招商證券(香港)有限公司
China Merchants Securities (HK) Co., Limited

Ref: CMSHK-SAA-v1-2026

PLEASE READ THIS AGREEMENT CAREFULLY AND THOROUGHLY BEFORE YOU SIGN THE SECURITIES ACCOUNT OPENING APPLICATION FORM INDICATING YOUR AGREEMENT TO BE BOUND BY THE TERMS AND CONDITIONS CONTAINED HEREIN AND IN ANY EVENT BEFORE YOU USE ANY PART OF THE SERVICES (AS DEFINED BELOW).

SECURITIES ACCOUNT AGREEMENT

This Agreement is made **Between**:

(1) the party(ies) whose name(s), address(es) and details are set out in the Customer Information Form (the "**Customer**"); and

(2) China Merchants Securities (HK) Co., Limited, a company incorporated in Hong Kong, a corporation licensed under the SFO (CE No. AAI650) to carry on Types 1, 2, 4, 6 and 9 regulated activities and an exchange participant of the SEHK, whose registered office is situate at 32/F., One Exchange Square, 8 Connaught Place, Central, Hong Kong ("**CMSHK**")

on the date of signing of the Securities Account Opening Application Form by CMSHK indicating its agreement to enter into this Agreement with the Customer after the signing of such Form by the Customer indicating, *inter alia*, the Customer's acceptance of and agreement to be bound by the provisions hereof.

WHEREAS:

A The Customer has applied for the opening of a securities cash account and/or a securities margin account with CMSHK for the purchase or sale of and dealing in Securities (as applicable) and other related financial products.

B CMSHK specifies that where the said securities account(s) applied for by the Customer is/are opened by CMSHK for the Customer, the use and operation of such account(s) and effecting transactions thereunder shall be subject to the terms and conditions of this Agreement and the Customer fully agrees to this.

NOW IT IS HEREBY AGREED as follows:

1. Interpretation

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

"Account" means where the Customer has now are hereafter opened any securities cash account with CMSHK applied for by the Customer, such securities cash account and where the Customer has now are hereafter opened any securities margin account with CMSHK applied for by the Customer, such securities margin account;

"Agreement" means this Securities Account Agreement, including the various Schedules attached hereto, and other written agreement between CMSHK and the Customer regarding the opening, maintenance and operation of the Account, including (but not limited to) the Customer Information Form and the Securities Account Application Form and any authority given by the Customer to CMSHK with respect to the Account as originally executed or may thereafter be amended or supplemented from time to time;

"Associate" means, in relation to CMSHK, a body corporate which is a member of the group of companies to which CMSHK belong or CMSHK's affiliated company, in Hong Kong or elsewhere and in relation to an individual a minor child of that individual;

"Associated Entity" has the meaning ascribed thereto in the SFO;

"Authorised Institution" has the meaning ascribed thereto in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong);

"Authorised Person" means in relation to a corporate customer, an Authorised Signer or a Trading Representative of the Customer from time to time and in relation to an individual Customer the individual authorised by the customer to operate the Account and otherwise give Instruction to CMSHK with respect to the Account under a Power of Attorney which is still valid (certified true copy of which has already been provided to CMSHK) subject to completion of the checking verification and other procedures in connection with anti-money laundering and counter-terrorist financing with respect to such individual by CMSHK;

"Authorised Signer" means, in relation to a corporate customer, its authorised signer according to the record of CMSHK from time to time for operating the Account by way of signed written instruction where initially Authorised Signer comprises the person(s) so named in the Customer Information Form subject to completion of the checking verification and other procedures in connection with anti-money laundering and counter-terrorist financing with respect to such person(s) by CMSHK;

"Business Day" means any day on which SEHK opens for trading other than Saturdays, Sundays, Hong Kong public holidays and any other day declared by SEHK to be a non-business day;

"Charged Property" shall have the meaning ascribed to it under Clause 15.2;

"China Connect Rules" shall have the meaning ascribed to it under Clause 2.2 of Schedule IA;

"Clearing House" means in relation to SEHK, HKSCC and, in relation to any other Foreign Stock Exchange, the clearing house providing services similar to those of HKSCC to such Foreign Stock Exchange;

"Complex Products" means an investment product whose, terms, features and risks are not reasonably likely to be understood by a retail investor because of its complex structure and shall have the meaning ascribed to it under paragraph 5.5 of the Code of Conduct for Persons Licensed by or Registered with the SFC (Code of Conduct) and Chapter 6 of the Guidelines on Online Distribution and Advisory Platforms;

"Correspondent Agent" means any member or participant of an Exchange and/or Clearing House of which CMSHK may not be a member or participant who, as CMSHK's agent, enters into a Transaction on such Exchange and/or clears the same, as the case may be;

"Crystallisation Event" shall have the meaning ascribed to it under Clause 15.2;

"Customer Information Form" means the form containing the name(s), address(es) and other details of the Customer and the Customer's declaration and acknowledgment signed by the Customer;

"**Electronic Service**" means the electronic trading facility provided by CMSHK through an electronic system (whether or not provided by CMSHK and including but without limitation to Sponsored Access System, Internet trading system, algorithmic trading system, direct market access service system and CMSHK's proprietary direct brokerage system), which enables the Customer via electronic hardware device (whether or not provided by CMSHK) to give electronic Instructions to purchase, sell and otherwise deal in Securities and to obtain quotations in relation to such transactions and other information via electronic hardware device;

"Exchange" means SEHK and any Foreign Stock Exchange;

"Exchange Participant(s)" means corporation(s) who may trade on or through the SEHK and is licensed under the SFO to carry on securities/ futures/ options dealing activity.

"Foreign Stock Exchange" means a stock exchange which is permitted to operate in a country or territory outside Hong Kong by the law of that country or territory or, any Over-The-Counter markets;

"Funds" means unit trusts, mutual funds and other collective investment schemes of similar nature;

"Group Company" of a corporation means a member of the group of companies to which that corporation belongs;

"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;

"Instructions" means any instruction or orders communicated by the Customer or its Authorised Persons to CMSHK;

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

"Oral Instruction Operating Arrangements" means in relation to a corporate customer or a customer consisting of more than one individual the latest authorised operating arrangements with respect to oral instructions of the Customer for the purpose of operating the Account from time to time according to the record of CMSHK where the initial Oral Instruction Operating Arrangements are set out in the Customer Information Form provided that where the Customer comprises more than one individual all the parties that may give instructions under such authorised operating arrangements are parties constituting the Customer;

"Securities" means shares, stocks, debentures, warrants, loan stocks, Funds, bonds, notes and commercial paper of any description whatsoever and wheresoever of or issued by any body (whether incorporated or unincorporated) or any government or local government authority and includes

(a) rights, options, or interests (whether described as units or otherwise) in or for the shares, stocks, debentures, warrants, loan stocks, Funds, bonds, or notes;
(b) certificates of interest or participation in or temporary or interim certificates for, receipts for, or warrants to subscribe to or purchase, the shares, stocks, debentures, warrants, loan stocks, Funds, bonds or notes;
(c) options on stock indices; and
(d) instruments commonly known as securities;

"**Securities Account Application Form**" means the signed Securities Account Opening Application Form under which the Customer applies for the opening of a securities cash account and/or a securities margin account with CMSHK;

"**Securities Margin Account Agreement**" is defined in Clause 1.2;

"SEHK" means The Stock Exchange of Hong Kong Limited and includes its successors, assigns and any resulting or surviving entity into or with which it may consolidate, amalgamate or merge;

"Services" means the services referred to in Clause 2 which may be provided by CMSHK to the Customer in relation to Securities and other related financial products;

"SFC" means The Securities and Futures Commission of Hong Kong;

"SFO" means the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and any subsidiary legislation made thereunder, as amended or substituted from time to time;

"**Signing Instructions**" means in relation to a corporate Customer or a Customer consisting of more than one individual the latest authorised signing arrangements of the Customer for the purpose of operating the Account from time to time according to the record of CMSHK where the initial Signing Instructions are set out in the Customer Information Form provided that where the Customer comprises more than one individual all the signatories under such authorised signing arrangements are parties constituting the Customer;

"**Sponsored Access System**" means a front-end order routing facility provided to the Customer by a third party selected by the Customer, which third party has arranged with CMSHK for the execution and/or clearance of orders placed through such facility;

"**Trading Representative**" means in relation to a corporate Customer, its authorised representative according to the record of CMSHK from time to time for operating the Account by way of oral instruction given over the telephone where initially Trading Representative comprises the person(s) so named in the Customer Information Form subject to completion of the checking verification and other procedures in connection with anti-money laundering and counter-terrorist financing with respect to such authorised representative by CMSHK;

"Transactions" means any transactions concerning the purchase, subscription, sale, exchange or other disposal and/or dealings in any and all kinds of Securities and other related financial products including (but not limited to) safe-keeping of Securities and the provision of nominee or custodian service therefor and other transactions effected under or pursuant to this Agreement;

"**Virtual Assets"** has the meaning ascribed thereto in section 53ZRA of the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Chapter 615 of the Laws of Hong Kong) and any subsidiary legislation made thereunder.

"Virtual Asset-related products" has the meaning ascribed thereon in paragraph 5 – definition of "VA-related products" of 22 December 2023 Joint Circular on intermediaries' virtual asset-related activities of the SFC and the Hong Kong Monetary Authority.

1.2 Where the Customer has now opened or hereafter opens any securities cash account with CMSHK, in so far as such securities cash account is concerned, this Agreement is also termed Securities Cash Account Agreement. Where the Customer has now opened or hereafter opens any securities margin account with CMSHK, in so far as such securities margin account is concerned this Agreement is also termed Securities Margin Account Agreement. Accordingly where the Customer has now opened or hereafter opens both a securities cash account and a securities margin account with CMSHK, the relationship between the two parties shall be governed by both the Securities Cash Account Agreement and the Securities Margin Account Agreement.

1.3 Where the Customer has authorised in writing CMSHK or any person employed by CMSHK who is also a licensed representative under the SFO to effect transactions for the Customer under the Account without the Customer's specific authorisation, such Account shall be designated as discretionary account. The Customer acknowledges that provision of the service of discretionary account to the Customer is subject to internal approval of CMSHK and due signing of all documents required by CMSHK.

1.4 Where the Account is a securities margin account, the provisions in Schedule I shall additionally be applicable and shall be incorporated into and form part of the Securities Margin Account Agreement between CMSHK and the Customer.

1.5 In this Agreement, unless the context does not permit or otherwise provided,

(a) reference to any party shall include that party's successors in title, permitted assigns and permitted transferees;

(b) reference to any agreement, instrument or deed is a reference to that agreement, instrument or deed as amended, novated, supplemented, restated or replaced from time to time;

(c) "including" or "includes" means including or includes without limitation;

(d) a "person" includes any individual person, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium or partnership (whether or not having separate legal personality);

(e) a "regulation" includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;

(f) a provision of law is a reference to that provision as amended or re-enacted;

(g) any reference to any time of a day shall be such time according to Hong Kong time;

(h) a "Clause" or a "Schedule" is a reference to a clause of or a schedule to this Agreement;

(i) words importing the plural shall include the singular and *vice versa*; and

(j) words importing any gender shall include all genders.

2. Services

2.1 CMSHK may (but is not obliged to) provide all or any of the following services to the Customer in connection with Securities:

(a) to hold or to arrange for Securities to be held in safe custody and to register Securities in such name(s) as it shall think fit and where appropriate in the name of the Customer or CMSHK's nominee in compliance with all applicable laws, rules and regulations;

(b) to purchase or subscribe for any type of securities or other investments in accordance with Instructions following availability of the funds and/or financing required for such purpose;

(c) to sell or otherwise dispose of Securities and to deal with the proceeds and to enter into any agreement or instrument on behalf of the Customer in connection with Securities, in each case either in accordance with Instructions or pursuant to the provisions of this Agreement;

(d) to deliver the documents of title and any other instruments relating to Securities (which are not charged to CMSHK hereunder or which CMSHK has agreed to be delivered) to the Customer or to the order of the Customer in accordance with Instructions at the Customer's risk;

(e) to request, collect, receive and make payments or distributions attributable to Securities arising from any call, subscription, offer, acquisition, ownership, exchange, conversion, redemption, disposal or other dealing and to take any action as regards any merger, consolidation, reorganisation, receivership, bankruptcy or insolvency proceedings, compromise or arrangement;

(f) to provide investment management advice and services;

(g) to provide financial information and data relating to any market or investments; and

(h) to provide such other services relating to Securities as CMSHK and the Customer may from time to time agree.

2.2 CMSHK shall be entitled (but not obliged) without prior notice to or consent from the Customer to take such steps as it may consider expedient to enable it to provide the Services and exercise its powers under this Agreement including, without limitation, the following:

(a) to comply with any law, regulation, order, directive, notice or request of any competent authority, government agency, exchange or body (whether or not having the force of law) requiring CMSHK to take or refrain from action (including without limitation, requiring CMSHK to provide identity details and/or other information relating to the Customer and/or the Account);

(b) on behalf of the Customer, to withhold and/or to make payment of any taxes or duties payable on or in respect of Securities;

(c) where Securities are registered in the name of CMSHK or any other person appointed by it (but not otherwise) to notify the Customer of information, notices and other communications received by CMSHK in relation to such Securities (but shall be under no obligation to forward the same to the Customer in sufficient time for Instructions to be given to CMSHK with regard to any matters referred to therein nor to investigate or participate to take any affirmative action except in accordance with written Instructions from the Customer and upon such conditions, indemnity and provision for expenses as CMSHK may require);

(d) to co-mingle Securities with the property of other persons and to hold Securities on co-mingled custody;

(e) to return to the Customer Securities which may not have the same serial number or identification as those originally deposited with or received by CMSHK;

(f) to act on the opinion or advice of its legal advisers, accountants, brokers or other professional advisers but without liability for any acts or omissions on their part;

(g) to accept or not to accept Securities for deposit or to return to the Customer any of the Securities without giving any reason or prior notice;

(h) to participate in and comply with the rules and regulations of any organisation which regulates the conduct of financial service and/or securities business and any depository or system which provides central clearing, settlement and similar facilities in respect of securities and hold the Securities in any central depository or system on such terms as such depository or system may customarily operate but in each case, without CMSHK incurring liability for any acts or omissions on the part of the operator or manager of any such organisation, depository or system; and

(i) generally to do all acts and things which are necessary for or incidental to the provision of the Services.

2.3 Where any Securities are held in CMSHK's name or the name of any nominee of CMSHK unless CMSHK receives an Instruction (which shall be deemed to include the default option specified in any notification and request for Instructions) CMSHK will not attend any meeting or exercise any voting or other rights including the completion of proxies.

2.4 CMSHK is authorised to disclose any information it has concerning the Customer, its Account, any Securities and the Services to any other person appointed by it in connection with the Services, and to any government bodies and/or regulatory authorities (whether within or outside Hong Kong), or to such other persons (whether within or outside Hong Kong) in compliance with the relevant laws, rules and regulations.

2.5 CMSHK shall be entitled to act in accordance with its regular business practice and procedures and will only accept Instructions insofar as it is (in CMSHK's opinion) practicable and reasonable to do so and CMSHK reserves the right to prescribe any conditions subject to which it accepts any Instruction or to refuse to act on any Instruction, if in its opinion, there are reasonable grounds for doing so.

2.6 The Customer acknowledges that due to market conditions, physical restraints on any exchange and rapid changes in the prices of Securities and/or fluctuation in the exchange rates of currencies, Instructions relating to sale and purchase of Securities at any specific time or price may not be able to be performed by CMSHK. CMSHK shall be under no obligation to notify the Customer immediately if any Instruction given by the Customer is not performed or is only partially performed, and if the Customer requires confirmation in this regard, the Customer should contact CMSHK subsequently. CMSHK shall not have any liability whatsoever if any Instruction given by the Customer is not performed or is only partially performed due to market conditions or any other cause beyond its reasonable control.

2.7 CMSHK shall be under no duty to investigate, participate in or take affirmative action concerning proxies received, attendance at meetings and voting except in accordance with Instructions. CMSHK shall be entitled to charge the Customer for taking any action pursuant to the Customer's Instructions. In the absence of such Instructions, CMSHK shall not be precluded from acting in its discretion as regards such proxies, attendance and voting except that CMSHK shall have no such discretion insofar as, and to the extent that Securities comprise any ordinary or other class of shares carrying voting rights at general meetings of any company listed on a stock exchange.

2.8 In providing the Services, CMSHK will maintain records in compliance with all applicable laws, rules and regulations.

3. Authority

3.1 CMSHK is authorised to open and operate an Account and effect Transactions as an agent on behalf of the Customer pursuant to this Agreement unless CMSHK indicates in writing otherwise for the relevant Transactions.

3.2 The Customer (in the case of a corporation) authorises the Authorised Persons to have full authority to represent the Customer in all matters in relation to all Transactions with CMSHK in accordance with the Signing Instructions or Oral Instruction Operating Arrangements (as relevant) and in the case of Authorised Signer(s) to sign on the Customer's behalf all agreements and documents relating to operation of the Account and the Transactions in accordance with the Signing Instructions. All such documents, instructions or orders which, if given or signed by the relevant Authorised Persons in accordance with the Signing Instructions or Oral Instruction Operating Arrangements (as relevant) shall be absolutely and conclusively binding on the Customer.

3.3 If the Customer is an individual who wishes to appoint an Authorised Person, the Customer shall in addition to completing the Customer Information Form, furnish to CMSHK a duly executed power of attorney or other similar instrument of appointment in a form prescribed by or acceptable to CMSHK and documents and information required by CMSHK for completion of the checking verification and other procedures in connection with anti-money laundering and counter-terrorist financing with respect to such Authorised Person by CMSHK.

3.4 The Customer authorises CMSHK to instruct such Correspondent Agent as CMSHK may in its sole discretion deem fit to execute Transactions and acknowledges that the terms of business of such Correspondent Agent and the rules of any Exchange and Clearing House on and through which such Transactions are executed and settled shall apply to such Transactions and shall be binding on the Customer.

3.5 The Customer authorises CMSHK to deal with money and Securities held or received by CMSHK in the Account on behalf of the Customer in accordance with the provisions of any Standing Authority (Client Money) and Standing Authority (Client Securities) as may from time to time be given by the Customer to CMSHK or renewed or deemed to be renewed.

3.6 The Customer acknowledges that:

(a) where there is signing of the Standing Authority (Client Securities) set out in the Securities Account Application Form or the Customer Information Form (as the case may be) and/or renewal or deemed renewal of such authority, CMSHK can pool the Customer's Securities and deposit them with an Authorised Institution as collateral for financial accommodation provided to CMSHK;

(b) as a result, a third party may have rights to the Customer's Securities which CMSHK must satisfy before the Securities can be returned to the Customer and this may increase the risk of the Customer's Securities; and

(c) the Customer has been informed of the repledging practice of CMSHK and has provided CMSHK with a standing authority to repledge the Customer's Securities.

4. Trading Solicitations

4.1 If CMSHK solicits the sale of or recommend any financial product to the Customer, the financial product must be reasonably suitable for the Customer having regard to the Customer's financial situation, investment experience and investment objectives. No other provision of this Agreement or any other document that CMSHK may ask the Customer to sign and no statement that CMSHK may ask the Customer to make derogates from this Clause 4.1. For the purpose of this Clause 4.1, "financial product" means any securities, futures contracts or leveraged foreign exchange contracts as defined under the SFO and any complex products such as derivatives, virtual assets or virtual asset-related products.

4.2 The Customer acknowledges and agrees that:

(a) the Customer retains full responsibility for all trading decisions in connection with the Account and unless otherwise agreed between the Customer and CMSHK in writing, CMSHK is responsible only for the execution, clearing, and carrying out of transactions in the Account on the terms and conditions of this Agreement;

(b) each of CMSHK, its directors, officers, employees or agents has no responsibility or obligation regarding any conduct, action, representation or statement of any introducing firm, investment advisor or other third party in connection with the Account or any transaction therein;

(c) each of CMSHK, its directors, officers, employees or agents should not advise, recommend, solicit clients to invest in any securities, futures contracts and investment products which are listed on any exchange. Any related views, statements or information made, expressed or provided by CMSHK, its directors, officers, employees or agents, whether or not solicited, shall not be constructed as advice, recommendation or solicitation for clients to invest in these listed securities, futures and investment products unless CMSHK confirms otherwise in writing; and

(d) any view expressed or information provided by CMSHK, its directors, officers, employees or agents, whether or not solicited shall not constitute an offer to enter into a transaction or investment advice and to the extent permitted by applicable law and subject to Clause 4.1, CMSHK, its directors, officers, employees or agents shall be under no liability whatsoever in respect of such view or information and the Customer should independently and without reliance on CMSHK makes its own judgments. CMSHK has emphasized to the Customer to assess and seek independent professional advice regarding suitability, profitability, tax, legal or accounting consequences of any Transactions before effecting or giving Instruction for effecting any Transaction.

5. Dealing Practice

5.1 Any day order for purchase or sale of Securities placed by the Customer that has not been executed before the close of trading hours of the relevant Exchange or such other expiration date required by the Exchange or such other later time as the Customer and CMSHK may agree shall be deemed to have been cancelled automatically.

5.2 The Customer authorises CMSHK, at any time and at CMSHK's sole discretion, for the purpose of obtaining a better execution price and/or reducing the volume of instructions, to consolidate and/or disaggregate the Customer's Instructions to purchase and/or sell Securities on the Customer's behalf with similar instructions received from CMSHK's other customers, provided that such consolidation or disaggregation shall not result in the execution of the Instructions at a price less favourable than could have been achieved had the Instructions been executed individually, and provided further that, in the event of there being insufficient Securities available to satisfy purchase orders so consolidated, the number of Securities actually purchased shall be given to each individual Instruction in the order in which those orders were received by CMSHK.

5.3 The Customer acknowledges that due to the trading practices of the Exchange or other markets in which Transactions are executed, it may not always be able to execute orders at the prices quoted "at best" or "of market" and the Customer agrees in any event to be bound by Transactions executed by CMSHK following Instructions given by the Customer.

5.4 Subject to applicable laws and regulations and market requirements, CMSHK may in its sole discretion determine the priority in the execution of its customers' orders, having due regard to the sequence in which such orders were received, and the Customer shall not have any claim of priority to another customer in relation to the execution of any order received by CMSHK.

5.5 Unless otherwise agreed, in respect of each Transaction, unless CMSHK is already holding cash or Securities on the Customer's behalf to settle the Transactions, the Customer shall pay CMSHK cleared funds (including payment in a currency other than Hong Kong dollars) or deliver to CMSHK Securities which are fully paid with valid and good title and in deliverable form by such time as CMSHK has notified the Customer in relation to the Transactions. The Customer shall be responsible to CMSHK for any losses and expenses resulting from the Customer's settlement failures.

5.6 The Account shall be in Hong Kong dollars or such other currencies as CMSHK may agree from time to time with the Customer. In the event that the Customer instructs CMSHK to effect any Transactions 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 Customer solely. Any conversion from one currency into another required to be made for performing any action or step taken by CMSHK under this Agreement may be effected by CMSHK in such manner and at such time as it may in its sole discretion decide.

5.7 The Customer acknowledges that telephone calls or other forms of communication between the Customer and CMSHK may be recorded or otherwise electronically monitored without any warning messages and that the record may be used as final and conclusive evidence of the Instructions in case of disputes.

5.8 If CMSHK engages the service of Correspondent Agent, CMSHK shall be entitled to accept and keep, for its own account, any commission or rebate which CMSHK may receive in respect of any business CMSHK has introduced to the Correspondent Agent in respect of the Transactions effected in accordance with Instructions from the Customer. The Customer further acknowledges that CMSHK shall have rights to pay commission or rebate in respect of any business referred to or introduced to CMSHK by any Correspondent Agent, dealing brokers or other authorised agents to the extent that it is permissible under with the laws, rules or code of conduct.

5.9 The Customer acknowledges the following:

(a) all transactions for the Account shall be subject to the relevant constitution, rules, regulations, by-laws, customs and usages, as amended from time to time, of SEHK, or such other Exchanges or over-the-counter markets and HKSCC or such other Clearing Houses in or outside Hong Kong and of the laws of Hong Kong and other places in which CMSHK is dealing on the Customer's behalf, as amended from time to time;

(b) the Rules of SEHK and HKSCC, in particular those rules which relate to trading and settlement, shall be binding on both the Customer and CMSHK in respect of transactions concluded on the instructions of the Customer.

5.10 The Customer acknowledges and agrees that:

(a) the price of Securities and the income from them (if applicable) can and does fluctuate and any individual Security may experience upward or downward movements and may even become valueless. There is an inherent risk that losses may be incurred rather than profit made as a result of buying and selling securities;

(b) the actual bid and offer prices of any Transaction will be determined at the time when such Transaction is effected and any figures which may have been quoted by CMSHK or its representatives at any time for the purpose of such Transaction are indicative only;

(c) prices of Securities listed on the Hong Kong Stock Exchange are provided by SEHK and prices of Funds are provided by the related fund houses. While CMSHK and its market information providers endeavour to ensure the accuracy and reliability of the prices quoted, no guarantee as to their accuracy is given and to the extent permitted by applicable law, no liability (whether in tort or contract or otherwise) is accepted for any loss or damages arising from any inaccuracies or omissions;

(d) any price of any Security quoted by CMSHK in response to any enquiry by the Customer is for reference only and shall not be binding on CMSHK or any of its market information providers. CMSHK shall be entitled to act on any Instruction for the sale and purchase of any Security even if the price of such Security has altered to the disadvantages of the Customer between the time of CMSHK's receipt of such Instruction and the time at which CMSHK or its agent completes any such sale or purchase.

5.11 If the Customer has obtained quotes of the prices of any Securities from CMSHK, it shall not:

(a) disseminate such quotes (or any part thereof) to any other person;

(b) use or permit the use of such quotes (or any part thereof) for any illegal purpose;

(c) use such quotes (or any part thereof) other than for the Customer's own use; or

(d) use such quotes (or any part thereof) in relation to any trading or dealing of Securities otherwise than through CMSHK.

6. Short Selling

6.1 The Customer acknowledges that applicable laws and regulations may prohibit CMSHK from placing a sale order on the Customer's behalf when the order relates to Securities which the Customer does not own ("**Short Sell Order**"). The Customer undertakes that:

(a) prior to placing a Short Sell Order, it will have entered into an effective securities borrowing arrangement or other form of cover acceptable to CMSHK which will ensure that the Securities in question will be delivered on the designated settlement date; and

(b) prior to execution of such an order, it will provide CMSHK such documentary assurance that any such order is covered as CMSHK shall specify.

6.2 The Customer acknowledges that CMSHK has the right to request delivery of a copy of documentary evidence relating to the relevant securities borrowing transaction e.g. the lender's confirmation.

6.3 The Customer acknowledges that CMSHK will not accept an Instruction to sell the Securities which is a Short Sell Order unless the Customer has provided the documentary assurance as required by CMSHK. CMSHK shall not be responsible to the Customer for identifying whether or not an Instruction is a Short Sell Order, and the Customer undertakes to inform CMSHK expresslythat a sale is a short sale at the time of giving the Instructions to effect that sale.

7. New Listing of Securities

7.1 In the event that the Customer requests and authorises CMSHK to apply for Securities in respect of a new listing and/or issue of Securities on the Exchange as its agent and for its benefit or for the benefit of any other person, the Customer hereby warrants to and for CMSHK's benefit that CMSHK has authority to make such application on the Customer's behalf.

7.2 The Customer shall familiarise himself and comply with all the terms and conditions governing the new listing and/or issue of Securities 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 Customer agrees to be bound by such terms and conditions in any such transaction the Customer may have with CMSHK.

7.3 The Customer hereby gives CMSHK 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 Exchange or any other relevant regulator or person).

7.4 The Customer hereby further declares and warrants, and authorises CMSHK to disclose and warrant to the Exchange on any application form (or otherwise) and to any other person as appropriate, that any such application made by CMSHK as its agent is the only application made, and the only application intended to be made, by the Customer or on the Customer's behalf, to benefit the Customer or the person for whose benefit the Customer is applying. The Customer acknowledges and accepts that the aforesaid declaration and warranty will be relied upon by CMSHK and by the issuer, sponsors, underwriters or placing agents of the relevant Securities, the Exchange or any other relevant regulator or person in respect of any application made by CMSHK as the Customer's agent.

7.5 In relation to Clause 7.4 above, the Customer 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 Customer exercises statutory control shall be deemed to be an application made for the benefit of the Customer.

7.6 The Customer recognizes and understands that the legal, regulatory requirements and market practice in respect of applications for Securities may vary from time to time as may the requirements of any particular new listing or issue of Securities. The Customer undertakes to provide CMSHK 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 CMSHK may in CMSHK's sole discretion determine from time to time.

7.7 In relation to a bulk application to be made by CMSHK or CMSHK's agent on CMSHK's own account and/or on behalf of the Customer and/or CMSHK's other clients, the Customer acknowledges and agrees:

(a) that such bulk application may be rejected for reasons which are unrelated to the Customer and the Customer's application and to the extent permitted by applicable law, neither CMSHK nor CMSHK's agent shall, in the absence of fraud, gross negligence or wilful default, be liable to the Customer or any other person in consequence of such rejection; and

(b) to indemnify CMSHK in accordance with Clause 21.2 of the Agreement 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 Customer.

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

7.8 The Customer may give oral or written instructions to CMSHK for a short term IPO loan facility up to such extent or such period as CMSHK deem fit to finance the Customer's subscription of new listing and/or issue of Securities. The grant of any IPO loan facility to the Customer by CMSHK is of CMSHK's absolute and unfettered discretion. The grant of IPO loan facility may be terminated by CMSHK at any time without the Customer's consent or prior notice. Notwithstanding the subscription or issuance of the new listing Securities may not be accepted by the issuer, the Customer shall be liable for the interest of the IPO loan facility. Such IPO loan facility shall be subject to CMSHK's overriding right of demand for repayment at any time. CMSHK shall have right to determine the interest rate (including default interest rate) on any amount outstanding under the IPO loan facility as it notifies the Customer from time to time. Upon CMSHK's demand, the Customer shall repay all principal and interest accrued outstanding under the IPO loan facility to CMSHK. Nothing in this clause shall preclude CMSHK's rights, powers and remedies under any security document executed in CMSHK's favour in respect of the IPO loan facility. The use of the IPO loan facility will constitute acknowledgement and acceptance of the terms and conditions herein by the Customer.

8. Safekeeping and Disposal of Securities

8.1 The Customer appoints CMSHK to act as custodian for the Customer to provide custody of Customer's Securities. The Customer agrees not to pledge, charge, sell, grant an option or otherwise deal in any Securities or money forming part of any Account without the prior written consent of CMSHK.

8.2 Any Securities held by CMSHK for safekeeping on behalf of the Customer shall, as soon as reasonably practicable:-

(a) (in the case of registrable Securities) be registered in the name of the Customer or in the name of CMSHK's Associated Entity; or

(b) be deposited in safe custody in a segregated account which is designated as a trust account or client account and established and maintained in Hong Kong by CMSHK or an Associated Entity of CMSHK for the purpose of holding client securities of CMSHK with an Authorised Institution, an approved custodian or another intermediary licensed for dealing in securities.

8.3 Where Securities are held by CMSHK for safekeeping pursuant to this Clause 8, CMSHK shall itself, and shall procure any nominee or custodian appointed by it to:

(a) collect and credit any dividends or other benefits arising in respect of such Securities to the Account or make payment to the Customer as agreed with the Customer. Where the Securities form part of a larger holding of identical Securities held for CMSHK's clients, the Customer is entitled to the same share of the benefits arising on the holding as the Customer's share of the total holding. Where the dividend is distributed either in the form of cash dividend or other forms, CMSHK is authorised to elect and receive on behalf of the Customer cash dividend in the absence of contrary prior written Instruction from the Customer; and

(b) comply with any directions received from the Customer as to the exercise of any voting or other rights attaching to or conferring on such Securities provided that if any payment or expense is required to be made or incurred in connection with such exercise, neither CMSHK nor its nominee shall be required to comply with any directions received from the Customer unless and until it receives all amounts necessary to fund such exercise.

8.4 CMSHK and its nominee are not bound to redeliver to the Customer the identical Securities received from or for the Customer but may redeliver to the Customer, at the office of CMSHK at which the Account is kept, Securities of like quantity, type and description.

8.5 Securities held by CMSHK for safekeeping pursuant to Clause 8.3 are held by CMSHK at the sole risk of the Customer and to the extent permitted by applicable law CMSHK shall not be responsible for or liable in respect of any loss or damage suffered by the Customer in connection herewith unless such loss or damage has been caused as a direct consequence of a gross act of negligence fraud or willful misconduct on the part of CMSHK. CMSHK shall be under no obligation to insure the Customer against any kind of risk, which obligation shall be the sole responsibility of the Customer.

8.6 The Customer shall give not less than seven (7) Business Days' prior written notice to CMSHK to withdraw any or all of the Securities deposited by the Customer with CMSHK provided always that:

(a) withdrawal of any class of Securities shall be in multiples of its lowest denomination (whether in board lots or otherwise) and shall be effected at such location as may be prescribed by CMSHK from time to time as notified to the Customer;

(b) the Customer is not indebted to CMSHK and CMSHK has specifically agreed to such withdrawal; and

(c) the Securities to be withdrawn are not subject to any lien exercised by CMSHK; and

(d) CMSHK's obligation to re-deliver the scrips and/or documents upon withdrawal of the relevant Securities shall be subject to CMSHK's receipt of such scrips and/or documents from the relevant party(ies) with whom CMSHK has deposited the relevant Securities pursuant to Clause 8.2.

9. Payments

9.1 All payments pursuant to this Agreement or otherwise in connection with any Transaction shall be made in immediately available funds (or other funds determined by and acceptable to CMSHK at its sole discretion) in such currency as CMSHK may in its sole discretion require, on the due date of such payment and be exclusive of any deductions or withholding.

9.2 If the Customer defaults in the payment on the due date of any sum due hereunder to CMSHK, the Customer shall on demand pay interest. Likewise, the Customer shall pay interest on all debit balances on the Account (including any amount otherwise owing to CMSHK at any time) at such rates and on such other terms as CMSHK notifies the Customer from time to time. Such interest shall accrue on a day-to-day basis and shall be payable on the last day of each calendar month or upon any demand being made by CMSHK. Overdue interest shall be compounded monthly and shall itself bear interest, or calculated on the basis which is from time to time notified to the Customer by CMSHK. The Customer will, in addition, reimburse CMSHK on demand for all expenses which may be incurred by CMSHK in protecting any of its rights, or in suing for or recovering any sum due to it in respect of any Transaction effected by for the Customer.

