
- 14.6 If you fail to supply promptly your, or a Connected Person's, Tax Information and accompanying statements, waivers and consents, as may be requested, then we may make our own judgment with respect to your status or that of the Connected Person, including whether you or a Connected Person is reportable to a Tax Authority, and may require us or other persons to withhold amounts as may be legally required by any Tax Authority and to pay such amounts to the appropriate Tax Authority.

Clause XV

15. JOINT ACCOUNTS

- 15.1 If your Securities Account is a joint account, each Client signing this Agreement (each a "**joint owner**") agrees that each joint owner will have authority in respect of the Securities Account and this Agreement to deal with us as if each Client alone was the sole owner of the Securities Account without notice to the other joint owner(s). Any notice from us to any joint owner is deemed to be notice to all joint owners. Each joint owner is jointly and severally liable for all obligations arising under the Securities Account or this Agreement.
- 15.2 We may act on the instructions of any of the joint owners concerning the Securities Account but we are under no obligation to do so. However, we will not accept or act on the instructions of any of the joint owners to transfer any Securities and/or other Property from the Securities Account to an account in the name of only one or more (but not all) of the other joint owners or any Third Party.
- 15.3 You agree that we are not obliged to inquire into the purpose or propriety of any instructions

received from any joint owner or the delivery of any Securities or the making of any payment pursuant thereto. Neither we nor any of our officers, directors, employees or Agents will incur any liability in connection with acting on such instructions. We reserve the right at our own discretion to require written instructions from all joint owners. If we receive notice of a dispute involving the Securities Account(s) or conflicting instructions from joint owners, we may in our discretion place trading and other restrictions on such a Securities Account(s).

- 15.4 If the joint owners hold the Securities Account(s) as tenants in common, they should notify us in writing and provide such documentation as we may require. Otherwise, we are entitled to presume that the joint owners expressly intend to hold as joint tenants with rights of survivorship.
- 15.5 In the event of death of any of the joint owners who hold as joint tenants, the surviving joint owner(s) must immediately notify us in writing. The entire interest of the deceased in this Agreement and any Securities Account(s) will be automatically vested in the surviving joint owner(s). The estate of the deceased joint owner will have no interest therein, but will together with each surviving joint owner be jointly and severally liable to us in respect of all liability incurred prior to the death of the deceased.

Clause XVI

16. LIMITATION ON LIABILITY AND INDEMNITY

16.1 No trust or fiduciary relationship

- (A) Providing the Services to you does not make us your trustee or investment adviser. In providing the Services, we will use the same degree of care as we use in respect of our own property. We have no trust or other obligations in respect of your moneys or assets other than those expressed or specified in this Agreement.
- (B) Where we provide custodian services relating to Securities or the Services or have discretion in managing your moneys or assets (if any), notwithstanding any other provisions contained in this Agreement or any other arrangements you have with us, you acknowledge that (i) such services provided by us do not constitute a fiduciary relationship between you and us, and (ii) we shall, in no circumstances, be required to undertake any action that could possibly characterise us as a fiduciary to you.

- 16.2 We have no obligation to examine or verify the validity of ownership or title of any Securities. We are not responsible for any defect in ownership or title of any Securities purchased or held or to be purchased or held by us on your behalf.

- 16.3 Neither we nor any of our Agents or nominees are liable for the following (or any of them):

- (A) the management or performance of your assets (including any reduction in the value of your Securities); and
- (B) any taxes or duties payable in respect of your Securities, pursuant to Clause 14.

- 16.4 Except as set out in Clause 16.8, we are not liable for loss, damage, or expense of any kind which you or any other person may incur or suffering arising from or in connection with the following (or any of them):

- (A) any use of the Services or our providing the Services to you, maintaining the Securities Account(s) for you, or effecting any transactions for or with you;
- (B) our decision not to process any Instruction or our delay or failure to act on an Instruction or part or in full for any reason;
- (C) any fluctuation in the price of the relevant Securities between the time we receive an Instruction and the time we act on it;

- (D) any default by you in performing your obligations under this Agreement, the Applicable Regulations and Market Requirements;
 - (E) the preservation or enforcement of our rights or exercise of our powers in connection with the Securities Account(s) or the Services; and
 - (F) your failure to provide complete, accurate and up-to-date information requested by us in discharging our regulatory or legal duties.
- 16.5 You acknowledge that we give no express or implied warranties (including but not limited to warranties of merchantability, functionality or fitness for a particular use) with respect to the Services or the equipment, software, app(s), facilities and/or any form of electronic services related to the Services. You agree that we are not liable for any loss, cost or damage of any kind incurred or suffered by you as a result of any interruption, delay or failure (whether total or partial) in providing any of the Services or our equipment, software, app(s), facilities or any form of electronic services to you or performing our duties or obligations in respect of the Services to the extent that it is attributable to any cause or circumstance that is beyond our reasonable control or the reasonable control of our Agents or nominees.
- 16.6 In no circumstances will we be responsible to you or any other person for any loss of profit or interest, indirect or consequential loss arising from or in connection with our providing, or failure or delay in providing, the Services.
- 16.7 Without prejudice to any other provision in this Agreement, you agree to fully indemnify us and our officers, directors, employees and Agents against any loss or liability which any of them may incur or suffer pursuant to or in connection with:
- (A) your use of the Services or our providing the Services to you, maintaining the Securities Account(s) for you, or effecting any transactions for or with you;
 - (B) our decision not to process any Instruction or our delay or failure to act on an Instruction in part or in full for any reason;
 - (C) any fluctuation in the price of the relevant Securities between the time we receive an Instruction and the time we act on it;
 - (D) any default by you in performing your obligation under this Agreement, the Applicable Regulations, Market Requirements relating to the Securities Account(s) or the Services;
 - (E) the preservation or enforcement of our rights or exercise of our powers in connection with the Securities Account(s) or the Services; and
 - (F) your failure to provide complete, accurate and up-to-date information requested by us in discharging our regulatory or legal duties.
 - (G) This indemnity shall continue after the termination of the Services, the Securities Account(s), or this Agreement.
- 16.8 If it is proved that any actions, proceedings, claims, losses, damages or amounts was caused by negligence or wilful default of (i) ours, (ii) our Agents or nominees, or (iii) our officers or employees or that of our Agents or nominees, then you are not liable under to the extent that it is direct and reasonably foreseeable arising directly and solely from such negligence or wilful default.
- 16.9 You agree and undertake that during the term of this Agreement, at your own expense and when requested by us, to promptly do and execute, or cause to be done and executed, such acts and documents as may be necessary or desirable in our opinion to give full effect to the rights, remedies or powers conferred under this Agreement.

Clause XVII

17. SATISFACTION OF INDEBTEDNESS

- 17.1 You agree to immediately pay and discharge any indebtedness or liability (including any debit balance) to us on demand. You may not close any of your Securities Account(s) unless you have paid and discharged all indebtedness, liability and other obligation to us. You will pay for all costs and expenses incurred by us in connection with enforcing payment or discharge of any such indebtedness, liability or obligation.

Clause XVIII

18. LIEN AND SECURITY

- 18.1 All Securities and other Property in your Securities Account(s), in any other Account in which you have an interest whether alone or jointly with any other person (to the extent of your interest) or in the possession or under our control will be subject to a general lien in favour of us as continuing security for the payment and discharge of your indebtedness, liability or other obligation to us. As security for the payment and discharge of your indebtedness, liability or other obligation to us, you also grant PASHK a continuing security interest and charge over all such Securities and other Property.
- 18.2 Subject to the provisions of this Agreement and Applicable Regulations and notwithstanding Clause 18.4, we may without giving you prior notice, sell or otherwise dispose of any such Securities and/or other Property. We may in our sole discretion determine which Securities and/or other Property are to be sold or disposed of, at what price and on what terms. The net proceeds will be applied in payment and discharge of your indebtedness, liability or other obligations to us.
- 18.3 Without prejudice to the foregoing, we may at any time and without giving you prior notice, combine or consolidate any of your Securities Accounts and/or any other accounts with us (whether alone or jointly with any other person) and set off or transfer any Securities and/or other Property to satisfy your indebtedness, liability or other obligation (whether actual or contingent, primary or collateral, secured or unsecured, or joint or several) to us.
- 18.4 Without prejudice to the generality of any other provisions of this Agreement, you hereby authorise us, and we shall be entitled, to set off any amount receivable from, and amount payable to, you where such amounts arise from the purchase and sale of Securities by you on a Cash-against delivery basis. You further authorise us to dispose of any Securities held for you for the purpose of settling any of the amounts payable by you to us.

Clause XIX

19. RESTRICTIONS ON TRADING

- 19.1 We may in our sole discretion and without giving you prior notice prohibit or restrict your ability to trade Securities through your Securities Account(s).
- 19.2 We and/or any member of Ping An Group may come into possession of confidential information of any deal, project, transaction, order, where we may be restricted for conflict of interest or other reasons from trading specific Securities. In the course of providing any Services to you, you acknowledge and agree that we will not disclose any confidential information to you due to these restrictions, and may not be able to execute any relevant orders or provide any Services to you due to such restrictions.

Clause XX

20. CONFIRMATIONS AND ACCOUNT STATEMENTS

- 20.1 We will endeavour to confirm with you promptly the features of a transaction effected on your behalf. Any verbal or instantaneous confirmation of a transaction effected on your behalf shall not be regarded as conclusive. In addition, we will provide you with monthly account statements in accordance with the Contract Notes Rules unless (a) we are not required to prepare and provide you with a contract note, a statement of account and a receipt in accordance with the Contract

Notes Rules during the relevant period; (b) our Associated Entity is not required to prepare and provide you with a receipt in accordance with the Contract Notes Rules during the relevant period; (c) the balance of your Securities Account(s) is(are) nil at all time during the relevant period; (d) you have no open position as at the end of the relevant period; and (e) no Securities and collateral are held for your Securities Account(s) at all time during the relevant period.

- 20.2 Subject to any contrary legal or regulatory requirement, you agree to any contract notes, other confirmations and account statements to be in electronic form and further agree to receiving those through electronic means in lieu of hard copies of the same.
- 20.3 All transactions and other information in any acknowledgements, confirmations or contract notes will be binding on you unless we receive notice of objection in writing or via electronic mail within 2 days after you receive or are deemed to have received the same.
- 20.4 All transactions and other information in any account statements will be binding on you unless we receive notice of objection in writing or via electronic mail within 5 days after you receive or are deemed to have received the same.
- 20.5 In all cases, we reserve the right to determine the validity of your objection to the relevant transaction or information.

Clause XXI

21. NOTICES AND OTHER COMMUNICATIONS

- 21.1 All notices and other communications from us to you under this Agreement may be sent by personal delivery, prepaid post, facsimile, electronic mail or other electronic transmission (including posting to the last known address), facsimile number, electronic mail address in the Account Application or notified to us in writing.
- 21.2 You are deemed to have received any such notices and other communication upon delivery if personally delivered, upon expiry of 2 days after being put into the post if sent by prepaid post, and upon a successful transmission message being obtained if sent by facsimile, electronic mail or other electronic transmission.
- 21.3 We may also communicate with you verbally. You are deemed to have received any message left for you on your answering machine, voicemail or other similar electronic or mechanical device at the time it is left for you, whether actually received or not. Any record of such message left by us will be conclusive evidence of us having communicated the message to you and the contents thereof. We will incur no liability for any loss or damage suffered as a result of you not having received any such notice or communication.
- 21.4 You agree to check regularly your mailbox, electronic mailbox, facsimile machine and other sources or facilities through which you receive communications for notices or other communications from us. We will not be responsible for any losses that arise from your own failure or delay to check such sources or facilities.

Clause XXII

22. REQUEST FOR CLIENT IDENTITY INFORMATION

- 22.1 This Clause should be read in line with Appendix I (The Notice).

Client Identity Information

- 22.2 The Client Identity Rules of SFC requires us to obtain and record you identity information before doing anything to effect any transaction; and if SFC requires such information, we must provide it within 2 Business Days of the day of the request, although SFC may also require information soon after a transaction occurs.

- 22.3 We may send you a request for client identity information at any time, including but not limited to after receiving a request for any Regulatory Authorities, and you shall immediately inform us of the identity, address, contact details and occupation (collectively referred as "Client Identity Information") of:
- (A) the person(s) or entity (legal or otherwise) ultimately responsible for originating the instruction in relation to a transaction;
 - (B) the person or entity that stands to gain the commercial or economic benefit of the transaction and/or bear the commercial risks;
 - (C) the person for whom the transaction(s) will be carried out; and
 - (D) any such information which may be required by any Regulatory Authorities of any relevant jurisdiction(s).
- 22.4 For collective investment schemes, discretionary accounts or discretionary trusts, the information normally required by Regulatory Authorities is the name of the scheme, account or trust in question and the person who ultimately originates the instruction in relation to that transaction (particularly, the individual investment manager responsible for making the investment decision).
- 22.5 In relation to a collective investment scheme or discretionary account, the entity referred to in the above mentioned Clause 22.3 is the collective investment scheme or account, and the manager of the collective investment scheme or account, not only those who hold a beneficial interest in that collective investment scheme or account.
- 22.6 If you are acting for or on behalf of a collective investment scheme, discretionary account or discretionary trust, you shall:
- (A) upon our request, promptly inform us and/or the relevant Regulatory Authorities of relevant information of the scheme, account or trust; and
 - (B) promptly inform us within 2 Business Days when your discretion to invest on behalf of the scheme, account or trust has been overridden; and upon request from us, you shall comply with our request and immediately inform us or the Regulatory Authorities of Client Identity Information of the person(s) who has or given the order or instruction in relation to the transaction.
- 22.7 You shall be required to disclose to us whether you are acting on your own behalf or you are acting as principal or agent. If you are acting as an agent, we need to find out who is the principal and obtain required information about the principal. You agree to promptly provide the required information to us or any Regulatory Authorities upon any request from us from time to time, and your obligation shall survive the termination of any agreement or terms of business with us.
- 22.8 If you effect a transaction for the account of another person, whether on a discretionary or non-discretionary basis, and whether as agent or by entering into matching transactions as principal with such other person, you agree that, in relation to a transaction where we have received an enquiry from a Hong Kong Regulators, the following provisions of Clauses 22.9 to 22.13 shall apply.
- 22.9 Subject to the provisions in Clause 22.10 to 22.13, you shall, within 2 Business Days of request by us, inform us or where you are a Licensed Corporation in Hong Kong, the Hong Kong Regulators of the identity, address, occupation and contact details of the person for whose account the transaction was effected and (so far as known to you) of the person with the ultimate beneficial interest in the transaction. You shall also inform the Hong Kong Regulators of the identity, address, occupation and contact details of any Third Party (if different from the person above/the ultimate beneficiary) who originated the transaction.
- 22.10 If you effect a transaction on behalf of a collective investment scheme, a discretionary account or a discretionary trust, you shall, within 2 Business Days of request by us, inform us or where you are a Licensed Corporation in Hong Kong, the Hong Kong Regulators of the identity, address and contact details of the scheme, account or trust and, if applicable, the identity, address, occupation

and contact details of the person who, on behalf of the scheme, account or trust, instructed us to effect the transaction.

