

Margin Account Terms & Conditions

**Margin Account
Terms and Conditions**

Description	Page
1. DEFINITIONS AND INTERPRETATION	1
2. APPLICABLE RULES AND REGULATIONS	4
3. SERVICES	5
4. INSTRUCTIONS AND DEALING PRACTICE	5
5. PRODUCTION OF COLLATERAL	6
6. MARGIN CALL	7
7. CLOSE-OUT	8
8. NO ENCUMBRANCES OR OTHER DEALINGS	8
9. THE COMPANY'S RIGHTS IN RELATION TO THE COLLATERAL	8
10. SECURITY BECOMES ENFORCEABLE	8
11. ENFORCEMENT OF SECURITY	9
12. RECEIVER	9
13. TRADING RECOMMENDATIONS	9
14. SETTLEMENT	10
15. COMMISSIONS AND EXPENSES	10
16. INTEREST	10
17. FOREIGN CURRENCY TRANSACTIONS	11
18. SECURITIES IN THE ACCOUNT(S)	11
19. MONIES IN THE ACCOUNT(S)	11
20. NEW LISTING OF SECURITIES	11
21. OVER-THE-COUNTER TRANSACTIONS	12
22. EVENT OF DEFAULT	12
23. PROCEEDS OF SALE	13
24. SET-OFF, LIEN AND COMBINATION OF ACCOUNTS	13
25. STANDING AUTHORITY	14
26. ELECTRONIC SERVICES	15
27. RISK DISCLOSURE STATEMENTS	16
28. CREDIT INFORMATION	18
29. REPRESENTATIONS AND WARRANTIES	18
30. UNDERTAKINGS	20
31. LIABILITIES AND INDEMNITIES	21
32. NOTICES, CONFIRMATIONS AND STATEMENTS	21
33. WAIVER AND AMENDMENT	22
34. JOINT CLIENTS	22
35. CONFLICT OF INTEREST	22
36. ANTI-MONEY LAUNDERING AND SANCTIONS	22
37. TERMINATION	23
38. COMPLIANCE WITH LAW	23
39. SEVERABILITY	23
40. ASSIGNABILITY	24
41. THIRD PARTY RIGHTS	24
42. POWER OF ATTORNEY	24
43. GENERAL	24
44. GOVERNING LAW	25
45. JURISDICTION	25
Appendix 1 Data Privacy Policy of HTISG	26
Appendix 2 FATCA And CRS Policies of HTISG	32
Appendix 3 Stock Connect Supplement Terms & Conditions	34
Appendix 4 Stock Connect Risk Disclosure And Other Information ...	43
Appendix 5 The Trading of SPAC Listed in The HKEX	51

1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

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

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

Account(s) means one or more margin securities trading accounts maintained by the Client with the Company from time to time for the purchase or sale of securities and on which Transactions will be recorded.

1.2 Agreement means the written agreement between the Client and the Company regarding the opening, maintenance and operation of the Account(s) as amended from time to time, including but not limited to the Account Opening Form, Client Information Statement, Margin Account Terms and Conditions, and any authority given by the Client to the Company with respect to the Account(s).

AML/CTF means anti-money laundering, counter-terrorist financing, Sanctions and non-proliferation of weapons of mass destruction.

Amount Owing means the total of all amounts that at any time are payable, are owing but not payable, or are contingently owing, by the Client in connection with this Agreement (including transactions in connection with this Agreement) to the Company and includes any amount of credit utilised under the Facility.

Authorised Person means any person the Client authorises (either alone or collectively) and the Company approves to act on the Client's behalf in giving Instructions or to perform any other acts under this Agreement.

Bank Business Day means a day on which banks are open for general banking business for at least 4 hours in Hong Kong (not being a Saturday, Sunday or public holiday in that place) and excludes any day on which or during such time when a black rainstorm or typhoon no. 8 (or above) signal is hoisted.

Business Hours means the period during which on a Bank Business Day banks are open for general banking business in Hong Kong.

Clearing House includes the HKSCC and such other clearing houses in or outside Hong Kong.

Client means the person named as the customer in the Account Opening Form. If there is more than one, "Client" means each person separately as well as every two or more of them jointly.

Client Money Rules means the Securities and Futures (Client Money) Rules made by the SFC under section 149 of the Securities and Futures Ordinance as amended from time to time.

Client Money Standing Authority means the standing authority granted by the Client to the Company in the terms set out in Clause 25.2 as amended from time to time.

Client Securities Rules means the Securities and Futures (Client Securities) Rules made by the SFC under section 148 of the Securities and Futures Ordinance as amended from time to time.

Client Securities Standing Authority means the standing authority granted by the Client to the Company in the terms set out in Clause 25.4 as amended from time to time.

Collateral means the amount of immediately available funds, securities and/or other assets maintained, or required to be maintained, with the Company by the Client or one or more other person(s) acceptable to the Company in the Account.

Collateral Requirement means any requirement on the Client to maintain Collateral in accordance with Clause 5.1.

Collateral Value means the value of the Collateral as determined by the Company in its absolute discretion from time to time.

Common Reporting Standard means the Standard for Automatic Exchange of Financial Account Information as developed by the Organisation for Economic Co-operation and Development and adopted by Hong Kong. It includes any legislation or regulatory guidance or rules applying to the Company.

Company means Haitong International Securities Company Limited.

Costs include:

- (a) damages and claims;
- (b) interest, fees, charges and commissions;
- (c) expenses;
- (d) Tax;
- (e) legal costs (calculated on a full indemnity basis);
- (f) break funding costs;
- (g) mark-to-market costs in relation to unwinding any currency transaction; and
- (h) any other losses or liabilities of any nature whatsoever.

CPO means the Conveyancing and Property Ordinance (Cap. 219 of the laws of Hong Kong).

Electronic Services means the Electronic Trading Service and the Mobile Phone Trading Service.

Electronic Trading Service means any facility provided by the Company which enables the Client to give electronic Instructions to purchase, sell and otherwise deal with securities and information services.

Encumbrance means:

- (a) any right or interest of any kind given by way of security (including, for example, a mortgage, pledge, lien, charge, encumbrance or assignment) or other security interest securing any obligation of any person;
- (b) any other agreement or arrangement (including any preferential, trust, title retention or set-off arrangement) having a similar commercial effect as a grant of security;
- (c) any title retention arrangement, preferential right, trust arrangement or other arrangement (including any set-off or "flawed asset" arrangement) having a commercial effect or intent equivalent to a grant of security;
- (d) easement, restrictive covenant, caveat or other similar restriction on property; or
- (e) agreement or permission to create or give anything in sub-paragraphs (a) to (d) above.

Event of Default has the meaning given in Clause 22.1.

Exchange includes the SEHK or such other stock exchange or markets or over-the-counter markets in or outside Hong Kong.

Facility means the facility which the Company makes available to the Client under this Agreement under which the Client may acquire or dispose of Investment Products to be recorded in the Account.

Facility Limit which may also be referred to as "Margin Limit" or "Secured Credit Limit" on the Company's trading platform or the statements or other correspondences relating to the Account, means the amount of credit set out in the Margin Confirmation to be provided by the Company to the Client, which may be varied by the Company at its sole and absolute discretion from time to time.

FATCA means:

- (a) sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (as amended) or any amended or successor version thereof;
- (b) any intergovernmental agreement, memorandum of understanding, undertaking and other arrangement between governments and regulators in connection with (a) including as entered into by the government of Hong Kong;
- (c) agreements between the Company and the IRS or other regulator or government agency pursuant to or in connection with (a); and
- (d) any laws, rules, regulations, interpretations or practices adopted in the U.S., Hong Kong or elsewhere pursuant to any of the foregoing.

Foreign Law Requirement means any obligation imposed on the Company pursuant to any future or present:

- (a) foreign laws (including foreign laws in respect of which the Company in its sole and absolute discretion considers themselves/itself bound and including laws and regulations of the PRC);
- (b) Hong Kong laws that implement Hong Kong's obligations under an agreement with a foreign government (including the government of the PRC) or regulator;
- (c) under agreements entered into between the Company and a foreign government (including the government of the PRC) or regulator; or
- (d) guidelines or guidance issued by any legal, regulatory, government, tax or law enforcement body within or outside of Hong Kong in respect of (a) to (c).

For the avoidance of doubt, this definition includes any obligation or requirement applying to the Company pursuant to FATCA or the Common Reporting Standard and as amended or introduced from time to time.

Government Authority means any government, government body, government agency or regulator, in or outside of Hong Kong, including the Inland Revenue Department of Hong Kong and the IRS.

Haitong International Mail means the secure messaging facility operated by the Company for the delivery and receipt of confirmations, statements and other notices.

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

HKSCC means the Hong Kong Securities Clearing Company Limited.

Investment Product means any securities transaction or financial product the Company may make available to the Client.

Instructions means instructions, orders, notices or other communication given, or purported to be given to the Company by the Client or a person authorised to act on the Client's behalf, in connection with this Agreement, whether or not such acts were actually authorised by the Client, by such means as the Company may prescribe and accept, and includes instructions through the Electronic Services, in each case subject to the applicable minimum and/or maximum amounts or other restriction(s) as may be determined by the Company from time to time.

IPO Loan financial assistance to finance subscriptions for IPO Shares.

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

Law means common law, principles of equity, and laws made by a government or Government Authority, including regulations, rules, office directives, requests, policies, codes, circulars, guidelines or other instruments (whether or not having the force of law), and consolidations, amendments, re-enactments or replacements of any of them from time to time and includes a Foreign Law Requirement.

Login Name means the Client's personal identification used in conjunction with the Password to gain access to the Electronic Trading Service, the Mobile Phone Trading Service and to Haitong International Mail and any other services offered by the Company.

Loss means any loss, damage, demand, claims, liabilities and Costs of any kind.

Margin Call means the requirement of the Company as described in Clause 6.1.

Margin Call Contact means an authorised representative appointed by the Client and notified to the Company in writing to receive notification of Margin Calls on the Client's behalf.

Margin Confirmation means evidence of any Margin Value provided under the Facility and setting out relevant terms and financial obligations in respect of the Facility which may be varied by the Company from time to time, including without limitation any letter or confirmation the Client receives upon the opening of Account(s), the statements relating to the Account and any other notification given by the Company to the Client

Margin Financing Ratio which may also be referred to as "Lending Ratio" or "Margin Ratio" on the Company's trading platform or the statements or other correspondences relating to the Account, means the percentage used to apply to the Collateral Value for the calculation of the Margin Value as determined and varied by the Company at its sole and absolute discretion from time to time.

Margin Value which may also be referred to as "Discounted Value" on the Company's trading platform or the statements or other correspondences relating to the Account, means the maximum amount of credit the Company is prepared to make available to the Client under the Facility, being an amount equal to the Collateral Value multiplied by the Margin Financing Ratio, provided that it shall never exceed the Facility Limit.

Material Adverse Effect means, as determined by the Company in its sole and absolute discretion, a material adverse effect on:

- (a) the ability of the Client to comply with his/his/her obligations under this Agreement;
- (b) the rights and remedies of the Company under this Agreement;
- (c) the business, operation, property, condition (financial or otherwise), cashflows or prospects of the Client; or
- (d) the validity or enforceability of this Agreement.

Mobile Phone Trading Service means a service to be provided by the Company in conjunction with certain mobile phone operators from time to time with dedicated application for the Company, including, inter alia, functions such as account enquiry, securities trade, securities quote and enquiry hotline, as the Company may specify from time to time.

Password means the Client's personal password(s) used in conjunction with the Login Name to gain access to the Electronic Trading Service, the Mobile Phone Trading Service and to Haitong International Mail and any other services offered by the Company.

PRC means the People's Republic of China (excluding Hong Kong, Macau and Taiwan).

Receiver means any receiver, manager, receiver and manager or other similar officer appointed by the Company under this Agreement.

Related Persons means:

- (a) in relation to the Client, its subsidiaries or joint ventures, any of its respective beneficial owners, controllers, directors, officers, affiliates or employees or any persons acting on any of its behalf; or
- (b) in relation to the Client who is an individual, any of his/her immediate relatives including but not limited to his/her spouse, his/her partner considered by national law as equivalent to spouse, his/her unmarried partner or cohabitant, his/her child or stepchild, the spouse, partner or cohabitant of his/her child, his/her sibling, step-sibling or half sibling, his/her parent or step-parent, his/her parent-in-law, any of the trustees, acting in their capacity as trustees of any trust of which the Client or his/her immediate relative is a beneficiary, any entity 50% or more of which ownership is held, directly or indirectly, by him/her, or any persons acting on any of his/her/its behalf.

Restricted Activity means any activities: (i) involving or for the benefit of any Restricted Party; (ii) conducted in any manner that would reasonably be expected to result in any Company's Group Companies being in breach of any applicable Sanctions or becoming a Restricted Party; or (iii) that would be prohibited under any applicable Sanctions.

Restricted Party means a person that is:

- (a) listed on, or owned or controlled by a person listed on, or acting on behalf of a person listed on, any Sanctions List;
- (b) located in, incorporated under the laws of, or owned or (directly or indirectly) controlled by, or acting on behalf of, a person located in or organised under the laws of a country or territory that is the target of country-wide or territory-wide Sanctions; or
- (c) otherwise a person with whom a US person or other national of a Sanctions Authority would be prohibited or restricted by law from engaging in trade, business or other activities.

Sanctions means the economic, financial or trade sanctions laws, regulations, embargoes or restrictive measures administered, enacted or enforced by (i) the United States government; (ii) the United Nations; (iii) the European Union; (iv) the United Kingdom; (v) Hong Kong; (vi) the People's Republic of China; or (vii) the respective governmental institutions and agencies of any of the foregoing, including, without limitation, the Office of Foreign Assets Control of the US Department of Treasury ("OFAC"), the United States Department of State and His Majesty's Treasury ("HMT") (together, the "Sanctions Authorities").

Sanctions List means the Specially Designated Nationals and Blocked Persons list maintained by OFAC, the Consolidated List of Financial Sanctions Targets and the Investment Ban List maintained by HMT, or any similar list maintained by, or public announcement of Sanctions designation made by, any of the Sanctions Authorities.

Securities has the meaning set out in Part 1 of Schedule 1 to the Securities and Futures Ordinance and, if the context so admits, includes securities collateral as defined in Part 1 of Schedule 1 to the Securities and Futures Ordinance.

Securities and Futures Ordinance means the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended or re-enacted from time to time.

Security means any Encumbrance granted in favour of the Company to secure the Client's obligations under the Facility and this Agreement including any Collateral.

SEHK means The Stock Exchange of Hong Kong Limited.

SFC means the Securities and Futures Commission.

SFC Code of Conduct means the Code of Conduct for Persons Licensed by or Registered with the SFC, as amended from time to time.

Standing Order(s) means Instruction(s) given by the Client from time to time to take specified action when the conditions forming part of such Instructions are met and the Client has requested the Company to carry out such Instruction during Business Hours if the relevant conditions are met.

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

Tax Deduction means a deduction or withholding for or on account of Taxes from a payment under this Agreement.

Third Parties Ordinance means the Contracts (Rights of Third Parties) Ordinance (Cap. 623 of the laws of Hong Kong).

Transaction means a transaction between the Client and Company for the buying or selling of Investment Products.

U.S. means the United States of America.

1.3 Interpretation

In this Agreement:

- (a) unless the context otherwise requires, words and expressions defined in the Securities and Futures Ordinance, the Client Money Rules and the Client Securities Rules shall have the same meanings in this Agreement;
- (b) a reference to "person" includes an individual, a body corporate, a partnership, a joint venture, an unincorporated association and an authority or any other entity or organisation;
- (c) a reference to a particular person includes the person's executors, administrators, successors, substitutes (including persons taking by novation) and assigns;
- (d) an agreement, representation or warranty in favour of 2 or more persons is for the benefit of them jointly and each of them individually;
- (e) a reference to a group of persons is a reference to any 2 or more of them jointly and to each of them individually;
- (f) a reference to any ordinance includes regulations under it and any consolidations, amendments, re-enactments or replacements of any of them;
- (g) a reference to "regulations" includes instruments of a legislative character under legislation (such as regulations, rules, by-laws, ordinances and proclamations);
- (h) references to "Group Company", in relation to the Company, includes its direct or indirect holding companies, and direct or indirect subsidiaries of itself or of such holding companies;
- (i) references to clauses and sub-clauses unless otherwise stated are to clauses and sub-clauses of this Agreement;
- (j) the headings to the clauses are for convenience only and do not affect their interpretation and construction;
- (k) words denoting the singular include the plural and vice versa;
- (l) and words importing any gender include every gender and references to persons include companies and corporations;
- (m) a reference to a document includes any agreement or other legally enforceable arrangement created by it (whether the document is in the form of an agreement, deed or otherwise);
- (n) a reference to a document also includes any variation, replacement or novation of it;
- (o) the meaning of general words is not limited by specific examples introduced by "including", "for example", "such as" or similar expressions;
- (p) a reference to a time of day is a reference to Hong Kong time;
- (q) a reference to dollars, \$ or HK\$ is a reference to the currency of Hong Kong;
- (r) a reference to "law" includes common law, principles of equity and legislation (including regulations);
- (s) a reference to any thing (including an amount) is a reference to the whole and each part of it;
- (t) a period of time starting from a given day or the day of an act or event, is to be calculated exclusive of that day;
- (u) if a party must do something under this document on or by a given day and it is done after 5.00pm on that day, it is taken to be done on the next day; and
- (v) if the day on which a party must do something under this document is not a Bank Business Day, the party must do it on the next Bank Business Day.

2 APPLICABLE RULES AND REGULATIONS

- 2.1 All transactions for the Account(s) shall be subject to the relevant constitution, rules, regulations, by-laws, customs and usages, as amended from time to time, of the relevant Exchange, Clearing House and Government Authority and of the laws of Hong Kong and other places in which the Company is dealing on the Client's behalf, as amended from time to time.
- 2.2 The rules of SEHK and the HKSCC, in particular those rules which relate to trading and settlement, shall be binding on both the Company and the Client in respect of transactions concluded on the Instructions of the Client.

3 SERVICES

- 3.1 The Client hereby instructs and authorizes the Company to open and maintain in its book one or more Account(s) in the name of the Client for the purpose of purchasing, investing in, selling, exchanging or otherwise disposing of and generally dealing in and with all kinds of securities in accordance with the terms and conditions of this Agreement from time to time. Unless otherwise indicated by the Company or specified in this Agreement (in the contract note for the relevant transaction or otherwise), the Company shall act as agent for the Client in effecting transactions pursuant to this Agreement.
- 3.2 All transactions for the Account(s) may be effected by the Company directly on any Exchange where the Company is authorized to deal in securities, or, at its option, on any Exchange indirectly through any other broker which the Company may, at its discretion, decide to appoint.
- 3.3 Where any securities are held in the Company's name, the name of any associated entity of the Company or the name of any nominee of the Company, prior to the occurrence of an Event of Default, the Company will not attend any meeting or exercise any voting or other rights including the completion of proxies, except in accordance with written Instructions of the Client.
- 3.4 Nothing in this Agreement shall in any way impose on the Company any duty to inform the Client or to take any action with regards the attendance of meetings and to vote at such meetings. The Company has no duty in respect of notices, communications, proxies and other documents, relating to the securities received by the Company or to send such documents or to give any notice of the receipt of such documents to the Client.
- 3.5 The Company has the right to charge the Client for its services in taking any action pursuant to the Client's Instruction.
- 3.6 The Client acknowledges that neither:
 - (a) the relationship between the Client and the Company;
 - (b) the services to be provided under this Agreement; nor
 - (c) any other matter,gives rise to any fiduciary or equitable duties on the Company's part in favour of the Client, even where the Company has better knowledge of the market generally or of any particular transaction. In particular, there are no duties that would oblige the Company to accept responsibilities more extensive than those set out in this Agreement or which would prevent or hinder the Company in carrying out any of the activities contemplated by this Agreement.

4 INSTRUCTIONS AND DEALING PRACTICE

- 4.1 The Company is hereby authorized to act upon the Instructions of the Client to deposit, purchase and/or sell securities for the Account(s) and otherwise deal with securities, receivables or monies held in or for the Account(s), subject to the Client Money Rules and the Client Securities Rules.
- 4.2 The Client will operate its/his/her Account(s) by giving orders itself/himself/herself or if the Client will operate its/his/her Account by appointing another person to give orders on its/his/her behalf, then the Client will provide the Company with the name and address of the person appointed, to be accompanied by an appointment in writing.
- 4.3 None of the Company's employees or representatives shall accept appointment by the Client as agent to operate the Client's Account unless a separate agreement is entered into in accordance with Schedule 6 of the SFC Code of Conduct.
- 4.4 All Instructions shall be given by the Client orally either in person or by telephone, or in writing, delivered by post, by hand, by e-mail using Haitong International Mail or otherwise, or by facsimile transmission or through any of the Electronic Services in accordance with the provisions of Clause 26 or by any other means acceptable to the Company.
- 4.5 The Company shall be entitled to rely on any Instructions which the Company reasonably believes to be from a person authorized to act on the Client's behalf and the Client shall be bound by the Instructions. Except where the Company has acted fraudulently, negligently or in wilful default in relying on such communication, the Client agrees to indemnify the Company and hold the Company harmless from and against all Losses reasonably and properly incurred by the Company.
- 4.6 The Company may record all telephone conversations with the Client in order to verify the Instructions of the Client and record these conversations on a centralised tape reporting system operated by the Company. The Client agrees to accept the contents of any such recording as final and conclusive evidence of the Instructions of the Client in case of dispute.
- 4.7 Notwithstanding anything herein contained, the Company shall be entitled, at its absolute discretion, to refuse to act on any of the Client's Instructions and shall not be obliged to give any reason for such refusal. The Client agrees that the Company may take the opposite position to a Client's order either for its own account or for the account of others. No failure on the part of the Company to execute any Instruction shall give rise to any claim by the Client against the Company.
- 4.8 By reason of physical restraints on the Exchanges and rapid changes in the prices of securities that frequently take place, there may, on occasions, be a delay in quoting prices or in dealing. The Company may not, after using reasonable endeavors, be able to trade at the prices quoted at any specific time. The Company is not liable for any loss arising by reason of its failing, or being unable, to comply with any terms of the Client's Instructions. Where, after using reasonable endeavors, the Company is unable to execute any Instruction in full, the Company is entitled to effect partial performance of such Instructions without prior confirmation from the Client. The Client shall in any event accept and be bound by the outcome when any Instruction is fully or partially executed by the Company.