10. Transaction Notices and Reports

10.1 CMSHK will report to the Customer execution of Transactions by sending to the Customer a copy of any contract note, transaction confirmation and statement of account as required by applicable laws, rules and regulations. CMSHK may also report to the Customer execution of Transactions (a) promptly by telephone calls or facsimile or other means as agreed and/or (b) by delivering to the Customer electronic statement. In addition, CMSHK will comply with any legal and/or regulatory requirements regarding provision of monthly statements of account to the Customer.

10.2 The Customer shall have a duty to examine any contract note, transaction confirmation, statement of account provided by CMSHK to the Customer carefully and thoroughly and to notify CMSHK in writing of any alleged error or irregularity therein within 48 hours or such other period of time as may be specified by CMSHK generally or in any particular case, after the date of receipt of such contract note, transaction confirmation or statement of account. The Customer agrees that CMSHK is not liable for any damages or market fluctuations resulting from any delay in reporting an error to CMSHK. In the absence of a manifest error, the contract notes, the transaction confirmations and the statements of account shall be conclusive and the Customer shall be deemed to have waived any such error and CMSHK will be released from all claims by the Customer in connection with the contract notes, transaction confirmations and statements of account or any action taken or not taken by CMSHK regarding the Account. In the case that there is an overpayment of money to the Account, the Customer agrees to notify CMSHK as soon as it is aware of the overpayment and agrees not to remove (or if it is removed, to return) the money.

11. Commissions, Charges and Interest

11.1 CMSHK is authorised to deduct CMSHK's commissions and charges in connection with any Transactions effected with any person for the Customer (as notified to the Customer from time to time), all applicable levies, fees imposed by the Exchange or Clearing House or any relevant foreign exchange, brokerage, stamp duty, bank charges, transfer fees, interest and nominee or custodial expenses immediately when due.

11.2 CMSHK shall deposit all monies held in the Account and all monies received for or on the account of the Customer into one or more segregated account(s) in Hong Kong, each of which shall be designated as a trust account or client account, at one or more Authorised Institution(s) or as otherwise permitted by the SFC for the purposes of the Securities and Futures (Client Money) Rules.

11.3 Subject to such deduction which CMSHK may make pursuant to Clause 11.1 and the applicable laws and regulations, CMSHK may apply any interest accrued on the credit balance in the Account and any trust account of the Customer to the Customer. Interest shall be calculated at such rate as CMSHK may from time to time notify the Customer in writing. The Customer agrees that CMSHK may retain interest on the Customer's credit balance.

11.4 Without prejudice to any other rights and remedies available to CMSHK, CMSHK may charge a half-yearly maintenance fee of such amount in such currency as CMSHK may determine from time to time on any dormant Account if there is no trading activity under such Account for six months or more. Payment of such fees will be automatically deducted from the Account.

12. Instructions

12.1 All Instructions shall be given by the Customer orally either in person or by telephone, or in writing, delivered by hand, by post or by facsimile transmission or through Electronic Service in accordance with Clause 16 provided that where the Customer is a corporation written Instruction must be signed by its Authorised Signer(s) in accordance with the Signing Instructions and oral Instruction must be given by the Trading Representative(s) in accordance with the Oral Instruction Operating Arrangements and where the Customer is an individual, both oral and written instructions may be given by the Customer personally and written instructions may be given by his Authorised Person and where the Customer comprises more than one individual (each a "**Joint Holder**"), both oral and written instruction may be given by the Joint Holder(s) in accordance with the Oral Instruction Operating Arrangements and Signing Instructions respectively.

12.2 CMSHK may refuse to enter in its record:

(a) a party as an Authorised Signer or a Trading Representative of the Customer (where the Customer is a corporation) if CMSHK has not received original or certified true copy (with the certification made by a director of the Customer or a lawyer qualified to practise Hong Kong law or the law of the place of incorporation of the Customer or a notary public) of Board resolutions of the Customer in form and substance to the reasonable satisfaction of CMSHK appointing the party as Authorised Signer or Trading Representative (as the case may be) and checking verification and other procedures in connection with anti-money laundering and counter-terrorist financing with respect to the proposed new Authorised Signer or Trading Representative have not been completed or CMSHK finds the results of completion of such procedures not satisfactory;

(b) signing arrangements for operating the Account and giving Instruction in relation to the Account to CMSHK as Signing Instructions if CMSHK has not received in the case where the Customer is a corporation original or certified true copy (with the certification made by a director of the Customer or a lawyer qualified to

practise Hong Kong law or the law of the place of incorporation of the Customer or a notary public) of Board resolutions of the Customer in form and substance to the reasonable satisfaction of CMSHK approving the adoption of such signing arrangements and in the case where the Customer comprises more than one individual instructions duly signed by all such individuals setting out such signing arrangements in form and substance to the reasonable satisfaction of CMSHK;

(c) oral instruction arrangements for operating the Account and giving Instruction in relation to the Account to CMSHK if CMSHK has not received in the case where the Customer is a corporation original or certified true copy (with the certification made by a director of the Customer or a lawyer qualified to practise Hong Kong law or the law of the place of incorporation of the Customer or a notary public) of Board resolutions of the Customer in form and substance to the reasonable satisfaction of CMSHK approving the adoption of such oral instruction arrangements and in the case where the Customer comprises more than one individual instructions duly signed by all such individuals setting out such oral instruction arrangements in form and substance to the reasonable satisfaction of CMSHK;

(d) a party as the Authorised Person of the Customer (where the Customer is an individual) if CMSHK has not received Power of Attorney duly signed by the Customer that remains valid and subsisting proving to the reasonable satisfaction of CMSHK the authority from the Customer to such party to operate the Account and otherwise give Instructions in relation to the Account to CMSHK for and on behalf of the Customer.

12.3 The Customer acknowledges and agrees that any Instructions given or purported to be given by any means to CMSHK by the Customer or by any Authorised Person in accordance with the Signing Instructions or the Oral Instruction Operating Arrangements (as applicable) which are acted on or relied on by CMSHK shall at all times be irrevocable and bind the Customer, whether or not such Instructions are in fact given or authorised by the Customer. So long as CMSHK has verified and finds in the case where written Instruction is given that based on the specimen signatures of the Authorised Signers (where the Customer is a corporation) or of the Customer or his Authorised Person (where the Customer is an individual) or the Joint Holders (where the Customer comprises more than one individual) the written Instruction appears to be signed by an Authorised Signer (where the Customer is a corporation) or the Customer or his Authorised Person (where the Customer is an individual) or the Joint Holder(s) in accordance with the Signing Instructions and in the case where Instruction is given orally that based on the response to the identification verification questions raised to the one giving Instruction orally such party appears to be a Trading Representative (where the Customer is a corporation) or the Customer or a Joint Holder (where the Customer comprises more than one individual), CMSHK shall not have any further duty to enquire about or verify the identity or authority of the person giving Instruction to CMSHK.

12.4 The Customer acknowledges that once an Instruction has been made it may not be possible to cancel or change the Instruction.

12.5 CMSHK will not without reasonable ground refuse to act for the Customer or otherwise follow the Instructions of the Customer or its Authorised Person(s) or given by the Joint Holder(s) in accordance with the Signing Instructions or the Oral Instruction Operating Arrangements.

13. Conflict of Interest

13.1 CMSHK and its directors, officers or employees may trade on its/their own account or on the account of any of its or their Associates.

13.2 CMSHK is authorised to buy, sell, hold or deal in any Securities or take the opposite position to the Customer's order whether it is on CMSHK's own account or on behalf of any of its Associates or its other customers.

13.3 CMSHK is authorised to match the Customer's orders with those of its other customers.

13.4 CMSHK is authorised to effect Transactions where CMSHK or any of its Associates has a position in the Securities concerned or is involved with those Securities as underwriter, sponsor or otherwise.

13.5 The Customer acknowledges and accepts that CMSHK and any of its Associates may have interests, or may owe duties to other customers who have interests, which may conflict with the interests of the Customer. CMSHK shall take all reasonable steps to ensure that the Customer receives fair treatment in the event of any actual or potential conflict arising.

13.6 In respect of any of the transactions or matters mentioned in this Clause 13, CMSHK and its directors, officers and employees shall not be obliged to account for any profits or benefits obtained.

14. Representations Warranties and Undertakings

14.1 The Customer represents and warrants to CMSHK the following:

(a) the information provided by the Customer to CMSHK, whether in the Customer Information Form, the Securities Account Application Form or otherwise is true, accurate and complete and not misleading in any respect and CMSHK is entitled to rely on such information until CMSHK has received notice in writing from the Customer of any changes therein;

(b) (in the case of a corporation)

(i) the Customer is validly incorporated and existing under the laws of its place of incorporation and has full power and capacity to enter into and perform its obligations hereunder;

(ii) the Customer's entry into of this Agreement has been duly authorised by its governing body and does not breach its Articles of Association (and the Memorandum of Association also if the Customer has the same) or other constitutional documents (as applicable);

(c) all necessary consents or authorisation which may be required for the Customer's entering into and performance of this Agreement have been obtained and are in full force and effect;

(d) the Customer has the authority and legal capacity to enter into and perform its obligations under this Agreement and this Agreement constitutes valid and legally binding obligations of the Customer in accordance with its terms;

(e) the Customer is not resident in a jurisdiction where there is any restriction on purchase of Securities by the Customer. If the Customer becomes resident, a national, citizen, tax resident of, domiciles or legal entities setup in any such jurisdiction, the Customer will not trade or invest in any Securities and other related financial products of the relevant jurisdiction through CMSHK and shall inform CMSHK immediately and will if so required by CMSHK sell or redeem any such restricted Securities;

(f) any funds remitted to CMSHK in the Account comes from permitted sources only.

The above representations and warranties shall be deemed to be repeated immediately before each Instruction is given or executed.

14.2 The Customer undertakes that,

(a) it will notify CMSHK in writing of any change in the information mentioned in Clause 14.1(a) above;

(b) when purchasing or dealing in any Securities it will ensure that the Customer is not subject to and is not acting on behalf of any person who is subject to any prohibition against the purchase of or dealing in any Securities and other related financial products;

(c) when trading relevant bonds, securities, positions, virtual assets or virtual asset related products where it is limited to eligible investor only or other type of investors as approved by SEHK and/or regulatory body, it is an eligible investors satisfying the relevant SEHK and/or regulatory body's requirements (where in the case the Customer is an intermediary trading on behalf of its underlying clients, the relevant underlying client is an eligible investor).

15. Set-Off, Lien and Combination of Accounts

15.1 In addition and without prejudice to any general liens, rights of set-off or other similar rights to which CMSHK may be entitled under the applicable law or this Agreement, to the extent permitted by applicable law,

(a) all Securities, receivables, monies and other property of the Customer (held by the Customer either individually or jointly with others) held by or in the possession of CMSHK at any time shall be subject to a general lien in favour of CMSHK as continuing security, and

(b) CMSHK may as the Customer's agent take such measures as it may in its sole discretion deem necessary to sell, dispose of or otherwise realise all such property, to offset and discharge all of the Customer's obligations, arising from the Transactions, to CMSHK and its Associates.

15.2 The Customer as beneficial owner hereby charges in favour of CMSHK and any of its Associates by way of first fixed charge, to the extent permitted by applicable law, all Securities, receivables, monies and other property of the Customer (held by the Customer either individually or jointly with others) held by or in the possession of CMSHK at any time, including any and all rights, title and interest, present and future, therein (collectively called "**Charged Property**") as continuing security for all of the liabilities and obligations due, owing or incurred towards CMSHK or its Associates of whatever nature from time to time and the Customer by this Agreement assigns and releases to CMSHK and any of its Associates, save in respect of China Connect Securities (as defined in Schedule IA), all such Securities, receivables, monies and other property as aforesaid. If and to the extent any charge created as aforesaid is ineffective as a fixed charge for any reason, then such charge shall take effect as a first floating charge. In respect of any asset forming part of the Charged Property which is not for the time being effectively charged to CMSHK and its Associates by way of fixed charge, CMSHK and any of its Associates may at any time by notice in writing to the Customer, to the extent permitted by applicable law, convert the floating charge hereby created into a fixed charge as regards any Charged Property specified in the notice. If the Customer without the prior written consent of CMSHK or any of its Associates creates, incurs or permits to arise or subsist any encumbrance over the Charged Property or attempts or takes any steps so to do, or a bankruptcy or winding-up petition is presented against the Customer or a receiver appointed to all or any part of either of the Customer's property or of the Customer's business, or the Customer makes arrangement or composition with the Customer's creditors generally (collectively, "**Crystallisation Event**"), the floating charge hereby created shall automatically, without notice, be converted into a fixed charge as regards the Charged Property thereby affected immediately before the Crystallisation Event. Without limitation to the above, subject to applicable laws and regulations, in the event of the Customer's failure to pay any indebtedness or outstanding amount due, owing or incurred to CMSHK or any of its Associates when due or on demand by CMSHK or any of its Associates, or an order is made or petition presented or resolution passed for the bankruptcy, winding-up or dissolution of the Customer, or the Customer is declared incompetent or dies or upon the occurrence of any Event of Default, CMSHK shall be entitled to sell or, as the case may be, the relevant Associate shall be entitled to direct CMSHK to sell, at the sole discretion of the relevant company both as to manner and time of sale and consideration, any of the Charged Property whether or not held on loan for consumption and whether or not the delivery of any property comprised in the Charged Property shall have been required pursuant to any instruction from the Customer or any Authorised Person and to deduct from the sale proceeds such amount as is necessary to discharge the indebtedness or outstanding amount and pay the same to CMSHK or any of its Associates. For this purpose, a certificate issued by CMSHK or any of its Associates certifying the amount of indebtedness or outstanding amount due to it by the Customer at any time and that the Customer has failed to pay the same to it shall be final, conclusive and binding on the Customer.

15.3 In addition and without prejudice to any general liens or other similar rights which CMSHK may be entitled under law or this Agreement, to the extent permitted by applicable law,

(a) CMSHK for itself and as agent for any of its Associates, at any time without notice to the Customer, may combine or consolidate any or all accounts, of any nature whatsoever and either individually or jointly with others, with CMSHK or any of its Associates; and

(b) CMSHK may set off or transfer any monies, Securities or other property in any such accounts to satisfy obligations or liabilities of the Customer to CMSHK or any of its Associates, whether such obligations and liabilities are actual or contingent, primary or collateral, secured or unsecured, or joint or several.

15.4 Without limiting or modifying the general provisions of this Agreement, CMSHK may, to the extent permitted by applicable law, without notice, transfer all or any such or properties inter changeably between any Accounts and any other accounts of its Associates.

15.5 The Customer agrees to give CMSHK an authorisation pursuant to Rule 21(2) of the Securities and Futures (Financial Resources) Rules (Chapter 571N of the Laws of Hong Kong) to

(a) set off against each other any amount receivable from, and amount payable to the Customer where such amounts arise from the purchase and sale of Securities by the Customer on a cash-against-delivery basis;

(b) dispose of Securities held for the Customer for the purpose of settling any of the amounts payable by the Customer to CMSHK.

16. Electronic Service

16.1 The Customer agrees and undertakes that in respect of any use by the Customer of the Electronic Service offered by CMSHK from time to time, the Customer will fully comply with and observe this Agreement and the Terms and Conditions of Electronic Service as set out in Schedule II.

16.2 CMSHK may in its sole discretion impose restrictions on the types of orders and the range of prices for such orders, which can be placed through the Electronic Service and the types of Securities and markets which can be covered by Electronic Service.

16.3 The Customer agrees to pay, if it elects to use the Electronic Service, all subscription, service and user fees, if any, that CMSHK charges for the Electronic Service.

17. Events of Default

17.1 The following events shall be Events of Default (each an "**Event of Default**") for the purposes of this Agreement:

(a) the Customer (including any Joint Holder in the case where the Customer comprises more than one individual) fails to duly and punctually observe or perform any of the undertakings, duties and obligations of the Customer (including any Joint Holder in the case where the Customer comprises more than one individual) under or otherwise any provision of any agreement, contract or other binding document (including but without limitation to this Agreement) the Customer (including any Joint Holder in the case where the Customer comprises more than one individual) or any of its Group Companies has entered into with CMSHK or any Group Company of CMSHK ;

(b) default by the Customer in the observance of any laws, by-laws, rules and/or regulations of Hong Kong or elsewhere (including but not limited to the China Connect Rules);

(c) the Customer (in the case of an individual) dies, or is judicially declared insane or incompetent, or has filed a petition for his bankruptcy (or his bankruptcy has been petitioned by a third party) or, (in the case of a corporation) is insolvent or has commenced procedures for its voluntary winding-up (or its winding-up has been petitioned by a third party) or enters into an arrangement or composition for the benefit of its creditors or ceases or threatens to cease to make payment of its debts;

(d) an encumbrancer takes possession or a receiver, trustee or other similar officer is appointed in respect of any part of the Customer's undertaking, assets or revenues or a distress, execution or other process is levied or enforced or sued out upon or against any property of the Customer and is not removed, discharged or paid out in full within 7 days;

(e) an administrator, liquidator or similar officer is appointed or an administration order made with respect to the Customer or the whole or any part of the Customer's assets or business;

(f) there shall, without the prior written consent of CMSHK, be a debit balance on any Account of the Customer with CMSHK;

(g) any representation or warranty made by the Customer to CMSHK in this Agreement, the Customer Information Form, the Securities Account Application Form or in any other document is or becomes incorrect or misleading;

(h) any consent, authorisation or board resolution required by the Customer (being a corporation) to enter into this Agreement being wholly or partly revoked, suspended, terminated or ceasing to remain in full force and effect;

(i) performance of this Agreement, any other agreement, contract or other binding document (including but without limitation to the Securities Account Application Form) the Customer has entered into with CMSHK or any Group Company of CMSHK becomes illegal or is claimed by any government authority to be illegal; and

(j) the occurrence of any event which, in the sole reasonable opinion of CMSHK, might jeopardise any of CMSHK's rights under this Agreement.

17.2 Without prejudice to any other rights or remedies which CMSHK may have, if any of the Events of Default shall occur,

(a) all amounts due or owing by the Customer to CMSHK under this Agreement shall become immediately due and payable;

(b) CMSHK shall not, pending remedy thereof, be obliged to pay over any sum or deliver any assets held by way of security to the Customer in respect of any Transaction;

(c) without prior demand, call or notice to the Customer, CMSHK shall be entitled to

(i) immediately close the Account:

(ii) terminate all or any part of this Agreement;

(iii) cancel any or all outstanding orders or any other commitments made on behalf of the Customer;

(iv) suspend performance of any of its obligations to the Customer howsoever arising, including the payment of any sum or sums of money then due or which might thereafter become due and cancellation of all outstanding orders or contracts, until such time as the Customer has fully complied with all its obligations to CMSHK or the Event of Default has been remedied to CMSHK's satisfaction;

(v) dispose of any or all Securities held for or on behalf of the Customer and apply the proceeds thereof and any cash deposit(s) to settle all outstanding balances owing to CMSHK or its Associates including all costs, charges, legal fees and expenses like stamp duty, commission and brokerage properly incurred by CMSHK in transferring or selling all or any of the Securities or properties in the Account or in perfecting title thereto;

(vi) close any or all contracts between CMSHK and the Customer as CMSHK considers necessary or desirable, cover any short position of the Customer through the purchase of Securities on the relevant Exchange(s) or liquidate any long positions of the Customer through the sale of Securities on the relevant Exchange and take such other steps as CMSHK may consider necessary to protect its interests (but in no circumstances shall CMSHK be under any obligation to exercise any of such rights or, if it does exercise any of such rights, to do so at a time or in a manner beneficial to the Customer);

(vii) borrow or buy any Securities required for delivery in respect of any sale effected for the Customer;

(viii) subject to applicable laws, rules and regulations, sell or subpledge any securities, financial instruments, documents or other property held by CMSHK under this Agreement as it may deem appropriate in order to discharge any obligations of the Customer to CMSHK; and

(ix) combine, consolidate and set-off any or all accounts of the Customer in accordance with Clause 15.

17.3 In the event of any sale pursuant to Clause 17.2,

(a) CMSHK shall not be responsible for any loss occasioned thereby howsoever arising if CMSHK has used reasonable endeavours to sell or dispose of the Securities or any part thereof at the then available market price;

(b) to the extent permitted by applicable law, CMSHK shall be entitled to keep for itself or sell or dispose of the Securities or any part thereof at the available market price to any person at its discretion without being in any way responsible for loss occasioned thereby howsoever arising and without being accountable for any profit made by CMSHK and/or any of the Associates; and

(c) the Customer agrees to pay to CMSHK any deficiency if the net proceeds of sale shall be insufficient to cover all the outstanding balances owing by the Customer to CMSHK.

17.4 Any demand, call or notice given by CMSHK to the Customer prior to CMSHK's exercise of any rights under Clause 17.2 shall not be construed as a waiver of CMSHK's right to exercise its rights thereunder without prior notice.

18. Termination and Suspension

18.1 Either party may terminate this Agreement at any time by giving the other party no less than 5 Business Days' notice in writing.

18.2 CMSHK may also terminate this Agreement upon the occurrence of any one or more of the following events:

(a) the withdrawal or non-renewal upon expiry (or when called upon to do so) of the Standing Authority (Client Securities) given by the Customer to CMSHK;

(b) the withdrawal of the Customer's appointment of CMSHK as the Customer's custodian under Clause 8.1;or

(c) where the Customer no longer maintains any Account with CMSHK or where CMSHK no longer provides any services to the Customer by virtue of Clause 18.6.

18.3 Termination under this Clause is without prejudice to any other provisions of this Agreement and shall not affect:

(a) any Transactions entered into by CMSHK pursuant to this Agreement before the termination;

(b) any accrued rights or liabilities of any of the parties to this Agreement which may already have arisen;

(c) any warranties, representations, undertakings and indemnities given by the Customer;

(d) any rights of CMSHK over any of the Customer's property in the possession or control of CMSHK whether the same be held for safe custody, margin or otherwise and whether pursuant to this Agreement or otherwise so long as there are any outstanding liabilities of the Customer to CMSHK; and

(e) the rights or liabilities of either party to this Agreement arising out of or in connection with any outstanding orders or open contracts at the time of such termination whether as to margin, commissions, expenses, indemnity or otherwise whatsoever or howsoever in accordance with the terms of this Agreement until all such contracts have been closed out or settlement and/or delivery has been effected and all such liabilities have been fully discharged.

Service of notice of termination by the Customer shall not affect any Transaction entered into pursuant to the Agreement before the expiration of one (1) Business Day after the actual receipt of by CMSHK of the termination notice. Notwithstanding anything in the Agreement, CMSHK may at its sole discretion, reasonably exercised, immediately cease or refuse to carry out or execute any order or orders of the Customer (a) upon receipt of a termination notice from the Customer and/ or (b) upon issuance of a termination notice by CMSHK to the Customer; as the case may be, both notwithstanding that the notice period in clause 18.1 has not expired.

18.4 Upon termination of this Agreement under this Clause, all amounts due or owing by the Customer to CMSHK under this Agreement shall become immediately due and payable. CMSHK shall cease to have any obligations to purchase or sell Securities on behalf of the Customer in accordance with the provisions of this Agreement, notwithstanding any instructions from the Customer to the contrary.

18.5 CMSHK may suspend the services to the Customer in relation to or under the Account without prior notice

(a) where the Account has recorded no trading activity for a continuous period of 12 months;

(b) where there is administrative, risk management or operational reason of CMSHK;

(c) in the event of system failure, force majeure, suspicion of money laundering terrorist financing and/or other illegal activities through the Transactions and/or the use of the Account; and/or

(d) where requirements of court orders, applicable laws and regulations, regulatory authorities, investigation by any competent authority or CMSHK for legal and regulatory compliance purpose warrant such suspension.

18.6 CMSHK may terminate the services to the Customer in relation to or under the Account without prior notice where the Account has recorded no trading activity for a continuous period of 18 months.

19. Notice and Communications

19.1 All notices, reports, statements, confirmations and other communications ("**Communications**") shall be in written form which may be personally delivered or transmitted by post or facsimile if to the Customer, at the address or facsimile number given in the Customer Information Form or at such other address or facsimile number as shall be designated by the Customer in a written notice to CMSHK; and if to CMSHK, at its address of such office of CMSHK as CMSHK may from time to time select and notify to the Customer provided however that where the Customer has consented to transmission of the Communications by CMSHK to the Customer through electronic communications on terms satisfactory to CMSHK, the Communications may also be transmitted by CMSHK to the Customer via electronic mail using the electronic mail address designated by the Customer to CMSHK for such purpose in writing and transmitting Communications (including Instructions) by the Customer to CMSHK by facsimile or electronic mail shall be conditional on due signing by the Customer of such acknowledgment and confirmation required by CMSHK while giving instructions, notifications and other communications by the Customer to CMSHK over the phone is conditional on due signing by the Customer of such acknowledgement and confirmation required by CMSHK and completion of security and identity verification procedures.

19.2 All such notices, reports, statements, confirmations and other communications shall be deemed to have been duly served:

(a) at the time of delivery or transmission, if delivered personally, by facsimile or by electronic mail; or

(b) 2 Business Days after the date of posting, if sent by local mail; or

(c) 5 Business Days after the date of posting, if sent overseas by airmail.

19.3 The Customer acknowledges that telephone calls between the Customer (including its Authorised Persons and the Joint Holders (as the case may be)) and CMSHK may be recorded and that the record may be used as final and conclusive evidence of the Instructions in the case of disputes.

19.4 The Customer may choose to opt out from trade execution notifications only. Under such circumstances, the Customer shall sign an acknowledgement of the risks as disclosed by the Company prior to the Company effecting such opt out. Please refer to the Schedules in this agreement, in particular Schedule III Part V.

19.5 If the Customer is a corporation, CMSHK is authorised to, in its sole discretion, provide any information on or relating to the Account to any one or more of the directors or such other persons of whom CMSHK is satisfied as being members of the Customer's governing body as the case may be irrespective of whether such persons are Authorised Persons and if they are, irrespective of their signing authority for the Account.

19.6 In respect of any Customer who requests CMSHK to accept and process duly signed instructions, confirmation, authority and other communications issued by the Customer or for and on its behalf relating to its Account(s) ("**Important Messages**") even if the same are sent to CMSHK by facsimile transmission and/or e-mail (attaching pdf. files of the Important Messages duly signed) to the facsimile number and/or e-mail address designated by CMSHK from time to time and CMSHK has not yet received the signed original:

19.6.1 the Customer hereby acknowledges that that facsimile and e-mail (whether encrypted or not) transmissions are not secure means of transmitting Important Messages and the Customer is aware of the risk involved (e.g. for e-mail transmission, there is the risk of interception and there may be delay in transmission) and its request to CMSHK to accept and act upon Important Messages from it sent via facsimile and/or e-mail transmission without having received the signed original is purely for its convenience and efficiency purpose. The Customer is aware that with advanced photocopying and scanning technology nowadays, it is rather easy for Important Messages to be faked where the Important Messages have in fact not been signed by the signatory(ies) appear to have signed the same; and

19.6.2 the Customer hereby agrees that:

(i) wherever possible Important Messages sent by facsimile and/or e-mail transmission to CMSHK will be in the form agreed to by CMSHK;

(ii) Important Messages sent by facsimile and/or by e-mail to CMSHK will be transmitted to the facsimile number(s) and/or e-mail address(es) specified by CMSHK for such purpose from time to time and from the facsimile number(s) and/or e-mail address(es) it designate to CMSHK in writing for such purpose;

(iii) when sending Important Messages to CMSHK by facsimile and/or e-mail transmission, the Customer will at its expense take the risk control measures requested or suggested by CMSHK from time to time;

(iv) CMSHK (including its directors, officers, employees and duly appointed agents (CMSHK and each of the parties aforesaid are hereinafter called "**Indemnitees**" and each an "**Indemnitee**")) is under no duty or obligation to and need not verify the authenticity, source, accuracy or authority to so transmit Important Messages to CMSHK;

19.6.3 the Customer further acknowledges that:

(i) despite the risk control measures mentioned in Clause 19.5.2(iii), the risks associated with transmission of Important Messages via facsimile and/or e-mail transmission can in no way be completely eliminated;

(ii) CMSHK may but is not obliged to verify the content of the Important Messages with its Authorized Person(s) with respect to its Account(s) verbally;

19.6.4 the Customer further agrees and undertakes that:

(i) in the event that the Important Messages are inconsistent or conflict with the instructions obtained by CMSHK from such verification, CMSHK is entitled not to process or act on and CMSHK and the other Indemnitees shall not be held liable for not processing or acting on the Important Messages sent via facsimile or e-mail transmission and the instructions obtained from such verbal verification;

(ii) the Customer will alert its Authorized Person(s) that for the purpose of the said verification, CMSHK will verify his/her/their identity by asking certain questions relating to his/her/their personal particulars and that CMSHK reserves the right to record the telephone conversation(s);

(iii) the Customer shall promptly check any trading or instruction confirmation CMSHK sends it (if any) after processing or otherwise acting on the Important Messages given to CMSHK via facsimile and/or e-mail transmission for and on its behalf;

(iv) CMSHK (including the other Indemnities) shall be under no obligation to accept or process any Important Messages sent by facsimile and/or e-mail transmission;

(v) CMSHK may at any time give notice to the Customer that it will refuse to accept and process further Important Messages sent by facsimile and/or e-mail transmission before CMSHK's receipt of the signed originals; and

(vi) to the extent permitted by applicable law, the Customer shall not hold CMSHK and the other Indemnities liable for any damage, loss, claim, proceedings, demand, cost and expenses whatsoever incurred or which may be incurred by the Customer by reason of, arising from or in any way relating to the receipt or non-receipt, the acceptance or non-acceptance, communication or transmission, acting upon or omitting to act upon Important Messages sent by facsimile and/or e-mail transmission in the absence of fraud, gross negligence and wilful misconduct on the part of CMSHK and the other Indemnitees.

19.7 In respect of the Customer who requests CMSHK to accept Important Messages given for and on its behalf over the phone by the individual(s) who has/have input the correct login ID and password and who appear(s) from the answers to the identity verification questions raised thereto to be its Trading Representative(s) according to its then latest record (such individual is hereinafter called the "**Caller**") even if the Important Message is not set out in writing or signed by its Authorized Person(s) for such Account(s):

19.7.1 the Customer acknowledges that telephone is not secure means of communicating Important Messages to CMSHK and it is aware of the risk involved (e.g. the risk of interception) and its request to CMSHK to accept and act upon Important Messages from it communicated over the phone without having received the Important Messages set out in writing and duly signed is purely for its convenience and efficiency purpose. It is aware that raising identity verification questions is not a completely reliable means of verifying the identity of the Caller, CMSHK does not have record of the voice sample of its Trading Representative(s) and other than the identity verification arrangements mentioned above no technology or mechanism for checking whether the Caller is its Trading Representative based on voice or other characteristics is employed by CMSHK;

19.7.2 the Customer agrees that:

(i) Important Messages communicated to CMSHK over the phone will be given using the telephone number(s) specified by CMSHK for such purpose from time to time and it will keep and procure to be kept confidential the login ID and passwords for such purpose such that they are only known by its Trading Representative for whom they are designated;

(ii) when communicating Important Messages to CMSHK by phone, it will at its expense take the risk control measures requested or suggested by CMSHK from time to time;

(iii) all "**Indemnitees**" are under no duty or obligation to and need not verify the authenticity, source, accuracy or authority to so communicate Important Messages to CMSHK;

19.7.3 the Customer further acknowledges that:

(i) despite the risk control measures mentioned in Clause 19.7.4, the risks associated with communicating Important Messages over the phone can in no way be completely eliminated;

(ii) CMSHK may but is not obliged to verify the content of the Important Messages with its Authorized Persons(s) and/or Trading Representative(s) with respect to its Account(s) verbally;

19.7.4 the Customer further agrees that:

(i) in the event that the Important Messages are inconsistent or conflict with the instructions obtained by CMSHK from such verification, CMSHK is entitled not to process or act on and CMSHK and the other Indemnitees shall not be held liable for not processing or acting on the Important Messages communicated to CMSHK over the phone and the instructions obtained from such verbal verification;

(ii) it will alert its Authorized Person(s) and Trading Representative(s) that for the purpose of the said verification, CMSHK will verify his/her/their identity by asking certain questions relating to his/her/their personal particulars and that CMSHK reserves the right to record the telephone conversation(s);

(iii) it shall promptly check any trading or instruction confirmation CMSHK sends to it (if any) after processing or otherwise acting on the Important Messages given to CMSHK over the phone for and on its behalf;

(iv) CMSHK (including the other Indemnities) shall be under no obligation to accept or process any Important Messages communicated to CMSHK over the phone without the Important Messages set out in writing and signed by its authorised signer(s) in accordance with its approved signing arrangements according to the latest record of CMSHK;

(v) CMSHK may at any time give notice to it that it will refuse to accept and process further Important Messages communicated to CMSHK over the phone in the absence of such Important Messages set out in writing duly signed; and

(vi) To the extent permitted by applicable law, the Customer shall release CMSHK and the other Indemnities from any liability for any damage, loss, claim, proceedings, demand, cost and expenses whatsoever incurred or which may be incurred by CMSHK and the other Indemnitees by reason of, arising from or in any way relating to the acting upon or omitting to act upon Important Messages communicated to CMSHK over the phone in the absence of fraud, gross negligence and willful misconduct on the part of CMSHK and the other Indemnitees.