- 22.11 If you effect a transaction on behalf of a collective investment scheme, a discretionary account or a discretionary trust, you shall, within 2 Business Days of request by us, inform us or where you are a Licensed Corporation in Hong Kong, the Regulatory Authorities when your discretion to invest on behalf of the scheme, account or trust has been overridden. In the case where your investment discretion has been overridden, you shall, within 2 Business Days of request by us, inform the Hong Kong Regulators of the identity, address, occupation and contact details of the person(s) who has or have given the instruction in relation to the transaction.
- 22.12 If you are aware that your client is acting as intermediary for an Ultimate Client and you do not know the identity, address, occupation or contact details of the Ultimate Client, you confirm that:
- (A) you have arrangements in place with the person which entitles us to obtain the information referred to in Clauses 22.9 and 22.10 above from the person immediately upon request or procure that it be so obtained.
- (B) you shall, upon request from us in relation to a transaction, promptly request the information set out in Clauses 22.9 and 22.10 above from the person on whose instructions the transaction was effected, and provide the information to us or where you are a Licensed Corporation in Hong Kong, the Hong Kong Regulators as soon as received from the person or procure that it be so provided.
- 22.13 You confirm that, where necessary, you have obtained all consents or waivers from your clients or other relevant persons, to release to us or where you are a Licensed Corporation in Hong Kong, the Hong Kong Regulators and any other relevant Regulatory Authorities the information referred to in this clause above.
- 22.14 Without prejudice to the foregoing, if we, our Affiliates or Agents receive any lawful request for information in connection with your Securities Account(s) or any transaction relating thereto from any government or regulatory authority in any other jurisdictions, then to the extent that such information is within our or our Affiliates' possession or control, we and our Affiliates will be entitled to comply with such request for information without any reference to you. In any event, you will immediately upon our request provide the relevant authorities with such information as may be required by them.
- 22.15 Your obligation under this Clause 22 will continue notwithstanding the termination of this Agreement for any reason.
- 22.16 You shall inform us of any material adverse change in your financial position or any change in your investment objectives. You authorise us to obtain reports concerning your credit standing and business conduct at our discretion.
- 22.17 In respect of Structured Products (including, without limitation, options), we shall provide to you, upon request, product specifications and any prospectus or other offering documents covering such products.

Clause XXIII

23. MATERIAL INTEREST

- 23.1 You acknowledge that we and/or any member of the Ping An Group may have an interest, relationship or arrangement that is material in relation to any transaction effected on your behalf or the Securities concerned, including taking an opposite position to your orders whether for our account, any member of the Ping An Group or any of their clients.
- 23.2 Where we have a material interest in a transaction with or for you which gives rise to an actual or potential conflict of interest, we shall not advise, nor deal in respect of the transaction unless we have in advance disclosed that material interest or conflict to you and we have taken all reasonable steps to ensure that you are treated fairly.

- 23.3 Subject to compliance with this Clause, neither we nor any member of Ping An Group shall be obliged to disclose or account for any profits made by us or them in respect of any such transaction.

Clause XXIV

24. EXTRAORDINARY EVENTS

- 24.1 Without prejudice to Clause 4.7, you agree that we and/or any of our officers, directors, employees or Agents shall not incur any liability for any delay or failure to perform any obligation under this Agreement or for any loss or damage caused directly or indirectly by any condition or circumstances over which we and our officers, directors, employees or Agents do not have control, including but not limited to government restriction, exchange or market rulings, suspension of trading, failure of electronic or mechanical equipment or communication lines, telephone or other interconnect problems, power failure, software malfunction, unauthorized access, system downtime, theft, war (whether declared or not), insurrection, riot, labour disputes, strikes, pandemic disease, accident, flood, severe weather, earthquakes, fire or other act of God.

Clause XXV

25. TERMINATION OF ACCOUNTS

- 25.1 You may, subject to satisfaction and discharge of your indebtedness, liability or other obligation to us, close your Securities Account(s) at any time by giving us prior written notice of not less than 7 days. We may close your Securities Account(s) or terminate any services provided to you at any time and for any reason.
- 25.2 Closing your Securities Account(s) or terminating any services will not affect the rights and obligations of either party incurred prior thereto. Notwithstanding the above, if your Securities Account(s) is(are) closed with a credit balance of HK\$100, we may charge a processing fee (on such basis as we may from time to time determine and notify to you) for closing your Securities Account(s) and debit such fee to your Securities Account(s).
- 25.3 Upon termination of this Agreement under Clause 25, all amounts due or owing by you (whether actual or contingent) under this Agreement shall become immediately due and payable. We shall cease to have any obligations to arrange for the purchase or sale of Securities on your behalf in accordance with the provisions of this Agreement, notwithstanding any Instructions from you to the contrary. You shall have no claim against us in respect of any termination of this Agreement

Clause XXVI

26. MATERIAL CHANGES

- 26.1 We will notify you of material changes to (a) our name and address; (b) our licensing status and our CE number; (c) the description of the nature of services provided by us; (d) the description of the remuneration payable to us and the basis for such payment; or (e) in relation to margin facilities, details of Margin Requirements, interest charges, margin calls, and the circumstances under which your positions may be closed without your consent.

Clause XXVII

27. AMENDMENTS

- 27.1 To the extent permitted by law, we may from time to time amend or supplement (whether by the addition of schedules to this Agreement or otherwise) any of the Terms and Conditions of the Client Agreement by notifying you in accordance with this Clause 27. If you do not accept the same, you may terminate this Agreement in accordance with Clause 25 by notifying us in writing within 7 Business Days from the day you receive or are deemed to have received the notice in accordance with Clause 25.
- 27.2 If you do not terminate this Agreement within such time or if you continues to operate your Securities Account(s) after receipt or deemed receipt of the notice of the amendment or

supplement, you will be deemed to have accepted such amendment or supplement and will continue to be bound by this Agreement as so amended or supplemented.

- 27.3 Subject to the foregoing, no provision of this Agreement may be amended or supplemented unless agreed to in writing signed by our authorized officer.

Clause XXVIII

28. THIRD PARTY RIGHTS

- 28.1 No person other than you and us will have any right under the Contracts (Rights of Third Parties) Ordinance to enforce or enjoy the benefit of any of the provisions of this Agreement.

Clause XXIX

29. COMPLAINTS AND FINANCIAL DISPUTE RESOLUTION CENTRE

- 29.1 We strive to continuously improve our client experience and the products and services that we offer. If you have any suggestions, enquiries or complaints, you can:

- (A) contact us through the email (cs.pacshk@pingan.com) or such other email address as we may provide to you from time to time for this purpose;
- (B) submit your suggestions or enquiries on our website at (<https://stock.pingan.com.hk/sc/index>); or
- (C) write to us, at

Ping An Securities (Hong Kong) Company Limited
Unit 3601, 36/F, The Center,
99 Queen's Road Central, Hong Kong

- 29.2 Where you:

- (A) hold an individual or joint account or hold your account in your capacity as sole proprietor or Small Enterprise (as defined under the terms of reference of the Financial Dispute Resolution Centre);
- (B) have a complaint that meets the eligible criteria as stated in the prevailing terms of reference of the Financial Dispute Resolution Centre; and
- (C) are not satisfied with the final complaint response letter you receive from us,

you may refer your complaint to the Financial Dispute Resolution Centre.

Clause XXX

30. SEVERABILITY AND SURVIVABILITY

- 30.1 If any provision or part of a provision of this Agreement is held to be illegal, invalid or unenforceable in any jurisdiction, the other provisions or parts of such provisions will not be affected and will remain in full force and effect. The legality, validity and enforceability of the whole of this Agreement will also not be affected in any other jurisdiction.
- 30.2 Clauses 9, 16, 17, 28, 29, 32, 33, 34, 38 of this Agreement shall continue to apply notwithstanding any termination by you or us or a member of the Ping An Group of the provision of any Services to you, or the closure of any of your accounts.

Clause XXXI

31. **WAIVER**

- 31.1 Waiver of any right under this Agreement must be in writing signed by the party waiving such right. We will not be regarded as having waived any right under this Agreement if it fails or delays in exercising such right. Any single or partial exercise of any right under this Agreement will not preclude any further exercise of such right or the exercise of any other right. A party who waives any breach of any provision of this Agreement will not be regarded as having waived any subsequent breach of that provision or any other provision.

Clause XXXII

32. **VALIDITY**

- 32.1 If you are located outside Hong Kong, you confirm that this Agreement creates valid and binding obligations under the laws of the jurisdiction to which you are subject.

Clause XXXIII

33. **SUCCESSORS**

- 33.1 You agree that this Agreement and all the terms hereof shall be binding upon your heirs, executors, administrators, personal representatives, successors and permitted assigns. This Agreement shall ensure to the benefit of us and our successors, assigns and Agents.

Clause XXXIV

34. **ASSIGNMENT**

- 34.1 We may assign, transfer or otherwise dispose of all or any of our rights or obligations under this Agreement to any of our subsidiaries or Affiliates without giving you notice, or to any other entity upon prior written notice to you. You may not assign, transfer or otherwise dispose of all or any of your rights and obligations under this Agreement without our prior written consent.
- 34.2 We shall have the right to give notice to you regarding any change in our name, and in such event, this Agreement and your application form(s) shall remain to be binding on you, even without signing of any new application form by you. You agree that in the event if we shall assign our interests (in respect of this Agreement) to our designated assignee, this Agreement and your application form(s) shall: (a) be deemed to be applicable to our designated assignee, even without further signing any new Client application form(s); and (b) remain to be binding on you, while the relevant entity shall be changed from us to our designated assignee.

Clause XXXV

35. **POWER OF ATTORNEY**

- 35.1 You agree to and hereby irrevocably appoint us, with full power as your true and lawful attorney-in-fact, to the fullest extent permitted by law, to carry out the provisions of this Agreement, take any action and execute any instrument that we deem necessary or advisable for the purposes of this Agreement.

Clause XXXVI

36. **ENTIRE UNDERSTANDING**

- 36.1 This Agreement, together with all other written agreements between you and us related to your Securities Account(s) and terms contained in statements and confirmations sent to you, contains the entire understanding between you and us concerning the subject matter of this Agreement.

Clause XXXVII

37. **ENGLISH/CHINESE VERSIONS**

- 37.1 You acknowledge and confirm that: (a) you have read the English and/or Chinese version(s) of this Agreement (as the case may be) being the language of your choice; and (b) you fully understand, accept and agree to be bound by, this Agreement. If there is any conflict or discrepancy between the English and Chinese versions of this Agreement, the English version will prevail.

Clause XXXVIII

38. **GOVERNING LAW, JURISDICTION AND PROCESS AGENT**

- 38.1 This Agreement is governed by, and shall be construed in accordance with the laws of Hong Kong. You irrevocably submit to the non-exclusive jurisdiction of the Hong Kong courts.
- 38.2 You understand the courts of Hong Kong are the most appropriate and convenient court(s) to settle the any dispute arising out of or in connection with this Agreement. However, we shall not be prevented from taking proceedings relating to any dispute in any courts of other relevant jurisdiction (including but not limited to Mainland China) or recognition and enforcement of any courts judgement.
- 38.3 Where applicable, you appoint the person nominated in the Account Application as process agent with authority to accept on your behalf service of process issued in Hong Kong. Service of process on such agent will constitute service on you.

PART II – ADDITIONAL TERMS AND CONDITIONS FOR SECURITIES MARGIN TRADING

The additional provisions in this Part II apply to securities margin trading services extended by us and all Margin Accounts established or held by us in connection therewith. In the event of any conflict or discrepancy between this Part II and Part I of this Agreement, the provisions of this Part II shall prevail.

Clause XXXIX

39. CREDIT FACILITIES

- 39.1 Subject to the terms of this Agreement, PASHK agrees to make available to you the Credit Facilities to be secured by the Collateral up to such extent (subject to the restrictions under the Applicable Regulations and other regulations) as may be determined by us (in our absolute and subjective discretion) from time to time.
- 39.2 We shall have the absolute discretion to determine the value of the Collateral, to determine, amend or alter the principal amount and other terms of the Credit Facilities from time to time, to restrict the Securities or class of Securities in respect of which we will make available the Credit Facilities to you and/or to terminate the Credit Facilities at any time.
- 39.3 Notwithstanding any provisions of this Agreement, the Credit Facilities are repayable on demand and may be varied or terminated in our absolute discretion.
- 39.4 The advance of any amount under the Credit Facility is in our sole and absolute discretion. We may refuse to make any advances to you without giving any reason. Without prejudice to the above, we shall be under no obligation to make any advances to you under the Credit Facilities, if any of the following circumstances apply: -
- (A) if you are in default of any of the provisions of this Agreement or any other letter, agreement or document entered into between you and us and/or any member of the Ping An Group in this respect;
 - (B) in our opinion, there is or has been a material adverse change in your financial condition or in the financial condition of any person which might adversely affect your ability to discharge your Liabilities or perform your obligations under this Agreement; or
 - (C) we in our absolute discretion consider it prudent or desirable for the protection of us and/or any member of the Ping An Group not to do so.
- 39.5 We are instructed and authorised by you to draw on the Credit Facilities to settle any Liabilities, whether in respect of any transaction, margin maintenance obligations for any positions as required by us and/or any member of the Ping An Group, or payment of any commission or other costs and expenses owing to us and/or any member of the Ping An Group.
- 39.6 For so long as there exists any amounts outstanding to us and/or any member of the Ping An Group, we shall be entitled at any time and from time to time to refuse any withdrawal of any or all of the moneys in the Margin Account and/or the Securities held by Ping An Group.

Clause XL

40. MARGIN REQUIREMENTS

- 40.1 You agree to provide and maintain the Margin Requirement with us at all time, with or without demand. Such Margin Requirement demanded or required by us may exceed any margin requirement prescribed by any Exchange or clearing house or broker. We may change any Margin Requirement in our sole discretion and at any time without prior notice to you. If we determines that additional margin is required, You agree to deposit with us such additional margin forthwith upon demand. No previous Margin Requirement shall establish any precedent.
- 40.2 Without prejudice to Clauses 40.4 to 40.14, calls or demands for Margin Requirement must be met

or satisfied by you forthwith upon demand by us. You shall on demand put PASHK in funds or moneys or arrange for PASHK to be put in funds or moneys in time to enable PASHK to discharge any liability incurred or to be incurred in connection with trading, dealing or transactions effected in relation to the Margin Account. You shall on demand reimburse PASHK for all costs and expenses incurred by it in connection with the trading, dealing or transaction effected in relation to the Margin Account and/or pay or settle any outstanding amount under the Margin Account.

- 40.3 We are not liable to pay interest on the moneys or funds paid to or received by us in respect of the Margin Account whether on deposit or however described. We are entitled to retain for our own benefit any interest or other realized income or increase in value earned or received in respect of such moneys or funds. We are entitled to charge and You agree to pay interest to us in respect of any deficit or any moneys or funds otherwise owing to us at any time at such rates and on such other terms as PASHK notifies you from time to time or failing such notification at a rate equivalent to 5% above the prevailing prime or best lending rate for Hong Kong Dollars of The Hong Kong and Shanghai Banking Corporation Limited or other bank as determined by us from time to time. Interest shall be payable on the last day of each calendar month or forthwith upon demand by us.
- 40.4 You shall monitor the Margin Account so that at all times the Margin Account shall contain a sufficient account balance to meet the Margin Requirement. We may modify such Margin Requirement for you at any time in our absolute and sole discretion. We may reject any of your Instructions or orders if you do not have a sufficient account balance to meet Margin Requirement and may delay the processing of any Instruction or order while determining the correct margin status of the Margin Account. You shall maintain, without notice or demand from us, a sufficient account balance at all times so as to continuously meet the Margin Requirement. You must at all times satisfy whatever Margin Requirement calculated by us.
- 40.5 We have no obligation to notify you of any failure to meet Margin Requirement in the Margin Account prior to us exercising our rights, powers, discretion and remedies under this Agreement. You understand and accept that we will generally not issue call or demand on Margin Requirement, that we will generally not credit the Margin Account to meet any deficiency on Margin Requirement, and that we are authorized to exercise any of our rights under this Clause 40 in order to satisfy Margin Requirement without prior notice to you.
- 40.6 In the event that the balance of the Margin Account has zero equity or is in deficit at any time, or the Margin Account does not have a sufficient account balance to meet Margin Requirement, we shall have the right, in our sole discretion, but not the obligation, to exercise any of our rights under Clause 40 at any time and in such manner and in any Market as we deem necessary, without prior notice demand or call to you. You agree to be responsible for, and promptly pay to us, any deficiency in the Margin Account that arises from such exercise of rights or remain after such exercise of rights. We shall not have any liability to you for any losses or damages sustained by you in connection with such exercise of rights (or if we experience a delay in exercising, or does not exercise such rights).
- 40.7 You expressly waives and relinquishes any rights to receive prior notice or demand from us and agrees that any prior demand, notice, announcement or advertisement shall not be deemed a waiver of our right to exercise any of our rights under Clause 40.
- 40.8 You understand that, in the event that we exercise such rights, you shall have no right or opportunity to determine the manner of exercising such rights by us. We may, in our absolute and sole discretion, exercise such rights on any Exchange or market, and we or any member of the Ping An Group may take the other side of any closing out, liquidating or settlement transaction. In the event that we exercise such rights, such exercise of rights shall establish the amount of your gain or loss and indebtedness to us, if any.
- 40.9 You shall reimburse and hold us harmless for all actions, omissions, costs, expenses, fees (including, but not limited to, legal costs), penalties, losses, claims or liabilities associated with any exercise of such rights by us. You shall be liable to and responsible for all resulting losses, notwithstanding our delay in or failure to exercise such rights. If we execute an order for which you did not have sufficient funds, we have the right, without notice to you, to liquidate the transaction and you shall be responsible for any loss as a result of such liquidation, including any costs, and shall not be entitled to any profit that results from such liquidation.