- 4.9 Any order for purchase or sale of securities placed by the Company at the request of the Client that has not been executed before the close of business of the relevant Exchange or such other expiration date required by the relevant Exchange or such other later time as the Client and the Company may agree shall be deemed to have been cancelled automatically (to the extent not executed if executed in part).
- 4.10 The Company may, for the purpose of carrying out any Instruction given by the Client, contract with or otherwise deal with or through any other agent, including any person or party associated in any manner with the Company, on such terms and conditions as the Company may in its absolute discretion determine.
- 4.11 The Client acknowledges that due to the trading practices of the Exchanges or other markets in which transactions are executed, it may not always be able to execute orders at the prices quoted "at best" or "at market" and the Client agrees in any event to be bound by transactions executed by the Company following Instructions given by the Client.
- 4.12 Subject to applicable Law and market requirements, the Company may in its absolute discretion determine the priority in the execution of its clients' orders, having due regard to the sequence in which such orders were received, and the Client shall not have any claim of priority to another client in relation to the execution of any order received by the Company.

5 PRODUCTION OF COLLATERAL

- 5.1 The Company may, in its absolute discretion, permit the Client to purchase or subscribe for certain Investment Products without the full receipt of the funds required for the Transaction or provide funds to the Client for the Client's continuous holding of certain Investment Products, subject to the maintenance with the Company of such form and amount of Collateral as required under the Margin Value and upon such other conditions that the Company may specify.
- 5.2 In accepting such Investment Products, the Client agrees to comply with the following terms:
- The amount utilised by the Client under the Facility must not exceed the Margin Value.
 - The Facility shall only be used in connection with the acquisition or holding of Securities.
 - The Facility is repayable on demand and maybe varied or terminated in the absolute discretion of the Company.
 - As security for the Client's obligations, the Client will maintain at all times Collateral in the form and amount that the Company asks. This includes additional Collateral to meet the Collateral Requirement for the relevant Investment Product.
 - The Collateral that the Company may ask for may include cash deposits, securities and/or other assets. The Company will apply the Margin Financing Ratio or haircuts to the Collateral to determine the Margin Value and/or the Collateral Value. The Client acknowledges and agrees that the Company may value the Collateral at an amount less than its full market value.
 - The Company is entitled to change the Collateral Requirement, and the form, the Margin Financing Ratio and haircut (if any) applicable to, any Collateral at any time. The Client acknowledges that:
 - a change in the Collateral Requirements for an existing position may result in a Margin Call, because of the effect this may have on the Client's ability to comply with the Collateral Requirement; and
 - the Company may, in certain market conditions, effect an immediate change in Collateral Requirements and the Client waives any right to object on the grounds that any change is unreasonable.
- 5.3 The parties agree that any securities deposited with, or otherwise provided by or on behalf of the Client to, the Company shall be Collateral.
- 5.4 The Client, as beneficial owner, charges in favour of the Company by way of first fixed charge all the Client's respective rights, title, benefits and interests in and to all Collateral as a continuing security for the payment and satisfaction of all monies and liabilities owed by the Client under this Agreement, the Facility, the Margin Confirmation, all the Collateral Requirements and, without prejudice to the aforesaid, all of the Client's obligations, arising from the business of dealing in securities or otherwise, to the Company and any of the Company's Group Companies which are now or at any time hereafter may be due or owing to the Company and/or the Company's Group Companies together with interest.
- 5.5
- The Client, as a continuing security for the payment and satisfaction of all monies and liabilities owed by the Client under this Agreement, the Facility, the Margin Confirmation, all the Collateral Requirements and, without prejudice to the aforesaid, all of the Client's obligations, arising from the business of dealing in securities or otherwise, to the Company and any of the Company's Group Companies which are now or at any time hereafter may be due or owing to the Company and/or the Company's Group Companies together with interest, charges by way of a first floating charge all the Collateral not at any time otherwise effectively charged or mortgaged by way of a first fixed charge under Clause 5.4.
 - The first floating charge created by the Client under this Clause 5.5 shall crystallise into a first legal charge forthwith and automatically upon the earlier of (i) the creation and issue to or receipt by the Client of the relevant Collateral, (ii) any corporate action, legal proceedings or other formal procedure or formal step is taken in relation to the winding-up, dissolution or re-organisation of the Client, (iii) the occurrence of any Event of Default, (iv) any person taking any step to effect any expropriation, attachment, sequestration, distress or execution against any of the Collateral, or (v) the issue of a written notice by the Company to the Client if the Company considers it desirable to convert any floating charge created pursuant to this Clause 5.5 in order to protect or preserve the security over the Collateral and/or the priority of the charge.

- 5.6 The charge as referred to in Clause 5.4 and Clause 5.5 shall be continuing notwithstanding any intermediate payment or settlement of account or satisfaction of the whole or any part of any sum owed by the Client to the Company and/or the Company's Group Companies notwithstanding the closing of any of the Client's accounts with the Company and which are subsequently reopened or the subsequent opening of any account by the Client either alone or jointly with others and shall extend to cover all or any sum of monies which shall for the time being constitute the balance due from the Client to the Company and/or the Company's Group Companies on any account or otherwise.
- 5.7 The Company shall have no obligation to release the charge as referred to in Clause 5.4 and Clause 5.5, unless (i) upon irrevocable payment in full of all sums which may be or become payable by the Client under this Agreement, the Facility, the Margin Confirmation, all the Collateral Requirements and all of the Client's obligations, arising from the business of dealing in securities or otherwise, to the Company and any of the Company's Group Companies, and (ii) upon the full performance of the Client's obligations thereunder, the Company will at the Client's request and expense release the charge as referred to in Clause 5.4 and 5.5.

6 MARGIN CALL

- 6.1 If the Collateral does not, in the Company's absolute discretion, satisfy each applicable Collateral Requirement, the Company may require (such requirement a "Margin Call") the Client to, within such time as the Company thinks fit, repay such amount of the Amount Owing or deposit additional Collateral acceptable to the Company to meet the Collateral Requirement in accordance with the procedures set out in Clause 6.5.
- 6.2 If a Margin Call occurs, the Company will take reasonable steps to notify the Client or the Client's Margin Call Contact. A Margin Call may be notified orally, in writing (whether by email, SMS or another medium) or any other manner the Company considers appropriate. The Client acknowledges that:
- if the Client nominates a Margin Call Contact to receive a notice, the Client may not personally receive notice from the Company; and
 - any failure to notify the Client of a Margin Call, or non-receipt of a Margin Call, does not prejudice any of the Company's rights under this Agreement.
- 6.3 Without prejudice to the generality of Clause 6.2, the Client acknowledges and agrees that the Company is under no obligation to contact the Client via telephone at any of the telephone numbers stated in the Account Opening Form (or any other telephone numbers the Client may notify the Company in writing from time to time) for the purpose of any Margin Call.
- 6.4 Notwithstanding Clause 6.2, in the event that it is, in the sole opinion of the Company, impracticable for the Company to notify the Client of the Margin Call including, but without limitation, if the impracticability is due to a change or development involving a prospective change:
- in the local, national or international monetary, financial, economic or political conditions or foreign exchange controls which has resulted or is in the opinion of the Company likely to result in a material or adverse fluctuation in the stock market, currency market, commodities or futures market in Hong Kong and/or overseas; or
 - which is or may be of a material adverse nature affecting the condition or operations of the Client,
- the Company may, in its sole and absolute discretion, take any action under Clause 7.1 at any time after the occurrence of such change or development without providing notice to the Client or the Client's Margin Call Contact.
- 6.5 A Margin Call must be satisfied by taking one or more of the following actions within 2 hours following the time at which the Company notifies the Client of the Margin Call, or within such other time frame the Company specifies in the Margin Call by:
- repaying some or all of the Amount Owing;
 - providing the Company with additional Security in a form and currency acceptable to the Company;
 - subject to the Company's consent, arranging to sell, dispose of or redeem in any manner and method some or all of the assets forming part of the Security (with the proceeds being used to reduce the Amount Owing);
 - subject to the Company's consent, applying any cash balances in the Account or other account(s) maintained with the Company or the Company's Group Company to discharge the Amount Owing;
 - reducing and/or closing-out some or all of the Client's open orders and/or positions; and
 - taking any other steps the Company considers necessary, so that the Collateral Requirement has been fulfilled and the utilised amount under the Facility does not exceed the Margin Value.
- 6.6 Failure to satisfy a Margin Call may result in the Company, in its sole discretion, designating such event as an Event of Default.
- 6.7 The Client should ensure that it/he/she is, or the Margin Call Contact is, in a position to receive any communications from the Company in relation to Margin Calls and to act promptly and within the time limits the Company specifies.
- 6.8 The Client agrees:
- to use best endeavours to manage the Facility to avoid a Margin Call; and
 - if at any time a Margin Call does occur and either the Company does not provide notice under Clause 6.2 or does not require action to be taken under Clause 6.4:
 - it is not a waiver of the Company's rights, nor is it a waiver of the Company's right to exercise these rights at any time in the future; and
 - the Company is not obliged to take any action to stop or limit the Client's Loss by exercising the Company's rights under this Agreement (for example, the Company may refuse to approve any of the actions described in Clause 6.4).
- 6.9 The time for satisfying a Margin Call is of the essence.

7 CLOSE-OUT

- 7.1 Where a Margin Call is not satisfied in accordance with Clause 6.5 or an event prescribed by Clause 6.4 takes place, the Company has the right to choose, in its absolute discretion, without notice to or consent from the Client, to:
- take such actions as it may choose in the Company's absolute discretion to reduce the Amount Owing to an amount acceptable to the Company, including reducing and/or closing-out some or all of the Client's open orders and/or positions, and/or arranging to sell, dispose of or redeem in any manner and method some or all of the property secured in the Company's favour by any Security or otherwise forming part of the Collateral, including but not limited to execute the force liquidation via either the stock exchange market or the over-the-counter market, (with the proceeds being used to reduce the Amount Owing or being deposited to the credit of the Account);
 - exercise the Company's right of set-off and combine all amounts in any Margin Account against the Client's obligations;
 - terminate this Agreement and the Facility; and/or
 - take such other steps as the Company considers necessary.
- 7.2 Where the Company sells all or part of the Collateral or any other property provided as Security, the Company can do so without recourse or liability to the Client or any other party and the Company can choose, in its sole and absolute discretion, which parts to sell. To the extent that the Company sells the Collateral, any amounts left over after the Amount Owing is repaid will be refunded to the Client.
- 7.3 The Client acknowledges and agrees that the Company may not issue the Client with a prior notice when it exercises its rights to terminate this Agreement and the Facility under this Clause 7.
- 7.4 On or as soon as reasonably practicable after termination under this Clause 7, the Company will send the Client a notice specifying any amount payable in accordance with Clause 7.5.
- 7.5 The Client must repay all of the Amount Owing within two (2) Bank Business Days' after a notice is given to the Client in accordance with Clause 7.4 or within such other time frame the Company specifies in the notice.

8 NO ENCUMBRANCES OR OTHER DEALINGS

- 8.1 The Client agrees not to:
- create any Encumbrance or allow one to exist on the whole or any part of the Collateral; or
 - dispose of (or agree to dispose of) or otherwise deal with any of the Collateral, without the Company's prior consent.

9 THE COMPANY'S RIGHTS IN RELATION TO THE COLLATERAL

- 9.1 The Client agrees that the Company may deal with the Collateral in accordance with any applicable authority given by the Customer in connection with this Agreement.
- 9.2 In dealing with the Collateral under this Clause 9, the Company will comply with the requirements and limits applicable under relevant Law including the Client Securities Rules.
- 9.3 Even if the Company is appointed as a custodian or agent or otherwise acts in any other fiduciary capacity for all or part of the Collateral, the Company may upon the enforcement of its rights, sell, dispose of, realise, convert into any other currency or otherwise deal with the Collateral as the Client's agent or as mortgagee or pledgee, as the Company may at its sole and absolute discretion deem fit, without incurring any liability whatsoever or howsoever in respect of such fiduciary capacity.
- 9.4 The Company may in its absolute discretion agree to treat any Collateral provided by the Client as meeting the Collateral Requirement for more than one Investment Product at any time.
- 9.5 Any Security continues until the Company has released it in writing or when the Account(s) is cancelled by the Company.
- 9.6 Nothing in this Agreement shall be construed as taking away or affecting any lawful claim, lien or other rights and remedies which the Company may have in respect of any money held in any bank account pursuant to Clause 19 or in respect of any money received or paid into such bank account.
- 9.7 For the avoidance of doubt, if a debit balance arises on any of the Client's Account(s), the Company shall not be, nor shall the Company be deemed to be, obliged to make available or continue to make available any financial accommodation. In particular, but without limitation, the fact that the Company permits a debit balance to arise in any Account(s) so debited shall not imply any obligation on the part of the Company to advance monies or incur any obligation on the Client's behalf on any subsequent occasion, but without prejudice to the obligations of the Client in respect of any debit balance which the Company does permit to arise.
- 9.8 The Client by way of security irrevocably authorizes the Company and any other person the Company nominates to sign documents and take other action that the Company considers necessary to perfect and enforce any Security (including dealing with any of the assets which are the subject of the Security) and to exercise any of the rights conferred on the Company in relation to any Security or under this Agreement or applicable statutory provisions of common law. The Client agrees to ratify anything the Company or any other person the Company nominates does under this Clause 9.

10 SECURITY BECOMES ENFORCEABLE

- 10.1 The Security shall become immediately enforceable upon the occurrence of an Event of Default and shall remain for so long as such Event of Default is continuing.

10.2 The power of sale and other powers conferred by the CPO (as amended or extended by this Agreement) shall be immediately exercisable upon and at any time after the occurrence of any Event of Default and for so long as such Event of Default is continuing. No restriction imposed by any ordinance or other statutory provision in relation to the exercise of any power of sale, including but not limited to Paragraph 11 of the Fourth Schedule of the CPO, shall apply to this Agreement.

10.3 After the Security has become enforceable, the Company may in its absolute discretion enforce all or any part of the Security in such manner as it sees fit.

11 ENFORCEMENT OF SECURITY

- 11.1 Without prejudice to the Company's rights under Clauses 6 and 7, at any time after the Security becomes enforceable, the Company may without further notice (unless required by law):
- appoint any person or persons to be a receiver, manager, receiver and manager or other similar officer of all or any part of the Collateral and/or of the income of the Collateral; and/or
 - if it has not already done so, effect the transfer of any and all of the or the Collateral into its name or the name(s) of its nominee(s) and/or without liability on the part of the Company in the event of loss, act in all respects as the legal or beneficial owner of the Collateral; and/or
 - exercise all or any of the powers conferred on mortgagees by the CPO (as amended or extended by this Agreement) and/or all or any of the powers which are conferred by this Agreement on a Receiver, in each case without first appointing a Receiver or notwithstanding the appointment of any Receiver; and/or
 - exercise (in the name of the Client and without any further consent or authority of the Client) any voting rights and any powers or rights which may be exercised by the legal or beneficial owner of the Collateral or the holder of the Collateral.
- 11.2 Each Receiver and the Company is entitled to all the rights, powers, privileges and immunities conferred by the CPO on mortgagees and receivers when such receivers have been duly appointed under the CPO and any other law conferring power on receivers.
- 11.3 Neither the Company nor any Receiver shall be liable (A) in respect of all or any part of the Collateral or (B) for any loss or damage which arises out of the exercise or the attempted or purported exercise of, or the failure to exercise any of, its/his/her respective powers (unless such loss or damage is caused by its/his/her gross negligence, fraud or wilful misconduct). Without prejudice to the foregoing, neither the Company nor any Receiver shall be liable, by reason of entering into possession of the Collateral, to account as mortgagee in possession or for any loss on realisation or for any default or omission for which a mortgagee in possession might be liable.

12 RECEIVER

- 12.1 The Company may from time to time remove any Receiver appointed by it and, whenever it may deem appropriate, may appoint a new Receiver in the place of any Receiver whose appointment has terminated.
- 12.2 If at any time there is more than one Receiver of all or any part of the Collateral and/or the income of the Collateral, each Receiver shall have power to act individually (unless otherwise stated in the appointment document).
- 12.3 Any Receiver shall be entitled to remuneration for its/his/her services at a rate to be fixed by agreement between it/him/her and the Company (or, failing such agreement, to be fixed by the Company).
- 12.4 Any Receiver shall be the agent of the Client. The Client shall be solely responsible for its/his/her acts and defaults and for the payment of its/his/her remuneration. The Company shall incur no liability (either to the Client or to any other person) by reason of the appointment of a Receiver or for any other reason.

13 TRADING RECOMMENDATIONS

- 13.1 The Client acknowledges and agrees that the Client retains full responsibility for all trading decisions in the Account(s) and that the Client makes its/his/her own decisions and judgements in respect of Instructions and Transactions.
- 13.2 The Company has no responsibility or obligation regarding any conduct, action, representation or statement of any introducing firm, investment advisor or other third party that is not acting on behalf of the Company in connection with the Account(s) or any Transaction.
- 13.3 Any information provided by the Company, its employees or agents, whether or not solicited, shall not of itself constitute an offer to enter into a Transaction and the Company shall be under no liability whatsoever in respect of such advice or information.
- 13.4 The availability of investment research reports or other data from third parties does not constitute any advice, recommendation or opinion from the Company to buy or sell any securities or investment products. Any investment decisions based on these materials will be based on the Client's own evaluation based on its/his/her own financial circumstances and investment objectives.
- 13.5 The Client requests the Company to contact it/him/her in respect of investment opportunities that may be of interest to the Client. The Client acknowledges and agrees that the Company is not obliged to provide the Client with any financial, market or investment information, suggestion or recommendation, but if it does so, the Company does not act as the Client's investment adviser. However, this Clause 13.5 does not derogate from the Company's legal or regulatory obligations nor should it be taken to derogate from Clause 13.6.

The Client should obtain independent professional advice if in doubt in respect of any matter in connection with this Agreement.

- 13.6 If the Company solicits the sale of or recommends any financial product to the Client, the financial product must be reasonably suitable for the Client having regard to the Client's financial situation, investment experience and investment objectives. No other provision of this Agreement or any other document the Company may ask the Client to sign and no statement the Company may ask the Client to make derogates from this clause.

14 SETTLEMENT

- 14.1 Unless otherwise agreed, in respect of each sale and purchase transaction executed on the Client's behalf, the Client will by the due date make payment to the Company against delivery of or credit to the Account(s) for purchased securities, or make good delivery of sold securities to the Company against payment, as the case may be.
- 14.2 Unless otherwise agreed, the Client agrees that should the Client fail to make such payment or delivery of securities by the due date as mentioned in Clause 14.1, the Company is hereby authorized to:
- (a) in the case of a purchase transaction, to transfer or sell any such purchased securities to satisfy the Client's obligations to the Company; or
- (b) in the case of a sale transaction, to borrow and/or purchase such securities to satisfy the Client's obligations to the Company.
- 14.3 The Client hereby acknowledges that the Client shall be responsible to the Company for any Losses incurred by the Company in connection with the Client's failure to meet its/his/her obligations by the due date as described in Clause 14.1.

15 COMMISSIONS AND EXPENSES

- 15.1 All transactions executed in pursuance of the instructions of the Client on the Exchanges shall be subject to a transaction levy and any other levies that the relevant Exchange from time to time may impose. The Company is authorized to collect any such levies in accordance with the rules prescribed by the relevant Exchange from time to time.
- 15.2 The Client shall on demand pay the Company commissions on purchases, sales and other transactions or services for the Account(s) at such rate as the Company may from time to time have notified it/him/her, together with all stamp duties, bank charges, transfer fees, interest, custodial expenses and other expenses in respect of or connected with the Account(s) or any transaction or services thereof or any securities therein.
- 15.3 The Company shall, at its absolute discretion, be entitled to solicit, accept and retain any benefit in connection with any transaction effected with any person for the Client pursuant to the terms and subject to the conditions of this Agreement, including any commissions, rebates or similar payments received in connection therewith, and rebates from standard commissions charged by brokers or other agents to their clients. The Company shall also, at its absolute discretion be entitled to offer any benefit in connection with any transaction effected with any person for the Client pursuant to the terms and subject to the conditions of this Agreement, including any benefit relating to commissions or similar payments in connection therewith.

16 INTEREST

- 16.1 Unless otherwise indicated, the Client undertakes to pay interest to the Company in respect of any debit balance on the Account(s) or any amount otherwise owing to the Company at any time at such rate as may be specified or notified to the Client from time to time by the Company in whatever form (no matter written, oral, electronic or other forms, for instance, such rates may be specified in the monthly or daily statements issued by the Company to the Client or notified by the Company's staff or agent through telephone or electronic communication) or, without any such specification, at a rate equivalent to FIVE per cent (5%) per annum above the best lending rate quoted by The Hongkong and Shanghai Banking Corporation Limited from time to time. The interest rates may be determined by the Company at its absolute discretion by taking into account the Margin Value (Discounted Value) of the Collateral in the Account, the funding cost and other market factors. Based on different classes of the stocks or other collaterals in the Account, different tiers of interest rates may be applied to various portion of the outstanding amount owing to the Company at the Company's absolute discretion. If necessary, the Client may contact the account executive staff designated by the Company to obtain the detail information of the classification of the collaterals, their respective Margin Financing Ratio and Margin Value and the tiers of the interest rate applicable to such portion of debit balance on the Account(s) from time to time. The Client undertakes to accept the interest rate, Margin Ratio or Margin Value determined by the Company and not to dispute with the Company on these matters at any time.
- 16.2 Subject to the Company's absolute discretion, upon the occurrence of an Event of Default, default interest shall be payable by the Client at such default interest rate as may be specified or notified to the Client from time to time by the Company in whatever form (no matter written, oral, electronic or other forms, for instance, such rates may be specified in the monthly or daily statements issued by the Company to the Client or notified by the Company's staff or agent through telephone or electronic communication) or, without any such specification, at a rate equivalent to nine per cent (9%) per annum above the best lending rate quoted by The Hongkong and Shanghai Banking Corporation Limited from time to time.
- 16.3 Interest (including default interest, if applicable) on the debit balance of the Account(s) or any amount otherwise owing to the Company shall accrue on a day-to-day basis. Subject to the Company's notice otherwise, the interest accrued in each calendar month will be aggregated and be payable on the last day of each calendar month or upon any demand being made by the Company. For such monthly aggregated interest which has not been fully paid by the Client, the outstanding interest amount shall be compounded to the debit balance of the Account within the first seven days of the next calendar month. The interest amount presented in the statements of the Client's Accounts shall be conclusive and

deemed to be accepted by the Client if not objected to in writing by the Client within seven (7) days after its transmission to the Client, by mail or otherwise. If the Client does dispute the interest amount, the Client must contact the Company in writing within such period to the Company's address as set out in the Account Opening Form or such other address notified to the Client from time to time.