19.8 Notwithstanding the Customer's consent to CMSHK providing any Communications through electronic communication (instead of through other means like physical mail):

19.8.1 the Customer agrees that despite the foregoing consent, CMSHK may, if it deems fit, send any of the Communications to the Customer by post, whether in addition to or in substitution of sending the Communications by e-mail;

19.8.2 the Customer acknowledges and accepts the risks of receiving the Communications via electronic communications, including but not limited to the following:

(i) there may be delay or failure in transmitting Communications by electronic communications;

(ii) electronic communications are subject to the risk of hacking and virus;

(iii) limitation in the size of inbox may preclude the receipt of Communications sent by electronic communications, particularly those with attachments of large size;

(iv) there may be the risk of failure of the Communications sent via electronic communication to be received in the inbox of the Customer's e-mail account (say where the Communication has entered the junk mail box) thus causing delay in the Customer's access to the Communications;

19.8.3 the Customer further acknowledges and agrees that it is the Customer's responsibility to control the access to the Communications sent to the Customer's designated e-mail address (including control of the disclosure of any password required for accessing the Communications) and to adopt proper safeguard against unauthorised access to the Communications;

19.8.4 the Customer agrees and undertakes to hold CMSHK harmless from and against all losses, damages, interests, costs, expenses, actions, demands, claims and proceedings of whatsoever nature which the Customer may incur, suffer and/or sustain as a result of CMSHK's despatch of the Communications via electronic communication;

19.8.5 the Customer undertakes to notify CMSHK of any change in the Customer's e-mail address for receiving Communications; and

19.8.6 the Customer agrees that if CMSHK receives two successive messages in relation to failure of sending any Communications to the Customer's designated e-mail address, CMSHK has the right to send the Communications to the Customer via physical mail instead.

19.9 The Customer agrees that it shall hold harmless and indemnify and keep indemnified CMSHK (for itself and as trustee of the other Indemnities) and the other Indemnitees from and against all actions, claims, demands, liabilities, obligations, losses, damages, costs (including, without limitation, interest, legal fees and expenses) and expenses of whatever nature (whether actual or contingent) suffered or incurred, sustained by or threatened against CMSHK or the Indemnitees whatsoever and howsoever, arising from or in connection with or in any way relating to:

19.9.1 the receipt or non-receipt, communication or transmission, acting upon or omitting to act upon, of Important Messages transmitted facsimile and/or e-mail transmission; and

19.9.2 the acting upon or omitting to act upon, of Important Messages communicated to CMSHK over the phone whether or not the Caller is confirmed to be its Trading Representative.

20. Assignment

20.1 The Customer may not assign any rights under this Agreement without the prior written consent of CMSHK. Where applicable, the Customer's rights arising under each Transaction shall be subject to all rights, liabilities and obligations arising out of the application of this Agreement to every other Transaction entered into by the Customer with CMSHK.

20.2 The Customer agrees that CMSHK may transfer and assign its rights and obligations under this Agreement without the Customer's consent.

21. Liability and Indemnity

21.1 CMSHK will use all reasonable endeavours to comply with and carry out Instructions given by the Customer and accepted by CMSHK concerning the Account or Transactions but to the extent permitted by applicable law. Neither CMSHK nor any of its directors, employees or agents (save where it has been established that they or any of them have acted fraudulently or in willful default or are grossly negligent) shall have any liability whatsoever (whether in contract, tort or otherwise) for any loss, expenses or damages suffered by the Customer as a result of:

(a) any inability, failure or delay on the part of CMSHK to comply with or carry out any such Instruction or any ambiguity or defect in any such Instruction; or

(b) CMSHK in good faith acting or relying on any Instruction given by the Customer, whether or not such Instruction was given following any recommendation, advice or opinion given by CMSHK or any Associate or by any of its or their directors, employees or agents, subject to Clause 4.1; or

(c) CMSHK failing to perform its obligations hereunder by reason of any cause beyond its control, including any governmental or regulatory restriction, closure of or ruling by any Exchange (or any division thereof), suspension of trading, breakdown or failure of transmission or communication or computer facilities, postal or other strikes or similar industrial action, or the failure of any Exchange, Clearing House, Correspondent Agent, broker, custodian, settlement agent, other company or person whatsoever to perform its obligations; or

(d) any Exchange, Clearing House, Correspondent Agent or other company ceasing for any reason to recognize the existence or validity of Transactions entered into by CMSHK on behalf of the Customer, or failing to perform or close out any such contract provided that such cessation or failure shall not affect the Customer's obligations hereunder in respect of any such contracts or other obligations or liabilities of the Customer arising therefrom; or

(e) the mis-understanding or mis-interpretation of any Instruction given or placed verbally or electronically, or delays or errors in transmission owing to electronic traffic congestion or any other causes, or any mechanical failure, malfunction, suspension or termination of the continued operation or availability and mechanical failure or inadequacy of CMSHK's telephone or telecommunication system or installation in connection with the receipt and processing of Instructions transmitted by telecommunication devices and all other related equipment, facilities and Service.

21.2 The Customer agrees to fully indemnify and keep indemnified CMSHK (as trustee for itself and the other Indemnified Persons) and its Associates and its Correspondent Agents and their directors, officers, employees and agents ("**Indemnified Persons**") against any loss, cost, claim, liability or expense, including legal fees, that may be suffered or incurred by any and/or all of the Indemnified Persons, arising out of or in connection with any Transactions, or otherwise arising out of any action or non-action by CMSHK in accordance with the terms of this Agreement, or arising out of any Event of Default, or arising out of any breach by the Customer of any of its obligations under this Agreement, including any costs reasonably incurred by CMSHK in collecting any debts due to CMSHK or any unpaid deficiency in the Account, in enforcing the rights of CMSHK hereunder or in connection with the closure of the Account, and any penalty charged to CMSHK by any Exchange and/or Clearing House.

22. Joint and Several Liability and Successors

22.1 Where the Customer comprises two or more individuals:

(a) the Account shall be owned by the individuals as joint tenants with the right of survivorship and each such individual shall be jointly and severally liable for all obligations and liabilities of the Customer under this Agreement and in respect of the Account;

(b) without prejudice to CMSHK's right to require written Instructions from all such individuals at its discretion. CMSHK may accept Instructions given in manner specified by all of them in writing irrespective of whether or not the Instructions are given by all such individuals and subject to the aforesaid CMSHK may give receipts to and for all purposes deal with any one of such individuals without notice to the other individual(s) and CMSHK is not responsible for determining the purposes or propriety of an Instruction given in the said manner or for the disposition of payments or deliveries among such individuals;

(c) CMSHK is authorised to provide information on or relating to the Account to any one of them in such form and manner and to such extent as any one or more of such individuals shall request or as CMSHK shall in its sole discretion determine at any time and from time to time;

(d) each of them shall be bound by this Agreement, the undertakings and obligations of the Customer under the Customer Information Form, the Securities Account Application Form and such other terms and conditions governing the Account and the Transactions even though

(i) any other person or any person intended to be bound by the same is not; or

(ii) the same may be invalid or unenforceable against any one or more of such persons by reason of fraud, forgery or otherwise (whether or not the deficiency is known to CMSHK);

(e) CMSHK shall be entitled to deal separately with any one of them on any matter including

(i) the variation or discharge of any liability to any extent;

(ii) the granting of time or other indulgence to or making other arrangements with any such individual without prejudicing or affecting CMSHK's rights, powers and remedies against any one or more of the other individuals;

(f) no such individual shall be entitled to the rights or remedies of a surety as regards the liability or obligations of the other individual(s) forming part of the Customer;

(g) acceptance of any terms and conditions of any services rendered by CMSHK in respect of the Account by any one of such individuals with be deemed accepted by each and all of them and accordingly, such terms and conditions will be binding on each and all of them;

(h) any payments made to any one of such individuals shall be a valid and complete discharge of CMSHK's obligations to each individual regardless of whether such payment is made before or after the death of any one of more of such individuals;

(i) any notices and communications sent to one such individual will be deemed notice to all individuals holding the Account;

(j) on the death of any such individual (being survived by any other such individual), this Agreement shall not be terminated and CMSHK shall hold the assets under the Account to the order of and the interest in the Account of the deceased shall thereupon vest in and enure for the benefit of

(i) the surviving individual(s) forming part of the Customer under this Agreement subject to the surviving individual(s) producing to the satisfaction of CMSHK evidence of death of the relevant deceased individual and evidence of compliance of all applicable requirements under the relevant law including, without limitation, all obligations regarding payment or clearance of any applicable estate duty or the equivalent; and

(ii) in the case of the death of all individuals, the legal representative(s) of the last surviving individual on production of a Grant of Probate or Letter of Administration in respect of that last surviving individual

provided that any liabilities incurred by the deceased individual shall also be enforceable by CMSHK against such deceased individual's estate. The surviving individual(s) constituting the Customer shall immediately give CMSHK written notice of the death of the deceased individual (which shall be accompanied by certified true copy of the death certificate of the deceased individual) by registered mail to CMSHK at its office at 32/F., One Exchange Square, Central, Hong Kong (Attention: Customer Services Department) upon any of them becoming aware of any such death and shall produce to CMSHK the original of the death certificate of the deceased individual for verification.

22.2 This Agreement shall be binding on the Customer's heirs, executors, administrators, personal representatives, successors and assigns, as the case may be.

23. Amendments

23.1 The Customer agrees that CMSHK may amend the terms of this Agreement (including but without limitation to introducing additional terms and conditions) at any time and from time to time by giving the Customer reasonable notice of the changes in writing which may be given by display in the office of CMSHK, posting on CMSHK's website or other means as CMSHK thinks fit. Any amendment to this Agreement shall take effect on expiry of such notice period and the Customer will be deemed to have accepted the amendment and the amendment shall be binding on the Customer if after the effective date of the amendment the Customer does not terminate the Account or if there is still any liability owing by the Customer to CMSHK in respect of the Account.

24. Client Identity Rule

24.1 If the Customer effects Transactions in Securities listed on SEHK, whether on a discretionary or non-discretionary basis, and whether as agent or by entering into matching transactions as principal with its clients, the Customer hereby agrees that, in relation to such transaction where CMSHK has received an enquiry from SEHK and/or the SFC and/or any other relevant regulatory or supervisory authority, exchange or clearing house (the "**Hong Kong regulators**"), the following provisions in this Clause 24 shall apply.

24.2 Subject as provided below, the Customer shall, immediately upon request by CMSHK (which request shall include the relevant contact details of the Hong Kong regulators), inform the Hong Kong regulators of its identity, address, occupation and contact details and (so far as known to the Customer) of the person with the ultimate beneficial interest in the relevant transaction. The Customer shall also inform the Hong Kong regulators of the identity, address, occupation and contact details of any other party (if different from the Customer or the ultimate beneficiary) who originated the relevant transactions. Further, the Customer shall also disclose to the Hong Kong regulators and/or CMSHK details of the instruction(s).

24.3 If the Customer effected the transactions for a collective investment scheme, discretionary account or discretionary trust, the Customer shall, immediately upon request by CMSHK (which request shall include the relevant contact details of the Hong Kong regulators), inform the Hong Kong regulators of the identity, address and contact details of the scheme, account or trust and, if applicable, the identity, address, occupation and contact details of the person who, on behalf of the scheme, account or trust, instructed the Customer to effect the transactions.

24.4 If the Customer effected the transactions for a collective investment scheme, discretionary account or discretionary trust, the Customer shall, as soon as practicable, inform CMSHK when the Customer's discretion to invest on behalf of the scheme, account or trust has been overridden. In the case where the Customer's investment discretion has been overridden, the Customer shall, immediately upon request by CMSHK (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 transactions.

24.5 If the Customer is a collective investment scheme, discretionary account or discretionary trust and in respect of a particular transaction the discretion of the Customer or its officers or employees has been overridden, the Customer shall, as soon as practicable, inform CMSHK when the Customer's discretion to invest on behalf of the scheme, account or trust has been overridden. In the case where the Customer's investment discretion has been overridden, the Customer shall, immediately upon request by CMSHK (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 transactions.

24.6 If the Customer is aware that its client is acting as intermediary for its underlying clients, and the Customer does not know the identity, address, occupation and contact details of the underlying client for whom the transactions was effected, the Customer confirms that

(a) it has arrangements in place with its client which entitle the Customer to obtain the information set out in Clauses 24.2 and/or 24.3 and/or 24.4 and/or 24.5 from its client immediately upon request or procure that it be so obtained; and

(b) it will, on request from CMSHK in relation to a transaction, promptly request the information set out in Clauses 24.2 and/or 24.3 and/or 24.4 and/or 24.5 from the client on whose Instructions the transaction was effected, and provide the information to the Hong Kong regulators as soon as received from its client or procure that it be so provided. The Customer declares, warrants and represents that, where necessary, it has obtained all relevant consents or waivers from clients, collective investment schemes, discretionary accounts or discretionary trusts for whose account transactions may be effected to release information to the Hong Kong regulators of the identity and contact details of such clients, collective investment schemes, discretionary accounts or discretionary trusts, and of the person(s) with the ultimate beneficial interest in any such transactions, and (if different from the client/ultimate beneficiary) of the person(s) who originated the transactions.

24.7 Where the Customer is in or subject to a jurisdiction with any secrecy laws, the Customer confirms that it waives and (if applicable) the ultimate client has entered into an agreement to waive the benefit of all such secrecy laws in relation to the terms of this Agreement, including, without limitation, any enquiry by any Hong Kong regulator contemplated in this Clause 24, to the fullest extent permitted by the law of such jurisdiction. The Customer confirms that such waivers and agreement are valid and binding under the law of the relevant jurisdiction. The Customer shall where it is not the ultimate client and deals with an intermediary rather than the ultimate client obtain a similar confirmation from that intermediary and shall procure that intermediary to obtain a similar confirmation from its client and so on up until the final financial intermediary dealing directly with the ultimate client.

24.8 The provisions of this Clause 24 shall continue in effect notwithstanding the termination of this Agreement.

25. Standing Authority on Client Money

25.1 For the purpose of this clause 25, the authority given by the Customer to CMSHK covers money held or received by CMSHK (including any interest derived from the holding of the money which does not belong to CMSHK) in any account maintained by the Customer with CMSHK the net equity balance of which exceeds the minimum margin requirements affecting the Customer or that account, as may from time to time be prescribed by law or any relevant regulatory authority (the "Monies"). The Customer authorises CMSHK in its sole discretion, without having to provide the Customer with any prior notice or to obtain the prior confirmation of the Customer and/or direction, to transfer from such account the whole or any part of the Monies held or received by CMSHK:

(a) into any segregated account(s) opened and maintained by the Customer with CMSHK or any company or companies within the group of companies (as defined in the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)) to which CMSHK belongs (the "CMSHK Group") for the purpose of satisfying the Customer's obligations or liabilities to any member of the CMSHK Group, whether such obligations or liabilities are actual, contingent, primary or collateral, secured or unsecured, or joint or several; and

(b) interchangeably between any of the said segregated account(s).

25.2 The Customer hereby agrees to indemnify, and to keep indemnified, CMSHK and the companies within the CMSHK Group (or any of them) from and against all losses, damages, interests, costs, expenses, actions, demands, claims or proceedings of whatsoever nature which they (or any of them) may incur, suffer and/or sustain as a consequence of any transaction undertaken in pursuance of the authority under this clause.

25.3 The authority under this clause is given without prejudice to other authorities or rights which the CMSHK Group may have in relation to dealing in the Monies in the segregated accounts.

25.4 The authority under this clause may be revoked by the Customer at any time by serving on CMSHK 30 days' prior written notice to that effect. Such revocation shall not take effect until actual receipt by CMSHK of such written notice and shall not affect any transaction undertaken by CMSHK pursuant to this standing authority prior to such revocation taking effect.

25.5 Where the Customer has not been classified by CMSHK as a "professional investor" under the SFO,

A. CMSHK shall treat any authority given under this clause be valid for a period not exceeding 12 months from the effective date hereof or such other date when the relevant account is opened at CMSHK (whichever the later) and shall expire thereafter unless it has been renewed in the following manner:

(1) before the expiry date, CMSHK receives the consent of the Customer in writing to renew this standing authority for a period not exceeding 12 months; or
(2) this standing authority shall be deemed to have been renewed if:
(a) CMSHK gives a written notice to the Customer at least 14 days before the expiry of the standing authority to inform the Customer of the impending expiry and that the standing authority will be renewed upon expiry for a period not exceeding 12 months on the same terms and conditions unless the Customer objects; and
(b) the Customer does not object to the renewal of the standing authority before its expiry;

B. where the standing authority is deemed to have been renewed, CMSHK shall give the Customer a written confirmation of the renewal of the standing authority within one week after the expiry of the previous standing authority.

25.6 Where the Customer has been classified by CMSHK as a "professional investor" under the SFO, CMSHK shall treat any such standing authority as continuing and it shall remain in effect unless and until specifically revoked by the Customer in writing.

26. Standing Authority on Client Securities

26.1 The authority given under this clause 26 is applicable to securities margin account only. For the purpose of this clause,

"**Associated Entity**" means any holding company or subsidiary company of CMSHK or any holding company of the holding company of CMSHK which receives or holds in Hong Kong any assets of the Customer;

"**Client Securities**" means any Securities (other than Securities Collateral) received or held by or on behalf of CMSHK or any Associated Entity which are so received or held on behalf of the Customer or in which the Customer has a legal or equitable interest;

"**Securities Collateral**" means any Securities deposited with or otherwise provided by or on behalf of the Customer to CMSHK or any other person, in the course of the conduct of any regulated activity for which CMSHK is registered or is required to register under the SFO, to secure or facilitate the provision of financial accommodation by CMSHK.

26.2 The Customer authorises CMSHK and each Associated Entity to deal with Client Securities and Securities Collateral from time to time received or held by or on behalf of CMSHK or any Associated Entity in the following manner without further notice to or consent from the Customer:

(a) to deposit any Client Securities with an authorised financial institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong) as collateral for financial accommodation provided to CMSHK;

(b) to lend or deposit any Client Securities to/with a person in accordance with the rules and regulations of The Stock Exchange of Hong Kong Limited, Hong Kong Securities Clearing Company Limited ("**HKSCC**"), or to/with a person of a class specified by the relevant rules of the SFC;

(c) to deposit any Client Securities with the HKSCC as collateral for the discharge and satisfaction of CMSHK's clearing and settlement obligations and liabilities. The Customer understands that HKSCC will have a fixed charge over the Client Securities to the extent of the obligations and liabilities of CMSHK;

(d) to apply any Client Securities or Securities Collateral pursuant to a securities borrowing and lending agreement;

(e) to apply any Client Securities in accordance with (a), (b), (c) and (d) above if CMSHK provides financial accommodation to the Customer in the course of dealing in securities and also provides financial accommodation to the Customer in the course of any other regulated activities of which it is licensed;

(f) as regards any action (including, without limitation, any rights or new issues or any consolidation, split or redenomination of funds stocks or shares or any other routine event) in connection with any Client Securities or Securities Collateral which affects the Customer as the owner of such Client Securities or Securities Collateral, to subscribe, take up or dispose of any rights, benefits, interests or entitlements arising from them or to deal or act in any manner in accordance with any instruction from the Customer whether the instruction is given in writing or by any other means (except that any applicable provisions in the constitutional and/or offering documents under which such Client Securities or Securities Collateral were issued, offered or sold shall always prevail and CMSHK is authorised to deal or act or refrain from dealing or acting in accordance with such provisions despite any instruction from the Customer) or, in the absence of or delay in receiving instruction from the Customer, in such manner as CMSHK considers appropriate to preserve the interests of the Customer;

(g) to sell dispose of or otherwise deal with any Client Securities or Securities Collateral on prevailing market conditions if such sale, disposal or dealing is required by any applicable law, rule, regulation or order or any direction, guideline, notice or restriction (whether or not having the force of law) issued by any competent authority, government agency, exchange or body or is otherwise for the protection of the Customer and/or CMSHK;

(h) to deal with any Client Securities or Securities Collateral in such manner as CMSHK considers appropriate to facilitate the provision of securities related services to the Customer taking into account any legal or regulatory requirement or prevailing market practice applicable to CMSHK from time to time; and

(i) to do all acts and things which are necessary for or incidental to the performance of the above activities or any of them.

26.3 The Customer declares, undertakes and warrants that the Customer has the sole beneficial ownership of the Client Securities and Securities Collateral free from all liens, charges and encumbrances (save and except those that may be created under this Agreement between the Customer and CMSHK) during the continuance in force of the authority under this clause.

26.4 The Customer fully understands that a third party may have rights to the Client Securities and Securities Collateral which CMSHK must satisfy before the same can be returned to the Customer.

26.5 The Customer hereby agrees to indemnify and to keep indemnified, CMSHK and each Associated Entity from and against all losses, damages, interests, costs, expenses, actions, demands, claims or proceedings of whatsoever nature which they (or any of them) may incur, suffer and/or sustain as a consequence of any transaction undertaken in pursuance of the authority under this clause.

26.6 The authority under this clause 26 may be revoked by the Customer at any time by serving on CMSHK 30 days' prior written notice to that effect. Such revocation shall not take effect until actual receipt by CMSHK of such written notice and shall not affect any transaction undertaken by CMSHK pursuant to the authority herein prior to such revocation taking effect. CMSHK has the right to terminate any financial accommodation it has provided to the Customer immediately by notice if CMSHK considers, in its opinion, that the absence of the authority herein makes it impracticable for CMSHK to continue to provide such financial accommodation to the Customer.

26.7 Where the Customer has not been classified by CMSHK as a "professional investor" under the SFO,

A. CMSHK shall treat any such authority given under this clause be valid for a period not exceeding 12 months from the date hereof or such other date when the relevant account is opened at CMSHK (whichever the later) and shall expire thereafter unless it has been renewed in the following manner:

(1) before the expiry date, CMSHK receives the consent of the Customer in writing to renew such standing authority for a period not exceeding 12 months; or

(2) such standing authority shall be deemed to have been renewed if:

(a) CMSHK gives a written notice to the Customer at least 14 days before the expiry of the standing authority to inform the Customer of the impending expiry and that the standing authority will be renewed upon expiry for a period not exceeding 12 months on the same terms and conditions unless the Customer objects; and

(b) the Customer does not object to the renewal of the standing authority before its expiry

B. Where the standing authority is deemed to have been renewed, CMSHK shall give the Customer a written confirmation of the renewal of the standing authority within one week after the expiry of the previous standing authority.

26.8 Where the Customer has been classified by CMSHK as a "professional investor" under the SFO, CMSHK shall treat any such standing authority as continuing and it shall remain in effect unless and until specifically revoked by the Customer in writing.

26.9 The Customer acknowledges that securities held or received by CMSHK outside Hong Kong are subject to the applicable rules and regulations of the relevant overseas jurisdiction which may be different from the SFO and the Securities and Futures (Client Securities) Rules. Consequently, such securities may not enjoy the same protection as that conferred on the securities held or received in Hong Kong.

27. Currency

27.1 CMSHK may, without prior notice to the Customer, make any currency conversions it considers necessary or desirable for the purposes of complying with its obligations or exercising its rights under this Agreement. Any such conversions shall be effected by it in such manner and at such rates as it may at its discretion determine having due regard to the prevailing rates for freely convertible currencies.

27.2 All foreign currency exchange risk arising from any Transaction or from compliance by CMSHK with its obligations or exercise by it of its rights under this Agreement shall be borne by the Customer.

28. Confidentiality

28.1 CMSHK will keep information relating to the Account confidential but may without any consent from or notification to the Customer disclose, subject to Clause 26.2 and Schedule IV, any such information pursuant to court orders enforceable in Hong Kong and provide any such information to the Exchange, SFC or any other authorities (including to regulatory authorities, governmental agencies and organisations whether in Hong Kong or overseas) when CMSHK has a public duty or is legally bound to

disclose such information, or to any Associates, professional advisers, auditors, third party service providers of CMSHK on a need basis.

28.2 Where information relating to the Account is personal data of an individual, CMSHK is subject to the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong), which regulates the use of personal data concerning individuals. CMSHK's policies and practices relating to personal data are set out in Schedule IV to this Agreement and the Customer declares that it fully understands and accepts the provisions in Schedule IV.

29. Governing Law and Jurisdiction

29.1 This Agreement and all rights, obligations and liabilities hereunder shall be governed by and construed in and may be enforced in accordance with Hong Kong law.

29.2 The Customer agrees to submit to the non-exclusive jurisdiction of the Hong Kong courts.

30. Process Agent

30.1 Without prejudice to any other mode of service allowed under any relevant law, if the Customer is an individual who does not have any address in Hong Kong or is a company incorporated outside Hong Kong and has not been registered with the Hong Kong Companies Registry, the Customer:

(a) irrevocably appoints the party named as its process agent in the form as specified by CMSHK for such purpose or if no such party is so named China Merchants Nominees (HK) Co. Limited of 32/F., One Exchange Square, Central, Hong Kong as its agent for service of process in relation to any proceedings before the Hong Kong courts in connection with this Agreement and/or the Account;

(b) agrees that such service shall be deemed completed on delivery to the Customer's process agent at its Hong Kong address last known to CMSHK and any service of any legal process on the process agent shall constitute sufficient service on the Customer for the purpose of legal proceedings in the Hong Kong courts and failure by such process agent to notify the Customer of the process will not invalidate the proceedings concerned;

(c) irrevocably agrees that if for any reason, any process agent of the Customer ceases to be able to act as such or no longer has an address in Hong Kong, the Customer will forthwith appoint a substitute process agent acceptable to CMSHK and deliver to CMSHK a copy of the new agent's acceptance of that appointment within 7 days of such appointment; and

(d) undertakes to promptly notify CMSHK in writing of any change in the Hong Kong address of its process agent.

30.2 Any change in the Hong Kong address of the Customer's process agent shall be deemed to be not known to CMSHK until the expiration of five (5) Business Days after the receipt by CMSHK of any written notification of the change from the Customer.

31. General

31.1 Each term of this Agreement is severable and distinct from the others. If any term in this Agreement is inconsistent with any present or future law, rule or regulation of the Exchange, the Clearing House or any authority having jurisdiction over the subject matter of this Agreement, such provision shall be deemed to be rescinded or modified such that the inconsistency is removed. In all other respects, this Agreement shall continue and remain in full force and effect.

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

31.3 A failure or delay in exercising any right, power or privilege in respect of this Agreement by CMSHK 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.

31.4 The Customer acknowledges and agrees that the legality, validity and enforceability of this Agreement and the provisions and Schedule(s) of this Agreement will not be affected whatsoever in the event of any misspelling and/or typographical errors.

31.5 The terms of this Agreement shall be subject to Market Requirements and nothing in this Agreement shall remove, exclude or restrict any rights of the Customer and any obligations of CMSHK under Market Requirements.

31.6 The Customer agrees to pay any taxes, duties, impositions or charges payable to any relevant authorities in (whether or not in Hong Kong) in respect of any Transaction and the holding of any assets in the Account at any time. Without limiting the generality of any other provisions in this Agreement, the Customer specifically agrees to fully indemnify and keep indemnified CMSHK (as trustee for itself and other Indemnified Persons) against any loss, cost, claim, liability or expense, including legal fees, that may be suffered or incurred by any and/or all of the Indemnified Persons, arising out of or in connection with any breach by the Customer of this Clause 29.6.

31.7 The Customer agrees and accepts that in no circumstances will CMSHK, its Associates or their respective nominees, custodians and/or agents be under any obligation or responsibility to apply for, or assist in the application for, any tax refund, tax concession, tax differences reclaim, preferential tax treatment or the like, including any tax credit for refund or a reduced tax rate or preferential tax treatment on interest, dividend, or any other distribution, proceeds or gains from any investment or transaction and/or any tax differences reclaim as a result of any change of law, nationality, domicile or tax residency (collectively, "**Tax Reclaim Arrangement**") that may be available to the Customer. The Customer agrees and accepts that none of CMSHK, its Associates or their respective nominees, custodians and/or agents shall be held liable for the loss of Tax Reclaim Arrangement or any other losses, damages, costs and/or expenses incurred or suffered by the Customer in this regard. The Customer further acknowledges and agrees that any assistance provided by CMSHK or its Associates is purely voluntary and does not and shall not create any expectation of future or additional assistance to the Customer to obtain the benefit of any Tax Reclaim Arrangement.

31.8 CMSHK reserves the right to charge an administrative fee for the provision of information concerning the Account in response to request for the same by any director or member of the governing body of the Customer where the Customer is a corporation and any individual comprising the Customer where the Customer comprises more than one individual.

31.9 Each party hereto undertakes to notify the other in the event of any material change to the information provided in this Agreement. Specifically CMSHK undertakes to notify the Customer of any material change in the information provided in item (2) of the party clause, Clause 2.1 and 11 of this Agreement, CMSHK's fee schedule as provided to the Customer and the arrangements regarding fees, charges, commissions and interest charged by CMSHK as provided in the other parts of this Agreement. Likewise, the Customer undertakes to notify CMSHK of any change to the information given by it in the Customer Information Form and the Securities Account Application Form.

31.10 The Contracts (Rights of Third Parties) Ordinance, Cap 623, shall not apply to this Agreement and unless specifically provided herein, no person other than the parties to this Agreement shall have any rights under it nor shall it be enforceable by any person other than the parties to it.

32. Risk Disclosure and Disclaimer, Derivative Products, Virtual Assets and Virtual Asset-Related Products

32.1 The Customer declares and acknowledges that the Risk Disclosure Statements set out in Schedule III have been fully explained to the Customer in a language the Customer understands and chooses and the Customer has been invited to read the risk disclosure statements, to ask questions and seek independent legal and financial advice if the Customer wishes. The Customer further declares that the Customer has carefully and thoroughly read the Risk Disclosure Statements and fully understands and accepts the contents of and agrees to be bound by the same.

32.2 The Customer represents, warrants and undertakes to CMSHK that if the Customer gives Instructions for effecting transactions involving any derivative product, virtual asset or virtual asset-related product under the Account,

(a) it fully understands the nature, features and risks of the derivative product, virtual asset or virtual asset-related product and is willing to bear such risks;

(b) has sufficient net worth to be able to assume the risks and bear the potential losses of trading in the product; and

(c) has thoroughly and independently considered the risks involved, its investment objectives, financial needs and commitments and its own circumstances before giving the Instructions, whether or not the Customer has trading experience with respect to such or any derivative product, virtual asset or virtual asset-related product.

32.3 If services are to be provided by CMSHK to the Customer in relation to derivative products, virtual asset or virtual asset-related product, CMSHK shall provide to the Customer upon request product specifications and any prospectus or other offering document covering such products and a full explanation of margin procedures and the circumstances under which the Customer's positions may be closed without the Customer's consent.

33. Language

33.1 The Customer acknowledges the following:

(a) this Agreement is written in the English language and the Chinese version is its translation;

(b) the English language version is the only binding version and will prevail in the event of any inconsistency or conflict with the Chinese translation;

(c) the Chinese translation is provided for convenience only and by signing the Securities Account Application Form accepting and agreeing to be bound by this Agreement, the Customer will be bound by the English version of this Agreement;

(d) whilst every effort has been made by CMSHK to provide an accurate Chinese translation of this Agreement, CMSHK makes no warranty or representation regarding the accuracy or reliability of the Chinese translation; and

(e) CMSHK has alerted the Customer that if the Customer is in any doubt as to the meaning of the English version of this Agreement or the accuracy of its Chinese translation, the Customer should seek independent advice before signing the Securities Account Application Form.

33.2 The Customer agrees that to the extent permitted by applicable law, CMSHK shall not be liable for any inaccuracy or inconsistency between the English language version of this Agreement and its Chinese translation.

34. Execution

34.1 The Customer's signing of the Declaration and Acknowledgment in the Securities Account Application Form indicating the Customer's acceptance and agreement to be bound by this Agreement and CMSHK's signing of the Securities Account Application Form indicating its agreement to enter into this Agreement constitute execution by the Customer and by CMSHK of this Agreement respectively and such execution constitutes execution of this Agreement by the Customer and CMSHK as a Deed, which is intended to be and was with respect to each party executing the same delivered as a deed on its execution by such party whether or not that party's execution was under seal. The signing page of the said Declaration and Acknowledgment and the signing page for CMSHK's said indication of its agreement to enter into this Agreement form part of this Agreement.

SCHEDULE I

Additional Provisions for Securities Margin Account and for Incorporating into the Securities Margin Account Agreement

Where the Account in the main body of this Agreement refers to or is a securities margin account,

(A) the provisions contained in this Schedule I shall be applicable and form part of the Agreement and hence the Securities Margin Account Agreement mentioned in Clause 1.2 of the main body of this Agreement; and

(B) in the event of conflict or inconsistency between the provisions in the main body of this Agreement and the provisions in this Schedule I, the latter shall prevail.

1. Definitions

1.1 The following definition shall also be included in Clause 1.1 of the main body of this Agreement:

"**Collateral**" means all monies and Securities of the Customer which are now or which shall at any time hereafter be deposited with, transferred or caused to be transferred to or held by CMSHK or its Associates or nominees, or transferred to or held by any other person in circumstances where CMSHK accepts as security for the Customer's obligations under this Agreement. The Collateral shall include those monies and Securities that shall come into the possession, custody or control of CMSHK or its Associates from time to time for any purpose whatsoever (which shall include any additional or substituted securities and all dividends or interest paid or payable, rights, interest, monies or property accruing or offering at any time by way of redemption, bonus, preference, options or otherwise on or in respect of any such securities or additional or substituted securities); and

"**Margin**" means deposits, collateral and margin (including, but without limitation to, initial margin and additional margin) being an amount equal to the applicable percentage (as notified by CMSHK to the Customer from time to time) of the current market value of the Customer's securities held or purchased by CMSHK on the Customer's behalf, as determined by CMSHK from time to time.

2. Margin Facility

2.1 The Account is capable of conducting margin trading and CMSHK agrees to grant credit facilities ("**Facility**") to the Customer at the Customer's request for Transactions under the Account in accordance with the provisions set out in this Agreement, any facility letter from CMSHK to the Customer and such other agreement, document terms and conditions as may be specified by CMSHK from time to time (collectively called "**Margin Facility Terms**").

2.2 Subject to Clause 2.4 of this Schedule I below, CMSHK may grant the Customer Facility of such amount up to a limited percentage as may be notified to the Customer from time to time ("**Margin Ratio**") of the mark-to-market value of the Collateral. The Customer shall from time to time upon CMSHK's request promptly and duly execute and deliver any and all such further instruments and documents as CMSHK may deem necessary or desirable for the purpose of obtaining the full benefit of the Margin Facility Terms and of the rights and powers granted under the same.

2.3 CMSHK is instructed and authorised by the Customer to draw on the Facility to settle any amounts due to CMSHK or its Associates in respect of the Customer's purchase of Securities, margin maintenance obligations for any options positions required by CMSHK or its Associates, or payment of any commission or other costs and expenses owing to CMSHK or its Associates.