- 40.10 You irrevocably and unconditionally authorise us to transfer, debit or deduct any money in the Margin Account and/or the Cash Accounts so as to pay, discharge, satisfy your indebtedness, obligations and Liabilities to us arising from, incurred under and relating to this Agreement, including but not limited to the outstanding purchase moneys, fees (including but not limited to market data fees), charges, expenses, commissions and interests payable by you under and pursuant to this Agreement.
- 40.11 You acknowledge and agree that such deductions may affect the amount of money in the Margin Account to be applied against the Margin Requirement. We may exercise any of our rights under Clause 40 if deduction of commissions, fees or other charges causes the Margin Account to have an insufficient balance to satisfy the Margin Requirement.
- 40.12 If we issue a call or demand for Margin Requirement to you, you must satisfy such call or demand immediately. You agree to satisfy any call or demand for Margin Requirement issued by us by immediately depositing cleared funds in the Margin Account to pay, in full, the under-margined open position.
- 40.13 We shall also have the right to exercise any of our rights under Clause 40 without prior notice to you in the same manner as provided above:
- (A) if any dispute arises concerning any of your trades and/or transactions;
 - (B) upon your failure to timely discharge your obligations to us;
 - (C) upon your insolvency or filing of a petition in bankruptcy or for protection from creditors;
 - (D) upon the appointment of a receiver, or
 - (E) whenever we, in our absolute and sole discretion, deem it necessary or advisable for the protection of us and/or any of the Ping An Group.
- 40.14 Any failure by you to comply with this Clause 40 shall constitute an Event of Default under Clause 41.

Clause XLI

41. DEFAULT

41.1 Any one of the following events shall constitute an Event of Default : -

- (A) at any time when we, in our sole discretion, consider it necessary for our protection or for the protection of any member of the Ping An Group;
- (B) you fail or refuse to pay or settle any outstanding amount, money, fund, purchase price or other payment becoming due or payable under this Agreement or any other agreement with any member of the Ping An Group or any Third Party;
- (C) you fail or refuse to settle or pay any outstanding amount, money or deficit on any of your Securities Account(s) or any account maintained with any member of the Ping An Group;
- (D) you violates or fail to perform on a timely basis any term, undertaking, agreement, covenant or condition on your part to be performed under this Agreement;
- (E) you fail or refuse to discharge, pay, satisfy or perform any of your Liabilities, obligation or indebtedness under this Agreement or any other agreement with any member of the Ping An Group;
- (F) you have not provided any margin (initial, maintenance or additional) or adjustments (variation or otherwise) when the same become due or payable under this Agreement, or has failed or refused to comply with any request, call or demand made by us pursuant to

this Agreement;

- (G) breach, refusal, failure or default of or by you in complying with, fulfilling, performing or observing any terms or conditions of this Agreement or any other agreement with any member of the Ping An Group;
- (H) any representation or warranty made in this Agreement or in any document delivered to us or any member of the Ping An Group being or becoming incomplete, untrue or incorrect;
- (I) any consent or authorization required by you to enter into this Agreement being wholly or partly revoked, suspended, terminated or ceasing to remain in full force and effect;
- (J) the filing or commencement of a petition or application in bankruptcy, liquidation or winding up, petition or application for the appointment of a receiver, or the commencement of other similar proceedings against you;
- (K) any lien or security created or any part thereof respectively in relation to the indebtedness, obligations or Liabilities under this Agreement being avoided or discontinued;
- (L) any deterioration or impairment (in our opinion) or any decline or depreciation (in our opinion) in the value or market price (whether actual or reasonably anticipated) of the Collateral or any security or any part thereof respectively;
- (M) the levying of attachment or charge against your Margin Account or Cash Account or any account maintained with any member of the Ping An Group;
- (N) any Third Party asserts a claim, right or interest in respect of any moneys or funds in your Margin Account or Cash Account or any account maintained with any member of the Ping An Group;
- (O) you are subject to bankruptcy, liquidation, reorganization, moratorium, insolvency or similar law or makes or proposes to make any arrangements or compositions for the benefit of any of your creditors, or where you become the subject of any order, judgment or decree entered by any court providing for the winding up, reorganization, liquidation or appointment of a liquidator, trustee in bankruptcy or receiver for a substantial part of your business or assets;
- (P) you become insolvent or dissolved for any reason whatsoever, or where you are merged or become consolidated with any non-affiliated party, or sell all or a substantial portion of your business or assets;
- (Q) your death, liquidation or judicial declaration of incompetence;
- (R) any action or proceeding is commenced or any claim or demand is made by any person against you in connection with any matter herein contained or the Collateral or any part thereof or against us in connection with any matter herein contained or the Collateral or any part thereof;
- (S) any adverse change (in our sole and subjective opinion) in your corporate structure, business, assets, financial condition, and general condition or prospects;
- (T) at any time when we and/or any member of the Ping An Group come under any obligation imposed by any relevant Exchange and/or clearing house and/or broker or any Applicable Regulations to do any of the acts mentioned in this Clause 41; and
- (U) the occurrence of any event which, in our sole and subjective opinion, may or shall jeopardize, prejudice or affect any of our rights, interests or benefits or any of the Ping An Group.

41.2 If an Event of Default (in our sole and subjective judgment) occurs, then all amounts owing by you

to us shall become immediately payable on demand, and interest will accrue, at the rate specified in Clause 40.3, on the amounts outstanding from time to time, the further performance by us of any of our outstanding obligations to you under this Agreement (whether for payment of money or otherwise) shall be conditional upon you having fully discharged all your obligations to us under this Agreement, and we or any member of the Ping An Group shall be entitled at their absolute discretions, without further notice or demand and in addition to and without prejudice to any other rights or powers conferred under this Agreement to forthwith: -

- (A) satisfy any obligations you may have to us (either directly or by way of guarantee or other security) by selling, realizing or otherwise dealing with, in such manner as we in our absolute discretion may determine, all or part of any property held by any member of the Ping An Group for any purpose in any of your Securities Account(s) or any account maintained with us and/or any member of the Ping An Group, and to apply the proceeds in reduction of all or part of any of your Liabilities to us;
- (B) set-off, combine or consolidate any of your Securities Account(s) (of any nature) or any account maintained with us and/or any member of the Ping An Group or any of our obligations to you under this Agreement against any of your obligations to us under this Agreement;
- (C) suspend our obligations to perform pursuant to this Agreement;
- (D) revise, change, withdraw, stop or cancel the Credit Facilities, facilities, advances, credits or loans made or granted to you, or any part thereof respectively;
- (E) enforce the Lien and/or the security constituted or created under and pursuant to this Agreement;
- (F) liquidate your Margin Account or Cash Account or any account of yours with any member of the Ping An Group;
- (G) where applicable, sell any Securities in your Margin Account and/or Cash Account or any account of yours with any member of the Ping An Group;
- (H) where applicable, buy Securities previously sold as a short sale in your Margin Account and/or any account of yours with any member of the Ping An Group;
- (I) close out any open contract held by us on your behalf, and make or take delivery of the Securities in respect of such contract;
- (J) borrow or purchase any Security required to make delivery on your behalf;
- (K) exercise any options held by us on your behalf;
- (L) transfer in, transfer out, settle, clear all or any Securities;
- (M) call upon or enforce any security which may have been issued, made or created in our favour or any member of the Ping An Group as security for your indebtedness, Liabilities or obligations under this Agreement;
- (N) exercise any or all our rights and powers under this Agreement;
- (O) cancel any or all outstanding instructions, orders or any other commitments made on your behalf;
- (P) take any actions, or do any acts, matters or things as authorized, instructed, directed, appointed or empowered under this Agreement;
- (Q) take such actions, or do such acts, matters or things as we shall think fit in relation to the Collateral; and/or

- (R) take or not to take any actions, or do or not to do any acts, matters or things as we shall think fit.
- 41.3 We may at our absolute discretion apply the net proceeds (after deduction of all fees, costs and expenses incurred in connection with the exercise of the powers conferred on us by this Clause 41) actually received by us pursuant to the exercise of powers under this Clause 41 in reduction of your then outstanding obligations to us in such order or manner as we consider fit.
- 41.4 We shall have absolute discretion in all matters relating to the exercise of our rights under this Clause 41, and may sell any Securities on a single or collective basis. You hereby waive all claims and demands (if any) against us in respect of any loss, involuntary or otherwise, directly arising from the exercise by us of the powers conferred by this Clause 41, howsoever such loss may have been caused (other than in the case where Clause 16.8 applies, or the reckless disregard of our obligations under this Clause 41), whether in relation to the timing or manner of the exercise of such powers or otherwise.
- 41.5 In the event that any of the events set out in Clause 41.1 occurs, then this Agreement may be terminated by us forthwith without notice to you. Any such termination shall be without prejudice to the accrued rights and obligations of the Parties contained in any provision hereof which shall remain in full force and effect and shall be enforceable notwithstanding such termination.
- 41.6 You shall be liable for any deficit that may exist after we have exercised any or any combination of rights in this Clause 41, and any cost or expense (including legal costs) incurred by us, on a full indemnity basis, related to such exercise.
- 41.7 We shall be entitled at all times to employ debt collecting agent(s) to collect any sum due but unpaid by you hereunder and for doing so, we may and is hereby authorized to disclose to such agent(s) any or all information available in relation to you and us shall not be howsoever liable or responsible (whether in contract or tort) for such disclosure or for any default, negligent act and misconduct, and/or deeds of such agent(s). You are hereby warned that you shall indemnify and keep us indemnified on a full indemnity basis against all reasonable costs and expenses which we may reasonably incur in employing debt collecting agent(s).
- 41.8 In the event that we or any member of the Ping An Group commits a default in relation to Securities traded or to be traded on a recognized stock market, and the related assets of such Securities, and you thereby suffers a pecuniary loss, you acknowledge and accepts that the right to claim compensation will be restricted to the extent provided for therein under the SFO. For transactions which are effected in an Exchange other than a recognized stock market, you acknowledge and accept that any right to compensation in the event of any default on our part or our Associated Entity will be subject to the rules of the relevant Exchange.

Clause XLII

42. SECURITY

- 42.1 In consideration of us making or continuing to make available to you the Credit Facilities, you, as beneficial owner, charge by way of first fixed charge, assign and release to us all Securities, Cash and any other property held by you or on behalf of another person. This includes any property held by us or any member of the Ping An Group for any purpose to carry out the Services for your Securities Account and the property held as continuing security for any amount outstanding under the Credit Facilities and all your other indebtedness, liabilities or obligations to us.
- 42.2 To the extent that the charge under Clause 42.1 is ineffective as a fixed charge for any reason, it will take effect as a first floating charge. We may from time to time, by written notice to you, convert the floating charge into a specific charge in respect of all or any part of any such property referred to in Clause 42.1 and specified in such notice.

Clause XLIII

43. SEPARATE ACCOUNTS

- 43.1 The transactions and assets booked under the Margin Account shall not be co-mingled with those booked under the Cash Account except as expressly provided for in this Agreement.

APPENDIX I: THE NOTICE TO CLIENTS RELATING TO THE PERSONAL DATA (PRIVACY) ORDINANCE (THE “NOTICE”)

A. Client Notification of Collection, Use and Sharing of Your Information

Unless otherwise specified, all the defined terms in this Notice shall have the same meaning as defined in Appendix II.

1. We and other members of the Ping An Group may collect, use and share Your Information. Your Information may be requested by us or on behalf of us or the Ping An Group, and may be collected from you directly, from a person acting on your behalf, from other sources (including from publicly available information), and it may be generated or combined with other information available to us or a person acting on our behalf or any member of the Ping An Group.
2. Your Information may be used by us for the following purposes:
 - (A) considering applications for Services;
 - (B) approving, managing, administering or effecting Services or any transaction that you request or authorise;
 - (C) meeting compliance obligations in Applicable Regulations;
 - (D) conducting Financial Crime Risk Management Activity;
 - (E) collecting any amounts due from you and from those providing guarantee or security for your obligations;
 - (F) conducting credit checks and obtaining or providing credit references;
 - (G) enforcing or defending our or a member of the Ping An Group’s rights;
 - (H) marketing services or products in accordance with Paragraph A2(L) below;
 - (I) meeting our internal operational requirements or that of the Ping An Group (including credit and risk management, system or product development and planning, insurance, audit and administrative purposes);
 - (J) creating and maintaining our credit and risk related models;
 - (K) ensuring your ongoing credit worthiness and of those providing guarantee or security for your obligations;
 - (L) marketing, designing, improving or promoting Services or related products to you (and to Connected Persons to the extent permissible by Applicable Regulations) and conducting market research;
 - (M) determining the amount of indebtedness owed to you or owed by you or by those providing guarantee or security for your obligations;
 - (N) complying with any obligations, requirements or arrangements that we or any of our branches or any member of the Ping An Group is expected to comply according to any compliance obligations in Applicable Regulations, any present or future contractual or other commitment with any Regulatory Authorities, or any agreement or treaty between Regulatory Authorities;
 - (O) complying with any Applicable Regulations with regard to the sharing of data and information within the Ping An Group or any use of data and information in accordance with any programmes for compliance with sanctions or prevention or detection of Financial

Crime;

- (P) meeting any obligations, demand or request from Regulatory Authorities;
 - (Q) enabling our actual or proposed assignee, or participant or sub-participant of our rights in respect of you to evaluate the transaction intended to be the subject of the assignment, participation or sub-participation;
 - (R) maintaining our or Ping An Group's overall relationship with you; and
 - (S) any purposes relating or incidental to any of the above.
3. We will keep Your Information for as long as it is necessary for legal or business purposes.