17 FOREIGN CURRENCY TRANSACTIONS

- 17.1 The Account(s) shall be in Hong Kong Dollars or such other currencies as the Company may agree from time to time and in the event that the Client instructs the Company to effect any sale or purchase of securities in a currency other than Hong Kong Dollars, any profit or loss arising as a result of fluctuation in the exchange rate of the relevant currencies will be for the account of the Client solely. Any conversion from one currency into another required to be made for performing any action or step taken by the Company under this Agreement may be effected by the Company in such manner and at such time as it may in its absolute discretion decide.
- 17.2 All payments to be made by the Client to the Company in a currency other than Hong Kong Dollars shall be in freely transferable and immediately available funds clear of any taxes, charges or payments of any nature when received by the Company.

18 SECURITIES IN THE ACCOUNT(S)

- 18.1 In respect of any dividends or other distributions or benefits which accrue in respect of such securities of the Client, the Account(s) shall be credited (or payment made to the Client as may be agreed) with the proportion of such benefit equal to the proportion of the securities held on behalf of the Client out of the total number or amount of such securities.
- 18.2 The Company is authorized, pursuant to section 6(3) of the Client Securities Rules, to dispose, or initiate a disposal by its associated entity, of any of the Client's securities or securities collateral (and the Company shall have absolute discretion to determine which securities or securities collateral are to be disposed of) for the purpose of settling any liability owed by or on behalf of the Client to the Company, the associated entity or a third person.
- 18.3 The Company's obligations to deliver, to hold in safe custody or otherwise or to register in the Client's name, securities purchased or acquired by the Company on the Client's behalf does not have to be satisfied by the delivery, holding or registration of securities with serial numbers identical with those lodged, deposited with or transferred to the Company so long as the securities returned to the Client are of the same class, issue, denomination and nominal amount and rank pari passu with those originally deposited with or transferred to the Company (subject always to any capital reorganisation which may have occurred in the meantime).

19 MONIES IN THE ACCOUNT(S)

- 19.1 Unless otherwise agreed between the Client and the Company, the Company is entitled to retain any interest accrued on Client monies held by the Company under this Agreement.

20 NEW LISTING OF SECURITIES

- 20.1 In the event that the Client requests and authorises the Company to apply for securities in respect of a new listing and/or issue of securities on the Exchange as its/his/her agent and for its/his/her benefit or for the benefit of any other person, the Client hereby warrants to and for the Company's benefit that the Company has authority to make such application on the Client's behalf.
- 20.2 The Client shall familiarise itself/himself/herself and comply with all the terms and conditions governing the securities of the new listing and/or issue and the application for such new securities set out in any prospectus and/or offering document and the application form or any other relevant document in respect of such new listing and/or issue and the Client agrees to be bound by such terms and conditions in any such transaction the Client may have with the Company.
- 20.3 The Client hereby gives to the Company all the representations, warranties and undertakings which an applicant for securities in a new listing and/or issue is required to give (whether to the issuer, sponsors, underwriters or placing agents of the relevant securities, the SEHK or any other relevant regulator or person).
- 20.4 The Client hereby further declares and warrants, and authorises the Company to disclose and warrant to SEHK on any application form (or otherwise) and to any other person as appropriate, that any such application made by the Company as its/his/her agent is the only application made, and the only application intended to be made, by the Client or on the Client's behalf, to benefit the Client or the person for whose benefit the Client is applying. The Client acknowledges and accepts that the aforesaid declaration and warranty will be relied upon by the Company and by the issuer, sponsors, underwriters or placing agents of the relevant securities, SEHK or any other relevant regulator or person in respect of any application made by the Company as the Client's agent.
- 20.5 The Client acknowledges that any application made by an unlisted company which does not carry on any business other than dealing in securities and in respect of which the Client exercises statutory control shall be deemed to be an application made for the benefit of the Client.
- 20.6 The Client recognises and understands that the legal, regulatory requirements and market practice in respect of applications for securities may vary from time to time as may the requirements of any particular new listing or issue of securities. The Client undertakes to provide to the Company such information and take such additional steps and make such additional representations, warranties and undertakings as may be required in accordance with such legal, regulatory requirements and market practice as the Company may in the Company's absolute discretion determine from time to time.

- 20.7 In relation to a bulk application to be made by the Company or the Company's agent on the Company's own account and/or on behalf of the Client and/or the Company's other clients, the Client acknowledges and agrees:
- that such bulk application may be rejected for reasons which are unrelated to the Client and the Client's application and neither the Company nor the Company's agent shall, in the absence of fraud, negligence or wilful default, be liable to the Client or any other person in consequence of such rejection; and
 - to indemnify the Company in accordance with Clause 31 if such bulk application is rejected either in circumstances where the representations and warranties have been breached or otherwise because of factors relating to the Client. The Client acknowledges that the Client may also be liable in damages to other persons affected by such breach or other factors.
- 20.8 The Company, on receipt of a request from the Client to apply for IPO Shares, may provide an IPO Loan. As continuing security for the due and punctual payment by the Client of all principal, interest and other sums owed by the Client to the Company in respect of the IPO Loan, the Client as beneficial owner hereby charges by way of first legal charge the IPO Shares to the Company until full payment made to the Company of the IPO Loan by the Client; and hereby expressly authorizes the Company to receive and apply all sums of whatever nature received by the Company (or the Company's nominees) in respect of any part of the charged shares towards payment of the IPO Loan in such manner and at such time as the Company may determine.

21 OVER-THE-COUNTER TRANSACTIONS

- 21.1 In relation to any over-the-counter Transactions (including but not limited to any Transactions in respect of new securities prior to their listing on an Exchange) which the Client has entered into or are to be entered into by the Client, the Client acknowledges and agrees that:
- the Company acts as agent for the Client and is not responsible for and cannot guarantee the settlement of the Transaction;
 - the Client's orders may only be partially executed or not executed at all. Transactions will be cancelled or become void if the relevant securities subsequently fail to list on the Exchange;
 - in the event that the securities fail to be delivered, the Company is entitled to purchase the relevant securities in the market (at the prevailing market price) in respect of the Transaction for the Client in order to complete the settlement of the relevant Transaction. The Client bears all Losses arising from or incurred by such Transaction; in the event that:
 - the Client buys securities from a seller that fails to deliver the relevant securities; and
 - the purchase of the relevant securities cannot be effected or the Company exercises its absolute discretion to decide not to purchase the relevant securities under Clause 21.1(c),
 the Client will not be entitled to obtain the relevant securities at the matched price and is only entitled to receive the money paid for the purchase of the relevant securities;
 - in the event that the Client buying any securities fails to deposit the necessary settlement amount, the Company is entitled to sell any and all securities or Collateral held in the Account and use the sale proceeds after deducting all Costs in settlement of the Transaction. However, if the Client is the seller under such Transaction and such Transaction cannot be settled, the Client shall only be entitled to the relevant securities but not the sale proceeds of the relevant securities; and
 - without prejudice to the principles above, the Client will bear their Losses and is responsible to the Company for any Losses resulting from their and/or their counterparty's settlement failures.

22 EVENT OF DEFAULT

- 22.1 Any one of the following events shall constitute an Event of Default:
- the Client's failure to pay any deposits, Collaterals or any other sums payable to the Company or submit to the Company any documents or deliver any securities to the Company hereunder, when called upon to do so or on due date;
 - default by the Client in the due performance of any of the terms of this Agreement and the observance of any by-laws, rules and regulations of the appropriate Exchanges and/or Clearing Houses;
 - a Margin Call is not satisfied and the failure is designated as an Event of Default in accordance with Clause 6.6;
 - the filing of a petition in bankruptcy, winding up or the commencement of other analogous proceedings against the Client;
 - the death of the Client (being an individual);
 - the levy or enforcement of any attachment, execution or other process against the Client;
 - any representation or warranty made by the Client to the Company in this Agreement or in any document being or becoming incorrect or misleading;
 - any consent, authorization or board resolution required by the Client (being a corporation or a partnership) to enter into this Agreement being wholly or partly revoked, suspended, terminated or ceasing to remain in full force and effect;
 - the continuing suspension from trading of any or all securities in the Account held by the Company for or on behalf of the Client for more than three (3) months on the Exchange;
 - the occurrence of any event which, in the sole opinion of the Company, might jeopardize any of its rights under this Agreement;
 - the receipt by the Company of notice of any dispute as to the validity of any order or instruction from the Client; and
 - the continued performance of this Agreement becomes illegal or claim by any government authority to be illegal.

- 22.2 If an Event of Default occurs, without prejudice to any other rights or remedies that the Company may have against the Client and without further notice to the Client, the Company shall be entitled to:
- immediately close the Account(s);
 - terminate all or any part of this Agreement;
 - cancel any or all outstanding orders or any other commitments made on behalf of the Client;
 - close any or all contracts between the Company and the Client, cover any short position of the Client through the purchase of securities on the relevant Exchange(s) or, subject to Clause 18.2, liquidate any long position of the Client through the sale of securities on the relevant Exchange(s);
 - subject to Clause 18.2, dispose of any or all securities and other property held for or on behalf of the Client at any price as it think fit and to apply the proceeds thereof and any cash deposit(s) to settle all outstanding balances owing to the Company; and
 - combine, consolidate and set-off any or all accounts of the Client in accordance with Clause 24.
- 22.3 In the event of any sale or liquidation pursuant to this Clause:
- the Company shall not be responsible for any Loss occasioned thereby howsoever arising if the Company has already used reasonable endeavors to sell or dispose of the securities or any part thereof at the then available market price;
 - the Company will exercise its own judgement in determining the time and price to sell or dispose of the securities or any part thereof and the Company shall not be responsible for any loss occasioned thereby;
 - the Company shall be entitled to appropriate to itself or sell or dispose of the securities or any part thereof at the current price to any of the Company's Group Companies without being in any way responsible for loss occasioned thereby howsoever arising and without being accountable for any profit made by the Company and/or any of the Company's Group Companies;
 - the Client waives any objections or disputes against the Company's exercise of its rights and remedies under Clause 22.2 (including but not limited to the Company's right to dispose of any or all securities and other property held for or on behalf of the Client at any price as it think fit).
 - the Client undertakes to pay to the Company any deficiency if the net proceeds of sale or net proceeds of liquidation shall be insufficient to cover all the outstanding balances owing by the Client to the Company.

23 PROCEEDS OF SALE

- 23.1 Subject to Clause 18.2, the proceeds of sale or liquidation of the Account(s) made under Clause 22 shall be applied in the following order of priority and any residue shall be paid to the Client or to its/his/her order:
- payment of all Costs, charges, legal fees and expenses including stamp duty, commission and brokerage properly incurred by the Company in transferring and selling all or any of the securities or properties in the Account(s) or in perfecting title thereto;
 - payment of all interest due;
 - payment of all monies and liabilities due, owing or incurred by the Client, to the Company;
 - payment of all monies and liabilities due, owing or incurred by the Client to any of the Company's Group Companies.
- 23.2 Subject to the Client Money Rules, any dividends, interest or other payments which may be received or receivable by the Company in respect of any of the securities may be applied by the Company as though they were proceeds of sale hereunder notwithstanding that the power of sale may not have arisen and notwithstanding that subsequent to the execution of this Agreement the Company may have paid any of the said dividends, interest or other payments to the Client.

24 SET-OFF, LIEN AND COMBINATION OF ACCOUNTS

- 24.1 In addition and without prejudice to any general liens, rights of set-off or other similar rights to which the Company may be entitled under law or this Agreement, all securities, receivables monies (in any currency) and other property of the Client (held by the Client either individually or jointly with others) held by or in the possession of the Company at any time shall be subject to a general lien in favor of the Company and on trust for itself and any of the Company's Group Companies as continuing security to offset and discharge all of the Client's obligations, arising from the business of dealing in securities or otherwise, to the Company and any of the Company's Group Companies.
- 24.2 In addition and without prejudice to any general liens or other similar rights which the Company, and on trust for itself and any of the Company's Group Companies, may be entitled under law or this Agreement and subject to applicable rules and regulations, including without limitation, the Client Money Rules and the Client Securities Rules, the Company for itself and as agent for any of the Company's Group Companies, at any time without notice to the Client, may combine or consolidate any or all accounts, of any nature whatsoever and either individually or jointly with others, with the Company or any of the Company's Group Companies and the Company may set-off or transfer any monies (in any currency) securities or other property in any such accounts to satisfy obligations or liabilities of the Client to the Company or any of the Company's Group Companies, whether such obligations and liabilities are actual or contingent, primary or collateral, secured or unsecured, or joint or several.
- 24.3 Without limiting or modifying the general provisions of this Agreement and subject to applicable rules and regulations, including without limitation, the Client Money Rules and the Client Securities Rules, the Company may, without notice, transfer all or any sum or properties interchangeably between any of the accounts maintained at any time by the Client with the Company and any of the Company's Group Companies.

24.4 In exercising its rights under this Clause 24 if in relation to any securities deposited with the Company but which are not registered in the name of the Client, and Loss is suffered by the Company, the Account(s) may be debited (or payment made by the Client as may be agreed) with the proportion of such Loss equal to the proportion of the securities held on behalf of the Client out of the total number or amount of such securities.

25 STANDING AUTHORITY

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

25.2 The Client authorizes the Company to:

- (a) combine or consolidate any or all segregated accounts, of any nature whatsoever and either individually or jointly with others, maintained by the Company or any of the Company's Group Companies and the Company may transfer any sum of Monies to and between such segregated account(s) to satisfy the Client's obligations or liabilities to the Company or any of the Company's Group Companies, whether such obligations and liabilities are actual or contingent, primary or collateral, secured or unsecured, or joint or several;
- (b) transfer any sum of Monies interchangeably between any of the segregated accounts maintained by the Company or any of the Company's Group Companies and/or any segregated accounts opened and maintained by the Company or any of the Company's Group Companies with broker(s) and/or clearing firm(s) (whether they are the Company's or any of the Company's Group Companies' associated companies or not) outside Hong Kong at any time for the purpose of satisfying margin requirement, dealing, clearing and/or settlement requirement of securities, futures contract and/or other financial products (where applicable);
- (c) keep the Monies with broker(s) and/or clearing firm(s) outside Hong Kong after trading to facilitate future dealing, clearing and/or settlement of securities, futures contract and/or other financial products (where applicable); and
- (d) convert the Monies into any other currency(ies), for any of the abovementioned purposes (where applicable).

25.3 By entering into this Agreement, the Client hereby agrees to provide to the Company the Client Securities Standing Authority set out under Clause 25.4 in respect of the Client's securities and securities collateral, subject to the Client's right to revoke such Client Securities Standing Authority at any time in accordance with Clause 25.9 (below). The Client understands and acknowledges the risks to the Client associated with giving the Client Securities Standing Authority, including the risks set out under Clause 27.4 (below). If the Client does not agree to provide such Client Securities Standing Authority at the time of entering into this Agreement, the Client shall submit a written notice addressed to the Customer Service Department of the Company together with the Client's completed Account Opening Form which indicates clearly that the Client does not agree to give such Client Securities Standing Authority to the Company.

25.4 The Client hereby authorizes the Company to:

- (a) apply any of the Client's securities or securities collateral, for the avoidance of doubt, including but not limited to shares, bonds, notes and other types of fixed income securities, pursuant to a securities borrowing and lending agreement and/or a securities repurchase agreement (for the avoidance of doubt, including but not limited to, any such agreement equivalent to or similar to the International Securities Lending Association's Global Master Securities Lending Agreement (the "GMSLA") and/or equivalent to or similar to the International Capital Market Association's Global Master Repurchase Agreement (the "GMRA")) between the Company and a third party, subject to compliance with the Client Securities Rules;
- (b) subject to the Client Securities Rules regarding repledging limits, deposit any of the Client's securities collateral with an authorized financial institution as collateral for financial accommodation provided to the Company;
- (c) deposit any of the Client's securities collateral with HKSCC as collateral for the discharge and satisfaction of the Company's settlement obligations and liabilities; and the Client understands that HKSCC will have a first fixed charge over the Client's securities to the extent of the Company's obligations and liabilities;
- (d) deposit any of the Client's securities collateral with any other recognized clearing house, or another intermediary licensed or registered for dealing in securities, as collateral for the discharge and satisfaction of the Company's settlement obligations and liabilities; and
- (e) apply or deposit any of the Client's securities collateral in accordance with Clauses 25.4(a), 25.4(b), 25.4(c) and/or 25.4(d) above if the Company provides financial accommodation to the Client in the course of dealing in securities and also provides financial accommodation to the Client in the course of any other regulated activity for which the Company is licensed or registered.

25.5 The Client acknowledges and agrees that the Company may do or perform any of the acts or the things set out in Clauses 25.2 and 25.4 without giving any notice to the Client.

25.6 The Client also acknowledges that:

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

25.7 The Client understands that a third party may have rights to the Client's securities, which the Company must satisfy before the Client's securities can be returned to the Client, and the Client also understands, acknowledges and agrees that there is risk that pursuant to a securities borrowing and lending agreement and/or a securities repurchase agreement between the Company and a third party (for the avoidance of doubt, including but not limited to any GMSLA and GMRA), the third party may have rights over the Client's securities, for the avoidance of doubt, including but not limited to certain rights over any dividend payment, coupon or interest payment, distribution or any similar rights attached to or derived from the Client's securities, and in such cases, the Client may not be entitled to exercising those rights, and the Client further acknowledges and agrees that the Company shall not be liable for nor responsible for returning, repaying and/or compensating the Client regarding the aforesaid rights attached to or derived from such Client's securities.

The Client understands that there is risk that in the event of the Company's becoming subject to insolvency, bankruptcy, liquidation, administration, moratorium, reorganisation and/or similar laws generally affecting the rights of creditors, the Client may become an unsecured creditor of the Company with respect to the said securities borrowing and lending agreement and/or the securities repurchase agreement which may result in the Client receiving either (a) only a small percentage of or (b) none of (i) the Client's securities, and/or (ii) any cash sum equal to the value of the Client's securities which may be owed to the Client by the Company.

25.8 Each of the Client Money Standing Authority and the Client Securities Standing Authority is valid for a period of 12 months from the date of this Agreement, subject to renewal by the Client or deemed renewal under the Client Money Rules or Client Securities Rules (as the case may be) referred to in Clause 25.10.

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

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

26 ELECTRONIC SERVICES

26.1 Unless otherwise specified, this Clause is made without prejudice and in addition to all the other provisions in this Agreement.

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

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

26.4 The Client agrees that the Client shall be the only authorised user of the Electronic Services under this Agreement. The Client shall be wholly and solely responsible for the confidentiality security and use of the Access Codes issued to the Client by the Company.

26.5 The Client acknowledges and agrees that the Client shall be wholly and solely responsible for all Instructions entered through the Electronic Services.

26.6 The Client acknowledges that the Electronic Services, Haitong International Mail, the Company's website, and the software comprised in them, are proprietary to the Company. The Client undertakes and warrants that the Client shall not, and shall not attempt to, tamper with, modify, decompile, reverse engineer, damage, destroy or otherwise alter in any way, and shall not attempt to gain unauthorised access to, any part of the Electronic Services, Haitong International Mail, the Company's website, and any of the software comprised in them.

26.7 The Client agrees that the Company shall be entitled to close any or all of the Account(s) immediately without notice to the Client, and the Client acknowledges that the Company may take legal action against the Client, if the Client at any time breaches this Clause 26 or if the Company at any time reasonably suspects that the Client has breached the same. The Client undertakes to notify the Company immediately if the Client becomes aware that any of the actions described in this Clause 26 is being perpetrated by any other person.

26.8 As and when the Company allows the Client to open an Account electronically with the Company, in addition to completing and returning this Agreement through the internet, the Client agrees to return to the Company the hard copy of this Agreement (including the Account Opening Form, Client Information Statement, applicable Risk Disclosure Statement and any authority given by the Client to the Company with respect to the Account(s)) duly completed and executed.

26.9 Unless otherwise agreed between the Company and the Client, the Company will not execute any trading orders of the Client until there are sufficient cleared funds, securities or other assets acceptable to the Company in the Client's Account(s) to settle the Client's transactions and upon receipt of the documents as stated in Clause 26.8.

26.10 The Company will not be deemed to have received the Client's Instructions or have executed the Client's orders unless and until the Client is in receipt of the Company's message acknowledging receipt or confirming execution of the Client's orders, either electronically or by hard copy.

- 26.11 The Client acknowledges and agrees that, as a condition of using the Electronic Services to give Instructions, the Client shall immediately notify the Company if:
- an Instruction has been placed through the Electronic Services and the Client has not received an Instruction number or has not received an accurate acknowledgement of the Instruction or of its execution (whether by hard copy, electronic or verbal means);
 - the Client has received acknowledgement (whether by hard copy, electronic or verbal means) of a transaction which the Client did not instruct or any similar conflict;
 - the Client becomes aware of any of the acts stated in Clause 26.7 being done or attempted by any person;
 - the Client becomes aware of any unauthorised use of the Client's Access Codes; or
 - the Client has difficulties with regard to the use of the Electronic Services.
- 26.12 The Client agrees to review every order before entering it as it may not be possible to cancel the Client's Instructions once given.
- 26.13 The Client agrees that the Company shall not be liable for any loss or damage the Client or any other person may suffer as a result of using or attempting to use the Electronic Services unless such loss or damage are caused by fraud, wilful default or negligence on the part of the Company. The Client further undertakes to indemnify the Company, on a full indemnity basis, on demand, for any Loss the Company may suffer as a result of the use of the Electronic Services, except to the extent that such Loss is outside the Client's control.
- 26.14 The Client acknowledges and agrees that if the mode of communication used by the Client in the course of the Electronic Services becomes temporarily unavailable, the Client can during such period continue to operate the relevant Account subject to the right of the Company to obtain such information regarding the verification of the Client's identity as it may from time to time think fit.
- 26.15 The Client acknowledges that Exchanges and certain associations may assert proprietary interests and rights over all market data they furnish to parties who disseminate such data and agrees not to do any act which would constitute any infringement or encroachment of such rights or interests. The Client also understands that the Company does not guarantee the timeliness, sequence, accuracy or completeness of market data or any market information (including any information provided to the Client through the Electronic Services). The Company shall not be liable in any way for any loss arising from or caused by (1) any inaccuracy, error in or omission from any such data, information or message, (2) any delay in the transmission or delivery thereof; (3) any suspension or congestion in communication; (4) any unavailability or interruption of any such data, message or information whether due to any act of the Company, or (5) by any forces beyond the control of the Company.