2.4 CMSHK will not at any time be obliged to provide any Facility to the Customer. In particular, the Customer understands that CMSHK may not provide any Facility to the Customer if any of the following circumstances should arise:-

(a) if the Customer is in default of any provisions of this Agreement; or

(b) in the opinion of CMSHK there is or has been a material adverse change in the Customer's financial condition or in the financial condition of any person which might adversely affect the Customer's ability to discharge the Customer's liabilities or perform the Customer's obligations under this Agreement; or

(c) making an advance would cause the applicable Margin Ratio to be exceeded; or

(d) CMSHK in its absolute discretion considers it prudent or desirable for its protection not to do so.

2.5 For so long as there exists any indebtedness to CMSHK on the Customer's part, CMSHK shall be entitled at any time and from time to time to refuse any withdrawal of any or all of the Collateral and the Customer shall not without the prior written consent of CMSHK be entitled to withdraw any Collateral in part or in whole from the Customer's Account.

2.6 The Customer shall on demand from CMSHK make payments of deposits or Margin in monies, Securities and/or other Collateral in such amount and in such form and within such time as may be specified by CMSHK as CMSHK in its absolute discretion determines necessary to provide adequate security in respect of the Facility. Any payments to be paid by the Customer shall be made into a designated account of CMSHK within the time limit as specified by CMSHK in cleared funds or deposit of securities and/or other Collateral with good and free unencumbered titles.

2.7 Any failure by the Customer to comply with Clause 2.6 in this Schedule I will constitute an Event of Default under Clause 17 of the main body of the Securities Account Agreement.

2.8 The Customer agrees to pay interest on a daily basis on the amount of credit extended to the Customer, at the rates notified to the Customer by CMSHK from time to time. Such interest charges may to the extent permitted by applicable law be deducted by CMSHK from the Account or any other account of the Customer with CMSHK or its Associates.

3. Margin

3.1 The Customer agrees to maintain such Margin and shall on demand pay such additional Margin by means of cash, securities or in such form and/or amounts and within such time as may be determined by CMSHK to be payable by the Customer or by CMSHK on the Customer's behalf in respect of such Margin or any other payment in connection with any Transaction under the terms of this Agreement.

3.2 Without limiting the generality of Clause 29.2 of the main body of this Agreement, the time for payment of any Margin is of the essence. The Customer also agrees to pay immediately in full and on demand any amount owing with respect to any of the Customer's accounts with CMSHK. All initial and subsequent deposits and payments for Margin and other purposes shall be made in cleared funds and in such currency and in such amounts as CMSHK may in its sole discretion require.

3.3 Notwithstanding Clause 3.1, in the event that it is, in the sole opinion of CMSHK, impracticable for CMSHK to make demands for additional Margin pursuant to Clause 3.1, including but without limitation, if the impracticability is due to a change or development involving a prospective change:

3.3.1 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 CMSHK 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

3.3.2 which is or may be of a material adverse nature affecting the condition or operations of the Customer,

CMSHK shall be deemed to have made Margin calls for such form and/or amounts as CMSHK may determine and such Margin shall become immediately due and payable by the Customer.

3.4 CMSHK shall be entitled to revise the Margin requirements from time to time in its absolute discretion. The Customer shall be granted financial accommodation of up to such percentage as may be agreed from time to time of the market value of the Collateral maintained with CMSHK. No previous Margin requirements shall establish a precedent and revised requirements once established shall apply to existing positions as well as to the new positions in the contracts affected by such revision.

3.5 For the avoidance of doubt, failure by the Customer to meet Margin calls made by CMSHK by the time prescribed by CMSHK or otherwise or any other accounts payable hereunder shall give CMSHK the right (without prejudice to its other rights) to close the Account and/or to close out any position in the Account (as the case may be) without notice to the Customer and to dispose of any or all Securities held for or on behalf of the Customer and to apply the proceeds and any cash deposit(s) to pay CMSHK all outstanding balances owing to CMSHK. Any monies remaining after that application shall be refunded to the Customer.

3.6 Nothing in this Agreement shall be construed as taking away or affecting any lawful claim, lien or other rights and remedies which CMSHK may have in respect of any money held in any bank account pursuant to Clause 11.2 of the main body of this Agreement or in respect of any money received or paid into such bank account.

3.7 For the avoidance of doubt, if a debit balance arises on any of the accounts the Customer has with CMSHK or any of its Group Companies, CMSHK shall not be, nor shall CMSHK be deemed to be, obliged to make available or continue to make available any financial accommodation to the Customer. In particular, but without limitation, the fact that CMSHK permits a debit balance to arise in any account of the Customer with CMSHK shall not imply any obligation on the part of CMSHK to advance monies or incur any obligation on the Customer's behalf on any subsequent occasion, but without prejudice to the obligations of the Customer in respect of any debit balance which CMSHK does permit to arise.

4. Charge

4.1 The Customer, as beneficial owner, charges in favour of CMSHK by way of first fixed charge all the Customer's respective rights, title, benefits and interests in and to all Collateral as a continuing security ("**Charge**") for the payment and satisfaction on demand of all monies and liabilities absolute or contingent and performance of all obligations under the Margin Facility Terms which are now or at any time hereafter may be due, owing or incurred from or by the Customer to CMSHK, or for which the Customer may be or become liable to CMSHK on any account or in any manner whatsoever (whether alone or jointly with any other person and in whatever name style or form) together with interest from the date of demand to the date of repayment, and any commission, legal and other costs, charges and expenses as they appear in the records of CMSHK.

4.2 The Charge shall be a continuing security notwithstanding any intermediate payment or settlement of account or satisfaction of the whole or any part of any sum owing by the Customer to CMSHK and notwithstanding the closing of any of the Customer's accounts with CMSHK and which are subsequently reopened or the subsequent opening of any account by the Customer 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 Customer to CMSHK on any account or otherwise.

4.3 (a) Subject to Clauses 4.3(b) and 4.3(c) of this Schedule I, upon irrevocable payment in full of all sums which may be or become payable under this Agreement and the full performance of the Customer's obligations under the Margin Facility Terms, CMSHK will at the Customer's request and expenses release the Charge in respect of the Collateral and will at the Customer's expense give such instructions and directions as the Customer may reasonably require in order to perfect such release.

(b) If CMSHK considers that any amount paid to or recovered by CMSHK by or from the Customer and/or any guarantor or security provider in respect of any of the obligations of the Customer to CMSHK is capable of being avoided or reduced by virtue of any bankruptcy, insolvency, liquidation or similar laws, the security constituted hereunder shall continue and such amount shall not be considered to have been irrevocably paid.

(c) Any settlement, discharge or release hereunder in relation to the Customer or all or any part of the Charge shall be conditional upon no security or payment by the Customer and/or the said guarantor or security provider in respect of the Customer's obligations to CMSHK being avoided or reduced by virtue of any bankruptcy, insolvency, liquidation or similar laws of general application or any similar event or for any other reason and shall in the event of any such avoidance or reduction or similar event be void.

4.4 The Charge shall be immediately enforceable on and at any time after the occurrence of any of the following event:

(a) an Event of Default (as defined in the Securities Account Agreement);

(b) any failure by the Customer to comply with Clause 2.6 in this Schedule I; or

(c) any breach of any representation, warranty or undertaking under Clause 9 of this Schedule I.

4.5 Until the Charge becomes enforceable,

(a) except in respect of China Connect Securities (as defined in Schedule IA) where CMSHK shall not be entitled to exercise any voting rights, CMSHK will have the right, subject only to giving the Customer notice, to exercise voting rights and other rights relating to the Collateral to protect the value of the Collateral; and

(b) except as otherwise provided in this Agreement, the Customer may direct the exercise of other rights attaching to, or connected with, the Collateral, but not in any manner which is inconsistent with the Customer's obligations under the Margin Facility Terms, or which in any way may prejudice CMSHK's rights in relation to the Collateral.

5. Power of Attorney

5.1 The Customer by way of security irrevocably appoints CMSHK to be the Customer's attorney (with full power of substitution and delegation) on the Customer's behalf and in the Customer's name to do all acts and things and to sign, seal, execute, deliver, perfect and do all deeds, instruments, documents acts and things which may be required for carrying out any obligation imposed on the Customer by or pursuant to the Margin Facility Terms and generally for enabling the limitation):

(a) to execute any transfer or assurance in respect of any of the Collateral;

(b) to perfect its title to any of the Collateral;

(c) to ask, require, demand, receive, compound and give a good discharge for any and all monies and claims for monies due or to become due under or arising out of any of the Collateral;

(d) to give valid receipts and discharges and to endorse any cheques or other instruments or orders in connection with any of the Collateral; and

(e) generally to file any claims or take any lawful action or institute any proceedings which it considers to be necessary or advisable to protect the security created under the Margin Facility Terms.

5.2 The Customer shall ratify and confirm all things done and all documents executed by any attorney of the Customer under Clause 5.1 of this Schedule I in the exercise or purported exercise of all or any of his powers in accordance with the terms of this Agreement and all documents, acts and things and all transactions entered into by CMSHK in the exercise or purported exercise of its powers under this Agreement.

5.3 The Customer shall promptly deliver to the CMSHK all such other documents, authorisations and power of attorneys with respect of the enforcement of the Charge as CMSHK may require from time to time.

6. Disposal of Collateral

6.1 The Customer agrees that in the event of any sale pursuant to this Agreement or the Margin Facility Terms, any Collateral will be sold or disposed of in the absolute discretion of CMSHK and upon any sale by CMSHK, a declaration made by an officer of CMSHK that the power of sale has become exercisable shall be conclusive evidence of the fact in favour of any purchaser or other person deriving title to any of the Collateral under the sale and no person dealing with CMSHK or its nominees shall be concerned to enquire into the circumstances of the sale.

7. Termination of Facility

7.1 The Facility is repayable on demand and may be varied or terminated in the absolute discretion of CMSHK. In particular the Facility will be terminated upon the occurrence of any one or more of the following events:-

(a) the withdrawal of the Customer's authorisation to CMSHK as contained in the said Standing Authority (Client Securities), or

(b) the non-renewal of such authorisation in favour of CMSHK upon expiry or when called upon to do so; or

(c) any termination in accordance with Clause(s) 17.2(c)(ii) and/or 18 of the main body of this Agreement and any notice of termination for that purpose shall be deemed to be a notice of termination of the Facility.

7.2 Upon termination of the Facility, any outstanding indebtedness by the Customer shall forthwith be repaid to CMSHK.

7.3 Repayment of all or any of the loan amounts owed to CMSHK will not of itself constitute cancellation or termination of the Margin Facility Terms.

8. Security Unaffected

8.1 Without prejudice to the generality of the foregoing, neither the Charge nor the amounts thereby secured will be affected in any way by:-

(a) any other security, guarantee or indemnity now or hereafter held by CMSHK or its Associates or in respect of the Margin Facility Terms or any other liabilities;

(b) any other variation or amendment to or waiver or release of any security, guarantee or indemnity or other document;

(c) the enforcement or absence of enforcement or release by CMSHK or its Associates of any security, guarantee or indemnity or other document (including the Charge);

(d) any time, indulgence, waiver or consent given to the Customer or any other person whether by CMSHK or its Associates;

(e) the making or absence of any demand for payment of any sum payable under the Margin Facility Terms made on the Customer whether by CMSHK or any other person;

(f) the insolvency, bankruptcy, winding up, death or insanity of the Customer;

(g) any amalgamation, merger or reconstruction that may be effected by CMSHK with any other person or any sale or transfer of the whole or any part of the undertaking, property or assets of CMSHK to any other person;

(h) the existence of any claim, set-off or other right which the Customer may have at any time against CMSHK or any other person;

(i) any arrangement or compromise entered into by CMSHK with the Customer or any other person;

(j) the illegality, invalidity or unenforceability of, or any defect in, any provision of any document relating to the Facility or any security, guarantee or indemnity (including the Charge) or any of the rights or obligations of any of the parties under or in connection with any such document or any security, guarantee or indemnity (including the Charge), whether on the ground of ultra vires, not being in the interests of the relevant person or not having been duly authorised, executed or delivered by any person or for any other reason whatsoever;

(k) any agreement, security, guarantee, indemnity, payment or other transaction which is capable of being avoided under or affected by any law relating to bankruptcy, insolvency or winding-up or any release, settlement or discharge given or made by the Customer on the faith of any such agreement, security, guarantee, indemnity, payment or other transaction, and any such release, settlement or discharge shall be deemed to be limited accordingly; or any other thing done or omitted or neglected to be done by CMSHK or any other person or any other dealing, fact, matter or thing which, but for this provision, might operate to prejudice or affect the Customer's liabilities under the Margin Facility Terms; or

(l) any other thing done or omitted or neglected to be done by CMSHK or any other person or any other dealing, fact, matter or thing which, but for this provision, might operate to prejudice or affect the Customer's liabilities under this Agreement.

9. Representations, Warranties and Undertakings

9.1 The Customer represents, warrants and undertakes that:

(a) the Customer is the sole legal and beneficial owner of the Collateral (and in the case of Securities which are in dematerialised form, sole beneficial owner only) and has good right to deposit the Collateral with CMSHK or its Associates;

(b) the Collateral are and will remain free from any lien, charge or encumbrance of any kind and are not nor shall they be subject to any options;

(c) any stocks, shares and other securities comprised in the Collateral are and will be fully paid up; and

(d) the Customer's grant of the Charge to CMSHK does not require the prior consent of any party and will not result in the breach of any obligation of the Customer, whether contractually or otherwise.

The above representations, warranties and undertakings shall be deemed to be repeated immediately before each Instruction is given or executed.

9.2 The Customer hereby undertakes and agrees that the Customer shall:

(a) at any time and from time to time, execute and deliver such further charges, authorities and other documents (including where applicable documents for effecting registration of the security created hereunder with any applicable registry or authority) as CMSHK may from time to time require for perfecting its title to or for vesting or enabling CMSHK to vest the full benefit of the security under Clause 4 in this Schedule I in its favour; and

(b) obtain and maintain in full force and effect all governmental and other approvals, authorities, licences and consents required in connection with the security to CMSHK under the said Clause 4 and to do or cause to be done all other acts and things necessary or desirable for the performance of all the obligations of the Customer pursuant to this Agreement.

10. Notification of Change

10.1 For the purpose of Clause 29.8 of the main body of this Agreement, the information of any material change of which is to be notified by CMSHK to the Customer includes the Margin Facility Terms and the arrangements under Clauses 2 and 3 of this Schedule I.

11. Dealing in Collateral; Equivalent Collateral

11.1 Save for in the case where the Collateral is China Connect Securities, the Customer as beneficial owner of the Collateral hereby gives its full and irrevocable consent to CMSHK to borrow all or any of the Collateral from the Customer at any time and from time to time without notice to the Customer. Accordingly, the Customer acknowledges that CMSHK shall be entitled to use, sell, on-lend, deal in and/or otherwise dispose of such Collateral to any persons and to execute and sign all transfers and documents and do all things necessary in connection therewith and/or for perfecting the title of such persons. The Customer further acknowledges that CMSHK shall be entitled to keep all such proceeds arising from such use, sale, on-lending, dealing or other disposition absolutely for its own account and benefit and shall not be under any obligation to account to the Customer for any such proceeds. In consideration therefor, CMSHK agrees to return Equivalent Collateral in respect of such Collateral so borrowed and used, sold, on-lent, dealt or otherwise disposed of upon or at any time before the release by CMSHK of the security under this Schedule and the Customer hereby irrevocably agrees to accept the return of such Equivalent Collateral (in substitution for such Collateral so borrowed and disposed of by CMSHK). In the case of Collateral other than those in scripless form, the delivery by CMSHK to the Customer or its nominee of the relevant Equivalent Collateral with appropriate instruments of transfer shall constitute a discharge of the obligation of CMSHK to return the relevant Equivalent Collateral under this Clause.

11.2 For the purpose of this Clause 11, "**Equivalent Collateral**" means in relation to any Collateral, collateral of an identical type, nominal value, description and amount including all substitutions therefor, all additions and accretions thereto and all interest, distributions, dividends, options and other rights arising therefrom and attaching thereto.

SCHEDULE IA

Additional Provisions for Northbound Trading Services under the China Stock Connect

1. General

1.1 This Schedule IA applies to customers who use CMSHK's Services in relation to foreign Securities traded under the China Stock Connect unless where the parties otherwise agree.

1.2 This Schedule IA is in addition to and subject to the main body of this Agreement, as amended from time to time. In the event of conflict or inconsistency between the provisions in the main body of this Agreement and the provisions in this Schedule IA, the latter shall prevail in respect of Northbound Trading Services under the China Stock Connect.

1.3 The Customer shall read, understand and accept the risk disclosure statements contained in Schedule III (in particular Part II to Schedule III), and seek independent advice as needed.

1.4 All Transactions conducted under the China Stock Connect and all China Connect Securities (as defined below) are subject to the China Connect Rules (as defined below) and the Applicable Regulations (as defined below) which may be subject to change from time to time. All actions taken by CMSHK in accordance therewith shall be binding on the Customer. The Customer acknowledges and agrees that unless otherwise permitted by the China Connect Rules and the Applicable Regulations, all Northbound Trading executed via the China Stock Connect must be conducted on the China Connect Market (as defined below) and that no over-the-counter or manual trades are permitted. Any default by the Customer in the observance of any such applicable laws, by-laws, rules and/or regulations shall constitute an Event of Default.

1.5 The Customer acknowledges and agrees that if the Customer is in breach or fails to comply with any China Connect Rules, the SSE Listing Rules, the SZSE Listing Rules, the SSE Rules, the SZSE Rules or any Applicable Regulations (as the case may be), the relevant positions will be reversed and the Customer may be liable to regulatory investigations and the relevant legal consequences. In such an event, the China Connect Authorities (as defined below) have the power to carry out an investigation, and may, through the SEHK or the relevant SEHK Subsidiary (as defined below) or any other China Connect Authorities, require CMSHK to provide relevant information and materials including but not limited to the information and personal data of the Customer and/or Ultimate Owner (as defined below) to assist in its investigation. The Customer acknowledges and consents to CMSHK providing, if so required by the SEHK at the request of the China Connect Authorities (for the purpose of assisting them in their regulatory surveillance of the China Connect Market and enforcement of the China Connect Rules and as part of the regulatory cooperation arrangement between the SEHK, the SEHK Subsidiaries and the China Connect Market(s)), information and personal data concerning the Customer and/or Ultimate Owner with respect to any Instruction or Transaction made or entered into by CMSHK under the China Stock Connect on the Customer's behalf. The Customer further acknowledges and consents to the disclosure, transfer and provision of such relevant information and personal data by the SEHK (whether directly or through the relevant SEHK Subsidiary) to the China Connect Authorities upon request by the China Connect Authorities. The Customer acknowledges that the SEHK has the power not to extend trading services under the China Stock Connect to the Customer, and the power to require CMSHK not to accept Instructions from the Customer, if it is found that CMSHK or any of CMSHK's customers has or may have committed any abnormal trading conduct set out in or fails to comply with any China Connect Rules, the SSE Listing Rules, the SZSE Listing Rules, the SSE Rules, the SZSE Rules or any other Applicable Regulations (as the case may be). The Customer shall be liable and responsible for any breach by the Customer thereof.

1.6 This Schedule and Part II of Schedule III highlight only certain key features applicable to China Stock Connect as of the date hereof. CMSHK is not liable for any inaccuracies or misstatements in the information set out in this Schedule and Part II of Schedule III. This Schedule and Part II of Schedule III do not purport to cover all the rules, requirements and features relating to China Stock Connect and all Applicable Regulations. The Customer shall be fully responsible for understanding and at all times complying with all Applicable Regulations as amended from time to time and for any consequences, risks, losses or costs of Northbound Trading. CMSHK will not, and does not intend to, advise the Customer on any of the Applicable Regulations. The Customer is advised to refer to the SEHK website and the SFC website relating to China Stock Connect as updated from time to time and other relevant sources for detailed information.

2. Definitions

2.1 Words or phrases defined in Clause 1.1 of the main body of this Agreement shall have the same meanings as in this Schedule IA, save as otherwise expressly provided in this Schedule IA.

2.2 For the purposes of Schedule IA, the following terms shall have the following meanings:

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

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

ChinaClear means China Securities Depository and Clearing Corporation Limited.

CSRC means the China Securities Regulatory Commission of the PRC.

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

China Connect Market means a stock market in the PRC acceptable to SEHK and included in the list of China Connect Markets which are eligible for China Stock Connect trading, which includes the SSE, SZSE and such other stock market(s) which CMSHK may otherwise notify the Customer from time to time.

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

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

China Connect Trading Days means the days on which investors are allowed to conduct Northbound Trading on the relevant China Connect Market under the China Stock Connect, as prescribed by the China Connect Rules, from time to time.

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

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

Daily Quota has the meaning ascribed to it in Clause 5.1.

Eligible Investors 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 the SFO or other types of investors that are permitted or approved by the China Connect Authorities to trade ChiNext Shares or STAR Shares through China Stock Connect.

Foreign Shareholding Restrictions has the meaning ascribed to it in Clause 6.1.

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

Northbound Trading means trading of China Connect Securities from the SEHK as prescribed by the China Connect Rules and other Applicable Regulations.

PRC means the People's Republic of China, and shall not include Hong Kong, the Macau Special Administrative Region and Taiwan.

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

Regulator means SEHK, SFC, SSE, SZSE, CSRC, any governmental authority and/or such other regulator, government, government authority, Exchange, Clearing House or settlement system in any jurisdiction.

Related Person means (i) any Associates of CMSHK or (ii) any director, officer, employee or agent of CMSHK.

RMB / **CNY** means Renminbi, the lawful currency of the PRC.

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

SAT means the State Administration of Taxation of the PRC.

SEHK Rules means the rules promulgated, and amended, supplemented, modified and/or varied by SEHK from time to time.

SEHK Stock Connect Rules means the China Connect Service Special Rules as prescribed under the Rules and Regulations of The Stock Exchange of Hong Kong Limited and any regulations, orders, directives, notices, circulars, codes, customs or usages and any other applicable rules in connection with the China Stock Connect, as amended from time to time.

SEHK Subsidiary means a wholly-owned subsidiary of the SEHK duly authorised as an automated trading services provider under the SFO and licensed under applicable laws in the PRC to provide the order-routing service referred to in Rule 1403(1) of the Rules and Regulations of The Stock Exchange of Hong Kong Limited.

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

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

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

SSE means the Shanghai Stock Exchange.

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

SSE Rules means the Trading Rules of the Shanghai Stock Exchange.

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

STAR Shares means any securities listed on the Shanghai Stock Exchange's Sci-Tech Innovation Board which may be traded by Hong Kong and international investors under the China Stock Connect.

SZSE means the Shenzhen Stock Exchange.

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

SZSE Rules means the Trading Rules of the Shenzhen Stock Exchange.

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

Terms and Conditions of China Connect means the additional provision for Northbound Trading services under the China Stock Connect set out in this Schedule IA.

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

Ultimate Owner means any person or entity referred to in Rule 537 of the Rules and Regulations of The Stock Exchange of Hong Kong Limited.

3. Eligible Securities

3.1 The Customer acknowledges that the Customer will only be able to trade on the China Connect Securities as prescribed by the China Connect Rules, any other Applicable Regulations, and/or other regulations as stipulated by CMSHK in its sole discretion from time to time. The Customer further acknowledges that apart from China Connect Securities, the Customer may not be able to trade other securities listed on the China Connect Markets, or subscribe for shares or other types of securities from initial public offerings on the China Connect Markets.

3.2 The Customer acknowledges that the China Connect Rules may impose restrictions on the acquisition, disposal and/or holding of any China Connect Securities or any entitlements thereof at any time, and there may be instances where the Customer will not be able to acquire, hold or dispose of China Connect Securities or any

entitlements thereof due to changes in the status of the China Connect Securities, the suspension or closure (whether temporary or permanent) of the China Stock Connect, other reasons prescribed under the China Connect Rules, any Applicable Regulations and/or other regulations as stipulated by CMSHK in its sole discretion at any specific time. The Customer is required to observe and comply with the same in respect of the acquisition, disposal and/or holding of any China Connect Securities from time to time.

3.3 CMSHK and its Associates shall not be liable for the Customer's inability, or delay or restriction in the Customer's ability, to acquire, dispose of or hold any China Connect Securities; any shares or other types of Securities from an issuer of China Connect Securities as entitlement securities; or any other types of Securities in any circumstances.

3.4 CMSHK shall be under no duty to investigate, participate in or take affirmative action concerning proxies received, attendance at meetings and voting in respect of China Connect Securities, except in accordance with Instructions from the Customer and upon acceptance by CMSHK of such Instructions. CMSHK shall be entitled to charge the Customer for taking any action pursuant to the Customer's Instructions.

3A. Eligible Investors

3A.1 As Northbound Trading is available only to Hong Kong and overseas investors, the Customer makes the representations set out in Clause 3A.2 below.

3A.2 The Customer represents and undertakes on a continuing basis, including without limitation on the first date that this Schedule is effective and on each date that the Customer places an order or gives an instruction in respect of China Connect Securities under this Schedule, that:

3A.2.1 (where the Customer is an individual) he is a Hong Kong or overseas investor;

3A.2.2 (where the Customer is a body corporate) it is an institutional professional investors (persons falling under paragraphs (a) to (i) of the definition of "professional investor" in section 1 of Part 1 of Schedule 1 to the SFO or as prescribed under the SFO from time to time); and

3A.2.3 the Customer will trade ChiNext Shares or STAR Shares only when the Customer is, and in the case where the Customer is an intermediary (including, but not limited to, a fund manager, asset manager, broker or order placer) trading for or on behalf of an underlying client or clients, each such underlying client is, an Eligible Investor.

4. Instructions

4.1 Instructions may only be given by the Customer during such time or times as determined by CMSHK, which may be amended, varied or restricted from time to time.

4.2 All Instructions for effecting Transactions in respect of China Connect Securities shall be subject to such conditions (including conditions on the type, size, and specified price of the China Connect Securities) as may be prescribed by the China Connect Rules, any other Applicable Regulations, and/or other regulations as stipulated by CMSHK in its sole discretion from time to time. CMSHK shall have sole discretion on the acceptance of any Instructions. In particular, CMSHK shall not be obliged to act on any Instruction and is authorised to reject or cancel any Instructions where CMSHK considers in its sole discretion:

(a) the Instruction for sale is in respect of China Connect Securities which are the subject of relevant Instruction(s) for purchase on the same China Connect Trading Day;

(b) the Instruction does not fulfil the conditions as prescribed by the China Connect Rules, any Applicable Regulations and/or other regulations as stipulated by CMSHK in its sole discretion from time to time;

(c) the Instruction is not in compliance with or restricted under the China Connect Rules and Applicable Regulations (such as due to regulations on price limits for orders input for China Connect Securities);

(d) trading in China Connect Securities is suspended or not available through the China Stock Connect due to reasons beyond the control of CMSHK, such as the balance of the Daily Quota, Foreign Shareholding Restrictions and/or changes thereto, or other force majeure events;

(e) the execution of the Instructions, in whole or in part, will result in the non-compliance by the Customer or CMSHK or any of its Associates of any China Connect Rules or any Applicable Regulations.

4.3 The Customer acknowledges and agrees that an Instruction in respect of China Connect Securities may be fully executed, partially executed, or unexecuted. Unless the duration of the Instruction is specified by the Customer and accepted by CMSHK, a day order for purchase or sale of China Connect Securities not executed or in case of partial execution, of such part thereof not executed, at the end of the China Connect Trading Day shall be deemed to have been cancelled automatically.

4.4 Any Instructions received by CMSHK after the end of a China Connect Trading Day shall be treated as an Instruction given to CMSHK on the next relevant China Connect Trading Day.

4.5 The Customer acknowledges and accepts that once an Instruction is given, the Instruction cannot be cancelled, varied or amended unless specifically accepted by CMSHK. The Customer further acknowledges and accepts that CMSHK may not be able to send in the Customer's Instructions for cancellation of orders in cases of contingency, such as when the SEHK loses all communication lines with the China Connect Authorities and/or other regulators. CMSHK shall not be obliged to act on any Instruction to cancel, vary or amend an Instruction already given to CMSHK, nor shall CMSHK be responsible or liable to the Customer for any loss or expense suffered or incurred by the Customer where the original Instruction has already been carried out. The Customer agrees that it shall continue to bear the settlement obligations where any original Instruction has already been carried out.

4.6 The Customer acknowledges and accepts such disposal arrangement as prescribed by the China Connect Rules, the Applicable Regulations and/or other regulations as stipulated by CMSHK in its sole discretion from time to time. CMSHK shall not be obliged to act on any Instructions to dispose of China Connect Securities that the Customer has purchased on the same China Connect Trading Day.

4.7 The Customer agrees to ensure that, at the time the Customer gives Instruction for buying or selling China Connect Securities, there shall be:

(a) in the case of buying China Connect Securities, sufficient and available cleared RMB funds in the Account to meet the purchase price and stamp duties, levies, commissions and all other transaction-related costs, reasonable charges and expenses for buying the China Connect Securities; or

(b) in the case of selling China Connect Securities, sufficient and available China Connect Securities in the Account as required under the China Connect Rules or the Applicable Regulations.

4.8 Unless otherwise agreed by CMSHK, Instructions for buying or selling China Connect Securities on the Customer's behalf will only be accepted by CMSHK if:

(a) in the case of buying China Connect Securities, the Customer has sufficient cleared and available RMB funds in the Account to meet the purchase price and stamp duties, levies, commissions and all other transaction-related costs, reasonable charges and expenses for buying the China Connect Securities; or

(b) in the case of selling China Connect Securities, the Customer has sufficient and available China Connect Securities in the Account as required under the China Connect Rules or the other Applicable Regulations.

4.9 The Customer acknowledges that the delivery of China Connect Securities or cash to the Customer upon settlement of a Transaction may be delayed as a result of public holidays in Hong Kong or PRC, or other reasons beyond the control of CMSHK, and CMSHK shall not be liable for such delay or any interest thereon (if any). Where there is any such delay or default in delivery, CMSHK may, but has no obligation to, complete settlement of the Transaction for the Customer until the China

Connect Securities or cash for settlement is actually received by CMSHK or the third party service provider(s). Where any China Connect Securities or cash for any Transaction is paid, delivered or credited to the Account but CMSHK or the third party service provider(s) has not actually received the same from the counterparty to the Transaction, CMSHK may demand, and the Customer agrees to pay or return, such amounts or China Connect Securities previously paid, delivered or credited to the Account, and the Customer hereby authorises CMSHK to debit from the Account any such China Connect Securities or amounts or amounts equivalent. For a purchase Transaction, the Customer shall not be entitled to withdraw all or any part of the relevant cash or monies in the Account until the purchase Transaction is completed. For a sale Transaction, the Customer shall not be entitled to withdraw or in any way deal with or any part of the relevant China Connect Securities until completion of the sale Transaction.

4.10 The Customer acknowledges and accepts the risk that the Customer's Instructions to trade in China Connect Securities may not be accepted by CMSHK or any China Connect Authorities. CMSHK and its Associates shall not be liable to the Customer for any loss whatsoever and howsoever (including without limitation, as a result of any corporate action of any company which may have an impact on any stock price) arising out of or in connection with the execution of, partial execution of, or failure to execute any Instruction unless such liability is directly caused by the gross negligence or willful misconduct of CMSHK. The Customer acknowledges that market conditions and restrictions on the days on which trading in China Connect Securities is permitted under the China Connect Rules, the Applicable Regulations and any other relevant regulations may make it impossible to execute an Instruction.

5. Margin Trading, Stock Borrowing and Lending, and Short Selling

5.1 Unless otherwise allowed by CMSHK, the Customer agrees not to place any margin trading, stock borrowing and lending or short selling order to CMSHK in respect of any China Connect Securities and any order placed by the Customer to CMSHK for any China Connect Securities shall be deemed to have been made with the representation and confirmation to CMSHK that such order does not involve margin trading, stock borrowing and lending or short selling.

5.2 Where the Customer is allowed by CMSHK to conduct margin trading, stock borrowing and lending and/or short-selling activities through the use of the China Stock Connect, the Customer shall be fully aware of the restrictions, requirements and conditions applicable to such activities. In particular, the Customer acknowledges that trading services for such activities may be suspended, restricted or ceased in circumstances stipulated by the applicable Market Requirements (such as when volume of trading activities exceeds the thresholds prescribed by the relevant Market Requirements or any abnormal trading activities have or are suspected to have taken place). The Customer further acknowledges that margin trading and short-selling activities may only be conducted in respect of eligible China Connect Securities. The Customer may refer to the lists of eligible China Connect Securities published on the website of SEHK from time to time.

6. Trading Restrictions

6.1 The Customer acknowledges that trading under the China Stock Connect will be subject to a daily maximum cross-boundary investment quota ("**Daily Quota**"), and certain foreign shareholding restrictions ("**Foreign Shareholding Restrictions**"). The Customer accepts that the Customer will not be permitted to buy China Connect Securities if the purchase of China Connect Securities under the China Stock Connect is suspended or otherwise rejected by virtue of any quota or Foreign Shareholding Restrictions as prescribed by the China Connect Rules and the Applicable Regulations from time to time. CMSHK and its Associates shall not be liable for the Customer's inability, or delay or restriction in the Customer's ability, to buy any China Connect Securities.

6.2 The Customer undertakes to provide CMSHK timely and accurate information relating to any restrictions on the sale or transfer of any China Connect Securities held in the Account. In respect of any orders to sell or transfer China Connect Securities, the Customer shall upon request provide CMSHK with any necessary documents to the satisfaction of CMSHK to satisfy any and all legal transfer requirements under the relevant regulations. The Customer shall be responsible for and shall reimburse CMSHK for any delays, expenses, losses and damages incurred by CMSHK that are associated with compliance or failure to comply with any of the relevant regulations concerning such sale or transfer.

6.3 The Customer expressly authorises CMSHK and its third party service providers or agents to deal with/or apply any of the China Connect Securities and money held in the Account to comply with any obligations as prescribed under the China Connect Rules and any Applicable Regulations from time to time. CMSHK reserves the right to and is expressly authorised by the Customer to (i) cancel and reverse any purchase or sale Instructions for China Connect Securities; and (ii) to sell or dispose of any China Connect Securities if so required:

(a) by any China Connect Authority pursuant to any regulation, which includes but is not limited to the circumstances where the cancellation and reversal or the sale or disposal of China Connect Securities is required to maintain the balance of the Daily Quota, or Foreign Shareholding Restrictions;

(b) to comply with any regulation; and/or

(c) by the applicable terms of business or agreement or arrangement between CMSHK and any third party service providers.