B. SHARING AND TRANSFER OF PERSONAL DATA

1. Your Personal Data gathered by us will be kept confidential, but we may provide Personal Data (whether provided by you or any others, and whether provided before or after you open the Securities Accounts) to the following parties in or outside Hong Kong for the purposes under Paragraph A2 above:
- (A) Any member companies of Ping An Group;
 - (B) Any directors, senior officers, and employees of ours or Ping An Group only which have relevant business conducted with us or Ping An Group respectively;
 - (C) Any Agent, contractor or Third Party that provides management, communications, financial calculations, payment or securities settlement, nominee, custody, anti-money laundering or other services to us or any member company of Ping An Group;
 - (D) Any custodian, registrar or keeper of any single trust or collective investment plan (related to any service provided by us or any member company of Ping An Group to you), or any central securities trustee or registrar holding any securities on your behalf;
 - (E) Any credit reference agency and debt collection company (in case of default);
 - (F) Any person that accepts any rights and/or obligations relating to your Securities Account(s) or any service provided to you, transferred or distributed, or to be transferred or distributed by us;
 - (G) Certain companies regarding the marketing services or products listed in Paragraph B2 below; or
 - (H) Any person to whom we provide relevant information as required by Applicable Regulations, Market Requirements or court orders.
2. We intend to use your Personal Data for direct marketing, provided that PASHK obtains your consent thereon (including no objection). In this case:
- (A) Your Personal Data collected by us may from time to time be used for direct marketing, including name, contact details, age, gender, identification reference documents, marital status, product and other service portfolio information, transaction model and behavior, financial background and demographic research data;
 - (B) We or any member company of Ping An Group may exchange the financial market information or insurance-related services or products generated by or related to our business activities;
 - (C) The above services and products may be provided by Third Parties;

- (D) We shall not use any of your Personal Data for the above-mentioned activities for any use without seeking express consent, unless you notify us that you do not want us to use or provide to any person your Personal Data for the above-mentioned direct marketing, by exercising your "opt out" right.
3. You have the following rights as per the PDPO:
- (A) to verify or inquire about whether PASHK holds your Personal Data;
 - (B) to request viewing any relevant Personal Data held by us in a reasonable way and in a definite form within a reasonable timeframe;
 - (C) to request a correction of your inaccurate Personal Data;
 - (D) to obtain the reasons for any rejected Personal Data review or correction request;
 - (E) to understand our policies and practices regarding the above-mentioned Personal Data and learn about the types of Personal Data held by us;
 - (F) to learn about the data items that are routinely disclosed to credit reference agencies or debt collection agencies in terms of consumer credit, and to obtain further information to make a request of data view and correction to credit reference agencies or debt collection agencies; and
 - (G) We may charge a reasonable fee for processing any request for data viewing.
4. You may request Personal Data viewing and/or correcting by any of the following means of correspondence, or obtain advice on the policies, practices and types of data held by us, or exercise any of the "opt out" rights:
- Customer Services Department
- Ping An Securities (Hong Kong) Company Limited
- Room 3601, 36F, The Center, 99 Queen's Road Central, Hong Kong
- Tel: 3762 9688
- Fax: 3762 9668
- Email: cs.pacshk@pingan.com
5. This Notice shall not restrict your rights under the PDPO.
6. In case of any ambiguity or inconsistency between the Chinese and English versions of this Notice, the English version shall prevail.

C. SHARING AND TRANSFER OF YOUR INFORMATION OTHER THAN PERSONAL DATA

1. We may (as necessary and appropriate for all or any of the purposes as defined in Paragraph A3 above), transfer, share, exchange and disclose any of Your Information (other than Personal Data) to such persons as we may consider necessary (wherever located) including:
- (A) any member of the Ping An Group;
 - (B) any agents, contractors, sub-contractors, service providers or associates of the Ping An Group (including their employees, directors and officers, agents, contractors, service providers, and professional advisers);

- (C) any Regulatory Authorities;
- (D) anyone acting on behalf of you, payment recipients, beneficiaries, account nominees, intermediary, correspondent and agent banks, clearing or settlement systems, market counterparties, upstream withholding agents, swap or trade counterparties, stock exchanges, companies in which you have an interest in securities (where such securities are held by us or any member of the Ping An Group for you);
- (E) any party acquiring an interest in or assuming risk in or in connection with the Services;
- (F) other financial institutions, credit reference agencies or credit bureaus, for obtaining or providing credit references; and
- (G) any party involved in any business transfer, disposal, merger or acquisition by us or any member of the Ping An Group.

D. YOUR OBLIGATIONS

1. You agree to inform us promptly and in any event, within 30 days in writing if there are any changes to Your Information supplied to us or a member of the Ping An Group from time to time, and to respond promptly to any request for Your Information from us or a member of the Ping An Group.
2. You confirm that every Connected Person whose information (including Personal Data or Tax Information has been (or will be) provided to us or a member of the Ping An Group has (or will at the relevant time have) been notified of and agreed to the processing, disclosure and transfer of their information as set out in this Appendix I. You shall advise any such Connected Persons that they have rights of access to, and correction of, their Personal Data.
3. You consent and shall take such steps as are required from time to time for the purposes of any applicable data protection law or secrecy law to permit us to use, store, disclose, process and transfer all of Your Information in the manner described in this Agreement. You agree to inform us promptly in writing if you are not able or have failed to comply with the obligations in this Clause in any respect.
4. Where:
 - (A) you or any Connected Person fail(s) to provide promptly Your Information reasonably requested by us, or
 - (B) you or any Connected Person withhold(s) or withdraw(s) any consents that we may need to process, transfer or disclose Your Information for the purposes (except for purposes connected with marketing or promoting products and services to you), or
 - (C) we have, or a member of the Ping An Group has, suspicions regarding Financial Crime or an associated risk,
 we may:
 - (A) be unable to provide new, or continue to provide all or part of the Services to you and reserve the right to terminate our relationship with you;
 - (B) take actions necessary for us or a member of the Ping An Group to meet Applicable Regulations and Market Requirements; and
 - (C) block, transfer or close your account(s) where permitted under Applicable Regulations.
5. In addition, if you fail to supply promptly your, or a Connected Person's, Tax Information and accompanying statements, waivers and consents, as may be requested, then we may make your

own judgment with respect to your status or that of the Connected Person, including whether you a Connected Person is reportable to a Tax Authority, and may require us or other persons to withhold amounts as may be legally required by any Tax Authority and to pay such amounts to the appropriate Tax Authority.

APPENDIX II

DEFINITIONS AND INTERPRETATION

1. Interpretation

1.1 Unless the context requires otherwise, in this Agreement:

- (A) any reference to a "Clause" or "Appendix" is a reference to a clause or appendix of this Agreement;
- (B) any reference to this Agreement, an agreement or document is a reference to the same as amended, varied or supplemented from time to time;
- (C) any reference to an Applicable Regulation is a reference to the same as amended, re-enacted or in effect from time to time; and
- (D) a singular expression includes the plural and vice versa, and reference to a gender includes any gender.

1.2 Each Appendix constitutes part of this Agreement.

1.3 Headings in this Agreement are for ease of reference only and do not affect the interpretation of this Agreement.

2. Definitions

In this Agreement, except where the context otherwise requires, the following terms shall bear the meanings set out below:

"Account Opening Form" means your application to open your Securities Account(s), the board resolution (if applicable) and such other documents as required by us from time to time for the purpose of opening the Securities Account(s) with us.

"Affiliate(s)" means, in relation to any person, any entity controlled, directly or indirectly, by the person, any entity that controls, directly or indirectly, the person or any entity directly or indirectly under common control with the person. For this purpose, "control" of any entity or person means ownership of a majority of the voting power of the entity or person.

"Agent(s)" in relation to us, includes any of our subsidiaries, affiliates or other Third Parties, whether acting as agent or as principal, through whom we may perform our duties under this Agreement.

"Agreement" means the agreement between you and us, which includes this Agreement, the Account Opening Form and all other documentation provided to us or prescribed by us, as may be varied, amended or supplemented from time to time.

"Applicable Regulation (s)" means any law, regulation or order, or any rule, direction, guideline, code, notice or restriction (whether or not having the force of law) issued by any exchange, regulatory authority, governmental agency (including tax authority), or other organisation (in each case, whether within or outside Hong Kong) which is applicable to you and us or any Related Person from time to time including, without limitation, the SFO and the China Connect Rules.

"A Share(s)" means any securities issued by companies incorporated in the PRC which are listed and traded on any A Share market in the PRC (i.e. the SSE or the SZSE) and not on SEHK.

"Associated Entity" has the meaning given to it in Schedule 1 to the SFO, as amended from time to time;

"Authorized Person" means, at any particular time, a person appointed by you under the Account Opening Form or a power of attorney or any other documents prescribed by us which has been validly executed by you and received by us, and in respect of which person, we have not received from you any written notice of revocation or termination of such person's appointment;

"Available Funds" means the credit balance in the Securities Account, plus funds receivable from settled sales, and minus funds needed to pay for transactions executed but not settled, any open orders and any uncleared deposits.

"Business Day" means a day (other than a Saturday, a Sunday or a public holiday) on which licensed banks in Hong Kong and HKEX are generally open for business, including an SWT Day.

"Cash" means all cash or cash equivalents in Hong Kong Dollars received and held by us on the terms of this Agreement.

"Cash Account(s)" mean(s) one or more securities cash trading account(s) for conducting any trade without using the margin facility maintained by you with us, or the account which does not involve securities borrowing and lending from us.

"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 China Connect.

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

"CFTC" means the U.S. Commodity Futures Trading Commission.

"China Connect" means the Shanghai-Hong Kong Stock Connect, the Shenzhen-Hong Kong Stock Connect and/or any other securities trading and clearing links programme developed or to be developed by SEHK, the relevant China Connect Market(s), HKSCC and CSDCC for the establishment of mutual market access between SEHK and the relevant China Connect Market(s) (as the case may be).

"China Connect Authorities" means the exchanges, clearing systems and regulators which provide services in relation to and/or regulate China Connect and activities relating to China Connect, including without limitation SEHK, HKSCC, the relevant SEHK Subsidiary(ies), the relevant China Connect Market(s), CSDCC, CSRC, PBOC, SAFE, SAT and other PRC local tax bureau, SFC, HKMA, the Hong Kong Inland Revenue Department and any other regulator, exchange, clearing system, agency or authority with jurisdiction, authority or responsibility in respect of China Connect (including, without limitation, any tax or other authority that may impose or levy any form of tax, duty, fine or penalty on or in respect of any China Connect Securities under any Applicable Regulations); and **"China Connect Authority"** means any one of them.

"China Connect Market" means SSE, SZSE and/or a stock market in the PRC acceptable to SEHK and included in the list of China Connect Markets which are eligible for China Connect trading (as the case may be).

"China Connect Market System" means the system used for the trading of (a) SSE Securities on SSE, as operated by SSE, (b) SZSE Securities on SZSE as operated by SZSE and/or (c) China Connect Securities on the relevant China Connect Market, as operated by the relevant exchange that operates such China Connect Market and has entered into trading links with SEHK (as the case may be).

"China Connect Rules" means any laws, rules, regulations, policies or guidelines published or applied by any China Connect Authority from time to time in respect of China Connect or any activities arising from China Connect.

"China Connect Securities" means any SSE Securities, SZSE Securities and/or securities listed on the relevant China Connect Market which may be eligible for trading on China Connect.

"China Connect Service" means the order-routing service through which Northbound orders placed by an Exchange Participant may be transmitted by a SEHK Subsidiary to the corresponding China Connect Market for the buying and selling of China Connect Securities and any related supporting services.

"ChiNext" means Shenzhen-Hong Kong Connect.

"ChiNext Shares" means any securities listed on the ChiNext Board of the SZSE which may be traded by Hong Kong and international investors under China Connect.

"Clearing Participant(s)" has the meaning given to such term in the rules of the Central Clearing and Settlement System of Hong Kong.

"Client Identity Rules" means the SFC's client identity rules in the Code of Conduct and Client Identity Rule Policy.

"Client Securities Rules" means the Securities and Futures (Client Securities) Rules (Cap 571H of the Laws of Hong Kong).

"Code of Conduct" means the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission.

"Collateral" means Charged Properties and Margin Account Fund and such other moneys or assets of yours charged to us upon the Terms and Conditions herein and for performance of all of your obligations to us from time to time hereunder.

"Connected Person" means a person or entity (other than you) whose information (including Personal Data or Tax Information) is provided by you, or on your behalf, to any member of the Ping An Group or which is otherwise received by any member of the Ping An Group in connection with the provision of the Services. A Connected Person may include any guarantor, a director or officer of a company, partners or members of a partnership, any "substantial owner", "controlling person", or beneficial owner, trustee, settlor or protector of a trust, account holder of a designated account, payee of a designated payment, your representative, agent or nominee, or any other persons or entities with whom you have a relationship that is relevant to your relationship with the Ping An Group.

"Contract Notes Rules" means the Securities and Futures (Contract Notes, Statements of Account and Receipts) Rules (Cap. 571Q of the Laws of Hong Kong).

"PASHK" means Ping An Securities (Hong Kong) Company Limited.

"PASHK Fees and Charges Schedule" means the fees and charges schedule as set out in <<https://stock.pingan.com.hk/sc/customer-service/form-download>>

"Credit Facility(ies)" means all or any of the loan or credit facilities made available or granted by or agreed to be made available or granted by us hereunder from time to time.

"CRS" means the Common Reporting Standard.

"CSC" means the China Stock Connect System for receiving and routing China Connect orders to a China Connect Market System for automatic matching and execution.

"CSDCC" means China Securities Depository and Clearing Corporation.

"CSDCC China Connect Rules" means the rules of CSDCC, including without limitation, the rules published by CSDCC for the purposes of implementing China Connect, as amended, supplemented, modified and/or varied from time to time.

"CSRC" means China Securities Regulatory Commission.

"Event of Default" has the meaning given to such term in Clause 41.1.

"Exchange" means SEHK or any other stock exchange or market or over-the-counter market on which you gives Instructions to buy or sell Securities.

"Exchange Participant(s)" means (i) Hang Seng Securities Limited which is a person registered as a China Connect Exchange Participant (as defined in the SEHK China Connect Rules) by SEHK; or (ii) where the context requires, any China Connect Exchange Participant (as defined in SEHK China Connect Rules).

"FATCA" means the Foreign Account Tax Compliance Act.

"Financial Crime" means money laundering, terrorist financing, bribery, corruption, tax evasion, fraud, evasion of economic or trade sanctions, or any acts or attempts to circumvent or violate any Applicable Regulations relating to these matters.

"Financial Crime Risk Management Activity" means any action to meet compliance obligations relating to or in connection with the detection, investigation and prevention of Financial Crime that we or members of the Ping An Group may take.

"Forced-sale Notice" means a written notice provided to initiate a forced sale.

"GEM" means the Growth Enterprise Market.

"H Shares" means any securities issued by companies incorporated in the PRC and listed on SEHK.

"HKMA" means the Hong Kong Monetary Authority.

"HKSCC" means Hong Kong Securities Clearing Company Limited.

"Hong Kong" means the Hong Kong Special Administrative Region of the People's Republic of China.

"Hong Kong Dollars" means the lawful currency of the Hong Kong. .

"Hong Kong Regulators" means the SFC and SEHK.

"Instruction(s)" means any instruction (including any subsequent amendment or cancellation thereof accepted by us) you gives to buy or sell Securities, to open, close or otherwise to operate the Securities Account and/or to enter into transactions, whether verbally, by telephone, through the internet, by facsimile transmission or in such other manner as we may permit.

"Liabilities" means all moneys, liabilities and obligations, whether actual or contingent, present or future, due, owing or incurred from or by you to any member of the Ping An Group, or their respective nominee in connection with the Cash Account(s), the Margin Account(s) and/or this Agreement or for which you may otherwise be or become liable to any member of the Ping An Group on any account or in any manner or currency whatsoever (whether alone or jointly with any other person and in whatever name, style or form), together with interest from the date of demand to the date of payment, legal costs and all other costs, charges and expenses incurred by any member of the Ping An Group or their respective nominee in connection with the recovery or attempted recovery of such moneys, liabilities and obligations.

"Margin Account(s)" mean(s) one or more securities margin trading account opened and maintained by us for you from time to time pursuant to this Agreement for conducting securities margin trading transactions.

"Margin Account Fund" means all and any moneys or funds standing to the credit of the Margin Account.

"Margin Requirement" means such Collateral and/or such collateral, guarantees and other security to the Margin Account in such form and amount and on such terms as we may in our absolute discretion require from time to time.

"Market Requirements" means the constitution, by-law, rule, regulation, custom, procedure, usage, ruling and interpretation of (i) any relevant exchange or market (whether in or outside Hong Kong) where transactions are executed, or (ii) any clearing house, custodian or depository of the relevant exchange or market, to which we or you are subject or with which we or you are expected to comply from time to time.

"Non-trade Transfer" means a transfer of China Connect Securities which involves a change in the beneficial ownership of the China Connect Securities and which is not conducted through the China Connect Service and executed on the China Connect Market.