27 RISK DISCLOSURE STATEMENTS

Risk of securities trading

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

Risk of Growth Enterprise Market stocks

- 27.2 Growth Enterprise Market (GEM) stocks involve a high investment risk. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. GEM stocks may be very volatile and illiquid. The Client 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. The Client should seek independent professional advice if it/he/she is uncertain of or has not understood any aspect of this sub-clause or the nature and risks involved in trading of GEM stocks.

Risks of client assets received or held outside Hong Kong

- 27.3 Client assets received or held by the Company outside Hong Kong are subject to the applicable laws and regulations of the relevant overseas jurisdiction which may be different from the Securities and Futures Ordinance 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.

Risk of securities in custody of the Company

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

Risk of providing an authority to repledge Client's securities collateral etc

- 27.5 There is risk if the Client provides the Company with authority that allows it to apply the Client's securities or securities collateral pursuant to a securities borrowing and lending agreement, repledge the Client's securities collateral for financial accommodation or deposit the Client's securities collateral as collateral for the discharge and satisfaction of its settlement obligations and liabilities.
- 27.6 If the Client's securities or securities collateral are received or held by the Company in Hong Kong, the above arrangement is allowed only if the Client consents in writing. Moreover, unless the Client is a professional investor, the authority must specify the period for which it is current and be limited to not more than 12 months. If the Client is a professional investor, these restrictions do not apply.
- 27.7 The Client has the discretion not to give the Client Securities Standing Authority set out under Clause 25.4 by giving a written notice to the Company in the circumstances provided for under either Clause 25.3 or Clause 25.9.

- 27.8 Additionally, the Client Securities Standing Authority set out under Clause 25.4 (if it is not revoked prior to its expiry) may be renewed for one or more further periods (i) not exceeding 12 months (if the Client is not a professional investor) or (ii) of any duration if the Client is a professional investor. Such Client Securities Standing Authority shall be deemed to be renewed (i.e. without the Client's further consent) if the Company issues the Client a reminder at least 14 days prior to the expiry of the authority, and the Client does not object to such deemed renewal before the expiry date of the then existing authority.

- 27.9 The Client is not required by any law to give the Client Securities Standing Authority set out under Clause 25.4. But an authority may be required by the Company, for example, to facilitate margin lending to the Client or to allow the Client's securities or securities collateral to be loaned to or deposited as collateral with third parties. The Company should explain to the Client the purposes for which Client Securities Standing Authority is to be used.

- 27.10 If the Client gives the Client Securities Standing Authority set out under Clause 25.4, and the Client's securities or securities collateral are lent to or deposited with third parties, those third parties will have a lien or charge on the client's securities or securities collateral. Although the Company is responsible to the Client for the Client's securities or securities collateral lent or deposited under the authority, a default by it could result in the loss of Client's securities or securities collateral.

- 27.11 A cash account not involving securities borrowing and lending is available from most licensed or registered persons. If the Client does not require margin facilities or does not wish its/his/her securities or securities collateral to be lent or pledged, the Client should not give the Client Securities Standing Authority set out under Clause 25.4 above and should ask to open this type of cash account.

Risk of margin trading

- 27.12 The risk of loss in financing a transaction by deposit of collateral is significant. The Client may sustain losses in excess of the Client's cash and any other assets deposited as collateral with the licensed or registered person. The Client understands that market conditions may make it impossible to execute contingent orders, such as "stop-loss" or "stop-limit" orders. The Client may be called upon at short notice to make additional margin deposits or interest payments. The Client understands and accepts that if the required margin deposits or interest payments are not made within the prescribed time, the Client's collateral may be liquidated without the Client's consent. Moreover, the Client will remain liable for any resulting deficit in its/his/her Account(s) and interest charged on its/his/her Account(s). The Client acknowledges that it/he/she should therefore carefully consider whether such a financing arrangement is suitable in light of its/his/her own financial position and investment objectives.

Compensation fund

- 27.13 If the Company commits a default as defined in Part XII of the Securities and Futures Ordinance and a qualifying client thereby suffers a pecuniary loss, the qualifying client shall have a right to claim under the compensation fund established under the Securities and Futures Ordinance, subject to the terms of the compensation fund from time to time. The qualifying client's right to claim under the compensation fund shall be restricted to the extent provided for in the Securities and Futures Ordinance and its rules and regulations.

Risk of electronic trading

- 27.14 Trading on an electronic system may differ from trading on other electronic trading systems. If the Client undertakes transactions on an electronic trading system, it/he/she will be exposed to risks associated with the system including the failure of hardware and software, and that the result of any system failure may be that its/his/her order is either not executed according to its/his/her Instructions or is not executed at all.

Electronic transmission of data

- 27.15 The Client acknowledges and accepts that due to unpredictable traffic congestion and other reasons, electronic transmission may not be a reliable medium of communication, that transactions conducted via electronic means are subject to delays in transmission and receipt of its/his/her Instructions or other information, delays in execution or execution of its/his/her Instructions at prices different from those prevailing at the time its/his/her Instructions were given, transmission interruption or blackout, that there are risks of misunderstanding or errors in communication, and that there is also usually not possible to cancel an instruction after it has been given.

Risk of providing an authority to hold mail or to direct mail to third parties

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

Risk of trading Nasdaq-Amex securities at SEHK

- 27.17 The securities under the Nasdaq-Amex Pilot Program ("PP") are aimed at sophisticated investors. The Client understands and acknowledges that it/he/she should consult its/his/her dealer and become familiarised with the PP before trading in the PP securities and that it/he/she should be aware that the PP securities are not regulated as a primary or secondary listing on the Main Board or GEM of SEHK.

Trading on other Exchanges

- 27.18 In the event that the Client wishes to have transactions pursuant to this Agreement executed on Exchanges other than the SEHK, the Client acknowledges and recognises that, since such transactions will be subject to the rules and regulations of those Exchanges, and applicable local laws, and not those of the SEHK, the Client may have a markedly different level and type of protection in relation to those transactions compared to the level and type of protection afforded by the rules and regulations of the SEHK and Hong Kong law (and the Client acknowledges and recognises, without limitation, that such transactions executed on exchanges other than the SEHK will not be subject to a right to claim under the compensation fund established under the Securities and Futures Ordinance where the Client suffers a pecuniary loss).

Using websites to access trade documents

- 27.19 If the Client wishes to access trade documents ("e-Statement Service") through websites, the Client understands and accepts the following risks and matters:
- Appropriate computer equipment and software, internet access and a specific email address provided and designated by the Client are required for using the "e-Statement Service";
 - Internet and email services may be subject to certain IT risks and disruption;
 - The Client may incur additional costs for using the "e-Statement Service";
 - Email will only be the Company's notice that trade documents have been posted on the Company's website, and the Client should check its/his/her designated email address regularly for such notice;
 - Revocation of consent to the provision of trade documents by access through websites will be subject to the giving of such advance notice by the Client as the Company may require;
 - The Client may be required to pay a reasonable charge for obtaining a hard copy of any trade document that is no longer available for access and downloading through the Company's website;
 - Inform the Company as soon as practicable upon a change in the designated email address;
 - Promptly review the trade documents posted on the Company's website upon receiving the notice from the Company to ensure that any errors are detected and reported to the Company as soon as practicable; and
 - Save an electronic copy in its/his/her own computer storage or print a hard copy of the trade documents for future reference.

Risk of entering into over-the-counter derivative transactions with an unlicensed person

- 27.20 If the Client enters into over-the-counter derivative transactions with HTI Financial Solutions Limited ("Your Counterparty"), it is important for the Client to note that Your Counterparty is not licensed by the SFC and hence is not subject to the conduct and prudential supervision by the SFC. The Client should also note that Your Counterparty is not regulated by any other financial regulator and as such, the Client may not receive any regulatory protection at all. The Client should cautiously consider whether it would be in the Client's best interest to enter into over-the-counter derivative transactions with Your Counterparty instead of a licensed corporation and seek independent professional advice when in doubt.

28 CREDIT INFORMATION

- 28.1 The Client agrees and authorises the Company to exchange credit information about the Client with other institutions such as, without limitation, authorized financial institutions and credit reference agencies, for verification purposes. The Client acknowledges and agrees that the Company may obtain credit reference and other information, including personal data, from any financial institution with which the Client maintains any settlement account for the purposes of this Agreement, and any other entity or person which the Client nominates as a reference.
- 28.2 The Client authorises such persons and entities described in Clause 28.1 to provide the Company with the necessary credit reference and information.
- 28.3 The Client understands and agrees that any negative credit report reflecting the Client's credit record may be submitted to a credit reporting agency if the Client fails to fulfil its/his/her obligations under this Agreement. The Company may also provide the Client's information to a debt collection agency if there is an Event of Default.
- 28.4 If the Company extends, updates or renewed any credit or Facility provided under this Agreement, the Company may obtain a new credit report without notifying or obtaining the prior consent of the Client.
- 28.5 The Client may request details of the credit reporting agency from which the Company has obtained a credit report about the Client.
- 28.6 The Client has the right to be informed of the information disclosed under this Clause 28 and to be provided with further information to enable the Client to make an access or correction request to the relevant credit reference agency or debt collection agency, as applicable.

29 REPRESENTATIONS AND WARRANTIES

- 29.1 The Client hereby represents and warrants to the Company on a continuing basis that:
- (status)** if the Client is an individual, he/she is of full age and sound mind, fully understand the contents of this Agreement;
 - (status)** if the Client is a corporation, it has been incorporated or formed in accordance with the laws of its place of incorporation or formation, is validly existing under those laws and has power and authority to own its assets and carry on its business as it is now being conducted;
 - (power)** it/he/she has power to enter into this Agreement, to comply with its/his/her obligations and exercise its/his/her rights under it;
 - (binding obligations)** the obligations assumed by the Client under this Agreement are legal, valid, binding and enforceable obligations;
 - (no conflict)** if the Client is a corporation, the entry by it into, its compliance with its obligations and the exercise of its rights under, this Agreement does not and will not conflict with:
 - its constituent documents or cause a limitation on its powers or the powers of its directors to be exceeded; or
 - any law binding on or applicable to it or its assets; or
 - any document or agreement binding on or applicable to it or its assets or constitute a review event, Event of Default, termination, cash cover requirement, prepayment or similar event (each however described) under any such document or agreement where this has had or is likely to have a Material Adverse Effect;

- (authorisations)** if the Client is a corporation, it has in full force and effect each authorisation necessary for it to:
 - enter into this Agreement, to comply with its obligations and exercise its rights under them, and to allow them to be enforced; and
 - carry on any business it conducts to the extent that failure to obtain, comply with or maintain that authorisation would be likely to have, a Material Adverse Effect;
 - to make this Agreement admissible in evidence in Hong Kong;
- (validity of obligations and ranking)**
 - its/his/her obligations under this Agreement are valid and binding and are enforceable against it/him/her in accordance with its terms subject to any stamping and registration requirements, applicable equitable principles and laws generally affecting creditors' rights;
 - it/he/she benefits by entering into this Agreement; and
 - its/his/her payment obligations under this Agreement rank at least equally with the claims of all its/his/her other unsecured and unsubordinated creditors (other than obligations mandatorily preferred by law applying to debtors generally);
- (Event of Default)** no Event of Default is continuing or might reasonably be expected to result from the making of the Loan;
- (solvency)** it/he/she is not Insolvent;
- (litigation)** there is no current, pending or (to its/his/her knowledge, having made due enquiry), threatened proceeding, investigation or claim affecting it/him/her or any of its/his/her assets before a court, authority, commission or arbitrator in which a decision against it/him/her is likely and which (either alone or together with other decisions) would be likely to have a Material Adverse Effect;
- (good title)** subject to any security interest of any of the Company's Group Companies created pursuant to any agreement between the Client and the Company's Group Company, all securities provided by the Client for selling or crediting into the Account(s) are fully paid with valid and good title and whose legal and beneficial titles are owned by the Client;
- (information)**
 - it/he/she has disclosed in writing to the Company all documents and other information relating to it/him/her, its/his/her assets, this Agreement and anything in connection with it, which a reasonable person in the Client's position would consider material to the Company's decision to enter into this Agreement; and
 - all documents (including any prospectus, information memorandum or offer document) and information (other than projections and forecasts) given to the Company by or on behalf of the Client in connection with this Agreement or any transaction in connection with it are complete and not misleading or deceptive, in any material respect (including by omission) as at the date they are given or as at their stated date; and
 - all financial projections and forecasts given to the Company by or on behalf of the Client in connection with this Agreement or any transaction in connection with it have been prepared in good faith on the basis of recent historical information and on the basis of reasonable assumptions as at the date they are given or as at their stated date; and
 - neither it/he/she nor any person acting on its/his/her or their behalf in connection with this Agreement, or any transaction in connection with it, has engaged in conduct that is misleading or deceptive (or likely to mislead or deceive) in any material respect (including by omission);
- (no agent)** the Client or the Client's attorney on its/his/her behalf enters into this Agreement as a principal trading on its/his/her own behalf and not as agent.
- (not a trustee and no immunity)**
 - it/he/she does not enter into this Agreement or hold any asset as trustee; and
 - its/his/her assets do not have immunity from the jurisdiction of a court or from legal process;
- (no reliance)**
 - it/he/she has entered into this Agreement without relying on the Company (in whatever capacity) or their advisers or on any representation, warranty, statement, undertaking or conduct of any kind made by any of them or on their behalf except as expressly set out in this Agreement; and
 - it/he/she has obtained its/his/her own tax and legal advice on this Agreement and the transactions in connection with them.
- (disclosure)** it/he/she shall be solely liable for the disclosure obligations in relation to trading securities under applicable laws and regulations.

- 29.2 If the Client effects transactions for the account of its/his/her clients, whether on a discretionary or non-discretionary basis, and whether as agent or by entering into matching transactions as principal with any clients of the Client, the Client hereby agrees that, in relation to a transaction where the Company has received an enquiry from SEHK and/or SFC ("Hong Kong Regulators"), the following provisions shall apply:

- Subject to as provided below, the Client shall, immediately upon request by the Company (which request shall include the relevant contact details of the Hong Kong Regulators), inform the Hong Kong Regulators of the identity, address, occupation and contact details of the client for whose account the transaction was effected and (so far as known to the Client) of the person with the ultimate beneficial interest in the transaction. The Client shall also inform the Hong Kong Regulators of the identity, address, occupation and contact details of any third party (if different from the client/ultimate beneficiary) who originated the transaction.
 - If the Client effected the transaction for a collective investment scheme, discretionary account or discretionary trust, the Client shall, immediately upon request by the Company (which request shall include the relevant contact details of the Hong Kong Regulators), inform the Hong Kong Regulators of the identity, address, occupation and contact details of the person(s) who, on behalf of the scheme, account or trust, instructed the Client to effect the transaction.
 - If the Client effected the transaction for a collective investment scheme, discretionary account or discretionary trust, the Client shall, as soon as practicable, inform the Company when its/his/her discretion to invest on behalf of the scheme, account or trust has been overridden. In the case where the Client's investment discretion has been overridden, the Client shall immediately upon

request by the Company (which request shall include the relevant contact details of the Hong Kong Regulators), inform the Hong Kong Regulators of the identity, address, occupation and contact details of the person(s) who has or have given the instruction.

(iii) If the Client is a collective investment scheme, discretionary account or discretionary trust and in respect of a particular transaction the discretion of the Client or its officers or employees has been overridden, the Client shall, as soon as practicable, inform the Company when it/his/her discretion to invest on behalf of the beneficiary of such scheme, account or trust has been overridden. In case where the Client's investment discretion has been overridden, the Client shall, immediately upon request by the Company (which request shall include the relevant contact details of the Hong Kong Regulators), 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 relevant transaction.

(b) If the Client is aware that it/his/her client is acting as intermediary for its/his/her underlying client(s), and the Client does not know the identity, address, occupation and contact details of the underlying client for whom the transaction was effected, the Client confirms that:

(i) the Client has arrangements in place with it/his/her client which entitle the Client to obtain the information set out in Clauses 29.2(a) and/or 29.2(b) from it/his/her client immediately upon request or procure that it be so obtained; and

(ii) the Client will, upon request from the Company in relation to a transaction, promptly request the information set out in Clauses 29.2(a) and/or 29.2(b) from it/his/her client on whose instructions the transaction was effected, and provide the information to the Hong Kong Regulators as soon as it/he/she is received from it/his/her client or procure that it be so provided.

(c) The above terms shall continue in effect notwithstanding the termination of this Agreement.

29.3 The Client undertakes to perform such acts, sign and execute all such agreements or documents whatsoever as may be required by the Company for the performance or implementation of this Agreement or any part thereof.

29.4 The Client must notify the Company when a sale order relates to securities which the Client does not own i.e. where it/he/she involves short selling (including where the Client has borrowed stock for the purposes of the sale). The Client acknowledges and agrees that no short selling orders will be accepted by the Company unless the Client provides the Company with such confirmation, documentary evidence and assurance as the Company in the Company's opinion considers necessary to show that the Client has a presently exercisable and unconditional right to vest such securities in the purchaser before placing any short selling order. The Company may decline to act on any Instructions from the Client to effect any order which, in the Company's sole judgement, is an order for short-selling any securities.

29.5 The Client agrees not to pledge or charge any securities or monies forming part of any Account(s) without the prior consent of the Company, or to sell, grant an option over, or otherwise deal in any securities or monies forming part of the Account(s).

29.6 The Company and the Client undertake to inform each other of any material change to the information provided in this Agreement. In particular, the Company and the Client agree that:

(a) the Company will notify the Client of any material change to its business which may affect the services provided by the Company to the Client; and

(b) the Client will notify the Company of any change of name and address and provide supporting documents as reasonably required by the Company.

30 UNDERTAKINGS

30.1 The undertakings in this Clause 30 remain in force from the date of this Agreement until the date of termination.

30.2 The Client undertakes:

(a) to notify the Company of any Event of Default promptly upon becoming aware of its occurrence;

(b) to observe and comply with all laws and regulations to which it/he/she may be subject, including but not limited to the disclosure obligations under the Codes on Takeovers and Mergers and Share Repurchases;

(c) to promptly notify the Company of the status of the securities and other property held by it for or on behalf of the Client, including but not limited any restrictions on the ability to buy/sell/transfer/dispose of such securities or property (e.g. lock-up or blackout restrictions);

(d) (if the Client is not an individual) not to make any substantial change to the general nature of its business from that carried on at the date of this Agreement;

(e) (if the Client is not an individual) not to enter into any amalgamation, demerger, merger or corporate reconstruction;

(f) to promptly provide the Company with such information, documents and materials as the Company requests from time to time;

(g) not to incur substantial debts or borrowing or provide guarantee to any third party which may have a Material Adverse Effect;

(h) not to create or permit to subsist any Encumbrance over any of its/his/her assets which may have a Material Adverse Effect without the Company's prior written consent;

(i) not to dispose of any of the Client's material assets which may have a Material Adverse Effect; and

(j) to do, or refrain from doing, any other matter as specified in the Margin Confirmation.

31 LIABILITIES AND INDEMNITIES

31.1 To the extent permitted by Law, neither the Company nor any of its directors, employees or agents shall have any liability whatsoever for any Loss suffered by the Client as a result of:

(a) the Company acting or relying on any Instruction given by the Client;

(b) any condition or circumstances which are beyond the reasonable control or anticipation of the Company, its directors, employees and agents, including but not limited to any delays in the transmission of orders due to disruption, breakdown, failure or malfunction of transmission of communication facilities, failure of electronic or mechanical equipment, telephone or other interconnection problems, unauthorised use of Access Codes, prevailing fast market conditions, governmental agency or exchange actions, theft, war (whether declared or not), severe weather, earthquakes and strikes;

(c) the Company exercising any or all of its rights conferred by the terms of this Agreement; or

(d) any conversion of one currency to another pursuant to in relation to or arising from this Agreement,

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

31.2 Without limiting the generality of Clause 31.1 above, neither the Company nor any of its directors, employees or agents shall have any liability whatsoever for any Loss suffered by the Client arising out of or alleged to arise out of or in connection with any inconvenience, delay or loss of use of the Electronic Services or any delay or alleged delay in acting or any failure to act on any Instruction given by the Client to the Company, even if the Company has been advised of the possibility of such Loss, unless such Loss is caused by the fraud, wilful default or negligence of the Company.

31.3 The Client undertakes to indemnify and keep indemnified the Company in respect of any Losses whatsoever which may be reasonably and properly suffered or incurred by the Company directly or indirectly arising out of or in connection with any transaction entered into by the Company as agent on behalf of the Client or otherwise whatsoever or howsoever arising out of anything done or omitted to be done by the Company in accordance with the terms of this Agreement or pursuant to any Client's Instruction, unless such Loss is caused by the fraud, wilful default or negligence of the Company.

The Client agrees to pay promptly to the Company on demand, all Losses reasonably and properly incurred by the Company in the enforcement of any of the provisions of this Agreement.

31.4 The Client undertakes to indemnify and keep indemnified the Company and its officers, employees and agents for any Loss arising out of or connected with any breach by the Client of its/his/her obligations hereunder, including any Costs reasonably and necessarily incurred by the Company in collecting any debts due to the Company or in connection with the closure of the Account(s) unless such Loss is caused by the fraud, wilful default or negligence of the Company.