The Customer shall be solely responsible for all losses, costs and expenses incurred or suffered by reason of, or arising from or in connection with such cancellation, reversal, sale or disposal. The Customer acknowledges that it shall observe the relevant regulations including but not limited to the publicly available information regarding balances of the Daily Quota and/or Foreign Shareholding Restrictions as prescribed by the China Connect Rules and the Applicable Regulations from time to time.

7. Trading Currency

7.1 China Connect Securities are traded and settled in RMB / CNY or any other currencies as prescribed by the China Connect Rules, the Applicable Regulations and/or any other regulations as stipulated by CMSHK in its sole discretion from time to time. The Customer shall maintain sufficient amount of trading currency in the Account for the purpose of settlement of trades.

7.2 Subject to the relevant regulations, CMSHK shall be entitled (but not obliged) to convert any amount of Hong Kong dollars or any other currencies into RMB for settlement or partial settlement of orders for a Transaction at such exchange rate as CMSHK may from time to time in its sole discretion deem appropriate. CMSHK shall be entitled to charge and deduct from the Account all costs and expenses incurred by it in effecting such conversion.

7.3 The Customer understands that under the relevant regulations, there may exist restrictions or limitations on remittance or repatriation of funds, including but not limited to lock-up periods of capital, and limitations on the amount and frequency of withdrawals of capital gains, dividends, interests and other income derived from the invested capital through CMSHK. CMSHK and its Associates shall not be liable for the Customer's inability, or any delay or restriction on the Customer's ability, to remit or repatriate any or all of such funds. To the extent that the Customer's request to remit or repatriate funds cannot be met in full and/or at the time of the Customer's request, CMSHK's decision as to the extent and time by which the Customer's request to remit or repatriate can be met shall be binding and conclusive on the Customer.

8. Disclosure Obligations for China Connect Securities

8.1 The Customer agrees that the Customer is solely responsible for compliance with all notifications (including tax notifications), filings, returns, reports and other relevant regulations in connection with its interests in China Connect Securities as prescribed by the China Connect Rules and the Applicable Regulations from time to time, and for the monitoring of its interest holding positions in China Connect Securities in order to comply with any such regulations. The Customer also agrees to do such things and provide such information as CMSHK may require to ensure compliance with the relevant regulations.

8.2 The Customer acknowledges and agrees that it may be subject to restrictions on trading (including restrictions on the retention of proceeds from trading) in China Connect Securities as a result of its interests in China Connect Securities. The Customer agrees that CMSHK or its Associates shall not be obliged to determine, advise or assist the Customer in any way in respect of the disclosure obligations or trading restrictions applicable to the Customer under any regulations.

9. Fees and Levies

9.1 The Customer accepts that the Customer will be subject to certain fees and levies in the acquisition, disposal or holding of, or receipt of entitlements (including cash dividend and bonus issues) from, China Connect Securities, including but not limited to fees, levies, taxes and stamp duty imposed by any China Connect Authorities or any Applicable Regulations, as prescribed by the China Connect Rules, the Applicable Regulations and/or any other regulations as stipulated by CMSHK in its sole discretion from time to time.

9.2 CMSHK shall not be liable for any such fees, levies, taxes and/or stamp duty payable in respect of the China Connect Securities. The Customer agrees to pay and reimburse CMSHK for, and expressly authorises CMSHK to withhold, charge and/or deduct from the Account, any such fees, levies, taxes and/or stamp duty, which

may be collected in RMB, as required by the relevant regulations.

9.3 Subject to the relevant regulations, CMSHK shall be entitled to convert any currency into Hong Kong dollars, RMB and/or any other currency (if applicable) for payment of any fees and levies at such exchange rate as CMSHK may from time to time in its sole discretion deem appropriate. CMSHK shall be entitled, in its sole discretion, to withhold, charge and/or deduct from the Account all costs and expenses incurred by it in effecting such conversion.

9.4 The Customer agrees that CMSHK has no obligation to seek or claim any reduction, relief, refund, or otherwise reclaim any amount from any China Connect Authority or from any third party service provider and has no obligation to credit any amount in respect of an amount deducted or withheld in connection with the China Connect Securities. Any amount so deducted or withheld is not refundable to the Customer by CMSHK or the third party service provider.

9.5 The Customer agrees and acknowledges that CMSHK has no obligation to gross-up, true-up, or make whole the Customer for any fee, levy, tax, stamp duty, or any other liability, payment or deduction made to the Customer or the Account in connection with the China Connect Securities or any Transactions relating to the China Connect Securities, the Account, or CMSHK's compliance with the relevant regulations.

10. Disclosure of Information

10.1 The Customer agrees that its data may be transferred to any place outside Hong Kong, whether for the processing, holding or use of such data outside Hong Kong.

10.2 The Customer authorises CMSHK to disclose any information that it has concerning the Customer, the Account and any SSE Securities, SZSE Securities, monies or other assets held in the Account: (a) to any broker, custodian, clearing agent or other third party service provider(s) (whether within or outside Hong Kong) appointed by CMSHK in connection with the Northbound Trading services provided hereunder; (b) upon request, to any Regulator (whether within or outside Hong Kong); or (c) to such other persons (whether within or outside Hong Kong) in compliance with the relevant regulations.

10.3 The Customer undertakes to provide such information as CMSHK may request from time to time in order for CMSHK and/or its brokers, custodians or third party service provider(s) to provide the Northbound Trading services hereunder, or for CMSHK and/or such brokers, custodians or third party service provider(s) to comply with the relevant regulations or to respond to requests from any Regulator.

11. Unwinding positions

11.1 In the event CMSHK receives notice from SEHK or regulatory body requiring CMSHK to unwind any positions in relation to any positions or securities, or where CMSHK determines in its sole and absolute discretion that any relevant transaction is not in compliance with applicable laws, regulations, listing rules, guidelines or other requirements of SEHK or regulatory body, CMSHK shall be entitled to serve notice to request the Customer to unwind such position with respect to relevant securities within three (3) days (or within such period of time as specified by CMSHK).

11.2 Failure to comply with 11.1 above to unwind any positions, the Customer authorizes CMSHK to dispose, redeem, arrange for sale or otherwise deal with such relevant positions or securities on behalf of the Customer at such price and on such terms and manners as CMSHK may determine in its sole and absolute discretion to be necessary to comply with any such laws, regulations, listing rules, guidelines or requirements.

11.3 To the maximum extent permitted by applicable law and regulation, and notwithstanding any other provision in these terms, neither CMSHK nor its directors, employees and agents shall be responsible for or shall have any liability to the Customer for any damage, liability or loss (including loss of profit) arising directly or indirectly from the sale or disposal of the positions or securities exercised by CMSHK on behalf of the Customer. The Customer further agrees to indemnify CMSHK on a full indemnity basis in accordance with clause 21.2 of this Agreement.

12. Reporting Obligations

12.1 The Customer undertakes to assist CMSHK by furnishing all necessary information in relation to the Account, the transactions, the positions, etc. to CMSHK where CMSHK has an obligation to report to the SEHK or other authorities including but not limited to, the “Special Announcement regarding the launch of Northbound Program Trading Reporting”, as updated and implemented from time to time.

12.2 For the purpose of assisting CMSHK, and on the basis that CMSHK is not fully aware of the Customer’s operation, internal control and governance, trading objectives and strategies, etc; if any of the status, action or non-action of the Customer triggers a reporting obligation of CMSHK to the SEHK or any other authorities; the Customer shall notify CMS HK immediately when such reporting obligation arises. In such event, the Customer shall in its best endeavour to furnish any information to CMS HK as if the Customer is complying with the relevant requirements for itself.

12.3 Failure to comply with this clause 12, CMSHK has the absolute and discretionary right to treat it as an event of default. CMSHK further has rights to suspend or to terminate any transaction, the Account of the Customer without any prior notice. Furthermore, the Customer agrees to indemnify CMSHK for any losses, damages, expenses and costs (including legal costs) resulting from the failure to comply with this clause 12.

SCHEDULE IB

Additional Provisions for Options Account and for Incorporating into the Options Trading Agreement

1. Background

1.1. The Customer has entered into the securities account agreement (as may be amended from time to time) (the "**Securities Account Agreement**"), under which the Customer has engaged CMSHK to open and operate any one or more cash securities accounts ("**Account**") and effect transactions concerning the purchase, subscription, sale, exchange or other disposal or and dealings in any and all kinds of Securities (as defined in the Securities Account Agreement) as an agent on behalf of the Customer.

1.2. CMSHK is registered as an Options Trading Exchange Participant. Information on the category of Options Exchange participantship under which CMSHK is registered and the full name and contact details of the Options Officer or Options Representative who will be primarily responsible for the client's affairs has been provided. The Customer wishes to instruct CMSHK in relation to the transaction of Exchange Traded Options Business. Before CMSHK may accept instructions from any person in relation to the transaction of any Exchange Traded Options Business, CMSHK is required to enter into an Options Client Agreement with that person containing terms prescribed by the SEHK from time to time pursuant to the Options Trading Rules of the SEHK.

1.3. Subject to the terms and conditions of the Options Trading Agreement (defined below), CMSHK agrees to accept instructions from the Customer in relation to the transaction of Exchange Traded Options Business.

2. Definitions

2.1. Terms defined in the Options Trading Agreement have the same meanings as in the Options Trading Rules of the SEHK unless the context requires otherwise.

2.2. References to "**Account**" in the Securities Account Agreement is deemed to include the options account (the "**Options Account**") as established pursuant to the Options Trading Agreement.

2.3. "**Client Contract**" has the meaning as defined in the Options Trading Rules of the SEHK which means a contract validly made at the time when an order in respect of an option series is matched by the Options System with another order in respect of that option series and incorporates the terms and conditions of the Standard Contract for a particular option series.

2.4. "**Options Trading**" means the purchase, closing, exercise, settlement and discharge of long options transactions and include writing of options through the Options Account or otherwise creating any short open position.

2.5. "**SEHK**" has the meaning ascribed to it in the Securities Account Agreement.

3. Supplemental Terms

3.1. This Schedule is in addition to and subject to the Securities Account Agreement, and shall form part of the Securities Account Agreement (collectively the "**Options Trading Agreement**"). In the event of conflict or inconsistency between the provisions in the Securities Account Agreement and the provisions in this Schedule, the latter shall prevail in respect of the transactions of Exchange Traded Options Business.

3.2. By entering into the Options Trading Agreement, the Customer agrees to instruct CMSHK in relation to the transaction of Exchange Traded Options Business.

4. Laws and Rules

4.1. All Exchange Traded Options Business shall be effected by CMSHK upon receiving the written or verbal instructions of the Customer in accordance with all applicable laws, rules and regulatory directions of Hong Kong or elsewhere (and as may be varied from time to time) (collectively the "**Rules**"). The Rules include and are not limited to the Options Trading Rules of the SEHK, the Clearing Rules of the SEHK Option Clearing House Limited ("**SEOCH**") and the rules of the HKSCC and any other applicable laws and regulations. The Customer acknowledges that SEOCH has authority under the Rules to make adjustments to the terms of Contracts, and CMSHK shall notify the Customer of any such material changes which affect Client Contracts to which the Customer is a party. All actions taken by CMSHK, by the SEHK, by the SEOCH or by the HKSCC in accordance with such Rules shall be binding on the Customer. CMSHK shall only act as an agent of the Customer in relation to all Exchanged Traded Options Business, unless otherwise agreed by CMSHK in writing. If the Customer is acting on behalf of another person when instructing CMSHK pursuant to the Options Trading Agreement, CMSHK will continue to treat the Customer alone (rather than such other person) as its client for all purposes.

4.2. The Customer agrees that the terms of the Standard Contract for the relevant options series shall apply to each Client Contract between CMSHK and the Customer, and that all Client Contracts shall be created, exercised, settled and discharged in accordance with the Rules.

4.3. The Rules and all other applicable laws, rules, regulations, by-laws, constitution, policies, customs, notification requirements, reporting obligations and usages of the relevant markets, exchanges and clearing houses (collectively the "**Applicable Law and Rules**") shall be binding on the Customer, and the Customer shall observe and comply with the Applicable Law and Rules. The Customer agrees and acknowledges that the Customer shall be responsible for its compliance with the Applicable Law and Rules, in particular, the observation of any notification and reporting obligations, and the Customer shall not rely on CMSHK, nor CMSHK has any duty or obligation to the Customer, to discharge the Customer's own duties and obligations thereunder.

4.4. Any failure by the Customer to comply with Clause 4.3 above shall constitute an Event of Default as defined under the Securities Account Agreement, in which case Clause 6 below shall apply.

5. Collateral

5.1. The Customer agrees to provide CMSHK with cash and/or securities and/or other assets ("**Margin**") as may be agreed from time to time, as security for the Customer's obligations to CMSHK under the Options Trading Agreement. Such Margin shall be paid or delivered as demanded by CMSHK from time to time. The amounts required by way of Margin shall not be less than, but may exceed, the amounts as may be required by the Rules in respect of the Customer's open positions and delivery obligations, and further Margin may be required to reflect changes in market value.

5.2. The Customer shall on request by CMSHK provide CMSHK with such authority (a form of which has been provided to the Customer) as CMSHK may require under the Rules to authorise CMSHK to deliver such securities, directly or through an Options Exchange Participant, to SEOCH or other clearing house as SEOCH Collateral (as defined in the Options Clearing Rules of SEOCH) in respect of Exchange Traded Options Business resulting from the Customer's instructions to CMSHK; and CMSHK does not have any further authority from the Customer to borrow or lend the Customer's securities or otherwise part with possession (except to the Customer or on the Customer's instructions) of any of the Customer's securities for any other purpose.

6. Customer Default

6.1. Failure by the Customer to comply with any of the Customer's obligations and/or to meet the Customer's liabilities under the Options Trading Agreement, including but without limitation failure to provide Margin, shall be treated as an Event of Default (as defined under Securities Account Agreement) and in addition to actions CMSHK may take under the relevant provisions concerning Events of Default, CMSHK is further authorised to:

6.1.1. decline to accept further instructions from the Customer in respect of Exchange Traded Options Business;

6.1.2. close out some or all of the Customer's Client Contracts with CMSHK;

6.1.3. enter into Contracts, or into transactions in securities, futures or commodities, in order to settle obligations arising or to hedge the risks to which CMSHK is exposed in relation to the Customer's default; or

6.1.4. dispose of Margin, and apply the proceeds thereof to discharge the Customer's liabilities to CMSHK. Any proceeds remaining after discharge of all the Customer's liabilities to CMSHK shall be paid to the Customer.

6.2. The Customer agrees to pay interest on all overdue balances in its Options Account (including interest arising after a judgment debt is obtained against the Customer) at such rates and on such other terms as CMSHK may have notified the Customer from time to time.

7. Contracts

7.1. In respect of all options contracts effected on the Customer's Instructions, the Customer will pay CMSHK, within the time period notified by CMSHK, Premium, CMSHK's commission and any other charges, and applicable levies imposed by the SEHK or any other exchange, as have been notified to the Customer. CMSHK may deduct such Premium, commissions, charges and levies from the Options Account or any other account of the Customer with CMSHK or any of its Associate (as defined in the Securities Account Agreement).

7.2. CMSHK may place limits on the open positions or delivery obligations that the Customer may have which will be notified to the Customer from time to time.

7.3. The Customer acknowledges that:

7.3.1. CMSHK may be required to close out any Client Contracts in order to comply with position limits imposed by the SEHK or any other relevant exchange; and

7.3.2. if CMSHK goes into default, the default procedures of SEHK may result in any Client Contracts being closed out, or replaced by Client Contracts between the Customer and another Options Exchange Participant.

7.4. On the exercise of a Client Contract by or against the Customer, the Customer shall perform the Customer's delivery obligations under the relevant contract, in accordance with the Standard Contract and as notified by CMSHK.

7.5. The Customer acknowledges that on the expiry day but only on the expiry day, the Options System will automatically generate exercise instructions in respect of all open long positions which are in-the-money by or above the percentage prescribed by SEOCH or other clearing houses from time to time. The Customer may instruct CMSHK to override such an "automatically generated exercise instruction" before the System Closure on the expiry day in accordance with the Operational Clearing Procedures of SEOCH.

7.6. The Customer acknowledges that CMSHK may, at the Customer's request agrees to the Client Contracts between CMSHK and the Customer being replaced, in accordance with the Rules by Client Contracts between the Customer and another Options Exchange Participant.

7.7. The Customer further acknowledges that although all Options Contracts are to be executed on SEHK or other exchange, the Customer and CMSHK shall contract as principals under Client Contracts.

8. Representations and Warranties

8.1. The Customer represents and warrants to CMSHK that:

8.1.1. All information provided by the Customer or on its behalf to CMSHK in connection with the opening and maintenance of the Options Account is complete, true, accurate and not misleading; and

8.1.2. as the case may be: (a) the Options Account is operated solely for the Customer's Account and benefit and not for the benefit of any other person unless otherwise disclosed to CMSHK pursuant to this Clause; or (b) the Customer has disclosed to CMSHK in writing the name of the person(s) for whose benefit the Options Account is being operated, as applicable; or (c) the Customer has requested CMSHK to operate the Options Account as an Omnibus Account, and will immediately notify CMSHK, on request, of the identity of any person(s) ultimately beneficially interested in Client Contracts.

8.2. The warranties and representations in Clause 8.1 shall be repeated each time securities are delivered to the Customer by reference to the circumstances then existing.

9. Risk Disclosure Statements

9.1. CMSHK refers the Customer to and the Customer acknowledges the Risk Disclosure Statements set out in the Securities Account Agreement.

10. Indemnity

10.1. The Customer agrees to fully indemnify and keep indemnified CMSHK and its employees and agents against any losses and expenses resulting from breach of the client's obligation under the Options Trading Agreement, including costs reasonably incurred in collecting debts from the Customer, and in closing the Options Account.

11. General

11.1. CMSHK agrees to provide the Customer with the product specifications for Options Contracts upon request.

11.2. If CMSHK fails to meet its obligations to the Customer pursuant to the Options Trading Agreement, the Customer is entitled to claim under the Investor Compensation Fund established under the laws of Hong Kong, subject to the terms of the Investor Compensation Fund from time to time.

11.3. The Options Trading Agreement and all rights, obligations and liabilities hereunder shall be governed by and construed in accordance with Hong Kong law.

11.4. CMSHK shall provide to the Customer upon request product specifications for Options Contracts and any prospectus or other offering document covering such products and a full explanation of margin procedures and the circumstances under which the Customer's positions may be closed without the Customer's consent.

11.5. The Options Trading Agreement is written in the English language and the Chinese version is its translation. The English language version is the only binding version and will prevail in the event of any inconsistency or conflict with the Chinese translation.

SCHEDULE II

Terms and Conditions of Electronic Service

Where the Customer has in writing requested China Merchants Securities (HK) Co., Ltd. ("**CMSHK**") to provide or applied to CMSHK for the use of Electronic Service, the Customer shall have agreed to and otherwise shall be deemed to have agreed to these terms and conditions. In any event, where CMSHK makes available its Electronic Service to the Customer for use, this is done on and subject to these terms and conditions, which shall be binding on both the Customer and CMSHK.

This Schedule II is in addition to and subject to the main body of the Securities Account Agreement, as amended from time to time.

1 Interpretation

1.1 Unless otherwise provided, capitalised expressions used in these terms and conditions have the same meaning as ascribed to those expressions under the Securities Account Agreement.

1.2 In these terms and conditions, the following expressions shall, unless the context requires otherwise, have the following meanings:

"**Instruction Acknowledgement**" in relation to an Instruction, whether to buy or sell Securities (as applicable) or to amend or cancel another prior Instruction, means an acknowledgement by CMSHK of receipt of those Instructions.

"**Login ID**" means the Customer's identification, used in conjunction with the Password, to gain access to the Electronic Service.

"**Electronic Service**" means the electronic trading facility provided by CMSHK through an electronic system (whether or not provided by CMSHK and including but without limitation to Sponsored Access System, Internet trading system, algorithmic trading system, direct market access service system and CMSHK's proprietary direct brokerage system), which enables the Customer via electronic hardware device (whether or not provided by CMSHK) to give electronic Instructions to purchase, sell and otherwise deal in Securities and to obtain quotations in relation to such transactions and other information via electronic hardware device;

"**Information**" means any transaction data, bid and ask quotations and other information relating to Securities and the Securities markets;

"**Password**" means the Customer's password used in conjunction with the Login ID, to gain access to the Electronic Service.

"**Sponsored Access System**" means a front-end order routing facility provided to the Customer by a third party selected by the Customer, which third party has arranged with CMSHK for the execution and/or clearance of orders placed through such facility.

1.3 "**Transaction Notices and Reports**" and "**Notice and Communications**" referred to in Clauses 10 and 19 of the Securities Account Agreement respectively may be sent solely by means of Electronic Service if the Customer so consents and such consent can be given initially as indicated in the Securities Account Application Form or subsequently by Electronic Service.

2 Using Electronic Service

2.1 Use of the Electronic Service by the Customer shall be subject to these terms and conditions, the Securities Account Agreement, the specific terms and conditions that are from time to time applicable to the type of Electronic Service in question, the representations, warranties, undertakings, declarations, confirmations and agreement given by the Customer to CMSHK in relation to the use of the Electronic Service (whether generic or service specific), any relevant user guide or manual from time to time issued or provided by CMSHK, any activation procedures and security measures as CMSHK may from time to time prescribe, applicable legal and regulatory requirements, rules and regulations of the relevant exchange and self-regulatory organizations ("**SROs**"), disclosures, disclaimers, any restrictions and requirements from time to time notified by CMSHK to the Customer in writing (whether or not through electronic means and whether or not imposed by reason of restrictions and requirements imposed by third parties like the regulators, licensors, business partners of CMSHK). The Customer irrevocably undertakes to observe and comply with and be bound by the aforesaid in this Clause 2.1.

2.2 Where a particular type of Electronic Service involves the use of Login ID, Password(s) and/or security questions for the purpose of access thereto,

(a) the Customer shall be responsible for the confidentiality and use of its Login ID, Password(s) and answers to the security questions and shall keep the same secure and secret and not disclose the same to any other party (including but without limitation to CMSHK's staff and the Police) where the Customer is an individual and to any party (including but without limitation to CMSHK's staff and the Police) not having been authorized by the Board of Directors of the Customer to use the Electronic Service for and on behalf of the Customer where the Customer is a corporation;

(b) the Customer shall change the Password(s) frequently or procure its authorized users of the Electronic Service to change the Password(s) frequently;

(c) the Customer shall and where relevant shall procure its authorized users to avoid choosing number and expressions that relate to the Customer's personal data (the personal data of the Customer's personnel where the Customer is a corporation) like telephone number, name as Password or a part thereof and using the same Password for accessing online services provided by other parties;

(d) (i) in the event that the Customer would like to record its Login ID, Password and/or answers to security questions, it shall exercise prudence and care in choosing the manner this is done with a view to avoiding unauthorized disclosure of or access to and identification by unauthorized third party of such confidential information, for instance, the Customer should never write down the Login ID, Password and answers to security questions on any device for accessing the Electronic Service or on anything usually kept with or near it and should not write down or record the Login ID, Password and answers to security questions without disguising them;

(ii) where the Customer is a corporation, it shall procure its authorized users of the Electronic Service to observe and comply with Clause 2.2(d)(i) above;

(e) if the Customer becomes aware of or reasonably suspects any loss or unauthorized disclosure of or access to its Login ID, Password and/or answers to security questions, the Customer shall immediately cease using the Electronic Service and report the same to CMSHK by phone and confirm in writing thereafter within 24 hours or such other period as CMSHK may prescribe from time to time.

2.3 The Electronic Service is available to the Customer on a non-exclusive and non-transferable basis. Where the Customer is an individual, the Customer shall use the Electronic Service personally by himself or herself. Where the Customer is a corporation, the Customer shall procure that the Electronic Service will not be used for and on behalf of the Customer by any party which has not been authorized by the Board of Directors of the Customer to do so and where the type of Electronic Service concerned involves notification by the Customer of such user(s) as authorized by the Board to CMSHK, use of such Electronic Service for and on behalf of the Customer shall only be done by such authorized user(s) as notified to CMSHK.

2.4 The Customer shall logoff the Electronic Service immediately following completion of each Electronic Service session.

2.5 After logging on the Electronic Service, the Customer shall not leave the device or equipment used to logon the Electronic Service before logoff.

2.6 After logging on the Electronic Service through Internet, the Customer must logoff before accessing other websites.

2.7 The Customer shall provide CMSHK with a e-mail address, promptly notify CMSHK of any change to the e-mail address and accepts electronic communications from CMSHK at the e-mail address the Customer provides to CMSHK. The Customer acknowledges CMSHK's notification that CMSHK and its agents/business partners will never ask for sensitive account information of the Customer by e-mail and that the Customer should be cautious of the possibility of fraudulent e-mails or websites pretending to be from CMSHK and should not disclose their personal or sensitive information to any persons failing to prove their identities or any doubtful websites

2.8 The Customer acknowledges that the Electronic Service is provided using such hardware information storage and support and other arrangements with CMSHK or with third party service provider as CMSHK considers necessary and appropriate.

2.9 The Customer shall avoid accessing the Electronic Service through public or shared computers and shall keep the device it uses for accessing the Electronic Service secure and secret. For instance, the Customer shall ensure that his personal computer for accessing the Electronic Service is securely configured and is adequately protected from computer viruses and malicious programs (say by installing personal firewall and regularly updating the anti-virus software used).

2.10 Where CMSHK provides the device or equipment for using the Electronic Service, the Customer's use of such device or equipment shall be for the sole purpose of using the Electronic Service and the Customer shall handle such device or equipment with care and shall not cause damage to such device or equipment.

2.11 Where the device or equipment for using the Electronic Service is not provided by CMSHK, the Customer shall for the purpose of using the Electronic Service only deploy device or equipment that is compatible with such use or as recommended by CMSHK, shall not deploy device or equipment affected by virus and shall arrange for the software or programme or the version recommended by CMSHK to be installed.

2.12 The Customer should avoid accessing CMSHK's transactional electronic trading webpage through hyperlinks embedded in e-mails unless the Customer has verified the genuineness of the website such as the validity of the digital certificate of the website.

2.13 Where the Customer uses a Sponsored Access System, the Customer shall be responsible for obtaining any equipment or service needed for access to and use of the Sponsored Access System.

2.14 If the Customer becomes aware of or reasonably suspects any technical or security failure in connection with the Electronic Service, the Customer shall immediately cease using the Electronic Service and report the same to CMSHK by phone and confirm in writing thereafter within 24 hours or such other period as CMSHK may prescribe from time to time.

2.15 Upon receipt of any report to CMSHK under Clause 2.2(e) or Clause 2.14, CMSHK shall cancel or suspend the Customer's Login ID, Password(s) and/or answers to security questions as soon as reasonably practicable and save as otherwise provided under the applicable law, the Customer shall be responsible for all acts or omissions of any person using or accessing the Electronic Service with the Customer's Login ID, Password(s) and/or answers to security questions before such cancellation or suspension and any Instructions given involving the use of the Customer's Login ID, Password(s) and/or answers to security questions before such cancellation or suspension shall be deemed to be given by the Customer and in the form received by CMSHK.

2.16 CMSHK may for security reason or any other reasonable cause in its own discretion terminate, revoke, suspend, modify or change any or all of Customer's Login ID and/or suspend the Electronic Service (say where an incorrect Login ID and/or Password are entered on more than 3 occasions) at any time with or without prior notice.

2.17 If the Customer experiences any problems in accessing the Electronic Service, he may use other methods to communicate with CMSHK and inform CMSHK of the difficulty which he is experiencing. The Customer expressly agrees that CMSHK may communicate with or give notice to the Customer via the Electronic Service or by other electronic means or facilities and that any such notice or communication delivered to the Customer by CMSHK by electronic devices through the Electronic Service or otherwise shall be deemed to have been received at the time of transmission of the message to the Customer.

2.18 Where any security device in connection with the Electronic Service is provided by CMSHK to the Customer, the Customer should keep such security device in safe custody, shall not lend the same to others or use or attempt to use the same otherwise than in connection with the use of Electronic Service.

2.19 CMSHK shall not be deemed to have received any Instruction until the Customer receives an Instruction Acknowledgment. The Customer's receipt of an Instruction Acknowledgement is not a guarantee that its Instructions will be executed. If the Customer does not receive an Instruction Acknowledgement within 5 minutes following its entering Instructions into the Electronic Service, or if the Customer receives an Instruction Acknowledgement with any error, the Customer is responsible for immediately contacting CMSHK. The Customer further agrees that non-receipt by it of the Instruction Acknowledgement does not necessarily mean its Instructions will not be executed. In the event that the Customer receives confirmation from CMSHK that the Instructions have been executed but this is not reflected in the Instruction Acknowledgement, the Customer shall still be responsible for settling the trade.

2.20 Without limiting the generality of the foregoing, the Customer acknowledges and agrees that it may not be possible to amend or cancel an Instruction after it has been given through the Electronic Service and that an Instruction may only be amended or cancelled if it has not been executed by CMSHK. In such circumstances CMSHK will use its reasonable efforts to amend or cancel the Instruction but, notwithstanding any receipt by the Customer of an Instruction Acknowledgement in relation to the amendment or cancellation, there is no guarantee that the amendment or cancellation will occur, and if the amendment or cancellation does not occur, the Customer shall remain liable for the original Instruction.

2.21 For the avoidance of doubt, the Customer acknowledges that CMSHK has no responsibility for incorrect transmission of Instructions or failure or delay in CMSHK's receipt of Instructions transmitted, in so far as the same is not caused by or otherwise attributable to CMSHK.

2.22 CMSHK shall be entitled to execute any Instruction it receives according to its terms without looking into the reasonableness of the Instructions.

2.23 The Customer acknowledges and agrees that price, quantity and other data in connection with an Instruction transmitted electronically to the Customer is sent for information purposes only, and binding transaction terms and conditions appear only on CMSHK's standard trade confirmation.

2.24 If the Electronic Service offered by CMSHK implements and maintains order size, position, market value, currency, or similar trading or credit limits, the Customer shall not knowingly or negligently alter or circumvent, or seek to alter or circumvent such limits but shall be responsible for monitoring and abiding by such limits.

3 Provision of Information

3.1 CMSHK may convey to the Customer by Electronic Service Information. The Customer may be charged a fee for the information in accordance with CMSHK's fee schedule. CMSHK obtains Information from the Exchange and markets and from third parties that transmit Information (collectively referred to as the **"Information Providers**").

3.2 The Information is the property of CMSHK, the Information Providers or others and is protected by copyright and applicable laws and regulations relating to trademarks and other intellectual property rights (as relevant). The Customer does not have and does not receive any copyright or other intellectual property rights with respect to the Electronic Service. The Customer shall not use the Information or any part thereof other than for its own use or in the ordinary course of its own business.

3.3 The Customer agrees not to:

(a) reproduce, retransmit, disseminate, sell, distribute, publish, broadcast, circulate or commercially exploit the Information for any illegal purposes or in any manners without the express written consent of CMSHK and the relevant Information Provider(s);
(b) use the Information for any unlawful purpose;
(c) use the Information or any part thereof to establish, maintain or provide or to assist in establishing, maintaining or providing a trading floor or dealing service for trading in any Securities; and
(d) disseminate the Information to third parties.

3.4 The Customer agrees to comply with reasonable written requests by CMSHK to protect the Information Providers' and CMSHK's respective rights in the Information and the Electronic Service.

3.5 The Customer shall comply with such reasonable directions as CMSHK may give from time to time concerning permitted use of the Information.

3.6 If the Customer becomes aware of any violation of the proprietary rights in the Electronic Service of CMSHK and of any relevant third party service provider, the Customer shall promptly notify CMSHK in writing.

3.7 The Customer shall comply in a timely manner with CMSHK's requests for information, documents and other materials to the extent necessary or beneficial to ensure compliance with any applicable legal and/or regulatory requirements and the Customer consents to provision by CMSHK of such information or documents to any regulatory authority, exchange as CMSHK deems necessary or appropriate. For instance, in the case where CMSHK has entered into a licensing agreement with HKEX Information Services Limited ("**EXIS**"), the Customer authorises CMSHK to provide information on the Electronic Service supplied to the Customer hereunder to EXIS, to enable CMSHK to comply with its obligations under the licence agreement between EXIS and CMSHK relating to market datafeeds.

4 Intellectual Property Rights

4.1 The Customer acknowledges that the Electronic Service, and the software comprised in it, is proprietary to CMSHK. The Customer warrants and undertakes that it shall not and shall not attempt to tamper with, modify, decompile, reverse engineer or otherwise alter in any way, and shall not attempt to gain unauthorised access to, any part of the Electronic Service or any of the software comprised in it. The Customer agrees that CMSHK shall be entitled to terminate the availability of Electronic Service to the Customer if at any time the Customer breaches, or if CMSHK at any time reasonably suspects that the Customer has breached this warranty and undertaking.

4.2 The Customer acknowledges that the Information or market data made available to it through the Electronic Service may be proprietary to third parties and the Customer agrees that it will not upload, post, reproduce or distribute any information, software or other material protected by copyright or other intellectual property right (as well as rights of publicity and privacy) without first obtaining the permission of the owner of such rights.

5 Limitation of Liability and Indemnification

5.1 To the extent permitted by applicable law, none of CMSHK, its Correspondent Agents and the Information Providers shall be responsible for any losses, costs, expenses or liabilities suffered by the Customer resulting from circumstances beyond its/their reasonable control including, without limitation:

(a) delays, failure or inaccuracies in communications to or from CMSHK through telephone, electronic or other systems that are not under the control of CMSHK, its Correspondent Agents or Information Providers;

(b) delays, inaccuracies or omissions in or unavailability of research, analysis, market data and other Information prepared by third parties;

(c) unauthorised access to communications systems, including unauthorized use of the Customer's Login ID and/or Password; and

(d) wars of military action, government restrictions, labour disputes or closure of or disruption to orderly trading on any market or exchange, severe weather conditions and acts of God.