"Northbound" denotes the trading of China Connect Securities by Hong Kong and international investors through China Connect.

"PBOC" means the People's Bank of China.

"PDPO" means the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong).

"Personal Data" has the meaning as defined in the PDPO.

"Ping An Group" means PASHK, its ultimate holding company Ping An Insurance (Group) Company of China, Ltd. (stock code: 2318) and all holding companies, its subsidiaries or Affiliates and/or any subsidiaries or Affiliates of its ultimate holding company and holding companies (directly and indirectly).

"PP" means the Nasdaq-Amex Pilot Program.

"PRC" means, for the purposes of this Agreement, the People's Republic of China (excluding Hong Kong, Macau and Taiwan).

"PRC Listco" means a PRC incorporated company which is listed on a PRC stock exchange.

"Property" includes all Securities, Cash and any other property held by or on behalf of, or in the possession or control of, us or any member of the Ping An Group for any purpose in or for any of your Accounts, including any Account or other accounts with us in which you may have an interest whether alone or jointly with any other person (to the extent of your interest therein).

"QFII" means the Qualified Foreign Institutional Investor program which was launched in 2002 in the PRC to allow licensed foreign investors to buy and sell A Shares in the PRC stock exchanges.

"Related Person" means (i) the Exchange Participant, (ii) any Affiliate of ours or the Exchange Participant, or (iii) any director, officer, employee or Agent of ours, the Exchange Participant or any Affiliate of ours or the Exchange Participant.

"Regulatory Authority(ies)" means any local or foreign judicial, administrative, public or regulatory body, any government, any tax authority, securities or futures exchange, court, central bank, or law enforcement body, self-regulatory or industry bodies or associations of financial service providers or any of their agents with jurisdiction over any part of the Ping An Group.

"Renminbi" or "RMB" means the lawful currency of the PRC, deliverable in Hong Kong.

"RQFII" means the RMB Qualified Foreign Institutional Investor program which was launched in 2011 to allow Hong Kong and other foreign jurisdictions to reinvest offshore RMB into the PRC securities market.

"SAFE" means the State Administration of Foreign Exchange of the PRC.

"SAT" means the State Administration of Taxation of the PRC.

"SEC" means the U.S. Securities and Exchange Commission.

"Securities" has the meaning given in section 1 of Part 1 of Schedule 1 to the SFO, as amended from time to time. For the avoidance of doubt, in this Agreement, "Securities" shall include Structured Products.

"Securities Account(s)" mean(s) one or more securities trading accounts (including Cash Account and Margin Account) opened and maintained by us for you from time to time pursuant to this Agreement.

"Services" means the provision of Cash Account, Margin Account, discretionary account for dealing in securities, distribution of funds and funds products, as well as the provision of investment advice, and any service which we provide or procure in relation to your Securities Accounts, including investment and custodian services.

"SEHK" or "HKEX" means The Stock Exchange of Hong Kong Limited.

"SEHK Rules" refers to the Rules of SEHK and any regulations, requirements or conditions prescribed or published pursuant to the SEHK Rules.

"SEHK China Connect Rules" means the rules of HKEX, as amended for the purposes of implementing China Connect, and as amended, supplemented, modified and/or varied from time to time.

"SEHK Subsidiary" means a wholly-owned subsidiary of SEHK duly authorised as an automated trading service provider under the SFO and licensed under Applicable Regulations in the PRC to provide the order-routing service under China Connect.

"SFC" means the Securities and Futures Commission of Hong Kong.

"SFO" means the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

"Special China Connect Securities" means any securities listed on the China Connect Market which the SEHK (after consulting with the relevant China Connect Market) from time to time accepts or designates as eligible only for China Connect sell orders and not China Connect buy orders.

"SSE" means the Shanghai Stock Exchange.

"SSE China Connect Rules" means the SSE Regulations on the Shanghai-Hong Kong Stock Connect Programme which have been published by SSE for the purposes of implementing China 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 and the Rules Governing the Listing of Stocks on the ChiNext Board, 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.

"SSE Securities" means any securities listed on the SSE which may be traded by Hong Kong and international investors under China Connect.

"Structured Product(s)" has the meaning given in section 1A of Part 1 of Schedule 1 to the SFO, as amended from time to time.

"SWT Day" stands for Severe Weather Trading Day, and it means any day from Monday to Friday except a Hong Kong public holiday on which severe weather falls. In addition, it would be

considered an SWT Day for the derivatives market if severe weather falls on a Hong Kong public holiday which is a holiday trading day for selected derivatives products. For the purpose of this Agreement, severe weather refers to the scenario where a typhoon signal No.8 or above or a black rainstorm warning is issued by the Hong Kong Observatory, or an "extreme conditions" announcement is made by the Hong Kong Government.

"SZSE" means the Shenzhen Stock Exchange.

"SZSE China Connect Rules" means the SZSE Regulations on the Shenzhen-Hong Kong Stock Connect Programme which have been published by SZSE for the purposes of implementing China 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 and the Rules Governing the Listing of Stocks on the ChiNext Board, as amended, supplemented, modified and/or varied from time to time.

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

"SZSE Securities" means any securities listed on the SZSE which may be traded by Hong Kong and international investors under China Connect. For the avoidance of doubt, SZSE Securities shall include ChiNext Shares.

"Tax Authority(ies)" means the Inland Revenue Department of Hong Kong or foreign tax, revenue or monetary authorities.

"Tax Information" means documentation or information about your tax status or the tax status of a Connected Person.

"Taxes" means all taxes, (including but not limited to income tax, business tax, stamp duty, value added tax, tax on gains, transactional tax, if applicable), duties, levies, imposts, charges, assessments, deductions, withholdings and related liabilities, including but not limited to additions to tax, penalties and interest imposed on or in respect of (i) China Connect Securities or Cash, (ii) any transaction effected under the terms of us or (iii) you.

"Terms and Conditions" means this Agreement as may be amended from time to time.

"Third Party(ies)" means (i) any member company of Ping An Group, except for PASHK, (ii) third-party financial institutions, insurance companies, securities and investment service providers, (iii) any business partner that maintains a business relationship or other arrangements with us or any member company of Ping An Group, and (iv) third-party marketing service providers.

"Trading Day" means a day on which SEHK is open for Northbound trading for (i) Hong Kong and Shanghai (in the case of Shanghai-Hong Kong Stock Connect) or (ii) Hong Kong and Shenzhen (in the case of Shenzhen-Hong Kong Stock Connect), where "T day" denotes the day on which a transaction is executed and "T+1 day" denotes (as the case may be) the day which is one Trading Day or, in the context of settlement of funds, one Business Day (on which banks in (i) Hong Kong and Shanghai (in the case of Shanghai-Hong Kong Stock Connect) or (ii) Hong Kong and Shenzhen (in the case of Shenzhen-Hong Kong Stock Connect) are generally open for business) after T day.

"Ultimate Client" means the underlying client for whom you may act as intermediary for.

"you", "You", "your" or "Your" means each person in whose name Securities Account(s) is(are) maintained or to whom a Service is provided and, where the context permits, any individual authorised by you to give Instructions relating to your Securities Accounts or Service.

"Your Information" means all or any of the following items relating to you or that of a Connected Person, where applicable: (i) Personal Data, (ii) information about you, your accounts, transactions, use of our products and services and your relationship with the Ping An Group and (iii) Tax Information. With regard to any requests by SEHK, Your information also includes information and

Personal Data concerning you and other persons referred to in SEHK Rules 537 and 1437.

APPENDIX III - RISK DISCLOSURE STATEMENTS (GENERAL)

These Risk Disclosure Statements do not disclose all the risks and other significant aspects of any transactions or services provided. You should therefore carefully consider whether the transactions entered into directly by you are suitable in light of your investment objectives, financial circumstances, tolerance to risks and your investment experience. In considering whether to trade or invest, you should be aware of the risks generally, and in particular should note the following:

- 1.1 **RISK OF SECURITIES TRADING.** The prices of securities fluctuate, sometimes dramatically. The price of a security may move up or down, and may even become valueless. It is as likely that losses will be incurred rather than a profit made as a result of buying and selling securities.
- 1.2 **RISKS OF CLIENT ASSETS RECEIVED OR HELD OUTSIDE HONG KONG.** Client assets received or held by us outside Hong Kong are subject to the Applicable Regulations 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.
- 1.3 **RISK OF TRADING GROWTH ENTERPRISE MARKET STOCKS.** GEM stocks involve a high investment risk. In particular, companies may list on the GEM with neither a track record of profitability nor any obligation to forecast future profitability. GEM stocks may be very volatile and illiquid.

You should 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.

Current information on GEM stocks may only be found on the internet website operated by SEHK. GEM Companies are usually not required to issue paid announcements in gazetted newspapers.

You should seek independent professional advice if you are uncertain of or have not understood any aspect of this risk disclosure statement or the nature and risks involved in trading of GEM stocks.

- 1.4 **RISK OF TRADING NASDAQ-AMEX SECURITIES AT SEHK.** The Securities under the PP are aimed at sophisticated investors. You should consult us and become familiarized with the PP before trading in the PP securities. You should be aware that the PP securities are not regulated as a primary or secondary listing on the Main Board or the Growth Enterprise Market of SEHK.
- 1.5 **RISK OF PROVIDING AN AUTHORITY TO HOLD MAIL OR TO DIRECT MAIL TO THIRD PARTIES.** If you provide us with an authority to hold mail or to direct mail to Third Parties, it is important for you to promptly collect in person all contract notes and statements of your Securities Account(s) and review them in detail to ensure that any anomalies or mistakes can be detected in a timely fashion.
- 1.6 **RISK OF TRADING STRUCTURED PRODUCTS**

(A) Credit risk

If the issuer of the Structured Products is us, the value of the Structured Products depends on our ability to perform our obligations under the relevant term sheets. These obligations (including but not limited to the delivery to you in accordance with the terms and conditions of the Structured Products either the underlying asset or the cash settlement amount upon exercise, expiry or maturity, as the case may be) are our unsecured obligations but not of any other person.

If the issuer of the Structured Products is not us, the value of the Structured Products depends on the ability of such issuer to perform its obligations under the relevant term sheets. These obligations are not owed by us; therefore, we are not responsible for ensuring that those obligations are satisfied.

(B) Default of underlying issuer and/or the agent of the underlying issuer

In respect of each Structured Product purchased by you, we may enter into a back-to-back transaction with the underlying issuer or the issuer's agent. In the event of the occurrence of certain credit events of the issuer or the issuer's agent, your recourse against us will be limited to the net value of the moneys or Securities (or other property or assets) due to it under the back-to-back transaction between us and the issuer or the issuer's agent (as the case may be). In other words, you will bear the credit risk of the issuer or the issuer's agent (as the case may be). You should therefore make your own assessment of the creditworthiness of the issuer and/or the issuer's agent.

(C) Market risk

Structured Products involve a high degree of risk. The value of Structured Products will be affected by a number of market variables that change daily, such as interest rates, foreign exchange, time value, volatility and liquidity of the markets, political or economic conditions, and other inter-related factors which affect the performance of the markets generally.

The value of the underlying assets may go down as well as up, and past performance is not necessarily a guide to future performance. Changes in the value of the underlying assets may result in changes to the price and/or the repayment value of the Structured Products and income derived therefrom (if any), which may have a different result or a result of greater magnitude than the change in the value of the underlying assets. The value of Structured Products may fall as rapidly as it may rise or become worthless at or before maturity. You may risk losing all or a significant proportion of the investment.

(D) Liquidity risk

It is not possible to predict if and to what extent a secondary market may develop in any Structured Products or at what price such Structured Products will trade in the secondary market or whether such market will be liquid or illiquid.

If any Structured Products are not listed or traded on any exchange, pricing information for such Structured Products may be difficult to obtain and the liquidity of that Structured Products may also be adversely affected.

(E) Currency risk

The Structured Products and/or the underlying assets may comprise transactions in foreign currency-denominated contracts. The profits or loss in such transactions (whether they are traded in your own or another jurisdiction) will be affected by fluctuations in currency rates whenever there is a need to convert from the currency denomination of the contract to another currency.

(F) Event risk

The value and/or the settlement of the Structured Products may be affected by the occurrence or existence of certain events such as (but not limited to) credit performance of the reference entities, mergers and disposals, trading suspension, price source disruption, material change in the calculation and/or composition of indices comprising a basket of indices etc. In certain circumstances, you may risk losing all or a significant proportion of the investment.

(G) Performance of underlying assets risk

An investment in the Structured Products is not an investment in the underlying assets and you have no rights in respect of such underlying assets. However, the performance of the underlying assets will have a direct effect on the value of the Structured Products. We have not performed, and will not at any time perform, any investigation or review of the underlying assets. We neither make any guarantee nor any express or implied warranty in respect of the performance of the underlying assets, or the selection thereof.

(H) Potential conflicts of interest

Members of the Ping An Group and their Affiliates may from time to time engage in transactions

involving the underlying assets as principal and as agent. Such transactions may have a positive or negative effect on the value of the underlying assets and consequently upon the value of the relevant Structured Products. Members of the Ping An Group and their Affiliates may also provide services to companies and Affiliates of companies that comprise the underlying assets of the Structured Products.

The above represents only some of the risks generally associated with investing in the Structured Products and does not purport to disclose all of the risks and all of the significant aspects of the Structured Products. You should carefully read the contents of the relevant offering documents and terms sheets to understand the features of and the specific risks associated with the Structured Products. Where in doubt, you should consult the legal, tax and/or financial advisers or such other advisers as you deems appropriate before making an investment decision.

- 1.7 **DISCLAIMER OF OVERSEAS STOCK TRADING.** We declare that: (a) Overseas Stock means all stocks outside Hong Kong stock; (b) ChiNext is only applicable to institutional professional investors; (c) Overseas stock services is applicable to Non-U.S. Citizen/Resident only; (d) Overseas stock service also provides currency conversion, under nominal rate at the time of conversion. You should be aware of the spread of currency conversion, and foreign exchange rate is provided for reference only and will be updated from time to time; (e) Commission, fees, overseas timetable and other information will be updated from time to time. Please visit our website: www.stock.pingan.com.hk.

1.8 **RISK OF TRADING OF FOREIGN SECURITIES.**

(A) **China Connect risk**

Risk of trading of foreign securities, including B Shares listed in the PRC and shares including A Shares listed in the PRC within China Connect.

You should only undertake trading of foreign securities if you understand the nature of foreign securities trading and the extent of your exposure to risks. In particular, foreign securities trading is not regulated by SEHK and will not be covered by the Investor Compensation Fund despite the fact that we are an Exchange Participant of SEHK. You should carefully consider whether such trading is appropriate for you in light of your experience, risk profile and other relevant circumstances and seek independent professional advice if you are in doubt.

(B) **Suspension or restriction of trading and pricing relationships risk**

Market conditions (e.g. illiquidity) and/or the operation of the rules of certain markets (e.g. the suspension of trading) may increase the risk of loss by making it difficult or impossible to effect transactions or liquidate/offset positions.

(C) **Deposited cash and property risk**

You should familiarize yourself with the protections given to money or other property you deposit for domestic and foreign transactions, particularly in the event of a firm insolvency or bankruptcy. The extent to which you may recover the money or property may be governed by specific legislation or local rules. In some jurisdictions, property which had been specifically identifiable as your own will be pro-rated in the same manner as cash for purposes of distribution in the event of a shortfall.

(D) **Commission and other charges risk**

Before you begin to trade, you should obtain a clear explanation of all commission, fees and other charges for which you will be liable. These charges will affect your net profit (if any) or increase your loss.

(E) **Transactions in other jurisdictions risk**

Transactions on markets in other jurisdictions, including markets formally linked to a

domestic market, may expose you to additional risk. Such markets may be subject to regulation which may offer different or diminished investor protection. Before you trade you should enquire about any rules relevant to your particular transactions. Your local regulatory authority will be unable to compel the enforcement of the rules of regulatory authorities or markets in other jurisdictions where your transactions have been effected. You should ask the firm with which you deal for details about the types of redress available in both your home jurisdiction and other relevant jurisdictions before you start to trade.