31.5 The above terms shall continue to take effect notwithstanding the termination of this Agreement.

32 NOTICES, CONFIRMATIONS AND STATEMENTS

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

32.2 Unless otherwise provided in this Agreement, notices and communications must be sent to the address, telephone number, fax number, email address or mobile phone number last notified. The Client authorise the Company to send notices and communications to the Client in connection with this Agreement electronically and in any other manner including by fax, email, SMS or via other electronic means.

32.3 Unless otherwise provided in this Agreement, the Company's notices and communications to the Client are effective when sent or transmitted, whether actually received by the Client or not.

32.4 The Client's notices and communications are effective when the Company actually receive them in legible form.

32.5 Instructions and communications digitally signed and supported by a digital certificate have the same validity, admissibility and enforceability as if signed in writing.

32.6 Any notice or communication that is digitally signed must comply with any applicable Law.

32.7 The Client is satisfied that electronically executed contracts are enforceable despite the legal risks associated with them.

32.8 If an Account is held jointly, notices and communications (including notices of any variation to this agreement and any statements) sent to the address the Client has notified the Company as the address for receipt of notices and other communications in connection with this Agreement are taken to be given to each holder.

32.9 The Client must not dispute the contents of any notice or communication.

32.10 Notices and other communications in connection with this Agreement must be in writing. They must be sent to the address or email address last notified to the party.

32.11 The Company's written confirmation of the execution of the Client's orders and statements of the Client's Accounts shall be conclusive and deemed to be accepted by the Client if not objected to in writing by the Client within 2 days after transmission to the Client, by mail or otherwise. If the Client does dispute the content of an order or statement, the Client must contact the Company in writing to the Company's address as set out in the Account Opening Form or such other address notified to the Client from time to time.

33 WAIVER AND AMENDMENT

- 33.1 The Company may at its discretion amend, delete or substitute any of the terms in this Agreement or add new terms to this Agreement by sending to the Client a notice in writing setting out such amendment, deletion, substitution or addition. Such variation of this Agreement shall be deemed to have been accepted by the Client unless written notice of objection is received by the Company within (14) fourteen Bank Business Days after despatch of such notification by the Company.
- 33.2 The Company may exercise a right or remedy, give or refuse its consent or approval in connection with this Agreement in any way it considers appropriate, including by imposing conditions. The Company need not give the Client reasons for any decision it makes.
- 33.3 If the Company does not exercise a right or remedy fully or at a given time, it can still exercise it later.
- 33.4 The Company is not liable for any Loss caused by the exercise or attempted exercise of, failure to exercise, or delay in exercising, a right or remedy, whether or not caused by the Company's negligence.

34 JOINT CLIENTS

- 34.1 Where the Client consists of more than one person:
- (a) the liability and obligations of each of them shall be joint and several and references to the Client shall be construed, as the context requires, to any or each of them;
 - (b) the Company shall be entitled to, but shall not be obliged to, act on Instructions or requests from any of them;
 - (c) each of them shall be bound though any other Client or any other person intended to be bound is not, for whatever reason, so bound; and
 - (d) the Company shall be entitled to deal separately with any of the Client on any matter including the discharge of any liability to any extent without affecting the liability of any others.
- 34.2 Where the Client consists of more than one person, on the death of any of such persons (being survived by any other such persons), this Agreement shall not be terminated and the interest in the Account(s) of the deceased will thereupon vest in and enure for the benefit of the survivor(s) provided that any liabilities incurred by the deceased Client shall be enforceable by the Company against such deceased Client's estate. The surviving Client(s) shall give the Company written notice immediately upon any of them becoming aware of any such death.

35 CONFLICT OF INTEREST

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

36 ANTI-MONEY LAUNDERING AND SANCTIONS

- 36.1 Notwithstanding any other provision of this Agreement to the contrary, the Company is not obliged to do or omit to do anything if it would, or might in the Company's reasonable opinion, constitute a breach of any Laws in respect of AML/CTF applicable to the Company.
- 36.2 The Client represents on a continuing basis that neither the Client nor any of its Related Persons (a) is a Restricted Party; or (b) has received notice of or is aware of any claim, action, suit, proceeding or investigation against it with respect to Sanctions by any Sanctions Authority; and (c) will promptly notify the Company in writing of any changes to your sanctions status or any sanctions-related activity in connection with this Agreement.
- 36.3 The Client shall (and shall procure each of its Related Persons to) ensure that (a) none of the transactions and services contemplated under this Agreement shall be used in connection with any Restricted Activity; and (b) none of the proceeds of any such transactions or services will be directly or indirectly paid, lent, contributed, used or otherwise made available to fund or support any Restricted Activity; and (c) all funds used in connection with this Agreement are derived from legitimate sources and not from any Restricted Activity.
- 36.4 Where (a) the Client or any of its Related Persons is or becomes a Restricted Party or (b) the Company reasonably believes that the dealings with the Client or any of its Related Persons (including but not limited to any transactions or services contemplated by this Agreement) has led or may lead to any Company's Group Companies being in breach of any Sanctions, the Company may immediately and without notice to the Client cease any further dealings with the Client and terminate this Agreement. The Company shall have no liability whatsoever for any liabilities, costs, expenses, damages and/or losses directly or indirectly incurred by the Client as a result of such cessation of dealings or termination of this Agreement under this clause.

- 36.5 Without prejudice to any other provisions in this Agreement, the Client shall upon demand indemnify the Company against any loss, claim, liability or expense, including legal and other professional fees, asserted against or incurred by the Company as a direct or indirect result of (a) any misrepresentation by the Client under Clause 36.2; or (b) any breach or alleged breach of the undertaking by the Client under Clause 36.3. This Clause 36.5 survives any termination of this Agreement.
- 36.6 The Client must provide to the Company upon request all information and documents that are within the Client's possession, custody or control and requested by the Company at its discretion to enable the Company to comply with applicable Laws and relevant internal policies and procedures. The Client undertakes to notify the Company of such matter as may be prescribed or accepted by the Company or any change of contact details (including but not limited to address, telephone number, email address and fax number) or any change or addition of material information (including but not limited to directors, partners, beneficial owners, shareholders, controllers, legal status and constitutional documents)
- 36.7 Where the Client or any other person in connection with the Client and/or this Agreement fails to provide promptly information or documents reasonably requested by the Company, the Company may be unable to provide new, or continue to provide all or part of the services to the Client and the Company reserves the right to terminate the business relationship with the Client; and block or close the Client's accounts at its sole discretion to enable the Company to comply with applicable Laws and relevant internal policies and procedures.
- 36.8 The Company and its affiliates are required to act in accordance with applicable Laws and request of Government Authorities operating in various jurisdictions. These relate, amongst others, to the prevention of money laundering, terrorist financing and the provision of financial or other services to any persons or entities which may be subject to Sanctions. The Client agrees that the Company may take any action, in its sole and absolute discretion it considers appropriate including but not limited to disclosing any information concerning the Client, persons connected with the Client and/or this Agreement to any law enforcement entity, regulatory agency or court (in any jurisdiction) where required by such requests or any Law.
- 36.9 Such action may include, but is not limited to, the interception and investigation of any payment messages and other information or communications sent to or by the Client or on the Client's behalf and making further inquiries as to whether a name which might refer to a person or entity subject to Sanctions and whether that name actually refers to that person or entity.
- 36.10 The Client agrees that the Company may take a sufficient time to consider, investigate, verify or to intercept a transaction, if the Client or any other person in connection with the Client and/or this Agreement becomes a person subject to Sanctions, or upon the occurrence of a match on the Company's Sanction or other AML/CTF-related filters. In certain circumstances, those aforesaid actions taken by the Company may prevent or cause a delay in the process of certain information, instructions and/or transactions.
- 36.11 The Company and no Group Company will be liable for any Loss (whether direct or consequential and including, without limitation, loss of profit or interest) or damage suffered by any party arising in connection with this Clause 36. In addition, the Client acknowledges that neither the Company nor any Group Company is required to provide reasons for any decisions it makes, including (without limitation) actions taken or not taken, or unless expressly required by applicable Law.
- 36.12 The Client agrees to exercise its/his/her rights and perform its/his/her obligations under this Agreement in accordance with all applicable AML/CTF and other Laws.
- 36.13 The Client declares that it/he/she is acting on its/his/her own behalf and not in a trustee or agency capacity, unless otherwise disclosed to the Company with details of the ultimate beneficiary for whom the Client is trading, and agrees to provide evidence of due authority and specimen signatures for each Authorised Person.

37 TERMINATION

- 37.1 Without prejudice to Clauses 22, 29.2, 30 and 36.5, this Agreement shall continue in effect until terminated by either party giving not less than seven (7) Bank Business Days prior written notice to the other.
- 37.2 Service of notice of termination by the Client pursuant to Clause 37.1 shall not affect any transaction entered into by the Company pursuant to this Agreement before the notice has been actually received by the Company.
- 37.3 Termination of this Agreement shall not affect any outstanding orders or any legal rights or obligations which may already have arisen.
- 37.4 Notwithstanding Clause 37.1, the Client shall have no right to terminate this Agreement if the Client has open positions or outstanding liabilities or obligations
- 37.5 Clauses 29.2, 31, 32, 43 and 44 shall survive the termination of this Agreement.

38 COMPLIANCE WITH LAW

- 38.1 Nothing in this Agreement requires the Company to do or not do anything if it would or might in the Company's reasonable opinion constitute a breach of the Company's policy or any applicable Law, including any Foreign Law Requirement or requirement of any Government Authority.

39 SEVERABILITY

- 39.1 To the extent permitted by Law, the Client waives all rights conferred by Law which are inconsistent with this Agreement.
- 39.2 If and to the extent that an applicable Law is inconsistent with this Agreement in a way that would otherwise have the effect of making:

- (a) a provision of this Agreement illegal, void or unenforceable; or
- (b) a provision of this Agreement contravene a requirement of that Law or impose an obligation or liability which is prohibited by that Law.

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

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

40 ASSIGNABILITY

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

41 THIRD PARTY RIGHTS

- 41.1 Subject to Clause 40, a person who is not a party to this Agreement has no right under the Third Parties Ordinance to enforce or to enjoy the benefit of any term of this Agreement.
- 41.2 This Agreement does not create or confer any rights or benefits enforceable by any person not a party to it except:
 - (a) a Group Company may enforce any rights or benefits in this Agreement;
 - (b) a Group Company may enforce the rights or benefits of any indemnity, limitation or exclusion of liability in this Agreement; and
 - (c) a person who is a permitted successor or assignee of the rights or benefits of this Agreement may enforce those rights or benefits.
- 41.3 No consent from the persons referred to in this clause is required for the parties to vary or rescind this Agreement (whether or not in a way that varies or extinguishes rights or benefits in favour of those third parties).
- 41.4 Any Receiver or delegate may, subject to this Clause 41 and the terms of the Third Parties Ordinance, rely on any clause of this Agreement which expressly confers rights on it/him/her.

42 POWER OF ATTORNEY

- 42.1 The Client, by way of security, irrevocably and severally appoints the Company, each Receiver and any of its or their delegates or sub-delegates to be its/his/her attorney to take any action which the Client is obliged to take under this Agreement.
- 42.2 The Client ratifies and confirms whatever any attorney does or purports to do pursuant to its appointment under this Clause.

43 GENERAL

- 43.1 All payments made or to be made by the Client to the Company under this Agreement shall be paid without set-off or counterclaim, and free and clear of, and without any Tax Deduction. The Client shall promptly upon becoming aware that it/he/she must make a Tax Deduction (or that there is any change in the rate or the basis of a Tax Deduction) notify the Company accordingly. If a Tax Deduction is required by applicable laws, rules and/or regulations to be deducted or withheld in connection with any such payment, the Client shall increase the amount paid so that the full amount of such payment is received by the Company as if no such deduction or withholding had been made. In addition, the Client confirms that it/he/she will be responsible to pay all the Taxes and agrees to indemnify and hold the Company harmless against any Taxes which they are required to pay in respect of any amount paid by the Client under this Agreement.
- 43.2 The Client hereby authorizes the Company to conduct a credit enquiry (or a personal credit enquiry in case of an individual client) or check on the Client for the purpose of ascertaining the financial situation and investment objectives of the Client.
- 43.3 Nothing herein contained shall place the Company under any duty to disclose to the Client any fact or thing which comes to its notice in the course of acting in any capacity for any other person or in its own capacity.
- 43.4 Whenever the Company deals with the Client, it will always be on the basis that only the Client is the Company's client and is acting as principal in all respects and so if the Client acts on behalf of another person, whether or not the Client identifies it/him/her to the Company, it/he/she will not be the Company's client and the Company does not and will not have or accept in any circumstances whatsoever any responsibility towards any person on whose behalf the Client may act and the Client hereby acknowledges and agrees that the Client shall be solely responsible for settling all liabilities resulting from transactions effected pursuant to and in accordance with this Agreement in connection with or on behalf of any such person.
- 43.5 The Company may obtain confidential information relating to the Account(s), the Client (including the Client's affiliates and subsidiaries (together with the Client, the "Client Group")) and the respective directors, shareholders, employees, officers, consultants and agents of the Client Group (each a "Representative") during the ordinary course of the Client's relationship with the Company. The Client hereby expressly agrees that:

- (i) the Company may disclose any or all such information relating to the Account(s), the Client Group and/or the Representatives to any third party (including any Group Company), as it considers necessary to comply with any laws, regulations, orders, judgments, guidelines, policies, measures, arrangements, requests or other requirements issued by any legal, regulatory, governmental, tax, enforcement, administrative or statutory authority, stock exchange or clearing house, or other self-regulatory or industry bodies or associations both within and outside Hong Kong, including but not limited to, the PRC (collectively, the "Authorities" and each an "Authority"), without further consent from or notification to the Client in any case;
- (ii) any Group Company may disclose any or all such information relating to the Account(s), the Client Group and/or the Representatives to any third parties, including but not limited to, an Authority, as may be required for such Group Company to comply with any laws, regulations, orders, judgments, guidelines, policies, measures, arrangements, requests or other requirements issued by such Authority, without further consent from or notification to the Client; and
- (iii) the Company may disclose any or all such information relating to the Account(s), the Client Group and/or the Representatives to any Group Company as it considers necessary, without further consent from or notification to the Client.

- 43.6 Time shall in all respects be of essence in the performance of all the Client's obligations under this Agreement.
- 43.7 A failure or delay in exercising any right, power or privilege in respect of this Agreement will not be presumed to operate as a waiver, and a single or partial exercise of any right, power or privilege will not be presumed to preclude any subsequent or future exercise of that right, power or privilege.
- 43.8 The Client hereby declares that it/he/she has read the English/Chinese version of this Agreement and that the contents of this Agreement have been fully explained to it/him/her by the Company in a language that the Client understands and that the Client accepts and agrees to be bound by this Agreement.
- 43.9 In the event of any difference in interpretation or meaning between the Chinese and English versions of this Agreement, the Client and the Company agree that the English version shall prevail.
- 43.10 The Company may suspend, block transfer or freeze any Account or payments under this Agreement as required under any applicable Law in Hong Kong or elsewhere, including any AML/CTF Law or Foreign Law Requirement, or if required to comply with internal policies associated with any applicable order, AML/CTF Law or sanctions of any Government Authority.

44 GOVERNING LAW

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

45 JURISDICTION

- 45.1 The courts of Hong Kong have non-exclusive jurisdiction to resolve any dispute arising out of or in connection with this Agreement (including a dispute regarding the existence, validity or termination of this Agreement).
- 45.2 The Client irrevocably waive any objection which it/he/she may have now or in future to the laying of the venue of any proceedings arising out of or in connection with this Agreement ("Proceedings") in the courts of Hong Kong and any claim that any such Proceedings have been brought in an inconvenient forum and further irrevocably agree that a judgment in any such Proceedings brought in such courts shall be conclusive and binding upon it/him/her and may be enforced in any other jurisdiction.
- 45.3 Nothing in this Clause 45 shall prevent the Company from taking or limit the rights of the Company to take Proceedings against the Client in any other courts of competent jurisdiction. To the extent allowed by law, the Company may take concurrent Proceedings in any number of jurisdictions, and the taking of Proceedings by the Company against the Client in one or more jurisdictions shall not preclude the taking of Proceedings in any other jurisdiction whether concurrently or not.

Appendix 1

Data Privacy Policy of HTISG

1. Haitong International Securities Group Limited and its subsidiaries (together, "HTISG") want to provide the best service possible to customers and relevant individuals (namely "Data Subject(s)").
2. One way that HTISG does this is by using Data Subjects' information to provide Data Subjects with convenient access to the various products and services. HTISG also recognizes that Data Subjects have important expectations regarding the use of that information.
3. Safeguarding Data Subjects' information is a matter that HTISG takes seriously. That is why HTISG has set forth this Data Privacy Policy ("Policy") to affirm long-standing commitment to personal data protection.
4. From time to time, it is necessary for HTISG to collect, process, use, store, disclose and transfer the Data Subjects' personal data ("Data") as defined in the Personal Data (Privacy) Ordinance (Cap. 486 of the laws of Hong Kong) ("PDPO"), EU General Data Protection Regulation ("GDPR") or any other applicable laws.

HTISG collects, processes, uses, stores, discloses and transfers the Data in accordance with the laws, regulations, rules and ordinances of the jurisdiction where HTISG is incorporated, the jurisdiction where the Data Subjects reside and other relevant jurisdictions that are applicable to the collection and processing of Data under this Policy (collectively "Applicable Laws").

The term "Data Subject(s)", wherever mentioned in this Policy, includes the following categories of individuals:

- applicants for or customers, authorized signatories, policy holders, beneficiaries and other users of financial, insurance, securities, commodities, investment, credit and related services and products and facilities and so forth provided by HTISG;
- sureties, guarantors and parties providing security, guarantee or any form of support for obligations owed to HTISG;
- directors, shareholders, employees, officers, consultants and agents of any corporate applicants (and such corporate applicant's affiliates and subsidiaries) and data subjects/users; and
- suppliers, contractors, service providers, agents and other contractual counterparties of HTISG.

For the avoidance of doubt, "Data Subjects" shall not include any incorporated bodies.

5. HTISG may collect the Data from Data Subjects in connection with the opening or maintenance of accounts and the establishment or maintenance of credit facilities or provision of financial, insurance, securities, commodities, investment and related products and / or services or discharging duties under applicable contract or Applicable Laws. The Data may be collected through account opening process, using electronic service(s) provided by HTISG or when submitting other forms and materials to HTISG. KYC process, provision of financial products and services, etc. Typical information HTISG collects from Data Subjects may include but not limited to Data Subjects' name, age, occupation, marital status, e-mail address, telephone number, personal identity information, electronic signature, individuals' biometric data (including but not limited to fingerprint or facial images of a Data Subject which could be used to identify such Data Subject), address and other contact information, position within an organization, details of any affiliation with a professional body, financial information, credit history, source of wealth, risk tolerance, investment experiences and objectives relating to the products or services provided by HTISG. The abovementioned Data may include the Data Subjects' sensitive personal information (including but not limited to individuals' biometric data and financial account information).

HTISG undertakes that, for the sole purpose set out under Article 8 of this Policy, HTISG collects and processes the Data Subjects' sensitive personal information in a reasonable manner and have taken measures to safeguard the Data Subjects' personal information.

6. In the event that Data is provided by customer on behalf of a Data Subject, the customer must confirm and ensure that such provision of Data is in compliance with all Applicable Laws (including but not limited to ensuring that the Data Subject gives his/her consent to the reasonable use of such Data by each entity within HTISG, if required by Applicable Laws), and, upon the request of HTISG, provide evidence of the Data Subject's authorization or consent to the provision of his/her Data for record. The customer and the Data Subject (where applicable) understand and recognize that agreeing to provide the Data to HTISG under this Policy means agreeing to provide the Data to Haitong International Securities Group Limited and each of its subsidiaries. Haitong International Securities Group Limited and each of its subsidiaries will use it in a reasonable manner in accordance with the provisions under this Policy.
7. HTISG may also collect and use the Data Subjects' information when searching public information, generating unique internal identification numbers (for internal organizational and administrative purposes), formulating statistical analysis for internal purposes, retaining customers' information relating to accessing HTISG's research websites, retaining telephone conversation records and/or electronic media communications records, or from third party risk intelligence applications.
8. Subject to Applicable Laws, HTISG may reasonably use the Data (and other information) relating to Data Subjects for the following circumstances:
 - providing customers with products and services;
 - verifying customers' identity as part of initial and ongoing KYC (know your customer) due diligence process and performing HTISG's obligations under the anti-money laundry laws and regulations;
 - conducting certification services recognized by the Electronic Transactions Ordinance (Cap. 553) such as services provided by certification authorities in the Hong Kong Special Administrative Region of the People's Republic of China ("Hong Kong") or other jurisdictions for client identity verification purpose;

- conducting credit checks;
- assisting other institutions to conduct credit checks;
- maintaining credit history of Data Subjects for present and future reference;
- ensuring Data Subjects' ongoing credit worthiness;
- designing financial services or related products for Data Subjects' use;
- marketing financial services or related products to Data Subjects, provided HTISG has received Data Subjects' consent, directly or via HTISG's customers, to do so;
- determining the amount of indebtedness owed to or by Data Subjects;
- collecting of amount outstanding from Data Subjects and those providing security for Data Subjects' obligations;
- complying with any laws, regulations, orders, judgments, guidelines, policies, measures, arrangements, requests or other requirements issued by any legal, regulatory, governmental, tax, enforcement, administrative or statutory authority, stock exchange or clearing house or other self-regulatory or industry bodies or associations in different jurisdictions that are applicable to HTISG or any of its holding or affiliated companies;
- complying with any obligations, requirements, policies, procedures, measures or arrangements for sharing data and information within HTISG or among HTISG and its holding or affiliated companies for lawful purpose, and/or any other use of Data and information in accordance with any HTISG group-wide programmes for compliance with sanctions or prevention or detection of money laundering, terrorist financing or other unlawful activities; and
- any purposes relating to any of the foregoing.