5.2 The Customer agrees to defend, indemnify and hold CMSHK, its Correspondent Agents and the Information Providers harmless from and against any and all claims, losses, liability, costs and expenses (including but not limited to attorneys' fees) arising from the Customer's violation of these terms and conditions, applicable laws, rules or regulations, or any third party's rights, including but not limited to infringement of any copyright, violation of any proprietary right and invasion of any privacy rights. This obligation will survive the termination of Electronic Service to the Customer.

5.3 CMSHK shall not by virtue of provision of Electronic Service be deemed to provide investment advice to manage money or to act as a fiduciary on behalf of the Customer or with respect to any account.

5.4 CMSHK is not responsible for advising the Customer of any disclosure obligations whether arising generally or as a result of any transaction effected by CMSHK in accordance with any Instruction or of any holding of Securities by or on behalf of the Customer. Such obligations of disclosure are personal obligations of the Customer. CMSHK shall not be obliged to give notice of holdings by or on behalf of the Customer in any form or by any time limit save for any notice or statement required to be issued by CMSHK pursuant to legal and/or regulatory requirements.

5.5 The Customer acknowledges that it will be subject to potential prosecution under applicable laws for illegal activities conducted through the Electronic Service and that CMSHK, the regulatory authorities and/or SROs may monitor all customer activities so as to detect any improper activity relating to customers' transactions or business effected based on any Instruction and the Customer shall permit (subject to reasonable confidentiality restrictions) CMSHK and any relevant regulatory authorities and/or SROs to have reasonable access to CMSHK's premises at reasonable times and on reasonable notice to inspect any equipment and connections used by the Customer in connection with any Instruction. The Customer acknowledges that if CMSHK, any regulatory authority or any SRO detects or suspects improper activity (or any activity harmful to the integrity of the markets) through the Customer's use of Electronic Service or if required by any applicable legal and/or regulatory requirement or CMSHK's internal rules or policies, or if CMSHK deems it necessary for its protection, or if CMSHK regards the Customer to have materially breached these terms and conditions or any terms and conditions relevant to the transaction covered by an Instruction, the Customer's access to the Electronic Service may be limited, augmented, or terminated at any time, and the Customer may be prohibited from giving Instructions or otherwise accessing the market.

5.6 To the extent permitted by applicable law, no warranties, express or implied, representations or promises, have been made or are given by CMSHK, its Associates, their respective directors, officers, employees and agents and/or any of their vendors, licensors or other third party content providers (collectively, "**Provider Parties**" and individually, a "**Provider Party**") to the Customer or any other person regarding or related in any manner to the systems, equipment or market data used in or in connection with the Electronic Service.

5.7 To the extent permitted by applicable law, the Provider Parties shall not be liable for any delay or failure to perform obligations and any losses, damages or costs resulting therefrom unless such is directly caused by the Provider Parties' gross negligence or wilful default or fraud.

5.8 To the extent permitted by applicable law, the Provider Parties shall not be held responsible for any undesirable consequences resulting whether directly or indirectly from any uncontrollable events including but not limited to government restrictions, imposition of emergency procedures, exchange ruling, third party conduct, suspension of trading, war, strike, market conditions, civil disorder, acts or threatened acts of terrorism, natural disasters, or any other circumstances beyond the Provider Parties' control whatsoever, including any errors, deficiencies or electronic data problems, computations, output, operations and other functions of any equipment and related software of Provider Parties.

5.9 To the maximum extent permitted by applicable law, in no event shall any Provider Party have any liability to the Customer or any third party for any losses, damages, liabilities, judgments, awards, fines, penalties, settlements, costs or other expenses (including reasonable legal costs, attorneys' fees and disbursements) (collectively, "**Losses**") whatsoever arising in any manner out of, or in connection with, these terms and conditions, their performance or breach, or incident to the Customer's or any third party's use of (or any inability to use) the systems, the equipment or any market data in connection with the Electronic Service.

5.10 To the extent permitted by applicable law, no Provider Party shall be liable to the Customer for:

(a) any error by the Customer in inputting an order,

(b) any error occurring on a market exchange or other execution venue,

(c) the rejection of any order by the systems used in connection with the Electronic Service for any reason whatsoever; or

(d) any error by any other cause outside the direct control of any Provider Party.

5.11 The Customer acknowledges that for the market data or other information the Customer obtains through the Electronic Service which is originated from any exchange, such exchanges, their holding companies, affiliates and/or subsidiaries do not guarantee the accuracy or reliability of such market data or information and will accept no liability to the Customer (whether in tort or contract or otherwise) for any loss or damage arising from any inaccuracies or omissions in connection with such market data or information.

5.12 The Customer shall, at its own expense, defend, indemnify and hold harmless any Provider Party and CMSHK from and against any Losses arising out of or related to

(a) the use of (or inability to use) the systems, equipment, market data or any other information in connection with the Electronic Service by or with the authority of the Customer or involving the use of the Customer's Login ID, Password(s) and/or answers to the security questions before the making of any report to CMSHK under Clause 2.2(e) or Clause 2.14; and

(b) any material breach by the Customer of any provision of these terms and conditions,

except in each case to the extent such Losses are due to wilful misconduct gross negligence or fraud of any Provider Party or CMSHK.

6 Suspension or Termination of Electronic Service

6.1 CMSHK reserves the right to suspend or terminate the Customer's access to the Electronic Service or any part thereof in its sole discretion, without notice and without limitation, for any reason whatsoever, including but not limited to the unauthorised use of the Customer's Login ID and/or Password, breach of these terms and conditions or the Securities Account Agreement, discontinuance of CMSHK's access to any Information from any Information Provider or termination of one or more agreements between CMSHK and the Information Providers, maintenance and upgrading of the systems for Electronic Service by CMSHK.

6.2 In the event of suspension or termination as mentioned in Clause 6.1 above, each of the Information Providers and CMSHK shall have no liability to the Customer; provided, however, that if the termination is not solely caused by or due to any fault on the part of the Customer (whether directly or indirectly) or its authorised users CMSHK will refund the pro rata portion of any fee that may have been paid by the Customer for the portion of the Electronic Service not furnished to the Customer as at the date of such termination.

7 Risk Disclosure

7.1 The Customer acknowledges and accepts the risks of using the Electronic Service, which include at least the following:

(a) If the Customer undertakes transactions via Electronic Service, it will be exposed to risks associated with the Electronic Service system, including the failure of hardware and software, and the result of any system failure may be that its orders are either not executed according to its Instructions or are not executed at all;

(b) Due to unpredictable suspension or traffic congestion in communication and other reasons, Electronic Service may not be reliable and transactions conducted via Electronic Service are subject to the risk of delays in transmission and receipt of the Customer's Instructions or other Information, delays in execution or execution of its Instructions at prices different from those prevailing at the time its Instructions were given, transmission interruption or blackout. There are also the risks of hacking, misunderstanding or errors in communication, and it may not be possible to cancel an Instruction after it has been given.

7.2 CMSHK accepts no responsibility for any loss which may be incurred by the Customer as a result of such interruptions or delays or hacking by third parties. The Customer should not place any Instruction with CMSHK through the Electronic Service if the Customer is not prepared to accept any of the above-mentioned risks.

7.3 Market data and other Information made available to the Customer through the Electronic Service may be obtained by CMSHK from third parties. While CMSHK believes such market data or information to be reliable**, neither CMSHK nor any such third party guarantees the accuracy, completeness or timeliness of any such market data or Information**. For instance, for the market data or other information the Customer obtains through the Electronic Service which is originated from any exchange, such exchanges, their holding companies, affiliates and/or subsidiaries do not guarantee the accuracy or reliability of such market data or information and to the extent permitted by applicable law will accept no liability to the Customer (whether in tort or contract or otherwise) for any loss or damage arising from any inaccuracies or omissions in connection with such market data or information.

8 Direct Market Access Services and Algorithmic Trading System

8.1 The Customer agrees and undertakes with CMSHK that

(a) for so long as it uses direct market access ("**DMA**") services provided by CMSHK:

(i) it has appropriate arrangements in place to ensure that its users are proficient and competent in using the system for the DMA services;

(ii) it understands and has the ability to comply with applicable regulatory requirements; and

(iii) it has in place adequate arrangements to monitor the orders entered through the DMA services.

(b) for so long as it sub-delegates the DMA services to another person, the Customer:

(i) may only sub-delegate the DMA services to another person if the Customer is a licensed or registered person with the SFC, an overseas securities or futures dealer or an overseas bank subject to regulatory supervision;

(ii) shall seek CMSHK's prior written consent before any sub-delegation of CMSHK's DMA services and trading algorithms;

(iii) shall inform CMSHK any existing arrangement to sub-delegate CMSHK's DMA connection and trading algorithms to any third party;

(iv) shall confirm with CMSHK prior to any sub-delegation the orders of the person that the Customer is sub-delegating will flow through the Customer's systems and will be subject to appropriate risk management and supervisory controls, and such person meets the requirements set out in Clause 8.1 (a)(i)-(iii) and a written agreement is in place between the Customer and such person setting out the terms of the DMA services being sub-delegated; and

(v) shall promptly inform CMSHK in writing if any sub-delegation ceases in the future.

(c) for so long as the Customer uses the algorithmic trading system provided by CMSHK, the Customer has a good understanding of:

(i) the operation of the algorithmic trading system and trading algorithms; and

(ii) the compliance and regulatory issues which may arise from the use of the algorithmic trading system and trading algorithms.

9 Charges and Expenses

Customer shall pay to CMSHK mutually agreed upon commissions, mark-ups and mark-downs for the execution of, or in connection with, Customer's orders as well as all service and other fee, if any, that CMSHK may charge from time to time for the use of the Electronic Service. Client will also be liable to pay any fees, charges and expenses charged by exchanges or other third parties for market data provided hereunder.

10 General

10.1 In the event of any dispute between the Parties, the Customer agrees that the records of CMSHK (including electronic records) shall prevail.

10.2 Customer agrees that each transaction Customer executes through the Electronic Service is also subject to any other agreement between Customer and CMSHK that applies to the relevant transaction ("**Securities Account Agreement/Client Agreements**"). If there is a conflict between the terms of this Agreement and the terms of the Securities Account Agreement/Client Agreement, the terms of this Agreement will control regarding the Electronic Service, except otherwise agreed in writing by both parties.

SCHEDULE III

Part I

RISK DISCLOSURE STATEMENTS AND DISCLAIMERS FOR TRADING IN SECURITIES

This brief statement does not disclose all of the risks and other significant aspects of trading in securities. In light of the risks, you should undertake such transactions only if you understand the nature of the contracts (and contractual relationships) into which you are entering and the extent of your exposure to risk. Trading in securities is not suitable for many members of the public. You should carefully consider whether trading is appropriate for you in light of your experience, objectives, financial resources and other relevant circumstances.

1. Risk of Securities Trading

The prices of securities fluctuate, sometimes dramatically. The price of securities 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. Customers should understand the risks of investment in stock market before they make investment decisions. Customers shall also assess their abilities and willingness in assuming such risks. Customers are also advised to seek independent financial advice if they wish.

2. Risk of Trading Growth Enterprise Market Stocks

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.

You should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Current information on GEM stocks may only be found on the internet website operated by The Stock Exchange of Hong Kong Limited. GEM companies are usually not required to issue paid announcements in gazetted newspapers.

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

3. Risk of Trading Nasdaq-Amex Securities at The Stock Exchange of Hong Kong Limited

The securities under the Nasdaq-Amex Pilot Program ("**PP**") are aimed at sophisticated investors. You should consult your dealer and become familiarised with the PP before trading in the PP securities. You should be aware that the PP securities are not regulated as a primary or secondary listing on the Main Board or the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited.

4. Risk of Trading Renminbi (RMB) Securities Listed in Hong Kong ("HK RMB Securities")

HK RMB Securities is a relatively new type of investment product in Hong Kong and an active secondary market might not be available. As such, investors of HK RMB Securities may not be able to sell their investments in HK RMB Securities on a timely basis, or may have to sell at a substantial discount in order to find a buyer. By trading in HK RMB Securities, investors are exposed to exchange rate risk. Fluctuation in conversion rate and conversion spread may have negative impact on the return on investment in HK RMB Securities. RMB is currently not freely convertible. Foreign exchange controls imposed by the PRC government may have negative impact on the liquidity of RMB securities traded in Hong Kong. RMB equities exposed to the mainland China market are particularly subject to risks that may arise from the relevant market/industry/sector in mainland China.

5. Risks of Client Assets Received or Held Outside Hong Kong

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

6. Risk of Providing an Authority to Lend, Deposit or Repledge Your Securities with Third Parties

There is risk if you provide us with an authority that allows us to apply your securities or securities collateral pursuant to a securities borrowing and lending agreement, repledge your securities collateral for financial accommodation or deposit your securities collateral as collateral for the discharge and satisfaction of our settlement obligations and liabilities.

If your securities or securities collateral are received or held by us in Hong Kong, the above arrangement is allowed only if you consent in writing.

Moreover, unless you are a professional investor, your authority must specify the period for which it is current and be limited to not more than 12 months. If you are a professional investor, these restrictions do not apply.

Additionally, your authority may be deemed to be renewed (i.e. without your written consent) if we issue you a reminder at least 14 days prior to the expiry of the authority, and you do not object to such deemed renewal before the expiry date of your then existing authority.

You are not required by any law to sign these authorities. But an authority may be required by us, for example, to facilitate margin lending to you or to allow your securities or securities collateral to be lent to or deposited as collateral with third parties. We should explain to you the purposes for which one of these authorities is to be used.

If you sign one of these authorities and your securities or securities collateral are lent to or deposited with third parties, those third parties will have a lien or charge on your securities or securities collateral. Although we are responsible to you for your securities of securities collateral lent or deposited under your authority, a default by us could result in the loss of your securities or securities collateral.

A cash account not involving securities borrowing and lending is available from most licensed or registered persons. If you do not require margin facilities or do not wish your securities or securities collateral to be lent or pledged, do not sign the above authorities and ask to open this type of cash account.

7. Risk of Margin Financing

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

8. Risk of Trading of Foreign Securities, including B Shares Listed in the People's Republic of China

Securities that are foreign listed securities and are held outside Hong Kong are subject to the applicable laws and regulations or the relevant overseas jurisdiction that may be different from the SFO and the rules made thereunder in Hong Kong. Consequently, such securities may not enjoy the same protection as that conferred on securities received or held in Hong Kong. You should only undertake trading of foreign securities if you understand the nature of foreign securities trading and the extent of your exposure to risks. In particular, foreign securities trading is not regulated by The Stock Exchange of Hong Kong Limited and will not be covered by the Compensation Fund despite the fact that CMSHK is an exchange participant of The Stock Exchange of Hong Kong Limited.

You should carefully consider whether such trading is appropriate for you in light of your experience, risk profile and other relevant circumstances and seek independent professional advice if you are in doubt.

9. Risk of trading SPAC securities/warrants

SPAC means a Special Purpose Acquisition Company. SPAC is a type of company that has no operating business and is established for the sole purpose of conducting a transaction (De-SPAC Transaction) in respect of an acquisition of, or a business combination with, a target, within a pre-defined time period, to achieve the listing of the target (Successor Company).

SPAC Securities means any securities of a SPAC that is not a promoter share issued by a SPAC to establish such SPAC and/or beneficially owned by a promoter.

SPAC Warrants means any warrant that provides the holder with the right to purchase shares in a Successor Company that is not a promoter warrant issued by a SPAC.

Given you have the obligation to ensure your (if you are an intermediary, including your underlying clients) professional investor's status at all material times are valid before you are going to enter into SPAC transactions. You shall be responsible to verify and ensure yourself (if you are an intermediary, also your underlying clients) are qualified professional investors thereby eligible to participate in the SPAC Securities or SPAC Warrants trading. In the case where ineligible status or ineligible position(s) is identified in the relevant account, without any prior notice, CMSHK has full discretion power to unwind or request the relevant accountholder to unwind respective positions. In such event, you will be liable for the relevant damages or losses on full indemnity basis incurred by CMSHK arising directly or indirectly from the sale or disposal of the positions or securities exercised by CMSHK.

The valuation of the SPAC Securities is uncertain. Given a SPAC has no operating business, with limited history and no revenues; there will be limited information or without any basis to evaluate its ability to achieve its business objective. The sponsor or promoter of a SPAC may be unqualified, their past performance may not be available for investors to evaluate.

The listing of a SPAC is less stringent than the listing of a company. Certain companies have not reached the market standards and quality may take advantage of the SPAC regime to access quickly to public funding. In particular, when sponsors face time pressure to close the De-SPAC Transaction, the combined business entity may be underperformance.

Subject to certain jurisdiction requirement, a SPAC is not necessary to seek shareholders' approval to approve a De-SPAC Transaction. This means a SPAC may complete the De-SPAC Transaction notwithstanding a majority of the shareholders do not support the proposed transaction. Even though a SPAC seeks shareholders' approval of a De-SPAC Transaction, sponsor or promoter altogether may make up approximately 20% of the shareholders' rights to vote for the De-SPAC Transaction, not to mention there is a potential conflict of interest that the sponsors may be financially motivated to proceed with the De-SPAC Transaction.

A SPAC may issue various class of shares to the target company, in such case, the ownership of an investor holding the SPAC Securities will be diluted depending on the scale of the issuance of the shares,

If a SPAC is unable to complete the De-SPAC transaction within the prescribed time frame (usually 18 to 36 months post-IPO), a SPAC will be liquidated. Upon liquidation, an investor holding SPAC Securities will be entitled to share the remaining available funds held in a SPAC's trust/escrow account (perhaps a price approximately the IPO price per share or less in certain circumstances) while investors holding SPAC Warrants may not be able to receive anything.

The terms of SPAC Warrants may be varied or amended by the holders of at least a majority of the then outstanding warrants. Exercise price can be increased, exercise period can be shortened or the number of shares purchasable can be deceased without your consent, all these are unfavourable to your rights in holding the SPAC Warrants.

SCHEDULE III

Part II

RISK DISCLOSURE STATEMENTS AND DISCLAIMERS FOR TRADING IN CHINA CONNECT SECURITIES

These China Connect Securities Trading Risk Disclosures are in addition to and should be read in conjunction with the risk disclosures contained in the rest of this Schedule III, and the Customer should seek independent advice as needed. The China Connect Securities Trading Risk Disclosures are only an overview of some of the risks and do not purport to disclose all the risks and other significant aspects of trading in China Connect Securities. The Customer should undertake his own research and studies on the trading of China Connect Securities before commencing any trading activities.

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

Words or phrases defined in Schedule IA shall have the same meanings as in this Part II, save as otherwise expressly provided in this Part II.

1. China Connect Securities and China Connect Rules

The China Connect Rules may be amended or changed from time to time, and such rules may be subject to any amendments or changes to the trading rules of the China Connect Markets and/or the SEHK, and any relevant regulations. The China Connect Rules and other relevant regulations in respect of the China Connect Securities and China Stock Connect are still subject to development, and there is uncertainty and risk as to the scope, application, and interpretation of the China Connect Rules and other relevant regulations, including any new taxes, fees or levies and whether the arrangements contemplated under this Agreement (including Schedule IA) are permitted under the relevant regulations. The China Connect Markets may request the SEHK to require CMSHK to issue warning statements (verbally or in writing) to the Customer, and not to extend Northbound Trading services to the Customer. The China Connect Markets may be closed, or trading on the China Connect Markets may be suspended, whether temporarily or permanently. The Customer may incur loss in the event that the China Connect Authorities determine that these arrangements are not permitted or in the event of any change to the China Stock Connect, or regulations in respect of China Connect Securities, the China Connect Securities available for trading through the China Stock Connect, or the suspension or closure (whether temporary or permanent) of the China Stock Connect. For example, the Customer may find he is not able to acquire, dispose of or hold certain China Connect Securities or its entitlements in the event of certain changes to the China Connect Rules, which may affect the investment portfolio or strategies of the Customer or cause the Customer to incur loss. CMSHK is not liable to the Customer in relation to such determination or change or the consequences of such determination or change.

HKSCC, SEHK, the SEHK Subsidiaries, the China Connect Markets and their respective directors, employees and agents shall not be responsible or held liable for any loss or damage directly or indirectly suffered by CMSHK, the Customer, special participants and non-clearing participants of CCASS (if applicable) or any third parties arising from or in connection with Northbound Trading, the China Connect Clearing Services (as defined under the General Rules of the Central Clearing and Settlement System), the China Stock Connect System (as defined under the Rules and Regulations of The Stock Exchange of Hong Kong Limited), the SEHK/China Connect Markets making, amending or enforcing the China Connect Rules or the Applicable Regulations, or any action taken by SEHK/China Connect Markets in discharge of its supervisory or regulatory obligations or functions including any action taken to deal with abnormal trading conduct or activities. In addition, the Customer may find that he is not able to execute certain type(s) or category(ies) of Transactions contemplated under Schedule IA, such as margin trading in China Connect Securities via the China Stock Connect or orders with prices beyond the price limits of China Connect Securities or in respect of China Connect Securities of which trading has been suspended due to price limits.

The relevant regulations of the PRC may be different from the rules and regulations applicable to Securities listed on the SEHK. The Customer may not be able to exercise equivalent rights (e.g. right to vote by proxy) as holders of China Connect Securities as compared with PRC holders of the same China Connect Securities, or as compared with Securities listed on the SEHK. The Customer may find that he is unable to acquire or dispose of China Connect Securities using the same processes or operational mechanisms as compared with those used in acquiring or disposing of Securities listed on the SEHK. The Customer should read, understand and accept all relevant rules and any amendments thereof and seek independent professional advice if needed.

2. Operation of China Stock Connect / China Stock Connect

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

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

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

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

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

(a) a suspension, restriction or cessation of the China Stock Connect, or any inability to access or use the China Stock Connect (including any inability of CMSHK to provide the Customer with access to or use of the China Stock Connect);

(b) any special arrangement put in place or any action, step or measure taken or not taken to deal with an emergency, including but not limited to the cancellation of any or all China Stock Connect orders input by Exchange Participants;

(c) any suspension, delay, interruption or cessation of trading of any China Connect Securities on the relevant China Connect Market or through SEHK;

(d) any delay, suspension, interruption or order cancellation of any China Connect Securities as a result of the hoisting of a typhoon signal No. 8 or above or the issuance of the black rainstorm warning in Hong Kong;

(e) any delay or failure to route any China Stock Connect orders or any delay or failure to send any order cancellation requests or to provide the China Stock Connect services, due to any system, communication or connection failure, power outage, software or hardware malfunction or other event beyond the control of SEHK, CMSHK or any Related Person;

(f) any circumstance in which a China Stock Connect order which a China Stock Connect Exchange Participant has requested to be cancelled is not cancelled for any reason whatsoever;

(g) any delay, failure or error of any China Stock Connect or any system upon which the relevant SEHK Subsidiary, CMSHK or any Related Person is reliant in providing the China Stock Connect; and

(h) any delay or failure to execute, or any error in matching or executing, any China Stock Connect order due to any reason beyond the control of SEHK, or the relevant SEHK Subsidiary, CMSHK or any Related Person (including, without limitation, any action or decision taken or made, or not taken or made, by the relevant China Connect Market, or any Regulator).

If there is any delay or failure to send any order cancellation request in any circumstance described in paragraph (e) or (f) above, the Customer shall, in the event such order is matched and executed, remain responsible to fulfil any settlement obligations in respect of such Transaction.

3. Trading day

The China Stock Connect may only operate on days when the relevant markets are open for trading and when banks in the relevant markets are open on the corresponding settlement days as specified under the China Connect Rules. It is therefore possible that there are occasions when it is a normal trading day for the PRC market but Hong Kong investors cannot carry out any China Connect Securities trading. The Customer should take note of the days the China Stock Connect is open for business and decide according to their own risk tolerance capability whether or not to take on the risk of price fluctuations in China Connect Securities during the time when the China Stock Connect is not trading.

4. Operational Hours

The operational hours of the China Stock Connect are determined by SEHK at its sole discretion, and SEHK may change the operational hours and arrangements of the China Stock Connect whether temporarily or otherwise at any time and without advance notice. CMSHK shall not be under any obligation to inform the Customer of any such determination by SEHK as to the operational hours of the China Stock Connect. Any such change to the operational hours and arrangements with respect to the China Stock Connect may affect CMSHK's ability to accept and/or process the Customer's orders and/or to provide, in a timely manner, any China Stock Connect trading services generally.

In the case there is any price sensitive information relating to a PRC Listco during a time when the China Stock Connect is not in operation, China Connect Securities issued by or in respect of the PRC Listco may continue to trade on the relevant China Connect Market and the price of such China Connect Securities may move significantly. In such case, Northbound Trading investors will not be able to trade in such securities until the next available Trading Day under China Stock Connect.

5. Ownership of China Connect Securities

China Connect Securities are held in ChinaClear. HKSCC will become a direct participant in ChinaClear and China Connect Securities acquired by investors through Northbound Trading will be recorded in the name of HKSCC in the nominee securities account opened by HKSCC with ChinaClear and HKSCC will be nominee holder of such China Connect Securities.

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

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

Under current PRC regulations, China Connect Securities will be recorded in a nominee account opened by HKSCC with ChinaClear and Northbound Trading investors have rights and interests in China Connect Securities acquired through China Connect according to the applicable laws, which generally provide for the concept of a "nominee holder" and recognise the Northbound Trading investors as the "ultimate owners" of China Connect Securities.

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

In its published materials for explaining the ownership rights of China Connect Securities acquired by Northbound Trading investors, SEHK notes that any Northbound Trading investor in China Connect Securities as beneficial owner who decides to take legal action is responsible for seeking its own independent legal advice to satisfy itself and HKSCC that a cause of action exists and the beneficial owner should be prepared to conduct the action and take up all costs in relation to the action, including providing HKSCC with indemnities and legal representation in proceedings.

The Customer should conduct his own review of the SEHK published materials and the applicable China Connect Rules from time to time and consult his own legal advisers to make his own assessment of his rights as a Northbound Trading investor in China Connect Securities.

6. Scripless Securities

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

7. Company Announcement on Corporate Actions

The Customers should refer to the website of the relevant China Connect Market and the relevant newspapers for the latest listed company announcements or, alternatively, the SEHK website's page entitled "China Stock Markets Web" (or such other replacement or successor page from time to time) for corporate actions in respect of China Connect Securities. SSE-listed and/or SZSE-listed issuers (as the case may be) publish corporate documents in Chinese only, and English translations will not be available and issuers that are listed on the ChiNext Board/Shanghai Stock Exchange's Sci-Tech Innovation Board are required to publish certain corporate announcements on their corporate websites and the officially appointed websites only.

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

In addition, HKSCC will endeavour to collect and distribute cash dividends relating to China Connect Securities to clearing participants in a timely manner. HKSCC will to the extent practicable arrange to distribute to relevant clearing participants on the same day upon receipt of the dividend amount.

CMSHK shall have no obligation whatsoever to collect or receive or take any other action (including attending any general meeting and/or exercising any voting right) in relation to any payment or distribution (including, but not limited to, any cash or scrip dividends) or voting in respect of China Connect Securities for the Customer's account or to notify the Customer of the existence of or the terms of any notice, circular, report, announcement or similar corporate action in respect of China Connect Securities. If CMSHK shall make any such collection or receipt, take any such action or give the Customer any such notification or shall take any action pursuant to any such notification, CMSHK shall not have any liability in respect of any inaccuracies or delays (including, but not limited to, any delays in delivering cash or scrip dividends to the Customer) and any obligation to continue or repeat any such action.

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

8. Disclosure of Information and Publication of Trade Information

SEHK may require CMSHK to provide information on the Customer's identity, address, contact details, profile, and the type and value of the Customer's orders in relation to Northbound Trading of China Connect Securities and the trades which CMSHK executed for the Customer at such intervals and in such form as SEHK may specify from time to time for purposes of their publication, dissemination or public distribution of aggregated information in respect of China Connect Securities trades under China Connect,

trading volumes, investor profiles and other related data. SEHK may forward such information to the relevant China Connect Market for surveillance and investigation purposes.

In addition, the Customer shall provide to CMSHK, promptly upon request by CMSHK, such materials and/or information as may be required by CMSHK or any China Connect Authority including, without limitation, any information relating to China Connect trades executed by the Customer through Exchange Participants other than CMSHK, where the China Connect Securities in respect of such trades have been transferred to CMSHK for sale, and the Customer hereby expressly consents to the disclosure by CMSHK of any of the foregoing materials and/or information and any information of the Customer to any China Connect Authority as CMSHK deems necessary to comply with any market requirements.

9. Retention of Information

The Customer acknowledges and accepts that CMSHK will be required under the China Connect Rules to keep records for a period of not less than 20 years of (a) all orders and trades executed on the Customer's behalf; (b) any Instructions received from the Customer; and (c) the Customer's account information in relation to Northbound Trading.

10. No Off-exchange Trading and Transfers

Unless otherwise provided by China Connect Authorities, CMSHK shall not, with certain limited exceptions, trade or provide services to facilitate trading of any China Connect Securities through any venue other than through the China Stock Connect, and CMSHK shall not match, execute or arrange the execution of any sale and purchase instructions or any transfer instructions from the Customer in respect of any China Connect Securities in any manner otherwise than through China Connect Market in accordance with the China Connect Rules.

11. Placing Orders

Only limit orders with a specified price are allowed pursuant to China Connect Rules, 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.

12. Amendment of Orders and Loss of Priority

Consistent with the current practice in the PRC, if the Customer wishes to amend an order, he must first cancel the original order and then input a new one. Accordingly, order priority will be lost and, subject to the Daily Quota restrictions, the subsequent order may not be filled on the same Trading Day.

13. China Connect Market Price Limits

China Connect Securities are subject to a general price limit of a range of percentages based on the previous Trading Day's closing price. The price limit may be changed from time to time. All orders in respect of China Connect Securities must be within the price limit and any orders with a price beyond the price limit will be rejected by the relevant China Connect Market.

14. Restriction on Day Trading

Day (turnaround) trading is not permitted on the PRC A Shares market.

15. Client Error

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

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

16. Custodian and Broker Risk

Customer assets may be held or delivered for settlement to a custodian or broker or other service provider (whether within or outside Hong Kong) appointed in good faith by CMSHK, or sub-custodians. Such persons are not under the control of CMSHK, and CMSHK accepts no liability for any default of any nature by such third party custodians or brokers, or arising from the transfer of client assets to any such third party for any purposes, and in the event of any such default the Customer may suffer total or partial loss in respect of the Customer's investment. The Customer should familiarise himself with the protections given to money or other property which CMSHK deposits on the Customer's behalf for domestic and foreign Transactions, particularly in the event of the insolvency or bankruptcy of a custodian or broker. The extent to which the Customer may recover his money or property may be governed by specific legislation or local rules. In some jurisdictions, property which may be identified as the Customer's will be pro-rata shared with the other creditors of the insolvent or bankrupt custodian or broker in the same manner as cash for purposes of distribution in the event of a shortfall.

17. Settlement

Northbound Trading will follow the settlement cycle of the relevant China Connect Market. For settlement of China Connect Securities trade, ChinaClear will debit or credit securities account of its participants (including HKSCC as clearing participant) on T day free of payment. CMSHK may have settlement arrangements in place different from the ChinaClear settlement arrangements. Unless CMSHK agrees to pre-fund, settlement of funds relating to such trading will be effected on T + 1 day.

Although the transfer of the China Connect Securities precedes the transfer of cash, the title to China Connect Securities will not be released until the receipt of confirmation of payment under the China Stock Connect. Accordingly, for the purpose of contract notes, the settlement date would be T + 1 day when both the securities and the payment are settled or, where the purchase is pre-funded (by way of a debit of available funds in the Customer's account upon placement of the order and a corresponding prepayment of fund by CMSHK to HKSCC), the settlement date would be the date on which the securities are released from hold (usually on T day).

18. Taxation

Income or profit from trading in any investments may be subject to withholding tax or capital gains tax (if any) or other tax of the country of the issuer or the country in which such investments are traded. In particular, in the case of cash dividend and bonus issues, the Customer may be subject to dividend withholding tax imposed by SAT or other relevant China Connect Authorities. In such event, unless the issuer agrees to gross-up the income or profit received by the Customer, the Customer may only receive any payment or proceeds of sale or redemption of the investment less the withholding tax or capital gains tax (if any) or other tax, as required by the relevant regulations. The Customer may not be able to claim the benefits of a double income tax treaty or otherwise qualify for a reduction of withholding tax in respect of investments made through CMSHK. The inability to claim the benefits of a double income tax treaty or otherwise qualify for reductions of withholding tax will increase the tax paid in respect of the investment compared to if such treaty qualification or withholding deduction were available.

In addition and without prejudice to any of CMSHK's rights under the terms and conditions of the Agreement, the Customer will be fully and solely responsible for any and all his liabilities and obligations for any taxes in respect of China Connect Securities including, without limitation, any capital gains tax or other PRC taxes, and will indemnify CMSHK from and against all Hong Kong and/or PRC taxes which CMSHK may incur or be subject to arising in connection with any China Connect Securities which the Customer holds, trades or otherwise deals in. Neither CMSHK nor any Related Person assumes any responsibility for advising on or handling any tax issues, liabilities and/or

obligations in connection with China Connect Securities, and neither CMSHK nor any Related Person will provide any service or assistance in this regard. The Customer acknowledges and agrees that CMSHK has no responsibility to act as tax agent, representative or adviser of the Customer in respect of any taxes. Prior to investing in China Connect Securities, the Customer is strongly advised to consult his own tax advisers with respect to the possible tax consequences to him of such investment. In addition, CMSHK shall be entitled in its sole discretion, without further notice or demand, forthwith to satisfy any obligation of CMSHK or Related Person or the Customer to pay or account for any amounts in respect of taxes by selling, realizing or otherwise dealing with (including but not limited to withholding or deducting any amount towards taxes), in such manner as CMSHK in its sole discretion may determine, all part of any property held by CMSHK or any Related Person for any purpose in any of the Customer's account held with CMSHK or any Related Person, and to apply the proceeds in reduction of all or part of the Customer's liability to CMSHK or any Related Person. Neither CMSHK nor any Related Person shall have any liability for any losses or risks which may result to the Customer directly or indirectly from any actions taken by CMSHK or any Related Person in respect of the foregoing.

19. Foreign fees and levies

Trading in China Connect Securities may be subject to additional fees and levies under the relevant regulations and from foreign Regulators. The amounts of such fees and levies may change from time to time. The Customer may only receive any payment or proceeds of sale or redemption of the investment less such fees and levies.