(F) Currency risks

The profit or loss in transactions in foreign currency-denominated stocks (whether they are traded in your own or another jurisdiction) will be affected by fluctuations in currency rates where there is a need to convert from the currency denomination of the stocks to another currency.

(G) Trading facilities risk

The facilities for electronic transactions is a computer-composed system for the transmission, execution, pairing, registration or settlement of transaction instructions. However, all facilities and systems may be temporarily interrupted or failed, and your compensation for this may be subject to restrictions imposed by system suppliers, markets, clearing companies and/or participants in respect of their liability. As these limitations of liability can vary, you should check with the dealer who is trading for you for details in this regard.

(H) Electronic trading risk

Trading on an electronic trading system may differ from trading on other electronic trading systems. If You undertake transactions on an electronic trading system, you will be exposed to risks associated with the system including the failure of hardware and software. The result of any system failure may be that your order is either not executed according to your Instructions or is not executed at all.

(I) Off-exchange transactions risk

In some jurisdictions, and only then in restricted circumstances, firms are permitted to effect off-exchange transactions. The firm with which you deal may be acting as your counterparty to the transaction. It may be difficult or impossible to liquidate an existing position, to assess the value, to determine a fair price or to assess the exposure to risk. For these reasons, these transactions may involve increased risks. Off-exchange transactions may be less regulated or subject to a separate regulatory regime. Before You undertake such transactions, you should familiarise yourself with Applicable Regulations and attendant risks.

(J) Trading in U.S. Exchange-listed or over-the-counter (OTC) securities or derivatives

You should understand the U.S. rules applicable to trades in security or security-like instrument in markets governed by U.S. law before undertaking any such trading. U.S. law could apply to trading in U.S. markets irrespective of the law applicable in your home jurisdiction. Many (but by no means all) stocks, bonds and options are listed and traded on U.S. stock exchanges. NASDAQ, which used to be an OTC market among dealers, has now also become a U.S. exchange. For exchange-listed stocks, bonds and options, each exchange promulgates rules that supplement the rules of the SEC for the protection of individuals and institutions trading in the securities listed on the exchange. OTC trading among dealers can continue in exchange-listed instruments and in instruments that are not exchange-listed at all. For securities that are not listed on any exchange, trading can continue through the OTC bulletin board or through the inter-dealer "pink sheets" that carry representative (not actual) dealer quotes. These facilities are outside of NASDAQ.

Options on securities are subject to SEC rules and the rules of any securities exchange on which the options are listed. Options on futures contracts on commodities like wheat or

gold are governed by rules of the CFTC. There are also commercial options, for example options on real estate, that are governed neither by SEC nor CFTC rules. Whether you are intending to trade in U.S. exchange-listed securities, OTC securities or derivatives, you should understand the particular rules that govern the market in which you are intending to trade. An investment in any of these instruments tends to increase the risk, and the nature of markets in derivatives tends to further increase the risk.

Market makers of OTC bulletin board are unable to use electronic means to interact with other dealers to execute trades. They must manually interact with the market (i.e. use standard phone lines to communicate with other dealers to execute trades), and this may cause delays in the time they take to interact with the market place. This, if coupled with increase in trade volume, may lead to wide price fluctuation in OTC bulletin board securities as well as lengthy delays in execution time. You should exercise extreme caution when placing market orders and fully understand the risks associated with trading in OTC bulletin board. Market data such as quotes, volume and market size may or may not be as up-to-date as expected with NASDAQ or listed securities. As there may be far fewer market makers participating in OTC securities markets, the liquidity in that security may be significantly less than those in listed markets. As such, you may receive a partial execution or the order may not be executed at all. Additionally, the price received on a market order may be significantly different from the price quoted at the time of order entry. When fewer shares of a given security are being traded, larger spreads between bid and ask prices and volatile swings in price may result. In some cases, the liquidation of a position in an OTC security may not be possible within a reasonable period of time.

Issuers of OTC securities have no duty to provide any information to investors, maintain registration with the SEC or provide regular reports to investors.

(K) Default and counterparty risks

Every investment products contains default risks and/or counterparty risks. 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 raise new debt to roll over or repay old one. Credit ratings are the most common tools used for assessing bond default risk. A rating represents the opinion of the rating agency at a particular point of time and may change over time, due to either changes in the financial status of the issuers or changes in market conditions. Counterparty risk refers to the failure of the trading party in fulfilling their financial contractual obligations. While ratings by credit agencies represented quality assurances, investors should not only reference to the credit ratings of the product issuers, but also seek full understanding of the product structure and their exposure to the financial derivatives in order to avoid financial loss.

(L) Risk-reducing orders or strategies risk

The placing of certain orders (e.g. "stop-loss" orders, or "stop-limit" orders) which are intended to limit losses to certain amounts may not be effective because market conditions may make it impossible to execute such orders. Strategies using combinations of positions, such as "spread" and "straddle" positions may be as risky as taking simple "long" or "short" positions.

APPENDIX IV (A): RISK DISCLOSURE STATEMENTS (CHINA CONNECT)

You should not trade in China Connect securities unless you fully understand and are willing to assume the risks associated with China Connect. You acknowledge that we have provided risk disclosure statements in respect of China Connect (Northbound) in Appendix III of this Agreement. You have been advised of the requirements to comply with Applicable Regulations of the PRC (including but not limited to those referred in Clause 3 of this Agreement).

1. **RISK OF INTERNET TRADING.** You acknowledge and agree that (a) access to the internet services may be limited or unavailable during periods of peak demand, market volatility, systems upgrades or maintenance or for other reasons; (b) transactions conducted through the internet may be subject to interruption, transmission blackout, delayed transmission due to internet traffic or incorrect data transmission due to the public nature of the internet; (c) Instructions may not be executed or may be delayed so that they are executed at prices different from those prevailing at the time the Instructions were given; (d) communications and Personal Data may be accessed by unauthorized Third Parties; (e) your Instructions may be executed without being subject to human review; (f) there may be system failure which may result in your Instruction not being executed; (g) your lack of internet experience which may result in your Instructions not being executed or executed with error; or (h) Instructions for the same Instructions being issued more than once because the system could not promptly indicate completion of the transactions.

You also acknowledge and agree that it is not usually possible to cancel an Instruction after it has been given, and You agree to exercise caution before placing all orders. Any attempt made by you to cancel an order is simply a "request to cancel". Whilst we will use our reasonable efforts to process your "request to cancel", it will not be liable to you if we are unable to change or cancel the order.

2. **RISK OF MARGIN TRADING:** The risk of loss in financing a transaction by a deposit of collateral is significant. You may sustain losses in excess of cash and any other assets deposited as collateral with us. Market conditions may make it impossible to execute contingent orders, such as "stop-loss" or "stop-limit" orders. You 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, your collateral may be liquidated without your consent. Moreover, you will remain liable for any resulting deficit in your Securities Accounts and interest charged on your Securities Accounts. You therefore should carefully consider whether such a financing arrangement is suitable in light of your own financial position and investment objectives.
3. **RISK OF PROVIDING AN AUTHORITY TO REPLEDGE YOUR SECURITIES COLLATERAL ETC.:** There is risk if you provide us with an authority that allows us to apply your securities or securities collateral pursuant to a securities borrowing and lending agreement, repledge your securities collateral for financial accommodation or deposit your securities collateral as collateral for the discharge and satisfaction of our settlement obligations and liabilities.

If your securities or securities collateral are received or held by us in Hong Kong, the above arrangement is allowed only if you consents in writing. Moreover, unless you are a professional investor, your authority must specify the period for which it is current and be limited to not more than 12 months. If you are a professional investor, these restrictions do not apply.

Additionally, your authority may be deemed to be renewed (i.e. without your written consent) if we issue you a reminder at least 14 days prior to the expiry of the authority, and you do not object to such deemed renewal before the expiry date of your then existing authority. You are not required by any law to sign these authorities. But an authority may be required by us, for example, to facilitate margin lending to you or to allow your securities or securities collateral to be lent to or deposited as collateral with Third Parties. We should explain to you the purposes for which one of these authorities is to be used.

If you sign one of these authorities and your securities or securities collateral are lent to or deposited with Third Parties, those Third Parties will have a lien or charge on your securities or securities collateral. Although we are responsible to you for securities or securities collateral lent or deposited under your authority, a default by us could result in the loss of your securities or securities collateral. A Cash Account not involving securities borrowing and lending is available

from most licensed or registered persons. If you do not require margin facilities or do not wish your securities or securities collateral to be lent or pledged, you should not sign the above authorities or ask us to open this type of Cash Account.

APPENDIX IV (B): RISK DISCLOSURE STATEMENTS (CHINA CONNECT AND NORTHBOUND TRANSACTIONS)

This Appendix describes some of the key risk disclosures and other information concerning China Connect. This Appendix does not disclose all the risks and other significant aspects of Northbound trading through China Connect. You should ensure that you understand the nature and risks of China Connect and Northbound trading and you should consider carefully (and consult your own advisers where necessary) whether trading in China Connect Securities is suitable for you in light of your circumstances. The decision to trade in China Connect Securities is your, but you should not trade in China Connect Securities unless you fully understand and are willing to assume the risks associated with China Connect. You acknowledge the risks, and agrees to the terms, set out in this Appendix.

We does not represent that the information set out in this Appendix is up to date or comprehensive, and does not undertake to update the information set out in this Appendix.

1. Pre-Trade Checking risk

Under PRC law, the relevant China Connect Market may reject a sell order if an investor does not have sufficient available China Connect Securities in his Securities Account. SEHK will apply similar checking on all Northbound sell orders at the Exchange Participant level to ensure there is no overselling by any Exchange Participant ("**Pre-Trade Checking**"). Accordingly, you will comply with any requirements relating to Pre-Trade Checking required by the China Connect Authorities and/or as notified to you by us. You will in addition ensure there are sufficient available China Connect Securities in your Securities Account to cover any proposed sell order.

If we consider that you have not (by the commencement of trading on the Trading Day on which you wish to execute a sell order or any other cut-off time specified by us from time to time) transferred sufficient available China Connect Securities to the Exchange Participant's designated CCASS stock account(s) to cover a proposed sell order, we may (but shall not be obliged to) in our absolute discretion: (a) reject your sell order (in whole or in part); (b) where appropriate arrangements are in place and as permitted by Applicable Regulations, use any China Connect Securities in the Exchange Participant's (or any other Exchange Participant's) designated CCASS stock account(s) which we hold for ourselves or on behalf of other Clients to fulfil the Pre-Trade Checking requirement in respect of your sell order, in which case you shall reimburse us for any costs, losses or expenses which we incur as a result of buying in or otherwise sourcing the amount of China Connect Securities which you have failed to deliver in respect of your sell order, on such terms and at such price (including any associated fees and expenses) and at such time as we shall determine in our absolute discretion; or (c) perform any other act which we consider necessary or desirable to comply with Pre-Trade Checking and/or relevant Applicable Regulations and to cover your shortfall (including but not limited to applying any other China Connect Securities available to us) from any stock borrowing arrangements (to the extent permitted by Applicable Regulations and available to us) or other sources.

In addition, we may in our absolute discretion reject your sell order (in whole or in part) if for any other reason we consider that there is or may be non-compliance or potential non-compliance with Applicable Regulations. Any risk, loss or cost resulting from non-compliance or potential non-compliance with Pre-Trade Checking and/or any relevant Applicable Regulations shall be borne by you.

2. Settlement risk

Northbound trades will follow the settlement cycle of the relevant China Connect Market. For settlement of China Connect Securities trades, CSDCC will debit or credit the securities accounts of its participants (including HKSCC as clearing participant) on T day free of payment. We may have settlement arrangements in place different from the CSDCC settlement arrangements. Unless we agree to pre-fund, settlement of funds relating to such trading will be effected on T+1 day. In the event we agree to pre-fund the settlement of China Connect Securities trades, you shall reimburse us with respect to any 'excess' pre-funding provided by us. Where any China Connect Securities have been overbought or oversold (notwithstanding any Pre-Trade Checking arrangements), there may be a delay in settlement due to a delay or failure by our system for reconciliation of orders.

Although the transfer of the China Connect Securities precedes the transfer of cash, under the China Connect Service, the title to China Connect Securities will not be released until the receipt of confirmation of payment. Accordingly, for the purpose of contract notes, the settlement date would be T+1 day when both the securities and the cash are settled or, where the purchase was pre-funded, the settlement date would be the date on which the securities are released from hold.

3. **Quota Restrictions risk**

Purchases of China Connect Securities through China Connect are subject to certain quota controls as described below. As a result, there is no assurance that a buy order can be successfully placed through China Connect. There is a daily quota limiting the maximum value of all Northbound buy trades that can be executed by Exchange Participants on each Trading Day ("**Daily Quota**") in respect of each China Connect Market. The Daily Quota may change from time to time without prior notice and you are advised to refer to the HKEX website and other information published by HKEX for up-to-date information.

Under the China Connect Rules, Northbound selling is permitted regardless of whether the Daily Quota has been reached. If there is a restriction, rejection or suspension of Northbound buying as a result of the Daily Quota being fully utilised, we will be unable to carry out any further buy orders.

4. **Restriction on Day Trading risk**

Unless SEHK otherwise determines, day (turnaround) trading is not permitted on the China Connect Markets. If you buy China Connect Securities on T day, you may be able to sell the China Connect Securities only on or after settlement has been completed (normally on T+1 day). Due to Pre-Trade Checking requirements, we may process an instruction to sell China Connect Securities that were bought on T day only on or after the applicable cut-off time (as notified to you by us from time to time) on T+1 day subject to any Applicable Regulations.

5. **Disclosure of Interests risk**

Under PRC laws, rules and regulations, if you hold or control shares (on an aggregate basis, i.e., including both domestically and overseas issued shares of the same PRC Listco, whether the relevant holdings are through Northbound trading, the QFII/RQFII regime or other investment channels) in a PRC Listco up to a certain threshold (as may be specified from time to time by the relevant China Connect Authorities), you must disclose such interest within the period specified by the relevant China Connect Authority, and you must not buy or sell any such shares within the period specified by the relevant China Connect Authority. You must also disclose any substantial change in your holding as required by the relevant China Connect Authority.

Under Hong Kong law, where a PRC incorporated company has both H Shares listed on SEHK and A Shares listed on a China Connect Market, if an investor is interested in more than a certain threshold (as may be specified from time to time) of any class of voting shares (including A Shares purchased through China Connect) in such PRC incorporated company, the investor is under a duty of disclosure pursuant to Part XV of the SFO. Part XV of the SFO does not apply where the PRC incorporated company has not listed any shares on SEHK.

It shall be your responsibility to comply with any disclosure of interest rules from time to time imposed by the relevant China Connect Authorities and to arrange for any relevant filings.

6. **Short Swing Profit Rule risk**

Under PRC laws, rules and regulations, the "short swing profit rule" requires you to give up / return any profits made from purchases and sales in respect of China Connect Securities of a particular PRC Listco if (a) your shareholding in such PRC Listco exceeds the threshold prescribed by the relevant China Connect Authority from time to time and (b) the corresponding sale transaction occurs within the six months after a purchase transaction, or vice versa. You (and you alone) must comply with the "short swing profit rule". We shall have no responsibility to alert you or otherwise assist you in complying with the "short swing profit rule".