In certain circumstances, even without obtaining separate consent from Data Subjects, HTISG may use the Data for the above purposes. This is because:

- HTISG has legal and/or regulatory obligations that HTISG has to discharge;
 - HTISG may need to establish, exercise or defend legal rights or for the purpose of legal proceedings; or
 - subject to Applicable Laws, the use of the Data as described above is necessary for HTISG's and its holding or affiliated companies' legitimate business interests.
9. Data (and other information) held by HTISG relating to Data Subjects will be kept confidential, but HTISG may disclose such Data to third parties in order to enable HTISG to provide its services and products as well as related information to Data Subjects. Without such Data, HTISG may not be able to provide such services, products and information to Data Subjects. In order to provide relevant services, products and information to Data Subjects, HTISG may disclose Data held by it to the following designated recipients:
 - any officer, employee, agent, contractor or third party who provides administrative, professional, credit information, debt collection, telecommunications, computer, payment, archiving or other services to HTISG in connection with the operation of their business;
 - any financial institution with which the Data Subjects has or proposes to have dealings;
 - any holding or affiliated company of HTISG located in different jurisdictions;
 - any legal, courts, regulatory, governmental, tax, enforcement, administrative or statutory authority, stock exchange or clearing house or other self-regulatory or industry body or association in different jurisdictions;
 - any certification authorities in different jurisdictions;
 - any relevant authorities in different jurisdictions in order to satisfy any applicable laws, regulation, rule or guideline existing currently and in the future concerning automatic exchange of financial account information or the Foreign Account Tax Compliance Act (FATCA) of the United States ("US");
 - any credit reference agency, and, in the event of default, debt collection agency;
 - any actual or proposed assignee of the relevant HTISG entity, any participant or sub-participant of the relevant HTISG entity's rights in respect of the customers, to evaluate the transaction that is the subject of the assignment, participation or sub-participation;
 - any other person under a duty of confidentiality to HTISG, including any holding or affiliated company of HTISG which has undertaken to keep such information confidential.

The recipients of the Data regarding Data Subjects may be located outside Hong Kong.

Data Subjects may contact HTISG at the contact information set out in Article 19 of this Policy to request (a) the contact information of the third-party recipient/recipient within HTISG; (b) if applicable, details on cross-border transfer of the Data; and (c) further details on how relevant recipients collect and process the Data.

HTISG only shares Data (and other information) regarding Data Subjects to the abovementioned parties when in compliance with strict internal security standards, confidentiality policies and Applicable Laws.

The parties located outside Hong Kong may not have in place data protection laws which are substantially similar to, or serve the same purpose as, the PDPO. This means that Data disclosed to such parties may not be protected to the same or similar level as in Hong Kong.

10. Although it might not be directly related to provision of relevant services, products and information to Data Subjects, HTISG may also share the Data with third parties (whether a holding or affiliated company of HTISG or not) in the following circumstances:
 - if HTISG sells any business or assets, in which case HTISG may disclose the Data to the prospective buyer for due diligence purposes;
 - if HTISG is acquired by a third party, in which case the Data held by HTISG will be disclosed to the third party buyer;
 - HTISG may disclose to third party agents or contractors (for example, the electronic data storage service providers) for the purposes of providing services to us. These third parties will be subject to confidentiality requirements and they will only use the Data in compliant with this Policy; and
 - to the extent required by Applicable Laws, for example if HTISG is under a duty to disclose the Data in order to comply with any legal obligation, establish, exercise or defend legal rights.

11. When providing Data of the Data Subjects to the designated recipients as described above, HTISG will comply with relevant requirements under Applicable Laws with respect to sharing personal data (including on a cross-border basis) and takes necessary measures to ensure that the processing of personal data carried out by relevant recipients meets the standards of personal data protection stipulated by Applicable Laws. Data Subjects may contact HTISG at the contact information set out in Article 19 of this Policy to request the contact information of the third party, and then contact such third party to exercise relevant rights provided under Applicable Laws.

When providing Data to the public authorities (listed out in the designated recipients) at their lawful request, HTISG will ensure that the disclosure and transfer of Data related to Data Subjects will be kept at a minimal and necessary level. To the extent permitted by Applicable Laws, HTISG will notify the Data Subjects of such lawful requests from relevant public authorities.

12. HTISG has established high standards for protecting Data regarding Data Subjects from unauthorized alteration or destruction. HTISG holds employees fully accountable for adhering to those standards, policies and laws. The Data should only be accessible to authorized staff on a "need-to-know" basis using secure means.
13. In the event of any default in payment by the Data Subjects, unless the amount in default is fully repaid or written off (otherwise than due to a bankruptcy order) before the expiry of 60 days as measured by HTISG from the date such default occurred, the Data Subject agrees that his/her account repayment data may be retained by the credit reference agency until the expiry of five years from the date of final settlement of the amount in default. In the event of any amount being written off due to a bankruptcy order being made against the Data Subject, the Data Subject agrees that his/her account repayment data may be retained by the credit reference agency, regardless of whether the account repayment data reveal any material default, until the expiry of five years from the date of final settlement of the amount in default or the expiry of five years from the date of discharge from a bankruptcy as notified by the Data Subject with evidence to the credit reference agency, whichever is earlier. The Data Subject's account repayment data include amount last due, amount of payment made during the last reporting period, remaining available credit or outstanding balance and default data (being amount past due and number of days past due, date of settlement of amount past due, and date of final settlement of amount in material default (if any)). Material default is a default in payment for a period in excess of 60 days.
14. Any Data Subject who is subject to the rules under General Data Protection Regulation ("GDPR") of the European Union ("EU") shall be aware of and agree to the transfers of the Data outside the European Economic Area ("EEA") as follows:
- The Data that HTISG collects from a Data Subject may be transferred to, and stored at, a destination outside the EEA, including but not limited to being transferred to affiliates which are located outside the EEA.
 - Data may also be processed by individuals operating outside of the EEA who work for affiliates or for suppliers of HTISG.
 - Where HTISG transfers the Data outside the EEA, HTISG will ensure that it is protected in a manner that is consistent with how the Data will be protected by HTISG in the EEA. This can be done in a number of ways, for instance:
 - a. the country that HTISG sends the Data to might be approved by the European Commission as offering a sufficient level of protection;
 - b. the recipient might have signed up to a contract based on "model contractual clauses" approved by the European Commission, obliging them to protect the Data; or
 - c. where the recipient is located in the US, it might be a certified member of the EU-US Privacy Shield scheme.
 - In other circumstances the law may permit HTISG to otherwise transfer the Data outside the EEA. In all cases, however, HTISG will ensure that any transfer of the Data is compliant with Applicable Laws.

Data Subjects can obtain more details about the protection given to the Data when it is transferred outside the EEA (including a copy of the standard data protection clauses which HTISG has entered into with recipients of the Data) by contacting HTISG in writing or calling Customer Service Department as set out in Article 19 of this Policy.

15. Use of Data in Direct Marketing

In addition to the purposes set out above, HTISG may use the Data in direct marketing provided that HTISG has obtained the Data Subject's explicit consent not bundled up as a condition of service (which includes an indication of no objection) before HTISG can use the Data for this purpose. In this connection, please note that:

- Data Subject's name, contact details, products and services portfolio information, transaction pattern and behaviour, financial background and demographic data held by HTISG from time to time ("Marketing Personal Data") may be used by HTISG in direct marketing;
- The following classes of services, products and subjects may be marketed:
 - a. financial, insurance, securities, commodities, investment and related services and products and affiliates;
 - b. reward, loyalty or privileges programmes in relation to the class of marketing subjects as referred to above;
 - c. services and products offered by HTISG's co-branding partners (the names of such co-branding partners can be found in the application form(s) for the relevant services and products, as the case may be) in relation to the class of marketing subjects as referred to above; and
 - d. donations and contributions for charitable and/or non-profit making purposes.
- The above services, products and subjects may be provided or (in the case of donations and contributions) solicited by HTISG and/or:
 - a. any member of HTISG;
 - b. third party financial institutions, insurers, securities, commodities and investment services providers;
 - c. third party reward, loyalty, co-branding or privileges programme providers;
 - d. co-branding partners of HTISG (the names of such co-branding partners can be found in the application form(s) for the relevant services and products, as the case may be); and
 - e. charitable or non-profit making organisations;

In addition to marketing the above services, products and subjects itself, HTISG may also provide the Marketing Personal Data described above, whether such provision is for gain or not, to third parties described above for use by them in marketing those services, products and subjects described above (in cases where HTISG is remunerated for such provision of data, the Data Subject must be explicitly informed in writing that the data is to be so provided), and HTISG requires the Data Subject's written consent (which includes an indication of no objection) for that purpose;

If the Data Subject gives his/her consent but subsequently changes his/her mind and no longer wishes HTISG to use or provide to other persons the Marketing Personal Data for use in direct marketing as described above, the Data Subject may exercise his/her opt-out right by notifying HTISG in writing or call Customer Service Department (the mailing addressing and contact number are set out in Article 19 of this Policy).

Please note however that if the direct marketing is addressed to the Data Subject in his/her capacity as a representative of a company or business meant for the exclusive use of the company or business and is not sent to the Data Subject in his/her individual or personal capacity, then this Article does not apply.

16. Any customers who accept HTISG's services in relation to Northbound Trading of China Connect Securities shall be aware of and agree to the following provisions¹:

- HTISG may need to use the Data for the following purposes: (a) tag each of the customers' orders submitted to the CSC (as defined in the Rules of SEHK) with a Broker-to-Client Assigned Number ("BCAN") that is unique to each customer or the BCAN that is assigned to a joint account, as appropriate;
- and (b) provide to appropriate regulatory authorities, including but not limited to the Hong Kong Exchanges and Clearing ("HKEX"), the Hong Kong Stock Exchange Limited ("SEHK") and any of their subsidiaries from time to time (the "SEHK Subsidiaries"), the customers' assigned BCAN and such identification information relating to the customers ("Client Identification Data" or "CID") as HKEX, SEHK or any SEHK Subsidiaries may from time to time request under any applicable laws or regulatory rules and requirements.
- Without limitation to any notifications HTISG has given to customers or consent which HTISG has obtained from customers, HTISG may collect, store, use, disclose and transfer personal data relating to customers as follows (defined terms shall have the meaning under the Rules of SEHK, unless otherwise indicated):
 - a. to disclose and transfer customers' BCAN and CID to HKEX, SEHK or any SEHK Subsidiaries from time to time, including by indicating customers' BCAN when inputting a China Connect order into the CSC, which will be further routed to the relevant China Connect Market Operator on a real-time basis;
 - b. to allow each of HKEX, SEHK or the SEHK Subsidiaries to: (i) collect, use and store customers' BCAN, CID and any consolidated, validated and mapped BCANs and CID information provided by the relevant China Connect Clearing House (in the case of storage, by any of them or via HKEX) for market surveillance and monitoring purposes and enforcement of the Rules of SEHK; (ii) transfer such information to the relevant China Connect Market Operator (directly or through the relevant China Connect Clearing House) from time to time for the purposes set out in Clause c and d below; and (iii) disclose such information to the relevant regulators and law enforcement agencies in Hong Kong so as to facilitate the performance of their statutory functions with respect to the Hong Kong financial markets;
 - c. to allow the relevant China Connect Clearing House to: (i) collect, use and store customers' BCAN and CID to facilitate the consolidation and validation of BCANs and CID and the mapping of BCANs and CID with its investor identification database, and provide such consolidated, validated and mapped BCANs and CID information to the relevant China Connect Market Operator, HKEX, SEHK and any SEHK Subsidiary; (ii) use customers' BCAN and CID for the performance of its regulatory functions of securities account management; and (iii) disclose such information to the People's Republic of China regulatory authorities and law enforcement agencies having jurisdiction so as to facilitate the performance of their regulatory, surveillance and enforcement functions with respect to the People's Republic of China financial markets;
 - d. to allow the relevant China Connect Market Operator to: (i) collect, use and store customers' BCAN and CID to facilitate their surveillance and monitoring of securities trading on the relevant China Connect Market through the use of the China Connect Service and enforcement of the rules of the relevant China Connect Market Operator; and (ii) disclose such information to the People's Republic of China regulatory authorities and law enforcement agencies so as to facilitate the performance of their regulatory, surveillance and enforcement functions with respect to the People's Republic of China financial markets.
- By instructing HTISG in respect of any transaction relating to China Connect Securities (as defined in the Rules of SEHK), customers acknowledge and agree that HTISG may use their personal data for the purposes of complying with the requirements of HKEX, SEHK or any SEHK Subsidiaries and their rules as in force from time to time in connection with Stock Connect Northbound Trading. Customers also acknowledge that despite any subsequent purported withdrawal of consent by customers, customers' personal data (which was provided before such withdrawal) may continue to be stored, used, disclosed, transferred and otherwise processed for the above purposes, whether before or after such purported withdrawal of consent.
- Please also note that HTISG will not, or no longer be able to, as the case may be, carry out customers' trading instructions or provide customers with Stock Connect Northbound Trading service if customers fail to provide HTISG with their personal data or consent as described above.

17. The Data Subject acknowledges and agrees that HTISG may collect, store, process, use, disclose and transfer personal data relating to the Data Subject (including the Data Subject's CID and BCAN(s)) as required for HTISG to provide services to the Data Subject in relation to securities listed or traded on SEHK and for complying with the rules and requirements of SEHK and the Securities and Futures Commission ("SFC") in effect from time to time. Without limiting the foregoing, this includes:

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

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

Failure to provide HTISG with the Data Subject's personal data or withholding or withdrawing consent as described above may mean that HTISG will not, or will no longer be able to, as the case may be, carry out the Data Subject's trading instructions or provide the Data Subject with securities related services (other than to sell, transfer out or withdraw the Data Subject's existing holdings of securities, if any).

For the purposes of this Policy, "**BCAN**" shall mean a "Broker-to-Client Assigned Number", being a unique identification code in the format prescribed by SEHK, generated by a relevant licensed or registered person in accordance with SEHK's requirements and "**CID**" shall mean the following information in relation to a Data Subject to whom a BCAN is assigned: (i) the full name of the Data Subject as shown in the Data Subject's identity document; (ii) the issuing country or jurisdiction of the identity document; (iii) the identity document type; and (iv) the identity document number.

18. HTISG may, in accordance with Applicable Laws:
- match, compare or exchange any Data or other information provided by, or in respect of, a Data Subject with Data (or other information) held by HTISG or any other person for the purpose of:
 - a. credit checking;
 - b. Data (and other information) verification;
 - c. otherwise producing evidence or verifying Data (and other information) which may be used for the purpose of taking adverse action against the Data Subject or any other person at any time;
 - cross-border transfer such Data (and other information).
19. Data Subjects have a number of legal rights in relation to the Data that HTISG holds regarding Data Subjects. These rights include:
- the right to obtain information regarding the processing of the Data and access to the Data which HTISG holds about the Data Subject;
 - the right to withdraw the consent to processing of the Data at any time. Please note, however, that HTISG may still be entitled to process the Data if HTISG has another legitimate reason (other than consent) for doing so.
 - in some circumstances, the right to receive some Data in a structured, commonly used and machine-readable format and/or request that HTISG transmits those data to a third party where this is technically feasible. Please note that this right only applies to the Data which the Data Subject have provided to us;
 - the right to request that HTISG rectifies the Data if it is inaccurate or incomplete;
 - the right to request that HTISG deletes the Data in certain circumstances. Please note that there may be circumstances where the Data Subject asks HTISG to delete the Data but HTISG is legally entitled to retain it;
 - the right to object to, and the right to request that HTISG, restricts HTISG's processing of the Data in certain circumstances. Again, there may be circumstances where the Data Subject objects to, or asks HTISG to restrict, HTISG's processing of the Data but HTISG is legally entitled to continue processing the Data and / or to refuse that request;
 - the right to lodge a complaint with the data protection regulator if the Data Subject thinks that any of his/her data privacy rights have been infringed by HTISG;
 - in relation to consumers' credit record, to be informed on request which items of Data are routinely disclosed to credit reference agencies or debt collection agencies, and be provided with further information to enable the marking of an access and correction request to the relevant credit reference agency or debt collection agency; and
 - upon satisfactory termination of the credit by full repayment and on condition that there has been, within five years immediately before such termination, no material default under the credit as determined by HTISG, to instruct HTISG to make a request to the relevant credit reference agency to delete from its database any account data relating to the terminated credit.

Data Subjects acknowledge and understand that, any such request must be raised in accordance with Applicable Laws. For unreasonable requests which may bring risk to others' legitimate rights or are not operationally/technically feasible, HTISG reserves the right to decline the Data Subjects' requests in accordance with Applicable Laws.

Data Subjects acknowledge and understand that, in certain circumstances and to the extent permitted by Applicable Laws, HTISG may process the Data regarding the Data Subjects without the Data Subjects' consent.

Request for access and/or correct any Data that the Data Subject has submitted and request for changing personal contact information shall be sent to the following address:

Haitong International Securities Group Limited
15/F, One Island South,
2 Heung Yip Road, Wong Chuk Hang, Hong Kong
Customer Service Department
or phone to: +852 3583 3388

20. In accordance with the terms of the Personal Data (Privacy) Ordinance, HTISG has the right to charge a reasonable fee for the processing of any Data access request.
21. If (a) (i) the scope of, or (ii) the purpose of processing, the sensitive personal data referred to in Article 5 of this Policy and/or (b) the designated recipients referred to in Article 9 of this Policy changes, HTISG will inform the Data Subjects separately and obtain the consent from the Data Subjects in accordance with Applicable Laws.
22. Retention of the personal data
- HTISG will keep the Data Subjects' personal Data for as long as HTISG reasonably needs it for the purposes in Article 8 of this Policy or on a longer term basis in accordance with Applicable Laws and policies and procedures of HTISG, or until receipt of the customer's request to delete such personal Data, subject to limitations on technical feasibility.
23. At HTISG, unless otherwise provided by Applicable Laws, information regarding the Data Subjects is used solely in the legitimate conduct of business, to deliver superior service and to design products and special offers that demonstrate HTISG's understanding of the Data Subjects and their needs.
24. As HTISG moves forward in developing new products and services in an era of vast technological change, HTISG will continue to maintain dedication to assuring that Data Subjects' information is properly used and appropriately safeguarded.
25. HTISG updates this Policy from time to time and ask that customer regularly check HTISG's website to make sure customer is familiar with the most recent version.

If there is any discrepancy between the English and Chinese versions, the English version shall apply and prevail.

¹ Article 16 of the Data Privacy Policy of Haitong International Securities Group Limited is not applicable as Haitong International Asset Management (HK) Limited and Haitong International Investment Managers Limited does not provide services in relation to Northbound Trading of China Connect Securities.

APPENDIX 2

FATCA and Common Reporting Standard Policies of Haitong International Securities Group Limited and its subsidiaries (together "HTISG")

Under Foreign Account Tax Compliance Act ("FATCA"), financial institutions in Hong Kong are required to report certain information of their clients to tax and/or other governmental authorities and withhold on clients' U.S. source Fixed, Determinable, Annual, or Periodical income in certain circumstances.

Hong Kong has also agreed to implement the Common Reporting Standard under which financial institutions must report information about their clients to the Hong Kong Government Authority, which may be shared with offshore Government Authorities.

For compliance of the regulatory requirement in relation to FATCA, the Common Reporting Standard and other related regulations, HTISG implemented the terms and conditions of this Appendix to govern the relevant rights and obligations between the clients and HTISG.

1. Privacy Waiver

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

2. Further Assurance for Provision of Information

- 2.1 The Client undertakes that it/he/she will promptly provide HTISG such information, including without limitation to the personal/institutional information in the Client Information Statement and the relevant account opening forms designated by HTISG from time to time and the relevant tax forms completed by the Client, for the purpose of compliance of the requirements under FATCA, the Common Reporting Standard and other related laws, regulations, codes and rules.
- 2.2 The Client shall ensure that the information provided to HTISG under section 2.1 shall always be true, complete and accurate without misleading in all material aspects.
- 2.3 The Client further undertakes that it/he/she will promptly (in any event, within 30 days) notify HTISG whenever any information provided to HTISG under section 2.1 is changed or becomes untrue, incomplete, inaccurate or misleading and provide HTISG the necessary updated information.
- 2.4 Upon HTISG's request, the Client shall promptly (in any event, within 30 days) provide HTISG such additional or substitute certificates and forms and other documentary evidences, including without limitation to the substitute tax forms of expired tax forms (if any), the Client's written nationality statement, certificate of loss of U.S. nationality and privacy waivers.
- 2.5 The Client acknowledges and agrees that failing to provide HTISG information as required under this Section 2 will entitle HTISG to change the FATCA or the Common Reporting Standard status of the Client's account, suspend the trading activities under the Client's account, withhold the assets in the Client's account, close the Client's account, or sell the assets in the account to produce withholdable payments at HTISG's sole and absolute discretion.
- 2.6 HTISG will keep and use the Client's personal data in compliance with the Personal Data (Privacy) Ordinance and other applicable data privacy policy.

3. Withholding Authorisation

- 3.1 The Client hereby authorises HTISG to withhold any part of or all assets in the Client's account (in cash or other forms) or sell the assets in the account to produce withholdable payments if, at HTISG's sole and absolute discretion:
 - (a) The Client do not provide HTISG with the information or documents requested in a timely manner or if any information or documents provided are not up-to-date, accurate or complete such that HTISG are unable to ensure its ongoing compliance or adherence with the requirements under FATCA;
 - (b) the FATCA status of the Client is identified as recalcitrant or non-participating foreign financial institutions;
 - (c) there is no reliable evidence to treat the Client as exempted from withholding requirement under FATCA or other relevant regulations;
 - (d) the withholding is required by competent regulatory or Government Authorities in the relevant jurisdiction; or
 - (e) the withholding is otherwise necessary or appropriate for the compliance of the requirements under FATCA and other related laws, regulations, codes and rules.