20. Risk of margin trading

Subject to certain conditions prescribed by the China Connect Authorities, the Customer may only conduct margin trading in certain China Connect Securities as determined by the relevant China Connect Authorities to be eligible for margin trading from time to time. A China Connect Market may suspend margin trading activities in any specific China Connect Securities where the volume of margin trading activities in such China Connect Securities exceeds certain thresholds and may resume margin trading activities when the volume drops below a prescribed threshold. CMSHK shall not have any obligation to update the Customer in respect of the list of eligible margin trading securities or any restrictions or suspensions in respect of margin trading from time to time.

21. Client Securities Rules

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

22. Not Protected by the Investor Compensation Fund or the China Securities Investor Protection Fund

Investor Compensation Fund

Since China Connect Securities are not securities or futures contracts listed or traded on a recognized stock market (as defined under the SFO), recognized futures market (as defined under the SFO), or other markets currently prescribed by rules made under the SFO, they will not be covered by the Hong Kong Investor Compensation Fund ("**Investor Compensation Fund**").

The Investor Compensation Fund is established to pay compensation to investors of any nationality who suffer pecuniary losses as a result of default of a licensed intermediary or authorised financial institution in relation to exchange-traded products in Hong Kong. Examples of default are insolvency, bankruptcy or winding up, breach of trust, defalcation, fraud, or misfeasance.

As for Northbound Trading, according to the SFO, the Investor Compensation Fund will only cover products traded in Hong Kong's recognised securities market (SEHK) and recognised futures market (Hong Kong Futures Exchange Limited, "**HKFE**"). Since default matters in Northbound Trading via the China Stock Connect do not involve products listed or traded in the SEHK or HKFE, so similar to the case of investors trading other foreign Securities, they will not be covered by the Investor Compensation Fund.

For further information on Investor Compensation Fund, please refer to the website of Investor Compensation Company Limited.

CSIPF中國投資者保護基金

Northbound Trading under the Shanghai Hong Kong Stock Connect and the Shenzhen Hong Kong Stock Connect is not, and other China Stock Connect may not be, protected by the CSIPF.

According to the Measures for the Administration of Securities Investor Protection Fund《證券投資者保護基金管理辦法》, the functions of CSIPF include "indemnifying creditors as required by China's relevant policies in case a securities company is subjected to compulsory regulatory measures including dissolution, closure, bankruptcy and administrative takeover by CSRC and custodian operation" or "other functions approved by the State Council". As far as Hong Kong investors participating in Northbound Trading are concerned, since they are carrying out Northbound Trading through securities brokers in Hong Kong and these brokers are not PRC brokers, therefore they are not protected by CSIPF in the PRC.

23. Quota used up

There is Daily Quota limiting the maximum value of all northbound buy trades that can be executed by Exchange Participants on each Trading Day in respect of each China Connect Market. The Daily Quota may change from time to time without prior notice and the Customer is advised to refer to the SEHK website and other information published by SEHK for up-to-date information.

Once the Daily Quota is used up, acceptance of the corresponding buy orders will be immediately suspended and no further buy orders will be accepted for the remainder of the day. Buy orders which have been accepted will not be affected by the using up of the Daily Quota, while sell orders will be continued to be accepted.

24. Foreign Shareholding Restrictions

The trading of Securities under the China Stock Connect is subject at all times to the relevant regulations, including the Foreign Shareholding Restrictions, which impose purchasing and holding limits. These limitations and restrictions may have the effect of restricting the Customer's ability to purchase, subscribe for or hold any China Connect Securities or take up any entitlements in respect of China Connect Securities, or requiring the Customer to reduce its holdings in any China Connect Securities, whether generally or at a particular point of time, and whether by way of forced sale or otherwise, and notwithstanding that the Customer's individual holding does not exceed such limitations or restrictions. As such, the Customer may incur loss arising from such limitations, restrictions and/or forced sale.

25. Restrictions on selling imposed by front-end monitoring

For Customers who usually keep their China Connect Securities outside of their brokers, if they want to sell certain China Connect Securities they hold, they must transfer those China Connect Securities to the respective accounts of their brokers before the cut-off time as specified by CMSHK in its sole discretion from time to time. Only settled China Connect Securities are allowed to be sold on any China Connect Trading Day.

If CMSHK considers that the Customer has not (by the commencement of trading on the Trading Day on which he wishes to execute a sell order or any other cut-off time specified by CMSHK from time to time) transferred sufficient China Connect Securities to his broker's designated CCASS stock account(s) to cover a proposed sell order, CMSHK may (but shall not be obliged to) in its sole discretion: (a) reject the Customer's sell order in whole or in part; (b) where appropriate arrangements are in place and as permitted by Terms and Conditions of China Connect and Applicable Regulations, use any China Connect Securities in CMSHK's (or any other broker's) designated CCASS account(s) which CMSHK holds for itself or on behalf of its other customers to fulfil the front-end monitoring requirement in respect of the Customer's sell order, in which case, the Customer shall reimburse CMSHK for any costs, losses or expenses which CMSHK incurs as a result of buying in or otherwise sourcing the amount of China Connect Securities which the Customer has failed to deliver in respect of the Customer's sell order, on such terms and at such price (including any associated fees and expenses) and at such time as CMSHK shall determine in its sole discretion; or (c) perform any other act which CMSHK considers necessary or desirable to comply with front-end monitoring and/or relevant Terms and Conditions of China Connect and Applicable Regulations and to cover the Customer's shortfall (including but not limited to applying any other China Connect Securities available to CMSHK) from any stock borrowing arrangements (to the extent permitted by Terms and Conditions of China Connect and Applicable Regulations and available to CMSHK) or other sources. In addition, CMSHK may in its sole discretion reject the Customer's sell order in whole or in part if for any other reason CMSHK

considers that there is or may be non-compliance or potential non-compliance with Terms and Conditions of China Connect and Applicable Regulations. Any risk, loss, or cost resulting from non-compliance or potential non-compliance with front-end monitoring and/or any relevant Terms and Conditions of China Connect and Applicable Regulations shall be borne by the Customer.

26. The recalling of eligible stocks

SEHK will include and exclude securities as China Connect Securities based on the prescribed criteria of the Applicable Regulations from time to time. CMSHK shall not be under any obligation to inform the Customer of any changes to the eligibility of securities for Northbound Trading. When a stock is recalled from the scope of eligible stocks for trading via the China Stock Connect for any reason, the stock can only be sold but is restricted from being bought. This may affect the investment portfolio or strategies of the Customer. The Customer should therefore pay close attention to the list of eligible stocks as provided and renewed from time to time by the relevant China Connect Markets and the SEHK.

27. Special China Connect Securities

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

28. Rights Issuances

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

(a) is a China Connect Securities, Hong Kong and overseas investors will be allowed to buy and sell the entitlement security through China Connect;

(b) is not a China Connect Securities but is a RMB-denominated security listed on a China Connect Market, Hong Kong and overseas investors may be permitted to sell the entitlement security through China Connect but will not be permitted to buy such entitlement security;

(c) is a security listed on a China Connect Market but is not traded in RMB, Hong Kong and overseas investors will not be allowed to buy or sell the entitlement security through China Connect. SEHK has stated that the relevant China Connect Market and SEHK will consult each other to agree on the appropriate treatment of the entitlement security; or

(d) is not listed on a China Connect Market, Hong Kong and overseas investors will not be allowed to buy or sell the entitlement security on China Connect unless and until appropriate arrangements (if any) have been provided by HKSCC. It is possible that no such arrangements will be provided.

29. ChiNext Shares/STAR Shares

ChiNext Shares/STAR Shares involve a high investment risk. In particular, profitability and other financial requirements for listing on the ChiNext Board/Shanghai Stock Exchange's Sci-Tech Innovation Board are less stringent than the Main Board and the SME Board of the SZSE/SSE. The Customer should make the decision to invest only after due and careful consideration.

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

It may be more common and easier for companies listed on the ChiNext Board/Shanghai Stock Exchange's Sci-Tech Innovation Board to be delisted. The ChiNext Shares/STAR Shares may become very illiquid after delisting. The Customer may suffer a total loss of its investment in the event of a delisting.

The Customer should seek independent professional advice if the Customer is uncertain of or has not understood any aspect of these China Connect Securities Trading Risk Disclosures or the nature and risks involved in trading of ChiNext Shares/STAR Shares.

30. Restrictions on Instructions

In respect of China Connect Securities, the Customer will be subject to the restrictions under the China Connect Rules and rules of the China Connect Markets in addition to the rules of the SEHK. Instructions of the Customer that are not in compliance with the China Connect Rules, the rules of the China Connect Markets or other Applicable Regulations may therefore be rejected or cancelled by CMSHK, and part or all of the Instruction may not be executed. The China Connect Markets may not accept amendments to Instructions, and any modifications to an Instruction in respect of China Connect Securities may therefore require cancellation of the outstanding Instruction and input of a new Instruction. The Customer should read and understand China Connect Rules carefully before placing Instructions with CMSHK to avoid rejection, cancellation, or non-execution of Instructions.

31. Disclosure obligations

The Customer may be subject to PRC regulations in respect of disclosures of interest in China Connect Securities, and may be restricted from acquiring or disposing of China Connect Securities under the regulations. For example, in the event the Customer's interest in China Connect Securities crosses a stipulated threshold under the PRC regulations, the Customer may be required to disclose its details and interest holding positions to PRC Regulators, and may be restricted from further acquiring or disposing of, or from receiving proceeds or other returns from acquiring, holding or disposing of, such China Connect Securities within a stipulated time frame or as prescribed by applicable laws, by-laws, rules and/or regulations from time to time. There is no guarantee that the Customer may be exempt from the disclosure requirements and the relevant trading restrictions in respect of China Connect Securities and the Customer is solely responsible for compliance with such regulations. CMSHK is not obliged to determine, advise or assist the Customer in any way in respect of the disclosure obligations or trading restrictions applicable to the Customer under any such regulations.

32. Risk of default by ChinaClear

Although considered remote, trading under the China Stock Connect is subject to the risk of default by ChinaClear as the host central counterparty in the PRC. In an event of default by ChinaClear, the HKSCC will in good faith seek recovery of the outstanding stocks and monies from ChinaClear through available legal channels and through ChinaClear's liquidation process, if applicable. HKSCC will in turn distribute the stocks or monies recovered to Hong Kong clearing participants on a pro-rata basis. CMSHK will in turn distribute China Connect Securities and/or monies only to the extent recovered directly or indirectly from HKSCC. The Customer may not be able to recover all or any part of its outstanding stocks and/or monies in an event of default by ChinaClear.

33. Short Swing Profit Rule

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

34. Risks associated with investing in China Connect Securities

PRC-related risks

Investing in the PRC, an emerging market, involves special considerations and risks, including without limitation greater price volatility, less developed regulatory and legal

framework, economic, and social and political instability.

Equity risk

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

Liquidity risks

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

General legal and regulatory risk

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

Currency risk

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

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

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

SCHEDULE III

Part III

RISK DISCLOSURE STATEMENTS AND DISCLAIMERS FOR TRADING IN OPTIONS

This brief statement does not disclose all of the risks and other significant aspects of trading in futures contracts or options. In light of the risks, you should undertake such transactions only if you understand the nature of the contracts (and contractual relationships) into which you are entering and the extent of your exposure to risk. Trading in futures contracts or options is not suitable for many members of the public. You should carefully consider whether trading is appropriate for you in light of your experience, objectives, financial resources and other relevant circumstances.

1. Risk of Trading Futures and Options

The risk of loss in trading futures contracts or options is substantial. In some circumstances, you may sustain losses in excess of your initial margin funds. Placing contingent orders, such as stop-loss or stop-limit orders, will not necessarily avoid loss. Market conditions may make it impossible to execute such orders. You may be called upon at short notice to deposit additional margin funds. If the required funds are not provided within the prescribed time, your position may be liquidated. You will remain liable for any resulting deficit in your account. You should therefore study and understand futures contracts and options before you trade and carefully consider whether such trading is suitable in the light of your own financial position and investment objectives. You should also inform yourself of exercise and expiration procedures and your rights and obligations upon exercise or expiry.

2. Risk of Margin Trading

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

3. Variable Degree of Risk

Some Options may only be exercised on an expiry day (European-style exercise) and that other options may be exercised at any time before expiration (American-style exercise). Upon exercise some options require delivery and receipt of the underlying securities and that other options require a cash payment.

Transactions in options carry a high degree of risk. Purchasers and sellers of options should familiarise themselves with the type of option (i.e. put or call) which they contemplate trading and the associated risks. You should calculate the extent to which the value of the options must increase for your position to become profitable, taking into account the premium and all transaction costs.

The purchaser of options may offset or exercise the options or allow the options to expire. The exercise of an option results either in a cash settlement or in the purchaser acquiring or delivering the underlying interest. If the option is on a futures contract, the purchaser will acquire a futures position with associated liabilities for margin. If the purchased options expire worthless, you will suffer a total loss of your investment which will consist of the option premium plus transaction costs. If the option is “covered” by the seller holding a corresponding position in the underlying interest or a futures contract or another option, the risk may be reduced. If the option is not covered, the risk of loss can be unlimited. If you are contemplating purchasing deep-out-of-the-money options, you should be aware that the chance of such options becoming profitable ordinarily is remote.

Selling (“writing” or “granting”) an option generally entails considerably greater risk than purchasing options. Although the premium received by the seller is fixed, the seller may sustain a loss well in excess of that amount. The seller will be liable for additional margin to maintain the position if the market moves unfavourably. The seller will also be exposed to the risk of the purchaser exercising the option and the seller will be obligated to either settle the option in cash or to acquire or deliver the underlying interest.

Certain exchanges in some jurisdictions permit deferred payment of the option premium, exposing the purchaser to liability for margin payments not exceeding the amount of the premium. The purchaser is still subject to the risk of losing the premium and transaction costs. When the option is exercised or expires, the purchaser is responsible for any unpaid premium outstanding at that time.

Options can involve a high degree of risk and may not be suitable for every investor. Investors should ensure they understand those risks before participating in the options market.

4. Terms and Conditions of Contracts

You should ask the firm with which you deal about the terms and conditions of the specific futures or options which you are trading and associated obligations (e.g. the expiration dates and restrictions on the time for exercise). Under certain circumstances the specifications of outstanding contracts (including the exercise price of an option) may be modified by the exchange or clearing house to reflect changes in the underlying interest.

5. Suspension or Restriction of Trading and Pricing Relationships

Market conditions (e.g. illiquidity) and/or the operation of the rules of certain markets (e.g. the suspension of trading in any contract or contract month because of price limits or “circuit breakers”) may increase the risk of loss by making it difficult or impossible to effect transactions or liquidate/offset positions. If you have sold options, this may increase the risk of loss.

Further, normal pricing relationships between the underlying interest and the futures, and the underlying interest and the option may not exist. This can occur when, for example, the futures contract underlying the option is subject to price limits while the option is not. The absence of an underlying reference price may make it difficult to judge “fair value”.

6. Deposited Cash and Property

You should familiarise yourself with the protections given to money or other property you deposit for domestic and foreign transactions, particularly in the event of a firm insolvency or bankruptcy. The extent to which you may recover your money or property may be

governed by specific legislation or local rules. In some jurisdictions, property which had been specifically identifiable as your own will be pro-rated in the same manner as cash for purposes of distribution in the event of a shortfall.

7. Risk of providing an authority to repledge your securities collateral etc.

There is risk if you provide the licensed or registered person with an authority that allows it to apply your securities or securities collateral pursuant to a securities borrowing and lending agreement, repledge your securities collateral for financial accommodation or deposit your securities collateral as collateral for the discharge and satisfaction of its settlement obligations and liabilities.

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

Additionally, your authority may be deemed to be renewed (i.e. without your written consent) if the licensed or registered person issues you a reminder at least 14 days prior to the expiry of the authority, and you do not object to such deemed renewal before the expiry date of your then existing authority.

You are not required by any law to sign these authorities. But an authority may be required by licensed or registered persons, for example, to facilitate margin lending to you or to allow your securities or securities collateral to be lent to or deposited as collateral with third parties. The licensed or registered person should explain to you the purposes for which one of these authorities is to be used.

If you sign one of these authorities and your securities or securities collateral are lent to or deposited with third parties, those third parties will have a lien or charge on your securities or securities collateral. Although the licensed or registered person is responsible to you for securities or securities collateral lent or deposited under your authority, a default by it could result in the loss of your securities or securities collateral.

A cash account not involving securities borrowing and lending is available from most licensed or registered persons. If you do not require margin facilities or do not wish your securities or securities collateral to be lent or pledged, do not sign the above authorities and ask to open this type of cash account.

8. Warning to Option Writers

As a writer of an option you may be required at any time before expiry to delivery (pay for) the underlying securities to the full value of the strike price multiplied by the number of underlying securities. This obligation may be wholly disproportionate to the value of premium received at the time the options were written and may be required at short notice.

SCHEDULE III

Part IV

DERIVATIVE RISKS

This brief statement does not disclose all of the risks and other significant aspects of trading in derivatives. In light of the risks, you should undertake such transactions only if you understand the nature of the contracts (and contractual relationships) into which you are entering and the extent of your exposure to risk. Trading in derivatives is not suitable for many members of the public. You should carefully consider whether trading is appropriate for you in light of your experience, objectives, financial resources and other relevant circumstances.

FEATURES AND RISK DISCLOSURE OF DERIVATIVE PRODUCTS

1. LISTED EQUITY LINKED INSTRUMENTS (ELI)

ELI are structured products which can be listed on The Stock Exchange of Hong Kong Limited under Chapter 15A of the Main Board Listing Rules. They are marketed to retail and institutional investors who want to earn a higher interest rate than the rate on an ordinary time deposit and accept the risk of repayment in the form of the underlying shares or losing some or all of their investment.

ELI are traded in board lots and the minimum trading unit is one board lot. One board lot of ELI equals one board lot of its underlying security or its multiples. The duration of an ELI ranges from 28 days to two years. ELI are traded scripless in Hong Kong dollars and odd lots are settled in cash. Investors should note that short selling of ELI is prohibited.

An ELI's investment returns are often linked to the performance of their underlying stock(s). But for the purpose of increasing the overall return from that of plain-vanilla ELIs, some issuers may include additional features, such as early call, knock-in and daily accrual coupon. These features may affect the return of the ELIs in different ways.

TYPES

To match their directional view on the underlying securities, investors may choose from three different types of ELI listed on The Stock Exchange of Hong Kong Limited: Bull, Bear and Range. Other types of ELI may be traded on The Stock Exchange of Hong Kong Limited in future.

CHARACTERISTICS

1	Early Call	ELI with early call feature will be terminated early if the closing price of the underlying stock (or in the case of a basket, that of the worst performing stock) is at or above its call price on a call observation date.
2	Knock-in/ Knock-out Options	Typically a currency and commodity option, a knock-in and knock out options allow the option writer to set a limit with a view towards minimizing losses from volatile price movements. The higher the market volatility, the greater is the probability that a knock-in option is triggered. If the closing price of the underlying stock is at or below the trigger price on any knock-in observation date, a knock-in event occurs. The observation dates can be set as certain dates or certain periodic dates (e.g. monthly, quarterly). It also can be each scheduled trading day from the issue date to the scheduled final valuation date. A knock-out option expires worthless if the price of an underlying asset crosses the pre-determined threshold. As the profit opportunity is limited, barrier options such as these are sold cheaper than standard options. They are suitable only for investors with a strong directional understanding or premium constraints and in a relatively stable market environment with little price movements.
3	Daily Accrual Coupon	The daily accrual feature allows an investor to capture daily price movements of the underlying stock. The ELI with daily accrual features take into account the number of trading days on which the closing price of the underlying stock is at or above the accrual coupon price during an observation period. More than one accrual coupon price may be available. Different coupons may accrue for each day when the closing price of the underlying stock is above the high accrual coupon price, between the high accrual coupon price and the low accrual coupon price, and below the low accrual coupon price. In such case, it is possible that no coupon will be accrued if the closing price of the underlying stock is below the accrual coupon price throughout the observation period.

TRADING ARRANGEMENT

When ELI are issued, issuers will indicate on the listing document and launch announcement whether the ELI are to be settled by a cash payment or physical delivery upon expiry. Once listed, neither the issuers nor the holders are allowed to opt for an alternative settlement method at expiry.

RISK DISCLOSURE

1	Exposure to equity market	Investors are exposed to price movements in the underlying security and the stock market, the impact of dividends and corporate actions and counterparty risks. Investors must also be prepared to accept the risk of receiving the underlying shares or a payment less than their original investment.
2	Possibilities of losing investment	Investors may lose part or all of their investment if the price of the underlying security moves against their investment view.
3	Price adjustment	Investors should note that any dividend payment on the underlying security may affect its price and the payback of the ELI at expiry due to ex-dividend pricing. Investors should also note that issuers may make adjustments to the ELI due to corporate actions on the underlying security.
4	Interest rates	While most ELI offer a yield that is potentially higher than the interest on fixed deposits and traditional bonds, the return on investment is limited to the potential yield of the ELI.
5	Potential yield	Investors should consult their brokers on fees and charges related to the purchase and sale of

		ELI and payment / delivery at expiry. The potential yields disseminated by HKEx have not taken fees and charges into consideration.

2. STOCK OPTIONS

It is a contract that involves two parties, a buyer and a seller. An option's buyer has the right, but not the obligation, to buy according to a "call" option from, or sell according to a "put" option to the seller the specified underlying assets. Option contracts are for an agreed quantity of an underlying asset, price, and future period. If the buyer (or holder) exercises his right, the option's seller (or writer) has to settle according to the contract's specifications. An option holder is described as having a long position, while an option writer has a short position.

CHARACTERISTICS

1	Underlying asset	The assets underlying options can be stocks, market indices, currencies, commodities, debt instruments, and so on. In Hong Kong, exchange-traded options' underlying assets are mainly stocks and market indices.
2	Exercise / Strike price	This is the predefined price at which the option's holder trades the underlying asset with the writer.
3	Expiry day	The last day on which a holder can exercise an option.
4	Exercise style	There are two types of exercise styles. An American-style option can be exercised during any trading day on or before the expiry date. European-style options can only be exercised on the expiry day.
5	Settlement method	This is the predetermined method in which the writer settles an option, and depends on what's stated in the contract. An option can be settled either by physical delivery of the underlying asset or in cash.

RISK DISCLOSURE

1	Risk of Trading Options	The risk of loss in trading futures contracts or options is substantial. In some circumstances, you may sustain losses in excess of your initial margin funds. Placing contingent orders, such as "stop-loss" or "stop-limit" orders, will not necessarily avoid loss. Market conditions may make it impossible to execute such orders. You may be called upon at short notice to deposit additional margin funds. If the required funds are not provided within the prescribed time, your position may be liquidated. You will remain liable for any resulting deficit in your account. You should therefore study and understand options before you trade and carefully consider whether such trading is suitable in the light of your own financial position and investment objectives. If you trade options you should inform yourself of the exercise and expiration procedures and your rights and obligations upon exercise or expiry.
2	Variable degree of risk	Transactions in options carry a high degree of risk. Purchasers and sellers of options should familiarize themselves with the type of option (i.e. put or call) which they contemplate trading and the associated risks. You should calculate the extent to which the value of the options must increase for your position to become profitable, taking into account the premium and all transaction costs. The purchaser of options may offset or exercise the options or allow the options to expire. The exercise of an option results either in a cash settlement or in the purchaser acquiring or delivering the underlying interest. If the option is on a futures contract, the purchaser will acquire a futures position with associated liabilities for margin (see the section on Futures above). If the purchased options expire worthless, you will suffer a total loss of your investment which will consist of the option premium plus transaction costs. If you are contemplating purchasing deep-out-of-the-money options, you should be aware that the chance of such options becoming profitable ordinarily is remote. Selling ("writing" or "granting") an option generally entails considerably greater risk than purchasing options. Although the premium received by the seller is fixed, the seller may sustain a loss well in excess of that amount. The seller will be liable for additional margin to maintain the position if the market moves unfavourably. The seller will also be exposed to the risk of the purchaser exercising the option and the seller will be obligated to either settle the option in cash or to acquire or deliver the underlying interest. If the option is on a futures contract, the seller will acquire a position in a futures contract with associated liabilities for margin. If the option is "covered" by the seller holding a corresponding position in the underlying interest or a futures contract or another option, the risk may be reduced. If the option is not covered, the risk of loss can be unlimited. Certain exchanges in some jurisdictions permit deferred payment of the option premium, exposing the purchaser to liability for margin payments not exceeding the amount of the premium. The purchaser is still subject to the risk of losing the premium and transaction costs. When the option is exercised or expires, the purchaser is responsible for any unpaid premium outstanding at that time.
3	Terms and conditions of the contract	You should ask the firm with which you deal about the terms and conditions of the specific futures or options which you are trading and associated obligations (e.g. the circumstances under which you may become obliged to make or take delivery of the underlying interest of a futures contract and, in respect of options, expiration dates and restrictions on the time for exercise. Under certain circumstances the specifications of outstanding contracts (including the exercise price of an option) may be modified by the exchange or clearing house to reflect changes in the underlying interest.
4	Suspension or restriction of trading and pricing relationships	Market conditions (e.g. illiquidity) and/or the operation of the rules of certain markets (e.g. the suspension of trading in any contract or contract month because of price limits or "circuit breakers") may increase the risk of loss by making it difficult or impossible to effect transactions or liquidate/offset positions. If you have sold options, this may increase the risk of loss. Further, normal pricing relationships between the underlying interest and the futures, and the underlying interest and the option may not exist. This can occur when, for example, the futures

		contract underlying the option is subject to price limits while the option is not. The absence of an underlying reference price may make it difficult to judge "fair value".
5	Deposited cash and property	You should familiarize yourself with the protections given to money or other property you deposit for domestic and foreign transactions, particularly in the event of a firm insolvency or bankruptcy. The extent to which you may recover your money or property may be governed by specific legislation or local rules. In some jurisdictions, property which had been specifically identifiable as your own will be pro-rated in the same manner as cash for purposes of distribution in the event of a shortfall.
6.	Commission and other charges	Before you begin to trade, you should obtain a clear explanation of all commission, fees and other charges for which you will be liable. These charges will affect your net profit (if any) or increase your loss.
7	Transaction in other jurisdictions	Transactions on markets in other jurisdictions, including markets formally linked to a domestic market, may expose you to additional risk. Such markets may be subject to regulation which may offer different or diminished investor protection. Before you trade you should enquire about any rules relevant to your particular transactions. Your local regulatory authority will be unable to compel the enforcement of the rules of regulatory authorities or markets in other jurisdictions where your transactions have been effected. You should ask the firm with which you deal for details about the types of redress available in both your home jurisdiction and other relevant jurisdictions before you start to trade.
8	Currency risks	The profit or loss in transactions in foreign currency-denominated contracts (whether they are traded in your own or another jurisdiction) will be affected by fluctuations in currency rates where there is a need to convert from the currency denomination of the contract to another currency.
9	Trading facilities	Electronic trading facilities are supported by computer-based component systems for the order-routing, execution, matching, registration or clearing of trades. As with all facilities and systems, they are vulnerable to temporary disruption or failure. Your ability to recover certain losses may be subject to limits on liability imposed by the system provider, the market, the clearing house and/or participant firms. Such limits may vary: you should ask the firm with which you deal for details in this respect.
10	Electronic trading	Trading on an electronic trading system may differ from trading on other electronic trading systems. If you undertake transactions on an electronic trading system, you will be exposed to risks associated with the system including the failure of hardware and software. The result of any system failure may be that your order is either not executed according to your instructions or is not executed at all.
11	Off-exchange transactions	In some jurisdictions, and only then in restricted circumstances, firms are permitted to effect off-exchange transactions. The firm with which you deal may be acting as your counterparty to the transaction. It may be difficult or impossible to liquidate an existing position, to assess the value, to determine a fair price or to assess the exposure to risk. For these reasons, these transactions may involve increased risks. Off-exchange transactions may be less regulated or subject to a separate regulatory regime. Before you undertake such transactions, you should familiarize yourself with applicable rules and attendant risks.
12.	Risk of client assets received or held outside Hong Kong	Client assets received or held by the licensed or registered person outside Hong Kong are subject to the applicable laws and regulations of the relevant overseas jurisdiction which may be different from the SFO and the rules made thereunder. Consequently, such client assets may not enjoy the same protection as that conferred on client assets received or held in Hong Kong.

3. BOND

Bond is a debt instrument issued for a predetermined period of time with the purpose of raising capital by borrowing. A bond generally involves a promise to repay the principal and interest on specified dates. This kind of debt instrument may also be called as bills or notes and these names are used interchangeably in the market.

CHARACTERISTICS

1	Issuer	The party who borrows the money. The bonds are classified by the nature of their issuers, for example, corporate bonds (by listed companies or their subsidiaries), government bonds (by governors or government authorities), and supranational bond (by supranational organization, for example, the World Bank).
2	Principal	This is amount repaid to bondholder when bond matures; it is also called par value or face value.
3	Coupon rate	The rate which issuer pays interest on the principal to bondholder in regular intervals, e.g. annually, semi-annually, quarterly. The coupon rate can be fixed where the rate will not change over the term of the bond. The rate can be floating which will adjust periodically according to the predetermined benchmark, e.g. HIBOR. The coupon rate can also be zero, e.g. zero-coupon bond sold at low price than principal but will be repaid in principal upon maturity.
4	Term	This is the tenor of the bond which issuer has promised to meet its obligations under the bond.
5	Special feature	"Callable" bond grants the issuer the right to replay the bond before matures. "Puttable" bond gives bondholder the right to sell bond back to issuer. "Convertible" bond gives you the right to convert bond into a specified number of unissued shares of the issuer or a related company. "Exchangeable" bond allows bondholder to exchange the bond for the shares of any organization which are already in issue and held by the issuer or a related company.
6	Guarantor	Some bonds are guaranteed by a third party called guarantor. In case of defaults of issuer, the

		guarantor agrees to repay the principal and/or interest to bondholder.

RISK DISCLOSURE

1	Default risk	This is a risk that issuer may fail to pay bondholder the interest or principal as scheduled.
2.	Interest rate risk	The price of a fixed rate bond will drop when the interest rate rises. If the bond to be sold before matures, the bond price may be less than the purchase price.
3	Exchange rate risk	Exchange rate risk exists if the bond is dominated in foreign currency.
4	Liquidity risk	In case of emergency to sell bond before maturity, there is a risk of low liquidity of the secondary bond market.
5	Equity risk	If the bond is "convertible" and "exchangeable", equity risk associated with the stock will be existed.

4. WARRANTS

Warrants are an instrument which gives investors the right - but not the obligation - to buy or sell the Warrants' underlying asset at a pre-set price on or before a specified date. There are two main types of warrants, namely, subscription warrants and derivative warrants.

5. SUBSCRIPTION WARRANTS

Subscription warrants are issued by a listed company and give holders the rights to buy the underlying shares of such company. They are either attached to new shares sold in initial public offerings, or distributed together with declared dividends, bonus shares or rights issues. Subscription warrants are valid between 1 and 5 years. Upon exercise, the underlying company will issue new shares and deliver them to the warrant holders.

6. DERIVATIVE WARRANTS

Derivative warrants are issued by financial institutions. Unlike subscription warrants which must be call warrants, derivative warrants can be call or put warrants. Most of the derivative warrants in the market have a shorter life, ranging from 6 months to 2 years normally, although the current Listing Rules allow a maximum life of 5 years.

Derivative warrants can be linked with a single stock, a basket of stocks, an index, a currency, a commodity or a futures contract (e.g. oil futures). They can be settled by cash or physical delivery, which must be specified by the issuers at launch. However, basket 1, index warrants and warrants on stocks listed overseas are settled by cash only.

In exercising a call derivative warrant on a single stock with physical settlement, the issuer will deliver the underlying shares to the warrant holder. This does not involve the issuance of new shares by the underlying listed company as in the case of subscription warrants.

Furthermore, every derivative warrant has a designated liquidity provider to help improve the liquidity of the instrument in the market. Such a requirement does not apply to subscription warrants.

CHARACTERISTICS

1	Issuer	A warrant can be issued by a listed company (i.e. subscription warrant) or a third party such as a financial institution (i.e. derivative warrant).
2	Underlying asset	It can be a single stock, a basket of stocks, an index, a currency, a commodity, a futures contract (e.g. oil futures) etc.
3	Types of rights	Don't mix up a call warrant with a put warrant. A call warrant gives you the right to buy whereas a put warrant gives you the right to sell the underlying asset.
4	Exercise price	The price at which you buy or sell the underlying asset in exercising a warrant.
5	Conversion ratio	This refers to the number of units of the underlying asset exchanged when exercising a unit of a warrant. Normally, in Hong Kong a derivative warrant on shares has the ratio of 1 (i.e. one warrant for one share) or 10 (i.e.10 warrants for one share).
6	Expiry date	The date on which a warrant will expire and become worthless if the warrant is not exercised.
7	Exercise style	With an American warrant, you can exercise to buy/sell the underlying asset on or before the expiry date. Whereas a European warrant allows exercise on the expiry date only.
8	Settlement	A warrant can be settled by cash or physical delivery upon exercise.

TRADING ARRANGEMENT

Derivative warrants are traded on The Stock Exchange of Hong Kong Limited during trading hours in board lot multiples settled on T+2 (T being the transaction day).

RISK DISCLOSURE

Derivative warrant trading involves high risks and is not suitable for every investor. Investor should understand and consider the following risks before trading in derivative warrants.

1	Issuer risk	Derivative warrant holders are unsecured creditors of the issuer and they have no preferential claim to any assets an issuer may hold.
2	Gearing risk	Although derivative warrants often cost less than the price of the underlying assets, a derivative warrant may change in value to a much greater extent than the underlying assets. Although potential return on derivative warrants may be higher than that on the underlying assets, it should be noted that in the worst case the value of derivative warrants may fall to zero and holders may lose their entire investment amount.
3	Limited life	Unlike stocks, derivative warrants have an expiry date and therefore a limited life. Unless the derivative warrants are in-the-money, they become worthless at expiration.