7. **Foreign Ownership Limits risk**

Under PRC laws, rules and regulations, there is a limit to how many shares a single foreign investor is permitted to hold in a single PRC Listco, and also a limit to the maximum combined holdings of all foreign investors in a single PRC Listco. Such foreign ownership limits may be applied on an aggregate basis (i.e. across both domestically and overseas issued shares of the same issuer, whether the relevant holdings are through Northbound trading, the QFII/RQFII regime or other investment channels). It shall be your responsibility to comply with all foreign ownership limits from time to time imposed by Applicable Regulations. In addition, we shall have the right to apply any procedure or requirements which we determines in our absolute discretion to be necessary or desirable to comply with any foreign ownership limits from time to time including (for example, and without limitation) imposing any threshold on you that is lower than the foreign ownership limits prescribed by any China Connect Authority. Such legal and regulatory restrictions or limitations may have an adverse effect on the liquidity and performance of an investment in China Connect Securities due to factors such as limitations on fund repatriation, dealing restrictions, adverse tax treatments, higher commission costs, regulatory reporting requirements and reliance on services of local custodians and service providers. As a result, you may suffer losses through your trading or investment of or in China Connect Securities.

If we become aware that you have breached (or reasonably believes that you may breach upon execution of further Northbound buy orders) any foreign ownership limits, or if we are so required by any China Connect Authority, including, without limitation, as a result of any Forced-sale Notice issued by the relevant China Connect Market, we can sell any China Connect Securities pursuant to the China Connect Rules or terms of our Agreement in order to ensure compliance with all Applicable Regulations and Market Requirements.

In such case, no China Connect Securities buy orders for the relevant China Connect Securities will be accepted until the relevant China Connect Market informs its corresponding SEHK Subsidiary or SEHK that the aggregate foreign shareholding has fallen below a certain percentage. SEHK may determine in our absolute discretion which Exchange Participants and what quantity of China Connect Securities should be subject to a Forced-sale Notice (this is generally likely to be on a "last-in, first-out" basis), and SEHK's (or the relevant SEHK Subsidiary's) own records shall be final and conclusive.

Moreover, under PRC laws, where the aggregate holding of foreign investors exceeds a specified percentage (the "**Cautionary Level**") of the issued shares of a single PRC Listco, upon notification by the relevant China Connect Market to its corresponding SEHK Subsidiary, SEHK and the relevant SEHK Subsidiary are required as soon as practicable thereafter to suspend accepting buy orders in respect of the relevant China Connect Securities. In such circumstances, we may reject your buy order Instructions until the aggregate shareholding of foreign investors has fallen below a specified percentage (the "**Permitted Level**") as advised by the relevant China Connect Market from time to time.

Currently, the single foreign investor limit is set at 10% of the shares of a PRC Listco and the aggregate foreign investor limit is set at 30% of the shares of a PRC Listco (while the Cautionary Level and the Permitted Level are set at 28% and 26% respectively of the shares of a PRC Listco). Such limits and levels are subject to change from time to time and we shall not be under any obligation to inform you of any such changes relating to foreign ownership limits.

8. **Securities Eligible for Northbound Trading risk**

SEHK will include and exclude securities as China Connect Securities based on the prescribed criteria under the China Connect Rules and any other relevant rules and regulations from time to time. We shall not be under any obligation to inform you of any changes to the eligibility of shares for Northbound trading. You should refer to the HKEX website and other information published by HKEX for up-to-date information.

According to the SSE Listing Rules and the SZSE Listing Rules, if any company listed on the SSE or the SZSE (other than a company listed on the ChiNext Board) 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' interests to undue damage, such listed company will be earmarked and traded on the risk alert board. Any change to the risk alert board may occur without prior notice. If a China Connect Security has been placed under risk alert, it ceases to be a China Connect Security and investors under China Connect will be allowed only to sell it and are prohibited from further

buying. For details concerning the risk alert board, please refer to the SSE Listing Rules, the SZSE Listing Rules and any other relevant sources from time to time.

9. Special China Connect Securities risk

SEHK will accept or designate securities which cease to meet the eligibility criteria for China Connect Securities as Special China Connect Securities (provided that they remain listed on the relevant China Connect Market). In addition, any securities or options (which are not 'eligible for China Connect trading') received by you as a result of any distribution of rights or entitlements, conversion, takeover, other corporate actions or abnormal trading activities will be accepted or designated by SEHK as Special China Connect Securities. You will be able only to sell, but not to buy, any Special China Connect Securities.

10. ChiNext Shares risk

(A) *Investment risks*

ChiNext Shares involve a high investment risk.

(B) *Regulatory risks*

The rules and guidance on listing, trading, disclosure and other matters of SZSE ChiNext vary much from those of the SZSE main board and SME board market.

(C) *High Share price Volatility risk*

Companies listed on the ChiNext Board may include enterprises in the innovation and technology sector as well as other start-up and/or growth enterprises with smaller operating scale and share capital. Stock prices may also be more susceptible to manipulation due to fewer circulating shares. Accordingly, the ChiNext Shares may be very volatile and illiquid. In addition, current information on such companies may be limited and may not be widely available.

(D) *Delisting risks*

It may be more common and easier for companies listed on the ChiNext Board to be delisted. The ChiNext Shares may become very illiquid after delisting. You may suffer a total loss of your investment in the event of a delisting.

You should seek independent professional advice if you are uncertain of or has not understood any aspect of this Appendix or the nature and risks involved in trading of ChiNext Shares.

(E) *Operating risks*

ChiNext companies are generally in an early stage of development and have a shorter history. They are usually smaller in scale, have less stable operations, and are less resilient against market risks and industry risks.

(F) *Technical risks*

It is uncertain whether a ChiNext company is able to convert its technical innovations into physical products and services.

11. No Off-exchange Trading and Transfers risk

You, any Related Person and us shall not trade or provide services to facilitate trading of any China Connect Securities otherwise than through the China Connect Market System, and we shall not (unlike the current practice in Hong Kong in respect of SEHK-listed shares) match, execute or arrange the execution of any sale and purchase Instructions or any transfer Instructions from you

or effect any Non-trade Transfer or settlement of Instructions in respect of any China Connect Securities in any manner otherwise than through China Connect in accordance with the China Connect Rules, except in the following circumstances or as otherwise provided by a relevant China Connect Authority:

- (A) 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;
- (B) stock borrowing and lending of China Connect Securities which are eligible for satisfying the Pre-Trade Checking requirement, with a tenor of one day (and which is not renewable); and
- (C) any other situations specified by the relevant China Connect Market and CSDCC, including but not limited to any Non-trade Transfer as a result or for the purpose of (i) succession; (ii) divorce; (iii) dissolution, liquidation or winding up of any company or corporation; (iv) donation to a charitable foundation; and (v) assisting in any enforcement action or proceedings of any court, prosecutor or law enforcement agency.

You acknowledge that the rule against off-exchange trading and transfers under Northbound trading may delay or disrupt reconciliation of orders by us. We shall not be responsible or be held liable for any loss or damage directly or indirectly suffered by you arising from this rule, including, without limitation, any loss arising from any delay in settlement of trades.

12. **Placing Orders risk**

Only limit orders with a specified price are allowed pursuant to Applicable Regulations and Market 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.

13. **China Connect Market Price Limits risk**

China Connect Securities are subject to a general price limit of a $\pm 10\%$ based on the previous Trading Day's closing price (and a price limit of $\pm 5\%$ where the China Connect Securities are on risk alert). 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 will be rejected by the relevant China Connect Market.

14. **Taxation risk**

In addition and without prejudice to any of our rights under the Terms and Conditions, you will be fully and solely responsible for any and all your liabilities and obligations for any Taxes (which we shall determine in our absolute discretion and in good faith) in respect of China Connect Securities including, without limitation, any taxes on gains or any other taxes, duties or levies, and will indemnify us and each Related Person from and against all Taxes imposed or levied by any jurisdiction (including without limitation Hong Kong and the PRC) which we and/or any Related Person may incur or be subject to arising in connection with any China Connect Securities which you holds, trades or otherwise deals in. Neither us nor any Related Person assumes any responsibility for advising on or handling any tax issues, liabilities and/or obligations in connection with China Connect, and neither we nor any Related Person will provide any service or assistance in this regard.

You acknowledge and agree that we shall have no responsibility to act as tax agent, representative or adviser of yours in respect of any Taxes. Prior to investing in China Connect Securities, you are strongly urged to consult your own tax advisers and counsel with respect to the possible tax consequences to you of such investment since such tax consequences may differ in respect of different investors.

In addition and without prejudice to any other right or remedy which we may have, we shall be entitled in our absolute discretion, without further notice or demand, forthwith to satisfy any obligation or potential obligation of us or any Related Person or you to pay or account for any amounts in respect of any Taxes by selling, realising or otherwise dealing with (including but not

limited to withholding or deducting any amount towards Taxes), in such manner as us in our absolute discretion may determine, all or part of any property held by us or any Related Person for any purpose in any of your accounts held with us or any Related Person, and to apply the proceeds in reduction of all or part of any of your liability to us or any Related Person. Neither we nor any Related Person shall have any liability for any losses or risks which may result directly or indirectly from any actions taken by us or any Related Person in respect of the foregoing.

15. Client Securities Rules risk

By way of brief background, the Client Securities Rules prescribe how client assets are to be dealt with by all intermediaries and their Associated Entities. However, as the China Connect Securities traded through China Connect are not listed or traded on SEHK, you will not have protection under the Client Securities Rules, unless otherwise specified by the SFC or any other relevant China Connect Authority.

16. Investor Compensation Fund risk

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

17. Ownership of China Connect Securities risk

China Connect Securities are held in CSDCC. HKSCC will become a direct participant in CSDCC and China Connect Securities acquired by investors through Northbound Trading will be:

- (A) recorded in the name of HKSCC in the nominee securities account opened by HKSCC with CSDCC and HKSCC will be nominee holder of such China Connect Securities; and
- (B) held in custody by the depository of CSDCC and registered in the shareholders' register of the relevant PRC Listco.

HKSCC will record interests in such China Connect Securities in the CCASS stock account of the relevant CCASS Clearing Participant.

Under Hong Kong law, HKSCC will be regarded as the legal owner of such China Connect Securities and will be regarded as holding the beneficial entitlement to the China Connect Securities on behalf of the relevant Clearing Participant(s). Depending on the custody arrangements between a Clearing Participant and its Hong Kong or overseas clients, such Clearing Participant will in turn generally be regarded as holding the beneficial entitlement for such Hong Kong or overseas clients.

Under current PRC regulations, China Connect Securities will be recorded in a nominee account opened by HKSCC with CSDCC and Northbound investors have rights and interests in China Connect Securities acquired through China Connect according to the Applicable Regulations and Market Requirements. The CSRC Securities Registration and Settlement Measures, CSDCC Securities Registration Rules and Administrative Rules on Securities Accounts, the CSDCC China Connect Rules, SSE China Connect Rules and SZSE China Connect Rules generally provide for the concept of a "nominee holder" and recognise the Northbound investors as the "ultimate owners" of China Connect Securities.

Northbound investors shall exercise their rights in relation to China Connect Securities through HKSCC as the nominee holder. As Northbound investors will have actual control over voting rights in respect of such China Connect Securities (either individually or acting in concert with others), Northbound investors are responsible for complying with disclosure obligations under PRC laws and regulations in relation to China Connect Securities acquired through Northbound trading.

After the launch of the Shanghai-Hong Kong Stock Connect, and concurrent with the promulgation of the expanded and revised China Connect Rules, CSRC issued two FAQs respectively on 15 May 2015 and 30 September 2016, which provided regulatory clarification and affirmation that HKSCC is the nominee holder for China Connect Securities, and Hong Kong and overseas investors shall

enjoy property rights as the holder and shall exercise their rights in relation to China Connect Securities as proprietary owners through HKSCC.

HKEX has also published materials explaining the ownership rights of Northbound investors in China Connect Securities and may publish further information from time to time. In summary, the HKEX published materials state that:

- (A) it is the Hong Kong and overseas investors as the ultimate investors (rather than any broker, custodian or intermediary through whom such investors hold the China Connect Securities) who should be recognised under PRC laws and regulations as having beneficial ownership in the China Connect Securities;
- (B) as key functions of a nominee holder, HKSCC will be responsible for collecting and distributing dividends to its participants (for their own account and/or as agent for their investors) and obtaining and consolidating voting instructions from its participants and submitting a combined single voting instruction to the issuer of the relevant China Connect Securities. Under the CCASS China Connect Rules, HKSCC is prepared to provide assistance to the beneficial owners of China Connect Securities where necessary.
- (C) HKEX notes that any beneficial owner who decides to take legal action is responsible for seeking its own independent legal advice to satisfy itself and HKSCC that a cause of action exists and the beneficial owner should be prepared to conduct the action and take up all costs in relation to the action, including providing HKSCC with indemnities and legal representation in proceedings. Further details are set out in the HKEX published materials.
- (D) on the insolvency of HKSCC, the China Connect Securities would not be regarded as the general assets of HKSCC under Hong Kong and PRC law and would not be available to the general creditors of HKSCC. CSDCC and the PRC courts would recognize the liquidator of HKSCC, duly appointed pursuant to Hong Kong law, as the rightful person to deal with China Connect Securities in the place of HKSCC.

You should conduct your own review of the HKEX published materials and the applicable China Connect Rules from time to time. You should also consult your own legal advisers to make your own assessment of your rights as a Northbound investor in China Connect Securities.

18. Amendment of Orders and Loss of Priority risk

Consistent with the current practice in the PRC, 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 Daily Quota restrictions (see paragraph 3), the subsequent order may not be filled on the same Trading Day.

19. Risk of CSDCC Default risk

CSDCC has established a risk management framework and measures that are approved and supervised by the CSRC. If CSDCC (as the host central counterparty) defaults, HKSCC may (but shall have no obligation to) take any legal action or court proceeding to seek recovery of the outstanding China Connect Securities and moneys from CSDCC through available legal channels and through CSDCC's liquidation process, if applicable. As CSDCC does not contribute to the HKSCC guarantee fund, HKSCC will not use the HKSCC guarantee fund to cover any residual loss as a result of closing out any of CSDCC's positions. HKSCC will in turn distribute China Connect Securities and/or moneys recovered to clearing participants on a pro-rata basis as prescribed by the relevant China Connect Authorities. We in turn will be distributing China Connect Securities and/or moneys only to the extent recovered directly or indirectly from HKSCC. Although the likelihood of a default by CSDCC is considered to be remote, investors should be aware of this arrangement and of this potential exposure before engaging in Northbound trading.

20. Risk of HKSCC Default risk

Any action or inaction of HKSCC or a failure or delay by HKSCC in the performance of its obligations may result in a failure of settlement, or the loss, of China Connect Securities and/or

moneys in connection with them and you may suffer losses as a result. Neither we nor any Related Person shall have any responsibility or liability for any such losses.

21. Scripless Securities risk

China Connect Securities are traded in scripless form, and accordingly China Connect Securities may not be physically deposited into and/or withdrawn from CCASS.

22. Company Announcements on Corporate Actions risk

Any corporate action in respect of China Connect Securities will be announced by the relevant issuer through the SSE website and/or SZSE website (as the case may be) and certain officially appointed newspapers. HKSCC will also record all corporate actions relating to China Connect Securities in CCASS and inform 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 SSE website and/or the SZSE website (as the case may be) and the officially appointed newspapers and website (Shanghai Securities News (上海證券報), Securities Times (證券時報), China Securities Journal (中國證券報), Securities Daily (證券日報) and www.cninfo.com.cn (巨潮資訊網)) 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. Investors should note that (i) issuers that are listed on the China Connect Markets publish corporate documents in Chinese only and English translations will not be available and (ii) issuers listed on the ChiNext Board are required to publish certain corporate announcements on their corporate websites and the officially appointed websites only.

Unlike the current practice in Hong Kong in respect of SEHK-listed shares, investors engaged in Northbound trading may not be able to attend shareholder meetings by proxy or in person.

In addition, HKSCC will endeavour 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 to the extent practicable arrange to distribute to relevant clearing participants on the same day.

We shall have no obligation whatsoever to collect or receive or take any other action (including attending any general meeting and/or exercising any voting right) in relation to any payment or distribution or voting in respect of China Connect Securities for your account or to notify you of the existence of or the terms of any notice, circular, report, announcement or similar corporate action in respect of China Connect Securities. If we shall make any such collection or receipt, take any such action or give you any such notification or shall take any action pursuant to any such notification, we shall not have:

- (A) any liability in respect of any inaccuracies or delays; and
- (B) any obligation to continue or repeat any such action.