4. Indemnification

- 4.1 The Client hereby agree to hold HTISG and its directors, officers, employees and agents (the "Indemnified Persons") indemnified against all losses, liabilities, costs, claims, actions, demands or expenses (including but not limited to, all reasonable costs, charges and expenses incurred in disputing or defending any of the foregoing) which the Indemnified Persons may incur or which may be made against the Indemnified Persons arising out of, or in relation to or in connection with:
 - (a) any breach or alleged breach of the terms and conditions hereunder, whether by act or omission, of the Client; and
 - (b) any non-compliance of FATCA, the Common Reporting Standard or any other applicable laws, regulations, codes, and orders in relation to the Client and/or the Client's account,except where such loss or damages arise from wilful default, fraud or negligence of the Indemnified Persons.
- 4.2 The Client undertakes to assist HTISG in any proceeding or investigation arising in any matter out of or in connection with the compliance with the requirements under FATCA, the Common Reporting Standard and other applicable laws, regulations, codes, and orders. In such case, HTISG will notify the Client when HTISG become aware of such proceedings, unless prohibited by applicable laws and regulations.
- 4.3 If any payment to be made by the Client to the Indemnified Persons under the clauses hereunder is subject to deduction or withholding tax, the sum payable by the Client in respect of which such deduction or withholding is required to be made shall be increased to the extent necessary to ensure that, after the making of the required deduction or withholding, the Indemnified Persons receive on the due date and retain (free from any liability in respect of such deduction, withholding or payment) a net sum equal to what the Indemnified Persons would have received if no such deduction, withholding or payment been made or required to be made.
- 4.4 The Client shall continue to be bound by the provisions of this Clause despite the Client ceasing to be an Accountholder or the termination of any account.

5. Incorporation with the Terms and Conditions

- 5.1 This Appendix shall be deemed to be incorporated as a part of the Terms and Conditions in relation to the Client's Account and subject to amendments made by HTISG from time to time at HTISG's sole and absolute discretion. In case of conflict or inconsistency between the Terms and Conditions and this Appendix, the terms of this Appendix shall prevail.
- 5.2 Unless otherwise defined, capitalized terms in this Appendix shall have the same meaning as defined under the Terms and Conditions in relation to the Client's Account.

6. Language

- 6.1 This Appendix is prepared in both English and Chinese. If there is any conflict or inconsistency, the English version shall prevail.

APPENDIX 3

Stock Connect Supplement to Margin Account Terms & Conditions

1. Definition and interpretation

1.1 Unless otherwise defined below, terms defined in the Standard Terms of Business (for cash securities and options trading accounts of Institutional Professional Investors (15.2)) ("Haitong Cash Account Terms") shall have the same meaning in this Supplement.

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

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

A shares means the shares of Mainland China-incorporated companies which are accepted for listing and admitted to trading on the stock exchanges of Mainland China from time to time;

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

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

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

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

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

ChinaClear means China Securities Depository and Clearing Corporation Limited.

China Connect Market means SSE or SZSE as applicable.

China Connect Market Operator means SSE or SZSE as applicable.

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

ChiNext Shares means A shares accepted for listing and admitted to trading on the SZSE ChiNext from time to time;

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

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

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

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

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

CSRC means the China Securities Regulatory Commission of Mainland China.

HKEx means the Hong Kong Exchanges and Clearing Limited.

HKSCC means the Hong Kong Securities Clearing Company Limited.

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

Institutional Professional Investor means a "professional investor" within the meaning of paragraph (a), (b), (c), (d), (e), (f), (g), (h) or (i) of the definition of "professional investor" in section 1 of Part 1 of Schedule 1 to Securities and Futures Ordinance (Cap 571).

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

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

Mainland China means, for the purposes of this Supplement, the People's Republic of China other than Hong Kong, Macau and Taiwan.

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

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

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

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

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

RMB means Renminbi, the lawful currency of the People's Republic of China.

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

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

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

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

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

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

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

SSE means the Shanghai Stock Exchange.

SSE China Connect Rules means the SSE Regulations on the Shanghai-Hong Kong Stock Connect which have been published by SSE for the purposes of implementing Shanghai-Hong Kong Stock Connect, as amended, supplemented, modified and/or varied from time to time.

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

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

SZSE means the Shenzhen Stock Exchange.

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

SZSE Listing Rules means the Rules Governing the Listing of Stocks on Shanghai Stock Exchange, 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.

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

Stock Borrowing and Lending Arrangement has the meaning as set out in the Stock Connect Rules.

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

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

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

Supplement means this Stock Connect Supplement to the Haitong Cash Account Terms.

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

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

Uptick Long Sale means:

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

2. Application

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

3. Eligible investors

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

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

4. Compliance with Applicable Requirements

- 4.1 Trading in any China Connect Securities is subject to the Applicable Requirements.
- 4.2 The Company is not obliged to act until it has received all necessary Instructions, funds, property and documents, but the Company may do so. If the Company does so, it has the right to apply any procedures or requirements in respect of any trading of China Connect Securities through Stock Connect which it determines in its discretion to be necessary or desirable for the purpose of complying with any Applicable Requirements, its policies and/or market practice. The Company's rights will not be affected if the Company does not do so or as a consequence of anything done or omitted to be done by it acting in good faith.
- 4.3 The Company may, in its discretion, refuse to execute any Instruction provided by the Client, if such Instruction is not, or the Company reasonably believes it may not be, in compliance with any Applicable Requirements or its policies. The Company is not liable for any Loss incurred by the Client which may result directly or indirectly from such refusal.

5. Placing orders

- 5.1 The Company only accepts orders for Northbound Trading that comply with the Applicable Requirements. The Company is not liable for any Loss that the Client may suffer as a result of any attempt by the Client to place an order for Northbound Trading that does not comply with any Applicable Requirements.
- 5.2 The Company will not accept any Short Selling orders or Uptick Long Sale orders in respect of China Connect Securities. The Client represents and undertakes on a continuing basis on each date that any order that the Client places with the Company in relation to China Connect Securities is not, and will not be, a Short Selling order or an Uptick Long Sale order which is subject to the Stock Connect Rules in relation to Short Selling.
- 5.3 The Company will not accept any Northbound buy order for ChiNext Shares or STAR Shares unless it determines in its absolute discretion that the Client is an Institutional Professional Investor.

6. Enhanced Pre-Trade Checking

- 6.1 To the extent that the Client instructs the Company to execute an SPSA Order on behalf of the Client, the provisions set out in this Clause 6 apply.
- 6.2 Prior to instructing the Company to execute any SPSA Order, the Client will provide to the Company all information or document in the manner as may be required by the Company from time to time in order for the Company to place an SPSA Order on behalf of the Client.
- 6.3 The Client authorises, and the Client has appropriate arrangements in place to authorise, the reproduction, replication and transmission of the stock holding records of the Special Segregated Account at any time for the purpose of enabling SEHK and its subsidiaries to carry out their pre-trade checking procedures.
- 6.4 In the event that:
 - (a) the Client instructs the Company to execute an SPSA Order on behalf of the Client and an investor identification number other than the Client's investor identification number is used to execute such order, the Client acknowledges and confirms that the Company may settle such SPSA Order using China Connect Securities from the Special Segregated Account pursuant to the Client's original Instructions; or
 - (b) the Client's investor identification number is used by the Company to execute an SPSA order on behalf of another client of the Company, the Client acknowledges and confirms that the Company may settle such SPSA order using China Connect Securities from the Special Segregated Account of such client pursuant to that client's original Instructions.
- 6.5 The Client represents and undertakes on a continuing basis, including at each time that the Client places an SPSA Order, or otherwise give an Instruction, in respect of the China Connect Securities held in a Special Segregated Account, that in respect of any SPSA Order which the Client instructs the Company to execute, at all relevant times:
 - (a) the Client has been designated such Special Segregated Account and CCASS has assigned the investor identification number to such Special Segregated Account that the Client has provided to the Company in respect to any such SPSA Order, in each case in accordance with the CCASS Rules and any applicable Stock Connect Rules;
 - (b) the Client unconditionally authorises the Company to execute the sale of the relevant China Connect Securities in the specified Special Segregated Account on behalf of the Client;
 - (c) (A) there are, and will be, sufficient China Connect Securities in the Special Segregated Account for the Client to settle the delivery obligations in respect of such SPSA Order on the settlement day as required under the Stock Connect Rules; and (B) the Client will ensure that the China Connect Securities that are the subject of the SPSA Order will be delivered to the Company or to the account specified by the Company no later than the cut-off time for delivery as may be specified by the Company from time to time or, if earlier, as may be specified by any relevant Stock Connect Authority, on the settlement day specified by the Company and in compliance with any other requirements for settlement which may be specified by the Company to the Client or the Client's agent for settlement from time to time;
 - (d) the total number of China Connect Securities subject to SPSA Orders, in respect of China Connect Securities in that Special Segregated Account on any relevant Trading Day will not exceed the total stock holding position in respect of the same China Connect Security as shown against the investor identification number for the relevant Special Segregated Account (A) immediately before the commencement of operation of Stock Connect on that Trading Day or (B) as at such other time as may be specified by the Company or any relevant Stock Connect Authority from time to time;
 - (e) to the extent that (i) the Client is a fund manager and (ii) the Client aggregates SPSA Orders across more than one Special Segregated Account (whether they are maintained with one or more custodian participant registered pursuant to the CCASS Rules),
 - (A) the Client has authority from all relevant parties (including the relevant funds or sub-funds) so to aggregate such SPSA Orders and allocate China Connect Securities across such Special Segregated Accounts at the Client's discretion; and
 - (B) any such actions taken or to be taken comply with all Applicable Requirements and do not involve any misappropriation of client assets;
 - (f) the relevant number of China Connect Securities recorded in the relevant Special Segregated Account will be used by the Client for stock settlement of such SPSA Order in accordance with the CCASS Rules and any other relevant Stock Connect Rules; and
 - (g) to the extent that an SPSA order is a Short Selling order, the borrowed Short Selling Securities are held in the relevant Special Segregated Account and the order is in compliance with (i) the China Connect Rules applicable to any SPSA order and (ii) the obligations set out herein. For the avoidance of doubt, the Company does not accept any Short Selling orders.
- 6.6 The Client must immediately inform the Company if any of the representations set out above in clause 6.5 are no longer correct or have become misleading or the Client has not complied, or will not comply, with any of the obligations under this Supplement or under the Stock Connect Rules in a way which may affect the ability of the Company to execute an SPSA Order in compliance with the Stock Connect Rules.

- 6.7 In the event that there is a breach of any of the terms of Clause 6 which results in a failure by the Company to deliver any China Connect Securities held in the relevant Special Segregated Account to CCASS in respect of any SPSA Order as required by the Stock Connect Rules:
- the Client acknowledges that the Company is entitled to inform HKSCC that the failure to deliver was the result of the failure to deliver from a Special Segregated Account and, as a consequence, any overdue short stock position quantities will be deducted from the sellable balances of the relevant Special Segregated Account; and
 - the Client agrees to provide any information or any other assistance as may be required by the Company to ensure that SEHK and/or HKSCC is satisfied that the overdue short stock position was a result of a failure to deliver the China Connect Securities from a Special Segregated Account.

7. Settlement, currency conversion and instructions

- 7.1 Northbound Trading is traded and settled in RMB. If the Client does not have sufficient Offshore RMB in the Account(s) for any purchase order of China Connect Securities through Northbound Trading or other payment obligation in connection with Stock Connect, the Client authorises the Company to convert any funds in another currency in any Account(s) into Offshore RMB for the purposes of settlement in connection with Stock Connect. However, if there are no such funds (or all or any part of such funds cannot be converted into sufficient Offshore RMB) before any such settlement, settlement may be delayed and/or fail and the Client may not be able to purchase or transfer the relevant China Connect Securities.
- 7.2 Notwithstanding any other provision in the Haitong Cash Account Terms, where it is necessary to convert one currency to another pursuant to, in relation to or arising from this Supplement, such currency conversion may be carried out automatically by the Company in good faith at a rate the Company reasonably considers appropriate without prior notice to the Client. The Client indemnifies the Company for any shortfall arising from any such conversion.
- 7.3 The Client waives any of his right in any jurisdiction to pay any amount other than in the currency in which it is due. If the Company receives an amount in a currency other than that in which it is due:
- the Company may convert the amount into the due currency on the date and at rates the Company reasonably considers appropriate without prior notice to the Client. The Company may deduct its Costs incurred in the conversion; and
 - the Client satisfies his obligations to pay in the due currency only to the extent of the amount of the due currency obtained from the conversion after deducting the Costs of the conversion.
- 7.4 The Client must comply with all applicable exchange control laws and requirements in connection with this Supplement and Northbound Trading.
- 7.5 The Company may in its discretion reject the Client's sell order if the Company considers that the Client does not have sufficient available China Connect Securities in the Account(s) by the applicable cut-off time (as notified to the Client by the Company from time to time) or if for any other reason the Company considers that there is or may be non-compliance with any Applicable Requirement. The Client indemnifies the Company for any Loss incurred in connection with any non-compliance or potential non-compliance with pre trade checking and/or any Applicable Requirement.
- 7.6 The Company may reject the Client's purchase order or sell order upon a request from SEHK, a China Connect Market Operator, or other Stock Connect Authorities. The Company is not liable for any Loss incurred by the Client in connection with any such request from SEHK, the China Connect Market Operator, or other Stock Connect Authorities.
- 7.7 If the Company is unable to effect an order cancellation request received from the Client due to the occurrence of a contingency (such as a breakdown or failure of all communication links between SEHK and a China Connect Market Operator), the Client shall remain liable for his settlement obligations if the relevant order has already been matched and executed.
- 7.8 The Company is not liable for any Loss incurred by the Client in connection with any trading based on the Client's Instructions. The Company is not able to unwind any trade, and the Client should also take note of the settlement arrangements in respect of China Connect Securities under Stock Connect, the pre-trade checking requirement and the restriction on day (turnaround) trading which may affect the Client's ability to mitigate the consequences of his own error trades.

8. Authority to sell

The Client authorises the Company to sell or arrange for the sale of any quantity of China Connect Securities held on the Client's behalf at such price and on such terms as the Company may determine in its absolute discretion if:

- the Company receives an instruction directly or indirectly from a China Connect Market Operator or other Stock Connect Authority requiring the Client to sell and liquidate any specified China Connect Securities;
- the Company is of the view that the Client is in breach or may be in breach of any Applicable Requirements; or
- the Company has held on the Client's behalf such China Connect Securities for a period longer than the Company's prescribed period as notified to the Client from time to time.

9. Limitation of liability and indemnity

- 9.1 Unless an Applicable Requirement prohibits the Company from excluding or limiting its liability or where the Loss is directly caused by the Company's gross negligence, fraud or willful misconduct, the Company is not liable for any Loss incurred in connection with this Supplement or any Northbound Trading (including in connection with the provision, unavailability or improper functioning of any Stock Connect related services, delay or error in the transmission of any electronic payment transfer, failure or delay in the execution of any Instruction, breakdown or failure of any communications system, delay in providing funds to the Client, or any other thing the Company does or does not do). This applies where the Loss arises for any reason and even if the Loss was reasonably foreseeable or the Company had been advised of the possibility of the Loss.
- 9.2 To the maximum extent permitted by the Applicable Requirements, the Client indemnifies the Company against, and must pay the Company on demand for, any Loss the Company reasonably incurs in connection with all proceedings and/or Taxes howsoever arising, directly or indirectly, out of or resulting from the Client's trading of China Connect Securities pursuant to Stock Connect.
- 9.3 For the avoidance of doubt, this Clause 9 is in addition to Clause 5 (Indemnity and Liability) of the Haitong Cash Account Terms and any other exclusions or limitations of the Company's liability and indemnities set out in this Supplement, the Haitong Cash Account Terms, or otherwise.

10. Miscellaneous

- 10.1 The Client agrees to execute any further documents and provide any materials and/or information as the Company may reasonably request to enable the Company to perform its duties and obligations under this Supplement which may become necessary as and when the Stock Connect Rules are updated, amended and/or replaced from time to time. The Client's failure to comply with this provision may result in a suspension of Stock Connect services to the Client.
- 10.2 Without prejudice to the Haitong Cash Account Terms, the Client acknowledges that the Company may use any such materials and/or information received from the Client for compliance with the Applicable Requirements and may retain any such materials and/or information received from the Client for such period as it deems appropriate pursuant to the Applicable Requirements.
- 10.3 The Company reserves the right to vary any of the terms of this Supplement by written notice to the Client in accordance with Clause 14 (Changes) of the Haitong Cash Account Terms.
- 10.4 Save for Clause 9 above, this Supplement automatically terminates upon the termination of the Haitong Cash Account Terms.
- 10.5 This Supplement and all transactions in relation to Stock Connect with the Client are, unless otherwise agreed, governed by the laws of Hong Kong. The Client agrees to submit to the non-exclusive jurisdiction of the Hong Kong courts.

11. Risk disclosures and acknowledgement

- 11.1 The Client acknowledges that he has read and understands the risk disclosures and other information set out in Appendix 4 and that the Client understands his obligations set out in this Supplement and Appendix 4.
- 11.2 The Client acknowledges that he understands and has assessed the risks relating to Stock Connect (including but not limited to those as set out in Appendix 4) and the Client is willing to undertake those risks.
- 11.3 The Client acknowledges that the Company is not liable for any Loss the Client may suffer as a result of the materialization of any of the risks described in Appendix 4 or other risks relating to trading under Stock Connect.
- 11.4 The Client acknowledges and accepts that under the Haitong Cash Account Terms the Company does not provide any Margin Financing, Short Selling or Stock Borrowing and Lending services in respect of the China Connect Securities and as a result, relevant clauses in the Haitong Cash Account Terms (including but not limited to clause 6.5 (g) of this Supplement) do not apply.
- 11.5 The Client acknowledges that he must comply with all Applicable Requirements applicable to his trading of China Connect Securities through Stock Connect. In particular, the Client acknowledges that among other things, the following in respect of Northbound Trading:
- no day trading is allowed (i.e. China Connect Securities purchased on a Trading Day shall not be sold on the same day);
 - unless an SPSA Order arrangement is in place, pre-trade checking is in place so that the Client must have his China Connect Securities transferred to the Company's corresponding CCASS account before trading commences on a Trading Day if he intends to sell those China Connect Securities during that Trading Day;
 - all trading must be conducted on a China Connect Market, i.e. no over-the-counter or manual trades are allowed;
 - naked short selling is not allowed;

- (e) foreign ownership limits (including the individual shareholding limit (currently at 10%) and the aggregate shareholding limit (currently at 30%) which are applicable to foreign investors and the forced-sale arrangement) are in place, and the Company shall have the right to sell the Client's shares upon receiving any forced-sale notification from HKEx. The Client shall not in any event claim against the Company for any losses or damages incurred by the Client arising from or in connection with such foreign ownership limits;
- (f) the Client should understand fully the Applicable Requirements in relation to "short swing profits" and his disclosure obligations (including, but not limited to, the shareholding disclosure requirement (currently at 5%) applicable to persons who invest in A shares under the applicable laws of Mainland China), and he should follow such rules and regulations accordingly;
- (g) the Company shall have the right to cancel the Client's orders in case of contingency, such as when a Typhoon Signal No. 8 or above is hoisted in Hong Kong. The Client shall not in any event claim against the Company for any losses or damages incurred by him arising from or in connection with such cancellation;
- (h) the Company may not be able to send in a Client's request to cancel an order in case of contingency, such as when HKEx loses all its communication lines with a China Connect Market Operator, and the Client should still be liable for the settlement obligations if the orders are matched and executed;
- (i) the Client must comply with the Operator Rules and other applicable laws of Mainland China relating to Northbound Trading;
- (j) the Company is entitled to provide information regarding the Client's identity or such other information (including your personal data and trading activities) to SEHK or its subsidiary which may disclose, transfer and provide such information to a Stock Connect Authority for the purposes of assisting in any surveillance and investigation by a Stock Connect Authority;
- (k) if the Operator Rules are breached, or the disclosure and other obligations referred to in the Operator Listing Rules or Operator Rules are breached, the relevant China Connect Market Operator may have the power to carry out an investigation, and the relevant China Connect Market Operator may, through HKEx or its subsidiaries, require the Company to provide relevant information and materials and to assist in its investigation. The Client shall authorise and fully cooperate with the Company to provide such information and materials;
- (l) HKEx or its subsidiary may upon a China Connect Market Operator's request, require the Company to reject orders from the Client and the Client shall not in any event claim against the Company for any losses or damages incurred by the Client arising from or in connection with such rejection;
- (m) the Client needs to accept all the risks relating to Northbound Trading, including, but not limited to, the risks disclosed in Appendix 4 of this Supplement;
- (n) a China Connect Market Operator may request HKEx or its subsidiaries to require the Company to issue warning statements (verbally or in writing) to the Client, and not to extend Northbound Trading services to the Client. The Client shall not in any event claim against the Company for any losses or damages incurred by the Client arising from or in connection with such non-extension;
- (o) HKEx and its subsidiaries, the China Connect Market Operators and their subsidiaries, and any Stock Connect Authorities and their respective directors, employees and agents shall not be responsible or held liable for any losses or damages directly or indirectly incurred by the Client or any third parties arising from or in connection with Northbound Trading, or arising from or in connection with the China Connect Market Operator making, amending or enforcing the relevant Operator Rules, or any action taken by it in the discharge of its supervisory functions or regulatory obligations; and
- (p) the imposition of a Circuit Breaker by a China Connect Market Operator on any trading day of the relevant China Connect Market will result in suspension of trade execution on the relevant China Connect Market.
- 11.6 The Client acknowledges and accepts that:
- (a) this Supplement does not purport to disclose all the risks or other material considerations in connection with Northbound Trading or securities transactions in general;
- (b) this Supplement does not modify any Applicable Requirements (except to the extent set out in this Supplement and permitted under the Applicable Requirements);
- (c) SEHK has the power not to extend any service relating to trading China Connect Securities through Stock Connect to the Client and the power to require the Company not to accept Instructions from the Client if it is found that the Client, the Company and/or any of the Company's clients has or may have committed any abnormal trading conduct set out in the Stock Connect Rules or failed to comply with any Stock Connect Rules;
- (d) the relevant China Connect Market Operator has the power to carry out investigations, and may, through SEHK (or any other governmental or regulatory body), require the Company and/or any of the Group Company to provide relevant information and materials relating to the Client including, without limitation, in relation to the identity, personal data, and trading activity of the Client; and assist in a Stock Connect Authority's investigation in relation to the Client and/or the Client's trading activity;
- (e) where a Stock Connect Authority considers that there is a serious breach of the Applicable Requirements, the Company and/or any of the Group Company may be required by a Stock Connect Authority to (a) issue warning statements (verbally or in writing) to the Client; and (b) cease providing the Client with any service relating to trading China Connect Securities through Stock Connect;
- (f) this Supplement does not constitute any business, legal, tax or accounting advice and that the Client should seek independent professional advice and undertake his own research and assessment before entering into any transaction through Stock Connect; and
- (g) the Client should refrain from entering into any transaction through Stock Connect unless he has fully understood the terms and risks of the relevant transaction, including the extent of his potential risk of loss.