4	Time decay	So long as other factors remain unchanged, the value of derivative warrants will decrease over time. Therefore, derivative warrants should never be viewed as products that are bought and held as long term investments.
5	Market forces	In addition to the basic factors that determine the theoretical price of a derivative warrant, derivative warrant prices are also affected by the demand for and supply of the derivative warrants. This is particularly the case when a derivative warrant issue is almost sold out and when there are further issues of an existing derivative warrant.
6	Turnover	High turnover should not be regarded as an indication that a derivative warrant's price will go up. The price of a derivative warrant is affected by a number of factors in addition to market forces, such as the price of the underlying assets and its volatility, the time remaining to expiry, interest rates and the expected dividend on the underlying assets.
7	Volatility	Other factors being equal an increase in the volatility of the underlying asset should lead to a higher warrant price and a decrease in volatility lead to a lower derivative warrant price.

7. CALLABLE BULL/BEAR CONTRACTS (CBBC)

CBBC track the performance of an underlying asset without requiring investors to pay the full price required to own the actual asset. They are issued either as Bull or Bear contracts with a fixed expiry date, allowing investors to take bullish or bearish positions on the underlying asset. CBBC are issued by a third party, usually an investment bank, independent of The Stock Exchange of Hong Kong Limited and of the underlying asset.

CBBC are issued with the condition that during their lifespan they will be called by the issuers when the price of the underlying asset reaches a level (known as the "Call Price") specified in the listing document. If the Call Price is reached before expiry, the CBBC will expire early and the trading of that CBBC will be terminated immediately. The specified expiry date from the listing document will no longer be valid.

CBBC may be issued with a lifespan of three months to five years and are settled in cash only.

CHARACTERISTICS

1	Price movement of CBBC tends to track the price of underlying asset closely	The price changes of CBBC tend to follow the price change of the underlying asset (i.e. delta close to one). Thus, if their underlying asset increases in value, a Bull CBBC with entitlement ratio of 1 to 1 generally increases in value approximately the same amount whereas a Bear CBBC with entitlement ratio of 1 to 1 generally decreases in value by approximately the same amount. However, when the underlying asset of a CBBC is trading at a price close to its Call Price, the change in the value of CBBC may be more volatile and disproportionate with the change in the value of the underlying asset.
2	Call Price and a Mandatory Call Feature	For Bull contracts, the Call Price must be equal to or above the Strike Price. For Bear contracts, the Call Price must be equal to or below the Strike Price. If the underlying asset's price reaches the Call Price at any time prior to expiry, the CBBC will expire early. The issuer must call the CBBC and trading of the CBBC will be terminated immediately. Such an event is referred to as a Mandatory Call Event ("MCE").
3	Valuation at expiry	CBBC can be held until maturity (if not called before expiry) or sold on The Stock Exchange of Hong Kong Limited before expiry. In the case of a Bull contract, the cash settlement amount at normal expiry will be the positive amount of the settlement price of the underlying asset as determined on the valuation day less the Strike Price. In the case of a Bear contract, the cash settlement amount at normal expiry will be the positive amount of the Strike Price less the settlement price of the underlying asset on valuation day. There will be no cash settlement if the amounts calculated under (a) and (b) are negative.

RISK DISCLOSURE

1	Mandatory call	A CBBC will be called by the issuer when the price of the underlying asset hits the Call Price and that CBBC will expire early. Payoff for Category N CBBC will be zero when they expire early. When Category R CBBC expire early the holder may receive a small amount of Residual Value payment, but there may be no Residual Value payment in adverse situations. Once the CBBC is called, even though the underlying asset may bounce back in the right direction, the CBBC which has been called will not be revived and investors will not be able to profit from the bounce-back.
2	Gearing effects	Since a CBBC is a leveraged product, the percentage change in the price of a CBBC is greater compared with that of the underlying asset. Investors may suffer higher losses in percentage terms if they expect the price of the underlying asset to move one way but it moves in the opposite direction.
3	Limited life	A CBBC has a limited lifespan of three months to five years. The life of a CBBC may be shorter if called before the fixed expiry date. The price of a CBBC fluctuates with the changes in the price of the underlying asset from time to time and may become worthless after expiry and in certain cases, even before the normal expiry if the CBBC has been called early.
4	Liquidity	Although CBBC have liquidity providers, there is no guarantee that investors will be able to buy/sell CBBC at their target prices any time they wish.
5	Funding Costs	The issue price of a CBBC includes funding costs charged upfront for the entire period from launch to normal expiry. When a CBBC is called, the CBBC holders (investors) will lose the funding cost for the remaining period even though the actual period of funding for the CBBC turns out to be shorter. Further, the funding costs of a CBBC after launch may vary during its life.
6	Movement with underlying	Although the price changes of a CBBC tends to follow closely the price changes of its

	asset	underlying asset, in some situations it may not (i.e. delta may not always be close to one). Prices of CBBC are affected by a number of factors, including its own demand and supply, funding costs and time to expiry.
7	Trading of CBBC close to Call Price	When the underlying asset is trading close to the Call Price, the price of a CBBC may be more volatile with wider spreads and uncertain liquidity. CBBC may be called at any time and trading will terminate as a result. However, the trade inputted by the investor may still be executed and confirmed by the investors after the MCE since there may be some time lapse between the MCE time and suspension of the CBBC trading. Any trades executed after the MCE will not be recognized and cancelled.
8	Overseas underlying assets	CBBC issued on overseas underlying assets may be called outside the Exchange's trading hours. Besides, Investors trading CBBC with overseas underlying assets are exposed to an exchange rate risk as the price and cash settlement amount of the CBBC are converted from a foreign currency into Hong Kong dollars.

8. EXCHANGE TRADED FUND

An index tracking exchange traded fund (ETF) is traded on an exchange. Its principal objective is to track, replicate or correspond to the performance of an underlying index. The index can be on a stock market, a specific segment of a stock market or a group of stock markets in a region or elsewhere in the world. It can also be on bonds or commodities.

Synthetic ETF is a kind of ETF, which fund managers adopt synthetic replication through investing in financial derivative instruments, such as swaps and performance-linked notes, to replicate the index performance.

CHARACTERISTICS

1	Exchange trading	An ETF is structured as a mutual fund or a unit trust but its units, like a stock, are also tradable on The Stock Exchange of Hong Kong.
2.	Index tracking	Synthetic replication is sometimes used by an ETF to raise efficiency and reduce cost. It is also applicable when an ETF tracks a market (or an index in a market) that has restricted access, and then it has no other choice but to adopt synthetic replication through the use of financial derivative instruments.
3	Net Asset Value (NAV)	Each ETF has an NAV that is calculated with reference to the market value of the investments held by it. The trading price of an ETF may not therefore be equal to its NAV, and this disparity may give rise to arbitraging opportunities.
4	Dividend entitlement	An ETF may or may not distribute dividends, depending on its dividend policy.
5	Fees and charges	An ETF incurs certain fees and expenses such as management fees charged by the ETF manager and other administrative costs. Like stocks, trading ETFs on the SEHK incurs transaction costs such as stamp duty, transaction levy and brokerage commission.
6	Regulated fund	Like other authorised funds, an ETF has to comply with the relevant regulatory requirements imposed by the SFC. However, SFC authorisation does not imply recommendation of the product.

RISK DISCLOSURE

1	Market risks	An ETF is exposed to the economic, political, currency, legal and other risks of a specific sector or market related to the index and the market that it is tracking.
2	Credit/Counterparty risk	Investors in an ETF that uses synthetic replication are also exposed to the credit risk of the counterparty that provides the fund with indirect access to the market or index. If the fund buys a structured note that replicates the index performance, it is subject to the credit risk of the note issuer. Due to restricted market access and limited investment quotas, some ETFs using synthetic replication have limited scope to diversify their counterparty exposure and have to rely on buying structured notes from just one or a few counterparties. Some ETFs adopting synthetic replication by buying structured notes use collateral and/or their own securities portfolio to reduce their exposure to the note counterparties. However, investors should also take notice of counterparty risk for collateral security that falls outside the scope.
3	Tracking error	The disparity between the performance of an ETF and performance of its underlying index. Tracking error may arise due to various factors. These include failure of the ETF's tracking strategy, the impact of fees and expenses, or corporate actions.
4	Trading at discount or premium	Since the trading price of an ETF is also determined by the supply and demand of the market, the ETF may trade at a price higher or lower than its NAV.
5	Liquidity risk	It is not guaranteed that a liquid market exists for an ETF. A higher liquidity risk is involved if an ETF uses financial derivative instruments, which are not actively traded in the secondary market and whose price transparency is not as easily accessible as securities. This may result in a bigger spread. And, they are also susceptible to more price fluctuations and have a higher volatility. Hence, they can be more difficult and costly to unwind early, when the instruments provide access to a restricted market where liquidity is limited.

These risk disclosure statements are intended as a general guide to highlight some basic characteristics and risks of certain types of derivative products. CMSHK does not guarantee its accuracy and accepts no liability for any loss or damage arising from any inaccuracies or omissions. Investors should refer to the relevant listing documents issued by the issuers and consult the brokers or other professional advisers prior to making any investment decision. This document is not an offer to sell or a solicitation for an offer to buy any financial products and/or services and they should not be considered as investment advice.

SCHEDULE III

Part V

RISK DISCLOSURE STATEMENT FOR VIRTUAL ASSETS AND

VIRTUAL ASSET-RELATED PRODUCTS TRADINGS

This brief statement intends to disclose the relevant risks and other significant aspects of trading in virtual assets and virtual asset related products. In light of the risks, you must carefully consider whether the risks set out below, as well as all other applicable risks, are acceptable to you prior to any virtual assets and virtual asset related products tradings given your investment experience, investment objectives, financial resources and other relevant circumstances.

1. Highly Risky in Nature

Virtual assets and virtual asset related products are highly risky in nature, you should exercise caution in relation to these products. When investing in new types of virtual assets or virtual asset related products, or when market participant's engagement is in the more complex transaction strategies, new risks arise.

The risks of the underlying virtual assets (eg, insufficient liquidity, high price volatility and potential market manipulation) may be magnified in trading virtual asset futures contracts by the speculative nature of the underlying virtual assets and the leverage inherent in futures contracts.

2. Uncertainty of Property

A virtual asset or a virtual asset related product may or may not be considered as "property" under the law. Such legal uncertainty may affect the nature and enforceability of your interest in such virtual asset or virtual asset related product, it is also possible that you may face difficulties in verifying the ownership of virtual asset.

3. Lack of Scrutiny by Regulatory Body

The offering documents or product information issued or provided by the issuer have not been subject to scrutiny by any regulatory body. Usual licensing requirement, audit, trade reporting requirement, anti-money laundering rules, market manipulation rules, market integrity principles, etc. as applicable for financial products may not be applicable to virtual asset or virtual asset related products.

4. Lack of Investor Protection

The protection offered by the Investor Compensation Fund does not apply to transactions involving virtual assets (irrespective of the nature of the tokens).

Customer's virtual assets may not enjoy the same protection as that conferred on "client securities" under the SFO and the Securities and Futures (Client Securities) Rules (Chapter 571H).

Customer's money held under relevant virtual asset custodian arrangement may not enjoy the same protection as that conferred on "client money" under the SFO and the Securities and Futures (Client Money) Rules (Chapter 571I).

5. Virtual Assets could Become Worthless

A virtual asset is not legal tender, ie, it is not backed by the government and authorities.

Transactions in virtual assets may be irreversible, and, accordingly, losses due to fraudulent or accidental transactions may not be recoverable.

The value of a virtual asset may be derived from the continued willingness of market participants to exchange fiat currencies for a virtual asset, which means that the value of a particular virtual asset may be completely and permanently lost should the market for that virtual asset disappear. There is no assurance that a person who accepts a virtual asset as payment today will continue to do so in the future.

There is a risk of the loss of virtual asset or virtual asset related product entirely, in particular, if they are held in "hot wallets".

6. Volatility of Price and Lack of Pricing Transparency

The extreme volatility and unpredictability of the price of a virtual asset relative to fiat currencies may result in a total loss of the investment over a short period of time. Customer may suffer a total loss of his investment.

There may be potential price manipulation on trading, lending or other dealing platforms. Hence, virtual asset are more difficult and costly to unwind or they cannot be unwound in a timely manner as expected by the Customer.

For certain virtual assets or virtual asset related products, you may not be able to find a secondary market for sale due to the lack of secondary markets.

Difficulties of valuing the underlying virtual assets also pose significant challenges for investors in reliably valuing virtual asset futures contracts.

7. Counterparty Risk

Although virtual assets are becoming more popular in some parts of the world, the global regulatory landscape remains uneven. The risks associated with investing in virtual assets identified by the SFC back in 2018 continue to apply. For instance, service providers in the virtual asset industry, including custodians, trading platforms and index providers, may be either unregulated, regulated only for anti-money laundering and counter-financing of terrorism (AML/CFT) purposes or subject to light-touch regulation (eg, for payment purposes). Thus, they may not be subject to the same robust regulation as service providers or products in traditional financial markets, which poses additional counterparty risks for investment products with exposure to virtual assets. Furthermore, with no unified approach to their regulation, spot markets for virtual assets are more likely to present investor protection issues, ranging from a lack of pricing transparency to potential market manipulation. For instance, a number of overseas non-derivative products with exposure to virtual assets, such as virtual asset exchange-traded products (VA ETPs), invest directly in virtual assets and may be subject to the aforementioned risks.

8. Regulatory Changes and the Evolution

Legislative and regulatory changes may adversely affect the use, storage, transfer, exchange and value of virtual assets; and the continuing evolution of virtual assets may also be affected by global regulatory development.

9. Time Gap

Some virtual asset transactions may be deemed to be executed only when they are recorded and confirmed by an SFC-licensed platform, which may not necessarily be the time at which the transaction is initiated.

10. Risk of Hacking and Theft

The nature of virtual assets exposes investors to an increased risk of fraud or cyberattack. In the event of hacking or fraud, Customer may suffer substantial losses without recourse and also have practical difficulties in recovering your assets from or pursuing claims against platforms located overseas.

11. Technological Difficulties

The nature of virtual assets means that technological difficulties experienced by an SFC-licensed platform may prevent Customer from accessing his virtual assets.

SCHEDULE III

Part VI

MISCELLANEOUS RISKS

1. Commission and other Charges

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

2. Transactions in Other Jurisdictions

Transactions on markets in other jurisdictions, including markets formally linked to a domestic market, may expose you to additional risk. Such markets may be subject to regulation which may offer different or diminished investor protection. Before you trade you should enquire about any rules relevant to your particular transactions. Your local regulatory authority will be unable to compel the enforcement of the rules of regulatory authorities or markets in other jurisdictions where your transactions have been effected. You should seek professional advice applicable to the local jurisdiction before you start to trade.

3. Currency Risk

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

4. Market Risk

Market risk, or systematic risk, stems from the economic, geographical, political, social or other factors of the relevant market, and is affected by variables that are related to the entire market. For example, if one invests in a financial product listed in Hong Kong, this investment will be subject to the systematic risk related to the entire Hong Kong market. When any event affects the systematic risk of the market, all financial products will be impacted either in the form of a rise or fall in the prices. This will apply whether investors hold one single financial product or a diversified portfolio of financial products in that market. As long as they keep their holdings, they cannot avoid being exposed to the systematic risk of the market. You should be aware that market risk cannot be eliminated, no matter how they diversify their holdings. You should seek professional advice as you think appropriate or necessary to manage (but not eliminate) market risk, and you should be careful about investing too much into a single market.

5. Off-exchange Transactions

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

6. Risk of Providing an Authority to Hold Mail or to direct mail to third parties

If you provide CMSHK with an authority to hold mail or direct mail to third parties, it is important for you to promptly collect in person all confirmations, contract notes and statements of your account and review them in detail to ensure that any anomalies or mistakes can be detected in timely fashion.

7. Trading Facilities

Electronic trading facilities are supported by computer-based component systems for the order-routing, execution, matching, registration or clearing of trades. As with all facilities and systems, they are vulnerable to temporary disruption or failure. Your ability to recover certain losses may be subject to limits on liability imposed by the system provider, the market, the clearing house and/or participant firms. Such limits may vary: you should ask us for details in this respect.

You have the option to opt out from “trade execution” notifications. By opting out, there are risks, including the lack of notification of whether trades have been successfully executed or if there are unusual trades or mistakes, there may be a delay in your discovery of such issues if such notifications are not sent through.

8. Risk of Client Assets Received or Held outside Hong Kong

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

9. Emerging Markets Risk

Special risks may be associated with transactions and investment in financial products of or related to issuers and counterparties established under the laws of, based or principally engaged in, business in emerging markets countries ("**Emerging Markets Products**"). Emerging markets countries include all countries where financial markets are less well developed than in the countries such as those of the Organisation for Economic Cooperation and Development (the "**OECD**").

The risks associated with Emerging Markets Products may arise because, among other things, there are political and economic uncertainties that are greater than in OECD countries. Additionally, some of the emerging markets countries do not have fully developed or clear legal, judicial, regulatory or settlement infrastructures, and the accounting standards may differ markedly. The markets may be far less liquid or transparent than in OECD countries. There may be other specials risks and the foregoing is not intended to be a thorough and exhaustive description of all possible risks.

Transactions in Emerging Markets Products should be made only by investors with sufficient ability to appreciate the special risks, and the resources to bear any losses that may be incurred in such markets. Before making any investment in an Emerging Markets Product, you should independently satisfy yourself that you (and, if applicable, your customer) understand and appreciate the significance of the

relevant risks, and that such an investment is appropriate and suitable for you (or, if applicable, your customer) in light of your or their objectives, experience, financial and operational resources and other relevant circumstances. You should also ensure that you (and, if applicable, your customer) fully understand the nature of the transaction, the contractual relationship into which you or they are entering and the nature and extent of your or their exposure to risk of loss.

The following disclaimer is furnished to you, the Customer, pursuant to Regulation (024) of the Regulations for Trading Stock Index Options and you, the Customer, are requested to note the contents of the same.

10. Disclaimer in Relation to Trading of Stock Index Options Contracts

Hang Seng Indexes Company Limited ("**HSIL**") currently publishes, compiles and computes a number of stock indexes and may publish, compile and compute such additional stock indexes at the request of Hang Seng Data Services Limited ("**HSDS**") from time to time (for the purpose of this paragraph 10 only, collectively, the "**Hang Seng Indexes**"). The marks, names and processes of compilation and computation of the respective Hang Seng Indexes are the exclusive property of and proprietary to HSDS. HSIL has granted to the Exchange by way of licence the use of the Hang Seng Indexes solely for the purposes of and in connection with the creation, marketing and trading of option contracts based on any of the Hang Seng Indexes respectively (collectively, the "**Option Contracts**"). The process and basis of compilation and computation of any of the Hang Seng Indexes and any of the related formula or formulae, constituent stocks and factors may at any time be changed or altered by HSIL without notice and the Exchange may at any time require that trading in and settlement of such of the Option Contracts as the Exchange may designate be conducted by reference to an alternative index or alternative indexes to be calculated. Neither the Exchange nor HSDS nor HSIL warrants or represents or guarantees to any participant or any third party the accuracy or completeness of the Hang Seng Indexes or any of them and the compilation and computation thereof or any information related thereto and no such warranty or representation or guarantee of any kind whatsoever relating to the Hang Seng Indexes or any of them is given or may be implied. Further, no responsibility or liability whatsoever is accepted by the Exchange, HSDS or HSIL in respect of the use of the Hang Seng Indexes or any of them for the purposes of and in connection with the Option Contracts or any of them and/or dealings therein, or for any inaccuracies, omissions, mistakes, errors, delays, interruptions, suspension, changes or failures (including but not limited to those resulting from negligence) of HSIL in the compilation and computation of the Hang Seng Indexes or any of them or for any economic or other losses which may be directly or indirectly sustained as a result thereof by any participant or any third party dealing with the Option Contracts or any of them. No claims, actions or legal proceedings may be brought by any participant or any third party against the Exchange and/or HSDS and/or HSIL in connection with or arising out of matters referred to in this disclaimer. Any participant or any third party deals in the Option Contracts or any of them in full knowledge of this disclaimer and can place no reliance whatsoever on the Exchange, HSDS and/or HSIL. For the avoidance of doubt, this disclaimer does not create any contractual or quasicontractual relationship between any participant or third party and HSIL and/or HSDS and must not be construed to have created such relationship.

11. Disclaimers in Relation to Information and Documents Provided by Third Parties

CMSHK and its employees shall have no responsibilities or liabilities for the completeness, accuracy and validity of the contents of any documents or instructions relating to securities issued or provided by third party(ies) to CMSHK. Customers shall conduct their own independent assessment and research on the contents of those documents or instruments. The prices for securities are provided by the relevant exchange and other information provider(s) as selected by CMSHK. CMSHK and the relevant exchange and/or the other information provider(s) do not guarantee the accuracy and reliability of such information and shall not be responsible for any losses suffered by the customers as a result of inaccuracy and incompleteness of the information.

SCHEDULE III

Part VII

RISK DISCLOSURE STATEMENT FOR ELECTRONIC TRADING

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

Due to unpredictable suspension or traffic congestion in communication and other reasons, Electronic Service may not be reliable and transactions conducted via Electronic Service are subject to delays in transmission and receipt of the Customer's Instructions or other information, delays in execution or execution of its Instructions at prices different from those prevailing at the time its Instructions were given, transmission interruption or blackout. There are also the risks of hacking, misunderstanding or errors in communication, and it may not be possible to cancel an Instruction after it has been given.

SCHEDULE IV

NOTICE FROM CHINA MERCHANTS SECURITIES (HK) CO., LTD. RELATING TO THE PERSONAL DATA (PRIVACY) ORDINANCE (CHAPTER 486 OF THE LAWS OF HONG KONG) ("PDPO")

It is the corporate policy of China Merchants Securities (HK) Co., Limited. ("**CMSHK**") to respect and safeguard the privacy of an individual's personal data. This notice stipulates clearly CMSHK's purposes of person data collection, the important controls employed by CMSHK for protection of personal data, the classes of persons CMSHK can transfer personal data to, and the data access and correction rights of individuals providing personal data to CMSHK.

1 Supply of Data

(a) From time to time, it may be necessary for an individual or other parties relating to that individual (e.g. a company of which the individual is a director) to provide CMSHK with personal data (including but not limited to name, address, particulars of identification document, employer, income, assets, investment risk profile) in connection with or for the purpose of opening or continuation of any account with CMSHK by or CMSHK's provision or continuation of service (including but without limitation to securities brokerage, nominee and custodian service) or credit facilities to such individual (whether solely or jointly with any other party) or any other party or compliance with any legal and/or regulatory requirements. Failure to supply such data may result in CMSHK being unable to open or continue the account for or provide or continue the service or credit facilities to the said individual and/or other relevant party(ies) or comply with legal and/or regulatory requirements.

(b) It is also the case that data are collected from CMSHK's customers ("**Customers**") in the ordinary course of the continuation of the business relationship between Customers and CMSHK.

(c) By providing the data or agreeing to have such data provided to CMSHK, the Customers agree that they give full consent and waiver of liabilities to CMSHK to collect and use the data for the purposes set out in this Schedule.

(d) If they are supplying details of other persons, they represent and warrant that they have full authority and consent to provide such details to CMSHK for CMSHK's purposes and uses as set out in this Schedule.

2 Purposes

The purposes for which data relating to an individual may be used are as follows:

(a) the daily operation of the services and facilities provided to Customers and otherwise of CMSHK's business, e.g. considering account opening application, investment risk profile assessment, execution of Customers' instructions, ongoing account administration, including collection of amounts due, enforcement of security andguarantee;

(b) carrying out new or existing client identity verification;

(c) conducting credit checks (including without limitation upon an application for credit facilities and upon periodic or special reviews of the credit);

(d) assisting other financial institutions, securities houses, agents or service providers of CMSHK (whether or not a member of the group of companies to which CMSHK belongs (the "**Group**")) to carry out new or existing client due diligence checking and identity verification, conduct credit checks and collect debts;

(e) allowing the Group including its parent company, China Merchants Securities Co., Ltd. to receive and use the data for risk analysis and to fulfill the northbound investor ID regime requirement under the northbound trading under Mainland-Hong Kong Stock Connect;

(f) ensuring ongoing credit worthiness of Customers, guarantors and security providers;

(g) designing financial services or related products for Customers' use;

(h) marketing services, products and other subjects as described in paragraph 4 below;

(i) determining the amount of indebtedness owed to or by Customers;

(j) collection of amounts outstanding from Customers and those providing security or guarantee for Customers' obligations;

(k) transferring such data to any place outside Hong Kong for the purpose of certain process or work involved in the provision of services to Customers, including, without limitation, the outsourcing to an overseas service provider of certain functions or work process in connection with the provision of services to Customers and client due diligence and identity verification;

(l) matching and comparison of individuals' data (irrespective of the sources from which such data was collected, and whether collected by CMSHK or any other person or governmental authority (including public security bureau or its agent or service provider) in Hong Kong or other jurisdictions) for the purposes of:

(i) credit checking;

(ii) data verification; and/or

(iii) otherwise producing or verifying data which may be used for the purpose of taking adverse action against the individuals or any other person as permitted by applicable laws, rules and regulations;

(m) complying with the obligations, regulations or arrangements for disclosing and using data that apply to CMSHK or the Group or other service providers or brokers that it is expected to comply with, whether such obligations, regulations or arrangement is directly relating to CMSHK or applicable to the Group, other service providers or brokers, according to:

(i) any law binding or applying to it within or outside Hong Kong existing currently and in the future (e.g. the Inland Revenue Ordinance and its provisions including those concerning automatic exchange of financial account information or the Foreign Account Tax Compliance Act (FATCA) of the United States);

(ii) any guidelines or guidance given or issued by any legal, regulatory, governmental, tax, law enforcement or other authorities, or self-regulatory or industry bodies or associations of financial services providers within or outside Hong Kong existing currently and in the future (e.g. guidelines or guidance given or issued by the Inland Revenue

Department including those concerning automatic exchange of financial account information or any guideline or guidance concerning the Foreign Account Tax Compliance Act (FATCA) of the United States); and/or

(iii) any present or future contractual or other commitment with local or foreign legal, regulatory, governmental, tax, law enforcement or other authorities, or self-regulatory or industry bodies or associations of financial services providers that is assumed by or imposed on CMSHK or the Group or other service providers or brokers by reason of its financial, commercial, business or other interests or activities in or related to the jurisdiction of the relevant local or foreign legal, regulatory, governmental, tax, law enforcement or other authority, or self-regulatory or industry bodies or associations;

(n) complying with any obligations, requirements, policies, procedures, measures or arrangements for sharing data and information within the Group and/or any other use of data and information in accordance with any group-wide programmes for compliance with sanctions or prevention or detection of money laundering, terrorist financing or other unlawful activities;

(o) purpose in connection with the business or dealings of CMSHK and the Group, e.g. enabling an actual or proposed assignee of CMSHK in respect of a transaction or an actual or proposed purchaser of shares in CMSHK or CMSHK's business or an actual or proposed participant or sub-participant or transferee of CMSHK's rights in respect of any Customers to evaluate the assignment, acquisition or transaction concerned and purpose in connection with corporate restructuring of the Group;

(p) preventing, detecting and investigating crime, including but not limited to fraud and any form of financial crime, and analyzing and managing other commercial risks; and

(q) purposes relating or ancillary to any of (a) to (p) above.

3 Transfer of Data

Personal data held by CMSHK (whether or not provided by the individual to whom such personal data relates) will be kept confidential but CMSHK may provide such data to the following parties (whether within or outside Hong Kong) for the purposes set out in paragraph (2) in this Notice:

(a) any agent, contractor or third party service provider, professional adviser, auditor (whether or not in Hong Kong) which provides administrative, credit information, client due diligence and identity verification, telecommunications, computer, payment, securities clearing, printing, legal, audit or other services to CMSHK in connection with the operation of its business;

(b) credit reference agencies, and, in the event of default, debt collection agencies;

(c) any financial institution with which the Customer has or proposes to have dealings with;

(d) any party (including but without limitation to any governmental, regulatory, supervisory or other bodies or institutions or exchange or clearing house) to which CMSHK is required, advised or asked to provide to pursuant to any legal and/or regulatory requirement and/or order of any court, regulatory, supervisory, governmental or other body or exchange or clearing house under an obligation to make disclosure*;*

(e) any actual or proposed assignee of CMSHK, purchaser of shares in CMSHK or its business and participant or sub-participant or transferee of CMSHK's rights in respect of any Customer;

(f) other Group members (whether in Hong Kong or otherwise);

(g) any director, officer or employee of the Group;

(h) any financial institutions with which CMSHK has or propose to have dealings;

(i) financiers and potential financiers of the Group;

(j) business partners of CMSHK;

(k) any other party under a duty of confidentiality to CMSHK;

(l) any party giving or proposing to give a guarantee or third-party security to guarantee or secure the data subject's obligations;

(m) the parties listed in paragraph 4.4;

(n) external service providers (including but not limited to mailing houses, telecommunications companies, telemarketing and direct sales agents, call centres, data processing companies and information technology companies) that CMSHK engages for the purposes set out in paragraph (2)(g);

(o) any party with the Customer's express or implied consent;

(p) any party where CMSHK's interests require disclosure; and

(q) any person where the public interest requires disclosure.

For the avoidance of doubt, the Customer agrees that data may be transferred to a place outside Hong Kong.

4 Use of Personal Data in Direct Marketing

4.1 CMSHK intends to use the personal data it holds in direct marketing.

4.2 The name, contact details, products and other service portfolio information, transaction pattern and behaviour, financial background and demographic data of the Customers and other individuals held by CMSHK may from time to time be used by CMSHK in direct marketing.

4.3 In connection with paragraph 4.2 above, the following classes of services, products and subjects may be marketed:

(a) financial, securities, commodities, investment, banking and related services and products;

(b) reward, loyalty, privileges or co-branding programmes and related services and products;

(c) services and products offered by CMSHK's co-branding partners (the names of such co-branding partners will be

provided during the application for the relevant services and products, as the case may be); and

(d) donations and contributions for charitable and/or non-profit making purposes.

4.4 The above services, products and subjects may be provided by or (in the case of donations and contributions) solicited by CMSHK and/or:

(a) other Group members;

(b) third party financial institutions, insurers, credit card companies, securities and investment services providers;

(c) third party reward, loyalty, privileges or co-branding programme providers;

(d) co-branding partners of CMSHK and the Group members (the names of such co-branding partners will be provided during the application for the relevant services and products, as the case may be); and

(e) charitable or non-profit making organisations.

4.5 In addition to marketing the above services, products and subjects itself, CMSHK also intends to provide the personal data described in paragraph 4.2 above to all or any of the persons described in paragraph 4.4 above (in respect of which CMSHK may or may not be remunerated) for use by them in marketing those services, products and subjects, and CMSHK requires the written consent (which includes an indication of no objection) from the Customers and other relevant individuals to whom the personal data relate for that purpose.

4.6 CMSHK may receive money or other property in return for providing the personal data to other persons as mentioned in paragraph 4.5 above and, when requesting consent or no objection from the Customers or individuals in respect of whom CMSHK holds personal data, CMSHK will inform such Customers and individuals if it will receive any money or other property in return for providing the personal data to the other persons.

4.7 If any Customer or any other individual does not wish CMSHK to use or provide his/or her personal data to other persons for use in direct marketing as described above, the Customer or such other individual may exercise his/her opt-out right by notifying CMSHK in writing by using the contact information set out in paragraph 5.3 below and CMSHK will cease to use an individual's personal data for direct marketing purposes without charge if such individual so requests**.**

5 Rights of Access and Correction

5.1 Under and in accordance with the terms of the PDPO, any individual has the right:

(a) to check whether CMSHK holds personal data about him/her and of access to such data;

(b) to require CMSHK to correct any personal data relating to him which is inaccurate;

(c) to ascertain CMSHK's policies and practices in relation to personal data and to be informed of the kind of personal data held by CMSHK.

5.2 If an individual is in a member state of the European Union ("**EU**"), subject to certain limitations and/or restrictions, the General Data Protection Regulation may be applicable to the individual and the individual has the right under the General Data Protection Regulation to:

(a) request access to and rectification or erasure of his/her personal data;

(b) obtain restriction of processing or to object to processing of his/her personal data;

(c) the right to data portability;

(d) withdraw the consents that he/she has given for the processing of his/her personal data in certain circumstances; and

(e) lodge a complaint about the processing of his/her personal data with his/her local data protection authority.

5.3 In accordance with the provisions of the PDPO, CMSHK has the right to charge a reasonable fee for the processing of any data access request.

5.4 The person to whom requests for access to personal data or correction of personal data or for information regarding policies and practices and kinds of personal data held by CMSHK are to be addressed as follows:

The Data Protection Officer
China Merchants Securities (HK) Co., Ltd.
32/F., One Exchange Square
Central
Hong Kong

6 Others

6.1 Customers agree that CMSHK may from time to time transfer Customers' personal data outside Hong Kong for any of the purposes stated in this Notice. Furthermore, personal data may be transferred to countries located outside the EU which do not provide a similar level of protection to that provided by countries in the EU. CMSHK will take reasonably necessary steps to ensure that personal data are treated with adequate level of protection and in accordance with this Notice.

6.2 Where Customers provide personal data of other individuals to CMSHK, Customers undertake and represent that Customers have notified and obtained necessary consents from such individuals for the collection, use and processing of such individuals' personal data by CMSHK in accordance with this Notice, and in so notifying and obtaining the necessary consents from such individuals, Customers shall fully comply with all applicable personal data protection laws of relevant jurisdictions including but not limited to the PDPO. Customers agree to provide CMSHK with evidence of such consents promptly as and when requested by CMSHK.

6.3 There may be instances where data subjects elect to provide personal information to CMSHK through electronic means (such as Internet or voice recording system). Whilst CMSHK generally uses best endeavours to maintain the security and integrity of its systems, due to many unpredictable traffic or other reasons, electronic communication may not be a reliable medium of communication. Customers should take heed of such weaknesses and communicate personal information through electronic devices with caution.

6.4 CMSHK retains personal data for only so long as it is necessary for the fulfillment of the purposes for which the data are used as stated in this Notice or longer if required by any legal or regulatory requirement or as is otherwise necessary.

6.5 Nothing in this Notice shall limit the rights of an individual under the PDPO.

6.6 Other Group members, to which CMSHK may transfer personal data as mentioned in item (e) of paragraph 3 above, may adopt the same or similar principles and policies regarding personal data as set out in this Notice.

6.7 CMSHK agrees to notify Customers or other individuals and the Privacy Commissioner for Personal Data as soon as practicable upon discovery or notification of any data breach, such as the leakage or loss of their personal data, by CMSHK or other parties listed in paragraph 3 above.