We do not and cannot ensure the accuracy, reliability or timeliness of any company announcements of corporate actions, and neither us nor any Related Person accepts any liability (whether in tort or contract or otherwise) for any loss or damage arising from any errors, inaccuracies, delays or omissions or any actions taken in reliance thereon. We expressly disclaims all warranties, express or implied, as to the accuracy of any company announcement or as to the fitness of the information for any purpose.

23. Disclosure of Information and Publication of Trade Information risk

SEHK may require us to provide information on your profile, and the type and value of your orders in relation to Northbound trading of China Connect Securities and the trades which we executed for you, 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 aggregated information in respect of China Connect Securities trades under China Connect, trading volumes, investor profiles and other related data.

In addition, we may be required by any China Connect Authority to provide any information relating to you including, without limitation, any information relating to China Connect trades executed by you through Exchange Participants other than us, where the China Connect Securities in respect of such trades have been transferred to us for sale.

24. Retention of Information risk

You acknowledge and accepts that we will be required under the China Connect Rules to keep records for a period of not less than 20 years of (a) all orders and trades executed on your behalf; (b) any Instructions received from you; (c) your account information in relation to Northbound trading; and (d) all relevant information concerning margin trading and stock borrowing and lending of any China Connect Securities (including, without limitation, in respect of any such margin trading, the relevant securities margin trading arrangement and the funds provided).

25. Client Error risk

Neither we nor any Related Person shall be liable for any loss, damage or expense or consequential loss, damage or expense suffered by you as a result of any trading based on your Instructions. We will not be able to unwind any trade, and you should also take note of the settlement arrangements in respect of China Connect Securities including but not limited to quota restrictions, which may affect your ability to mitigate the consequences of any error trades.

The China Connect Rules generally prohibit any off-exchange trading or transfers. However, transfers may be permitted between Exchange Participants and their clients to rectify an error trade in limited circumstances, although there is a lack of clarity as to the circumstances in which such transfers may be permitted. Any Exchange Participant who performs a Non-trade Transfer to rectify an error trade will be required to submit to SEHK an error trade report together with supporting documents explaining how the error was made and providing details of the Non-trade Transfer. SEHK has the power to disallow a particular Exchange Participant to conduct Non-trade Transfer 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 trades or transfers. SEHK may provide error trade reports and related information to the SFC and the relevant China Connect Market. Exchange participants are warned by SEHK not to misuse this arrangement to effect off-exchange trades or transfers which are otherwise disallowed under the relevant China Connect Rules. We shall have absolute discretion to determine whether to conduct any transfer to rectify any error trade and shall have no obligation to do so. Neither us nor any Related Person shall have any liability for any losses which may result directly or indirectly from any error trade or any refusal to conduct a transfer to correct an error trade.

26. Operation of China Connect Service/China Connect Market System risk

SEHK or the relevant SEHK Subsidiary (after consulting with SEHK) may, under certain circumstances as specified in the SEHK rules and/or whenever SEHK determines that it is appropriate and in the interest of a fair and orderly market to protect investors, temporarily suspend or restrict all or part of the order-routing and related supporting services with regard to all or any Northbound trading of China Connect Securities, and for such duration and frequency as the SEHK may consider appropriate. You will not be able to buy or sell China Connect Securities through China Connect during any period in which trading of China Connect Securities is suspended. In particular, you should note that while trading of China Connect Securities is suspended by SEHK, trading of such China Connect Securities may continue on the relevant China Connect Market. You may remain exposed to fluctuations in the price of China Connect Securities caused by trading on the relevant China Connect Market during the period when trading of such China Connect Securities is suspended by SEHK.

SEHK has absolute discretion to change the operational hours and arrangements of the China Connect Service at any time and without advance notice, whether on a temporary basis, due to operational needs, inclement weather, under emergency situations or otherwise. Moreover, SEHK or the relevant SEHK Subsidiary (with the agreement of SEHK) may cease the provision of the China Connect Northbound trading service permanently.

Such suspension, restriction or cessation will affect our ability to accept and process your orders and you are advised to refer to the HKEX website and other information published by HKEX for up-to-date information. There can be no assurance that your orders will be accepted or processed, notwithstanding that China Connect Securities may be traded through other channels including, without limitation, by PRC investors on the relevant China Connect Market.

Further, SEHK Rules state that, where any H Shares with corresponding A Shares eligible as China Connect Securities are suspended from trading on SEHK but the corresponding A Shares are not suspended from trading on the relevant China Connect Market, the service for routing the China Connect sell orders and China Connect buy orders for such A Shares to the relevant China Connect Market for execution will normally remain available. However, SEHK may, in our discretion, restrict or suspend such service without prior notice and your ability to place sell orders and buy orders maybe affected.

In addition, the China Connect Market System is a platform for trading of China Connect Securities under China Connect. We provides trading services based on the China Connect Market System which is operated by the relevant China Connect Market. We are not responsible for any delay or failure caused by any China Connect Market System and investors accept all risks arising from trading China Connect Securities through any China Connect Market System. Neither us nor any Related Person shall be responsible or held liable for any loss or damage directly or indirectly suffered by you arising from or in connection with the China Connect Service or the CSC through Northbound trading including, without limitation, the following:

- (A) a suspension, restriction or cessation of the China Connect Service or the CSC, or any inability to access or use the CSC or the China Connect Service;
- (B) any special arrangement put in place or any action, step or measure taken or not taken to deal with an emergency, including but not limited to the cancellation of any or all China Connect orders input by Exchange Participants;
- (C) any suspension, delay, interruption or cessation of trading of any China Connect Securities on the relevant China Connect Market or through SEHK;
- (D) any delay, suspension, interruption or order cancellation of any China Connect Securities as a result of the hoisting of a Typhoon Signal No. 8 or above or the issuance of the Black Rainstorm Warning in Hong Kong;
- (E) any delay or failure to route any China Connect orders or any delay or failure to send any order cancellation requests or to provide the China Connect Service, due to any system, communication or connection failure, power outage, software or hardware malfunction or other event beyond the control of SEHK, us or any Related Person;
- (F) any circumstance in which a China Connect order which a China Connect Exchange Participant has requested to be cancelled is not cancelled for any reason whatsoever;
- (G) any delay, failure or error of any China Connect Market System or any system upon which the relevant SEHK Subsidiary, us or any Related Person is reliant in providing the China Connect Service; and
- (H) any delay or failure to execute, or any error in matching or executing any, China Connect order due to any reason beyond the control of SEHK, HKEX or the relevant SEHK Subsidiary, we or any Related Person (including, without limitation, any action or decision taken or made, or not taken or made, by the relevant China Connect Market, any China Connect Authority or any other relevant governmental or regulatory body).

If there is any delay or failure to send any order cancellation request in any circumstance described in paragraph (E) or (F) of this Clause 26 above, you shall, in the event such order is matched and executed, remain responsible to fulfil any settlement obligations in respect of such transaction.

27. Operational Hours risk

SEHK has absolute discretion to determine from time to time the operational hours of the China Connect Service, and will have absolute discretion to change the operational hours and arrangements of the China Connect Service at any time and without advance notice, whether on a temporary basis or otherwise. We shall not be under any obligation to inform you of any such determination by SEHK as to the operational hours of the China Connect Service. Any such change in the operational hours and arrangements with respect to the China Connect Service will affect our ability to accept and process your orders and generally to provide China Connect Service in a timely manner.

Where, for example, there is any price sensitive information relating to a PRC Listco during a time when the China Connect Service is not in operation, the A Shares of the PRC Listco may continue to trade on the relevant China Connect Market and the price of such A Shares may move significantly. In such case, Northbound investors will not be able to trade in such shares until the next available Trading Day under China Connect.

28. Margin Trading risk

Subject to certain conditions prescribed by the China Connect Authorities, Hong Kong and overseas investors may conduct margin trading in China Connect Securities determined by the relevant China Connect Authorities to be eligible for margin trading ("**Eligible Margin Trading Securities**"). The HKEX will from time to time publish a list of Eligible Margin Trading Securities. The relevant China Connect Market 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 the relevant China Connect Market and resume margin trading activities when the volume of margin trading activities drops below a prescribed threshold. Where SEHK is notified by the relevant China Connect Market that a suspension or resumption involves a security on the list of Eligible Margin Trading Securities, the HKEX will disclose such information on its website. In such circumstances, any margin trading (except for margin trading in respect of China Connect Securities buy orders) in the relevant China Connect Security shall be suspended and/or resumed accordingly. The China Connect Markets have reserved the right to require (at some point in time) margin trading orders to be flagged as margin trading orders when routed to China Connect. Neither we nor any Related Person shall have any obligation to update you in respect of the list of Eligible Margin Trading Securities or any restrictions or suspensions in respect of margin trading from time to time.

29. Rights Issuances risk

Where a Hong Kong or overseas investor receives any form of entitlement security from the issuer of a China Connect Security, if such entitlement security:

- (A) is a China Connect Security, Hong Kong and overseas investors will be allowed to buy and sell the entitlement security through China Connect;
- (B) is not a China Connect Security but is a RMB-denominated security listed on a China Connect Market, Hong Kong and overseas investors may be permitted to sell the entitlement security through China Connect but will not be permitted to buy such entitlement security;
- (C) is a security listed on a China Connect Market but is not traded in RMB, Hong Kong and overseas investors will not be allowed to buy or sell the entitlement security through China Connect. HKEX has stated that the relevant China Connect Market and SEHK will consult each other to agree on the appropriate treatment of the entitlement security; or
- (D) is not listed on a China Connect Market, Hong Kong and overseas investors will not be allowed to buy or sell the entitlement security on China Connect unless and until appropriate arrangements (if any) have been provided by HKSCC. It is possible that no such alternative arrangements will be provided.

30. Odd Lot Trading risk

Odd lot trading in China Connect Securities is available only for sell orders and all odd lots must be sold in one single order. A board lot order may be matched with different odd lot sell orders,

resulting in odd lot trades. Board lot and odd lot orders are matched on the same platform on China Connect and subject to the same share price. The maximum order size is 1 million shares and the tick size is uniformly set at RMB0.01.

31. Short Selling risk

Covered short selling of China Connect Securities may be available, provided that such covered short selling satisfies the requirements specified by the relevant China Connect Authorities. Short selling may be suspended where the volume of short selling in respect of the relevant China Connect Security exceeds the threshold(s) specified by the relevant China Connect Market, and may be resumed if the relevant China Connect Market so permits. Naked short selling of China Connect Securities is prohibited. You shall be fully responsible for understanding and complying with short selling requirements in effect from time to time and for any consequences of non-compliance.

32. Stock Borrowing and Lending risk

Stock borrowing and lending are permitted for eligible China Connect Securities for the purposes of (a) covered short selling and (b) satisfying the Pre-Trade Checking requirement. Special China Connect Securities are not eligible for stock borrowing and lending for the purpose of covered short selling (but are eligible for the purpose of satisfying the Pre-Trade Checking requirement). The China Connect Markets 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 relevant China Connect Market, 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 relevant China Connect Market; and
- (D) stock borrowing and lending activities will be required to be reported to SEHK.
- (E) Only certain persons are eligible to lend China Connect Securities in stock borrowing and lending arrangements concerning China Connect Securities.

We 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.

Where the prescribed proportion of stock borrowing and lending of any China Connect Security exceeds the limit prescribed by the relevant China Connect Market, such relevant China Connect Market may suspend stock borrowing and lending of such China Connect Security and require the corresponding SEHK Subsidiary to suspend placement of covered short selling orders relating to such China Connect Security. If and when the prescribed proportion of stock borrowing and lending falls below the prescribed limit, the relevant China Connect Market may resume stock borrowing and lending of such China Connect Security and notify the corresponding SEHK Subsidiary that it may resume acceptance of covered short selling orders relating to such China Connect Security.

You are advised to refer to the relevant provisions from time to time governing stock borrowing and lending of China Connect Securities under SEHK China Connect Rules, Applicable Regulations and Market Requirements. Neither us nor any Related Person shall have any obligation to update you in respect of any suspension of stock borrowing and lending or any change to the relevant SEHK China Connect Rules, Applicable Regulations and Market Requirements.

33. **Risks associated with investing in China Connect Securities risks**

(A) ***PRC-related risks***

Investing in the PRC, an emerging market, involves special considerations and risks, including without limitation greater price volatility, less developed regulatory and legal framework, economic, and social and political instability.

(B) ***Market risk***

The market value of China Connect Securities and the income from them may go down as well as up. There can be no assurance that you will achieve profits or avoid losses from trading China Connect Securities, significant or otherwise. The return You receive from China Connect Securities (if any) will fluctuate in response to changes in capital appreciation and/or income relating to such China Connect Securities. Furthermore, China Connect Securities may experience volatility and decline depending on market conditions. Through trading China Connect Securities, you are exposed to various forms of risk, including (for example) interest rate risks (risks of falling China Connect Securities values in a rising interest rate market), income risks (risks of falling incomes from China Connect Securities in a falling interest rate market) and credit risk (risk of a default by an issuer of China Connect Securities).

(C) ***Possible business failure risk***

In the current economic environment, global markets are experiencing very high levels of volatility and an increased risk of corporate failures. The insolvency or other corporate failure of any issuer of China Connect Securities may have an adverse effect on your investment. You may lose money by investing in China Connect Securities.

(D) ***Equity risk***

Investing in China Connect Securities may offer a higher rate of return than investing in short term and longer term debt securities. However, the risks associated with investments in China Connect Securities may also be higher, because the investment performance of China Connect Securities depends upon factors which are difficult to predict. Such factors include the possibility of sudden or prolonged market declines and risks associated with individual companies.

(E) ***Dividend risk***

Whether an issuer of China Connect Securities will pay distributions is subject to such issuer's dividend policy. Dividend payment rates in respect of China Connect Securities may depend on factors including general economic conditions and the financial positions of the relevant issuers. There can be no assurance that any dividends or distributions in respect of China Connect Securities will be declared or paid.

(F) ***Liquidity risks***

Although China Connect Securities are listed for trading on a China Connect Market and available for trading through SEHK by China Connect, there can be no assurance that an active trading market for China Connect Securities will develop or be maintained. If spreads on China Connect Securities are wide, this may adversely affect your ability to dispose of China Connect Securities at the desired price. If you need to sell China Connect Securities at a time when no active market for them exists, the price you receive for your China Connect Securities — assuming you are able to sell them — is likely to be lower than the price received if an active market did exist.

(G) ***General legal and regulatory risk***

You must comply with all Applicable Regulations and Market Requirements. Furthermore, any change in any Applicable Regulations or Market Requirements may have an impact on the market sentiment which may in turn affect the performance of China Connect Securities. It is impossible to predict whether such an impact caused by any such change will be positive or negative for China Connect Securities. In the worst case scenario, you may lose a material part of your investments

in China Connect Securities.

(H) ***Currency risk***

The value of RMB against Hong Kong Dollars or other foreign currencies may be affected by a wide range of factors. There is no guarantee that RMB will not depreciate. A depreciation of RMB may result in a decrease in the market value of RMB securities and the realisation price of RMB securities. Non-RMB based investors who are trading in RMB securities may also sustain loss in the event that they subsequently convert any RMB proceeds back to Hong Kong Dollars or other base currencies.

There are also significant restrictions on the remittance of RMB into and out of the PRC. If the issuer of RMB securities is not able to remit RMB to Hong Kong or make distributions in RMB due to exchange controls or other restrictions, the issuer may make distributions (including dividends and other payments) in other currencies. Investors may therefore be exposed to additional foreign exchange risk and liquidity exposures.

The liquidity and trading price of China Connect Securities may be adversely affected by the limited availability of RMB outside the PRC and restrictions on the conversion of RMB. These factors may affect the liquidity of RMB for investors and accordingly adversely affect the market demand for China Connect Securities.