12. Investor ID model for Northbound Trading

- 12.1 This Clause 12 applies at any time that the Client trades China Connect Securities under Stock Connect through the Company from the Investor ID Model Effective Date.
- 12.2 The Client agrees to provide the updated Client Identification Data to the Company. If there are any changes to the CID after its provision, the Client shall inform the Company as soon as possible.
- 12.3 The Client acknowledges that a BCAN will be assigned to it to map its CID by the Company. If the Client holds any joint account with any other Client of the Company, the Client acknowledges that the Company will assign a separate BCAN to such joint account, and the CID of both the Client and the joint holder(s) should be provided under the BCAN for such joint account.
- 12.4 The Client represents and undertakes on a continuing basis, including at each time that the Client places an order, or otherwise gives an Instruction, in respect of the China Connect Securities, that the CID provided to the Company is accurate and up-to-date.
- 12.5 The Client authorises and consents, and the Client has appropriate arrangements in place to authorise and consent,
- (a) the Company to collect, store, use, disclose and transfer its CID and/or BCAN(s) to SEHK or other Stock Connect Authorities, and to tag its BCAN(s) in the Northbound Trading orders submitted or routed to SEHK or other Stock Connect Authorities;
- (b) the SEHK to collect, store, use, disclose and transfer such Client Identification Data and/or BCAN to China Connect Market Operators (directly or through ChinaClear) or other Stock Connect Authorities for Northbound Trading, and to disclose to the relevant regulators and law enforcement agencies in Hong Kong; and
- (c) the ChinaClear and the China Connect Market Operators to collect, store, use, disclose and transfer such Client Identification Data and/or BCAN to other Stock Connect Authorities, and to disclose to the relevant regulators and law enforcement agencies in Mainland China.
- 12.6 The Client acknowledges that:
- (a) The Client cannot place a trade order until two (2) working days after the Client receives notification of the completion of account opening and/or successful update of its CID from the Company;
- (b) Notwithstanding that the Client has submitted its updated CID, a trade order of the Client may still be rejected if the CID provided by Client and BCAN have not yet been submitted to and/or approved by SEHK, the China Connect Market Operator or other Stock Connect Authorities at the time of such trade order, and the Company shall not be liable to the Client for any failure or delay in submitting such CID and BCAN to SEHK, the China Connect Market Operator or other Stock Connect Authorities;
- (c) If the CID and BCAN mapping information fails to pass the relevant validation check by SEHK, the China Connect Market Operator or other Stock Connect Authorities, all the trade orders of the Client will be rejected;
- (d) If the Client is an individual, and does not provide the necessary consents and authorizations (both written and prescribed) in relation to the collection, storage, use, disclosure and transfer of his or her CID and/or BCAN, or the Client's BCAN or BCAN-CID mapping are otherwise invalid or deficient, the Company may, in its own discretion, place Northbound Trading sell orders on behalf of the Client in relation to such BCAN, but no Northbound Trading buy order is allowed in relation to such BCAN;
- (e) If the Client is an individual, and does not provide the necessary consents and authorizations (both written and prescribed) in relation to the collection, storage, use, disclosure and transfer of his or her CID and/or BCAN, the Company may,
- (A) request the Client to confirm that he/she has not otherwise provided such consent to other brokers for Northbound Trading;
- (B) conduct appropriate due diligence on the Client to ensure that he/she is not abusing the Northbound Trading sell order exception in paragraph (dc) above, and the Client agrees to cooperate with any due diligence; or
- (C) refuse to place any further Northbound Trading orders for the Client until the Client provides the necessary consents or authorizations; and
- (f) If abnormal trading activities are identified in respect of the Client by the China Connect Market Operators (via CID and BCAN), the China Connect Market Operators may in its discretion suspend trading by the Client or take such other actions as permitted by Stock Connect Rules, any applicable regulations and laws against the Client.
- 12.7 In connection with clauses 12.5 and 12.6 above, the Client agrees and acknowledges that:
- (a) If the CID and BCAN mapping information fails to pass the relevant validation check by SEHK, the China Connect Market Operator or other Stock Connect Authorities, or SEHK, the China Connect Market Operator or other Stock Connect Authorities rejects the Client's Northbound Trading orders due to such failure or any other reason:
- (A) the Company has no obligation, liability or whatsoever, to provide any explanation or reason for such failure or rejection to the Client;
- (B) subject to the Applicable Requirements or notification from the SEHK, the China Connect Market Operator or other Stock Connect Authorities, the Company may deliver the failure or rejection message to the Client or follow up with the Client in relation to such failure or rejection in such manner and at such time as it deems appropriate;
- (b) The Company is not liable for any Loss incurred by the Client in connection with any such actions taken by SEHK, the China Connect Market Operator, or other Stock Connect Authorities;

- (c) The Company is not liable for any Loss incurred in connection with this Supplement or any Northbound Trading with respect to any force majeure, the provision, unavailability, technical error or improper functioning of any Stock Connect related services, delay or error in the transmission of any information (including the BCAN and/or CID), failure or delay in the execution of any Instruction, breakdown or failure of any communications system or payment system; and
- (d) The Client indemnifies the Company for any Loss incurred in connection with any non-compliance or potential non-compliance with any Applicable Requirements.
- 12.8 If the Client is an exchange participant of the SEHK conducting the Northbound Trading through the Company, the Client agrees and acknowledges that:
- (a) The Client shall follow the rules and requirements and implement adequate policies and procedures in connection with the BCAN and CID, including but not limited to, assigning a BCAN to its clients within the BCAN range designated by the Company ("Designated Range");
- (b) With respect to any Northbound Trading orders from the Client, (i) in the case where the Client is placing Northbound Trading orders for its client, the Client shall provide the Company with the BCAN assigned by the Client to its client (which shall be within the Designated Range) (the "Indirect Client BCAN"), and the Company will tag such Northbound Trading order with the Indirect Client BCAN, or (ii) in the case where the Client is placing Northbound Trading orders for itself, the Company will tag such Northbound Trading orders with the Client's BCAN assigned by the Company; and
- (c) The Client shall include related or similar acknowledgements and statements contained herein into its Stock Connect business terms with its clients, in particular, in regard of paragraph (b) above, the Client shall obtain the relevant authorizations and consents from its clients, including but not limited to, the authorizations and consents set out in Clause 12.5 and 12.6 above.

APPENDIX 4

Stock Connect Risk Disclosure and other information

Unless otherwise defined below, terms defined in the Standard Terms of Business (for cash securities and options trading accounts of Institutional Professional Investors (15.2)) ("Haitong Cash Account Terms") and Appendix 3 shall have the same meaning in this Appendix.

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

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

1. Pre-trade checking and enhanced pre-trade checking

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

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

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

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

2. SPSA Orders – delivery versus payment

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

3. Settlement arrangements

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

4. Quota on Northbound Trading

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

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

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

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

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

5. Restriction on day trading

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

6. Trading methods and insider trading implications

Trading in China Connect Securities in Mainland China currently involves the use of fax machines for placing orders and orders must be transmitted by 7.30am (Mainland China time) on the morning of the desired trade. Information about the Client's trade may be accessed and utilized by persons privy to the information to trade for their own benefit. Further, the trading arrangements may not be supported by technological checks and balances, resulting in a risk of human error and/or malfeasance.

7. Client errors

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

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

8. Disclosure of interests

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

9. Short swing profit rule

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

10. Source of funding

Although Northbound Trading is designated for Hong Kong and overseas investors, it is unclear whether investors who are citizens of Mainland China or investors using funds sourced from Mainland China are able to enter into Northbound Trading via their offshore accounts.

11. Foreign ownership limits

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

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

12. China Connect Securities eligible for Northbound Trading

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

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

13. No off-exchange transfers

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

14. Offshore RMB exchange rate risks

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

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

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

15. Placing orders

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

16. Price limits for China Connect Securities

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

17. Dynamic price check

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

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

18. Restrictions on selling China Connect Securities

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

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

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

19. Taxation

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

20. Hong Kong Client Securities Rules

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

21. Investor Compensation Fund

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

22. Ownership of China Connect Securities

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

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

23. Disclosure of information and publication of trade information

The SEHK may require the Company to provide information on the Client's profile, and the type and value of his orders in relation to Northbound Trading of China Connect Securities and the trades which the Company executed for him, 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 Stock Connect, trading volumes, investor profiles and other related data.

24. No manual trade or block trade

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

25. Amendment of orders and loss of priority

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

26. Difference in Trading Day

Stock Connect is open for trading only when (a) each of HKEx and the relevant China Connect Market is open for trading; and (b) banking services are available in both Hong Kong and Mainland China on the corresponding money settlement days. If any of the exchanges is not open or if the banks in either Hong Kong or Mainland China are not open for money settlement business, the Client will not be able to conduct any Northbound Trading. The Client should take note of the days on which the Stock Connect operates and decide according to his own risk tolerance capability whether or not to take on the risk of price fluctuations in China Connect Securities during the time when the Stock Connect is not available for Northbound Trading.

27. Operational hours

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

28. Risk of ChinaClear default

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

29. Risk of HKSCC default

The Company's ability to provide the services under this Supplement is subject to the due performance by HKSCC of its obligations. Any action or inaction of the HKSCC or a failure or delay by the HKSCC in the performance of its obligations may result in a failure of settlement, or the loss, of China Connect Securities and/or monies in connection with them and the Client may suffer losses as a result. Neither the Company nor any of the Group Company is responsible or liable for any such losses.

30. Company announcements on corporate actions

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

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

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

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

31. Rights issuance

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

32. General market risks associated with investing in China Connect Securities

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

33. Risk associated with trading of ChiNext Shares and STAR Shares

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

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

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

34. Warning statements and termination of service

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

35. Novelty of Stock Connect

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

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

36. Margin trading

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

37. Limits on Short Selling

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

Covered Short Selling of China Connect Securities is permitted subject to certain requirements in the Stock Connect Rules. However, the Company will not facilitate covered Short Selling of China Connect Securities and/or any Uptick Long Sale. The Client shall be fully responsible for understanding and complying with the Short Selling requirements in effect from time to time and for any consequences of non-compliance.

38. Stock Borrowing and Lending

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

- stock borrowing and lending agreements for the purpose of covered short selling shall have a duration of not more than one month;
- 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);
- stock lending will be restricted to certain types of persons to be determined by the China Connect Market Operators; and
- stock borrowing and lending activities will be required to be reported to SEHK.

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

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

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

39. Risks associated with the Circuit Breaker mechanism

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

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

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

40. Provision of Client Identification Data

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

The Client cannot place a trade order until two (2) working days after the Client receives notification of the completion of account opening and/or successful update of its CID from the Company. Notwithstanding that the Client has submitted its CID, a trade order of the Client may still be rejected if the CID provided by Client and BCAN have not yet been submitted to and/or approved by SEHK, the China Connect Market Operator or other Stock Connect Authorities at the time of such trade order, and the Company shall not be liable to the Client for any failure or delay in submitting such CID and BCAN to SEHK, the China Connect Market Operator or other Stock Connect Authorities. If the Client is an individual client, and does not provide the necessary consents and authorizations (both written and prescribed) in relation to the collection, storage, use, disclosure and transfer of his or her CID and/or BCAN, or the Client's BCAN or BCAN-CID mapping are otherwise invalid or deficient, the Company may, in its own discretion, place Northbound Trading sell orders in relation to such BCAN, but no Northbound Trading buy order is allowed in relation to such BCAN. If abnormal trading activities are identified in respect of the Client by the China Connect Market Operators, the China Connect Market Operators may in its discretion suspend trading with the Client or take such other actions as permitted by Stock Connect Rules, any applicable regulations and laws against the Client. The Client is liable for any Loss incurred in connection with any such actions taken by SEHK, the China Connect Market Operator, or other Stock Connect Authorities.

41. Acknowledgement

The Client acknowledges and accepts that since the Company does not provide any Margin Financing, Short Selling or Stock Borrowing and Lending services in respect of the China Connect Securities, relevant clauses in the Haitong Cash Account Terms (including but not limited to clauses 36, 37 and 38 of this Supplement) do not apply.

APPENDIX 5

ADDENDUM IN RELATION TO THE TRADING OF SPECIAL PURPOSE ACQUISITION COMPANIES ("SPAC") LISTED IN THE HKEX

This Addendum shall apply to all transactions related to the trading of any shares and/or warrants of a SPAC and shall be supplemented to the margin account terms and conditions, cash account terms and conditions, future account terms and conditions and options trading account terms and conditions (each, and collectively, the "Terms and Conditions"). Terms not defined in this Addendum shall have the same meaning as defined under the Terms and Conditions.

1. Definition and Interpretation

In this Addendum, except where the context otherwise requires, the following words and phrases shall have the following meanings:

"**CWUMPO**" means the Companies (Winding Up and Miscellaneous Provisions) Ordinance, Cap. 32 of the Laws of Hong Kong, as amended from time to time;
"**De-SPAC Target**" means the target of a De-SPAC Transaction;
"**De-SPAC Transaction**" means an acquisition of, or a business combination with, a De-SPAC Target by a SPAC that results in the listing of a Successor Company;
"**Eligible SPAC Investor**" means a "professional investor" within the meaning of the definition of "professional investor" in section 1 of Part I of Schedule 1 to the SFO;
"**HKEX**" means the Hong Kong Exchanges and Clearing Limited;
"**IPO**" means initial public offering, including in the context of the proposed SPAC listing regime in Hong Kong, initial offering of SPAC Shares by a SPAC to professional investors;
"**Listing Document**" means a Prospectus, a circular or any equivalent document (including a scheme of arrangement and introduction document) issued or proposed to be issued in connection with an application for listing;
"**PIPE**" means a third party investment, for the purposes of completing a De-SPAC Transaction, that has been committed prior to the De-SPAC announcement;
"**Prospectus**" means a prospectus as defined in Part 1, Division 2 of the CWUMPO;
"**Successor Company**" means the listed issuer resulting from the completion of a De-SPAC Transaction;
"**SFC**" means the Securities and Futures Commission;
"**SPAC**" means Special Purpose Acquisition Companies listed on the HKEX; and
"**SPAC Securities**" means SPAC Shares and SPAC Warrant.

2. Service

- 2.1. Haitong International Securities Company Limited provides to the Client the trading service of shares and/or warrants of a SPAC subject to and upon the Terms and Conditions and the provisions in this Addendum.
- 2.2. Haitong International Securities Company Limited may vary, modify, reduce or revoke the scope of the trading service of shares and/or warrants of a SPAC in whole or in part from time to time without prior notice or reference to the Client.
- 2.3. In the event that the Client fails to demonstrate that it/he/she/they comply with the requirements as "professional investor" or are suitable to participate in SPAC Securities trading in the manner and within the time limited specified by Haitong International Securities Company Limited, the Client's access to the trading services of SPAC Securities shall be immediately terminated without prior notice. Any settled SPAC Securities in the account may immediately be subject to mandatory unwinding within 3 days, or such other time as specified by the SFC or HKEX or Haitong International Securities Company Limited as the case may be, prescribed by the Relevant Regulator(s).

3. Eligible SPAC Investor

- 3.1. The Client shall be qualified as an Eligible SPAC Investor to participate in the trading of shares and/or warrants of a SPAC.
- 3.2. SPAC Securities trading is limited to professional investors only. The Client should be aware of any potential risks of trading of SPAC Securities.

4. Compliance with Laws and Rules

- 4.1. Any trading in SPAC Securities will be subject to all applicable constitution, rules, laws, by-laws, and regulations in relation to SPAC and all such other applicable constitution, laws, by-laws, rules and regulations as may be supplemented, amended and revised from time to time. The Client agrees to be bound by all of the above as they are in force from time to time and at any time, and the Client acknowledges that there is a risk of prohibition from trading SPAC Securities and that the Client's instructions to trade SPAC Securities may not be accepted.

- 4.2. The Client should understand that the subscription and trading of SPAC Securities is restricted to professional investors only. The Client undertakes before the subscription or trading of SPAC Securities that he/she/it/they should be familiar with the rules stipulated by HKEX, as amended or supplemented from time to time, and any potential risks of trading SPAC Securities. Once Haitong International Securities Company Limited receives notice (a "Mandatory-Unwind Notice") from relevant regulator(s) to sell and liquidate a specified number of SPAC Securities pursuant to the Law, Haitong International Securities Company Limited shall have the right to issue a corresponding notice (a "Client Mandatory-Unwind Notice") to the Client requiring the Client to sell and liquidate any number of such SPAC Securities that the Client holds in his/her/its/their account with Haitong International Securities Company Limited within the 3 days' period, or such other time as specified by the SFC or HKEX or Haitong International Securities Company Limited as the case may be, as prescribed by the Relevant Regulator(s). The Client undertakes to comply with any such Client Mandatory-Unwind Notice and understands there may be a potential loss as a result of forced-sale, and waives all and any of his/her/its/their right to challenge the enforceability, legality and validity of the Mandatory-Unwind Notice and/or Client Mandatory-Unwind Notice.
- 4.3. In regard to any Mandatory-Unwind Notice, Haitong International Securities Company Limited is authorised to sell or arrange for the sale or transfer of or carry out any other actions of such SPAC Securities on the Client's behalf at such price and on such terms as Haitong International Securities Company Limited may, in its absolute discretion, determine.

5. Risks Associated With SPAC Investments

- 5.1. Below is a brief summary of certain risk factors related to investing in the shares and/or warrants of SPAC and is not meant to be exhaustive. The client must perform their own evaluation of whether investing in any SPAC Securities is aligned with their investment objectives, risk tolerance and financial situation. Some of these factors include:
- 5.1.1. Risk of Price Volatility
As a SPAC has no operation, it is unable to report performance factors (e.g. revenue, profit / loss and cash flow) that investors would normally rely upon to determine the value of its shares. The share price of a SPAC is therefore likely to be driven by speculation and rumour instead, particularly with regards to the potential outcome of the SPAC's efforts to find a suitable De-SPAC Target.
- 5.1.2. Risk of Market Manipulation
Sensitivity of a SPAC's share price to rumour makes them relatively more susceptible to share price manipulation. This could be attempted, for example, by fraudsters deliberately spreading rumours of a forthcoming De-SPAC Transaction to raise the value of their shareholdings to a level at which it is advantageous for them to sell.
- 5.1.3. Risk of Insider Dealing
For SPACs, inside information may arise in several circumstances but particularly in relation to the negotiations with a possible De-SPAC Target. Any movement in a SPAC's share price following the announcement of a De-SPAC agreement would be solely the result of that announcement. This means that someone in possession of inside information regarding such a transaction prior to its announcement would have greater certainty of making a gain from insider dealing than he would have if he was contemplating doing so in the shares of an ordinary listed issuer negotiating an identical acquisition. Consequently, the probability of insider dealing occurring in a listed SPAC would be higher than for an ordinary listed issuer.
- 5.1.4. Lack of information disclosure
As a SPAC is subject to less rigorous regulatory requirements during the IPO stage, it may result in a higher chance of misinformation. In a traditional IPO, a listing applicant is required to provide in-depth information disclosure. However, there is no such information disclosure by a SPAC since the SPAC has yet to identify a specific target business at the time of listing, investors are not able to make full assessment on their investment as they are restricted by the limited information and broadly defined acquisition strategy and criteria. Although substantive disclosure will be made once a De-SPAC Target has been identified and acquisition terms have been agreed, in timing terms this will be well after the IPO, leaving investors with only the option of staying invested throughout the merger process or cashing out at an earlier stage.
- 5.1.5. Uncertainty on the quality of the De-SPAC Target
The faster and simpler route to listing for SPACs may incentivise companies that have not reached market standards and quality to take advantage of this quick access to public funding by circumventing the stringent approval process normally required in a traditional IPO. This issue is coupled with the time pressure faced by the sponsors to complete the De-SPAC Transaction within specified timeframe. It may result in the underperformance or failure of the combined business entity.
- 5.1.6. Potential conflict of interest
The sponsors may be financially motivated to proceed with the De-SPAC Transaction regardless of the quality of the De-SPAC Target as they are entitled to stake in the SPAC with a minimal investment upon the De-SPAC Transaction. This potential conflict of interests between the sponsors and the shareholders raises concerns on the influx of poorly managed or operated companies merging with the SPACs.
- 5.1.7. Potential Equity Dilution
There is uncertainty on the amount of funds available to the SPAC to complete an acquisition of De-SPAC Target and also whether the sponsors can secure additional funds from the PIPE or other investors to complete such acquisition. The availability and costs of such additional funds highly depend on the market and economic conditions and it may have a dilution effect on the shareholding structure of the SPAC.

- 5.1.8. Risk of Mandatory-Unwind
The Client acknowledges that as a result of implementing a Client Mandatory-Unwind Notice he/she/it/they can suffer heavy losses on his/her/its/their investment in SPAC Securities.
- 5.1.9. SPAC Warrant Risk
The terms of the warrants of a SPAC may vary greatly across different SPACs and it is important to understand the terms when investing. To learn more about the specific terms of the warrants of a SPAC, investors should review the Listing Documents of the particular SPAC. The warrant of a SPAC provides the holder with the right to purchase the share of a SPAC (or a fraction of a SPAC Share) at a set exercise price at a set time. The warrant of a SPAC are typically exercisable on the later of 30 days after the completion of a De-SPAC Transaction or 12 months from the SPAC IPO closing or as mention in the Prospectus or Listing Document or any other applicable document; therefore, the holder of a warrant of a SPAC will not be able to get the share of the SPAC before such exercise date. In addition, if an investor misses the notice of redemption and fails to exercise within the given period, the warrants of the SPAC held by the investor can become essentially worthless. Further, there may be some circumstances where warrants of a SPAC can be forced to be exercised early and the SPAC may redeem those warrants for essentially nothing and the holders of the warrants of the SPAC may get nothing.
- 5.1.10. Additional Risk of Volatility of Warrants
The warrants of a SPAC prior to De-SPAC Transaction may experience higher price volatility soon after a SPAC is listed and this price volatility gradually may increase as the deadline for a De-SPAC Transaction approaches. If a SPAC is liquidated, investors will receive a pro rata amount of the funds held in the SPAC's trust account and their warrants of the SPAC will become worthless.